



Centerra Gold Inc – Response on the Kumtor Mine – July 5, 2021

At Centerra Gold, being a responsible miner is at the core of everything we do. From exploration to construction and operations through to mine closure, we act in accordance with good international industry practice, meet regulatory requirements and always strive for continuous improvement. We are committed to protecting the natural environment and minimizing adverse impacts caused by our operations or activities. We provide relevant ESG disclosures on the key issues our stakeholders and groups value most via our public [Transparency Hub](#).

Almost 30 years ago, we partnered with the people of the Kyrgyz Republic to build one of the world's largest gold mines in the mountains of Kyrgyzstan almost 4,000 meters above sea level. For decades, developing a mine in such an inhospitable location was considered simply impossible.

For the entirety of the time when the Kumtor Mine was under our control, sustainable development of the mine and the safety of our employees have been at the core of our operations. Kumtor Gold Company ("KGC"), our wholly owned subsidiary, operated the world-class facility to international environmental, safety and engineering standards. The Kumtor Mine was managed by a highly professional, seasoned management team with proven operating, development and exploration experience and a culture of excellence. At the end of 2020, 99 percent of Kumtor's permanent employees including all of its senior operational managers were Kyrgyz nationals, an increase from 83 percent at the beginning of the operation as a result of training programs and a policy to employ as many local people as possible.

During this time, Centerra Gold invested more than US\$3.4 billion in Kumtor and created substantial economic returns to the Kyrgyz Republic, including well-paying jobs for Kyrgyz citizens and opportunities for local suppliers. Under our management, Kumtor became the largest private employer in the Kyrgyz Republic, its biggest taxpayer and a critical contributor to the Kyrgyz economy. Mine operations at Kumtor contributed 12.5 percent of Kyrgyz Gross Domestic Product in 2020. Between 1994 and 2020, we paid US\$1.4 billion to the Kyrgyz Republic in taxes, customs and other duties and contributed tens of millions of dollars to the development of the Issyk-Kul region where the mine is situated as well as a range of local and national Kyrgyz social, healthcare and community projects.

The Kyrgyz government's recent seizure of the Kumtor Mine is based on false information and groundless allegations that undermine everything we have built. Unfortunately, the government continues to perpetuate falsehoods about our past operation of the mine as part of a premeditated and concerted effort to falsely justify a nationalization of the mine. We believe it is important to share the truth.

First, the government's claims about the mine's environmental record are false. KGC's operations and activities have always adhered to agreements with the Kyrgyz government and applicable laws, and the mine's environmental performance was audited