



CENTAMIN EGYPT LIMITED
("Centamin" or the "Company")
ACN 007 700 352

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2005

- **Security Permits granted for return to work at Sukari**
- **New 30 year Sukari Mining (Exploitation) Lease of 160km²**
- **Tax exemptions and royalty arrangements unchanged**
- **50,000m Drilling Program commences at Sukari Hill**

▪ **Sukari Project**

Since receiving the Security Permits the Company has moved quickly to mobilise personnel and equipment and we are pleased to report that drilling has now recommenced in the Amun zone (infill) and the Ra zone (step-out). The Company is now embarking on its most aggressive drilling program to date targeting completion of 50,000m by the end of the calendar year.

The Company has previously drilled 322 holes for 66,000m, predominantly in the southern 800m (Amun and Ra zones) of the mapped 2.5km granodiorite porphyry outcrop. The current measured, indicated and inferred resource defined in this area is 2.94M oz. This resource has been calculated independently by Hellman and Schofield to JORC standards.

Geological logging of the diamond drill core indicates that the zones of mineralisation are well defined within the Sukari porphyry. Mineralisation is related to stockworks, brecciation, quartz veining and contact mineralisation, these are traceable along the strike and dip of the Sukari porphyry. The mineralised system has now proven to be continuous from section to section as the drilling has progressed into the Ra zone, with the mineralisation being consistent with the mineralisation logged in the Amun Zone.

In order to appreciate the potential at Sukari it is important to understand that the Amun and Ra zones are the same continuous mineralisation contained within the Sukari outcrop, with the differentiation being made purely for ease of reference rather than being separate structures. As such Sukari has the capacity to host a multi million ounce single pit deposit, with much of the Ra zone yet to be included in the resource calculation and the Gazelle and Pharaoh zones yet to be tested by drilling.

▪ **Bankable Feasibility Study**

At the time activities were interrupted, the company had completed a scoping study and had commenced work on a Bankable Feasibility Study into the development of a 4 to 5 million tonne per annum processing facility, forecast to produce an initial 250,000 oz of gold per annum. As part of this study, two tonnes of metallurgical samples were collected which have now arrived in Perth. The proposed test-work programme is to be focussed on 3 key areas:

- additional comminution analysis for optimal grinding circuit sizing;
- flotation testwork at various grind sizes;
- whole of ore leach at various grind sizes.

Variability tests will also be conducted on a variety of ore types. A significant number of these tests have been carried out previously however more need to be carried out as both potential process flow sheets (flotation and CIL) require optimisation to determine which capital/operating cost profile provides the best economics. This work is scheduled to take up to 9 weeks from sample presentation.

BFS completion is targeted for first quarter 2006.

▪ **Corporate**

As previously announced, agreement was reached with the Egyptian Mineral Resource Authority (EMRA) for a return to work at Sukari. EMRA signed the Security Permits required to re-commence work and the Company is also pleased to advise that a new environment of co-operation now exists between the parties, together with a joint desire to begin to develop the vast mineral wealth of Egypt.

His Excellency Engineer Sameh Fahmy, the Minister for Petroleum and Mineral Resources, stated that “The Egyptian Government looks forward to a long and successful partnership with Centamin and its subsidiary Pharaoh Gold Mines NL. The mineral resource industry in Egypt has a very positive future which to date has not been fully appreciated. I will be fully supportive of the company’s development and exploration activities in order to fast track Egypt’s first modern gold operation. All the problems of the past are behind us and the future is very exciting for the Sukari project.”

The Company has re-commenced operations on a new Mining (Exploitation) Lease covering an area of 160 km² that contains the proposed Sukari mine site and surrounding prospects. This lease is issued under the existing Law 222 of 1994, which was enacted by the Egyptian Government specifically to accommodate the company’s exploration and mining activities in the Eastern Desert.

Law 222 remains unchanged and as such the Company has title for a period of 30 years commencing immediately and which is renewable at the company’s election for a further period of 30 years. All tax and royalty arrangements remain unchanged. It is the Company’s intention to make application for additional lease areas at the appropriate time.

From the Company’s contact with the Ministry, it is apparent that there is a genuine interest to attract mining investment. The Ministry has sought independent advice from international authorities with the intention to enact new mining legislation that will provide for an exploration and mining legislative framework similar to that which is in effect elsewhere in Africa.

All Legal actions and the proceedings before the Centre for Arbitration that were initiated by the Company are now in the process of being withdrawn.

For Centamin Egypt Limited



**Josef El-Raghy
Managing Director
29 April 2005**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin : Appendix 8. Amended 1/7/98, 30/9/2001.

Name of Entity	
Centamin Egypt Limited	
ABN	Quarter ended ("current quarter")
86 007 700 352	31 March 2005

Consolidated statement of cash flows

Centamin Egypt Limited
Pharaoh Gold Mines NL (100%)
Viking Resources Ltd (100%)
North African Resources (100%)

	Current Quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(486)	(1,585)
(b) development	-	(1)
(c) production	-	-
(d) administration	(233)	(465)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	271	791
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(448)	(1,260)
Cash flows related to investing activities		
1.8 Payment for purchases of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(17)	(116)
1.9 Proceeds from sale of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	2	3
1.10 Loans to other entities *(Refer Note 1)	(496)	(1,692)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(511)	(1,805)
1.13 Total operating and investing cash flows (carried forward)	(959)	(3,065)

1.13 Total operating and investment cash flows (brought forward)	(959)	(3,065)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	35	35
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings *(Refer Note 1)	496	1,692
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (provide details if material)	-	-
Net financing cash flows	531	1,727
Net increase (decrease) in cash held	(428)	(1,338)
1.20 Cash at beginning of quarter/year to date	19,899	21,108
1.21 Exchange rate adjustments to item 1.20	(57)	(356)
1.22 Cash at end of quarter	19,414	19,414

*Note 1 - From the March 2004 Quarter onwards, the funding of exploration expenditure by the Holding Company to its subsidiaries will be disclosed as an inter-entity loan under sections 1.10 and 1.16 respectively.

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	199,958
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<p>(a) Mr S El-Raghy, a director, and an employee of Pharaoh Gold Mines NL received salary for the quarter amounting to \$90,333.</p> <p>(b) Mr J El-Raghy, a director and employee of the Company received salary and superannuation for the quarter amounting to \$58,053.</p> <p>(c) Mr S El-Raghy & Mr J El-Raghy are also Directors and Shareholders of El-Raghy Kriewaldt Pty Ltd ("El-Raghy Kriewaldt"). El-Raghy Kriewaldt provides office premises to the Company. All dealings with El-Raghy Kriewaldt are in the ordinary course of business and on normal terms and conditions. Rent paid to El-Raghy Kriewaldt during the current quarter amounted to \$17,335.</p> <p>(d) Directors fees and superannuation paid during the quarter amounted to \$19,875.</p> <p>(e) Services Dr T Elder, a non-executive director provides additional consulting services to the Company. All dealings with Dr T Elder are in the ordinary course of business and on normal terms and conditions. Consulting fees paid to Dr T Elder during the current quarter amounted to \$6,102.</p> <p>(f) Insurance Mr C Cowden, a non-executive director, is also a director and shareholder of Cowden Limited. Cowden Limited provides insurance broking services to the Company. All dealings with Cowden Limited are in the ordinary course of business and on normal terms and conditions. Insurance premiums paid to Cowden Limited during the current quarter amounted to \$8,260.</p>
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary fro an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	30
Total	1,030

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	286	305
5.2 Deposits at call	380	440
5.3 Bank overdraft	-	-
5.4 Term deposits	18,748	19,154
Total: cash at end of quarter (item 1.22)	19,414	19,899

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interest in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	502,060,369	502,060,369		
7.4 Changes during quarter (a) increases through options exercise (b) decreases through returns of capital, buy-backs	150,000	150,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Employee Option Plan 2002</i>		<i>Exercise price</i>	<i>Expiry date</i>
	250,000	Nil	29.00 cents	11/11/2005
	1,010,000	Nil	23.10 cents	12/11/2006
	130,000	Nil	23.10 cents	17/11/2006
	750,000	Nil	35.49 cents	15/12/2006
	775,000	Nil	28.04 cents	04/02/2008
	410,000	Nil	28.04 cents	17/02/2008
7.8 Issued during quarter	775,000 410,000	Nil Nil	28.04 cents 28.04 cents	04/02/2008 17/02/2008
7.9 Exercised during quarter	150,000	150,000	23.10 cents	12/11/2006
7.10 Expired/lapsed during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here: Company Secretary

Date: 29 April 2005

Print name: Heidi Brown

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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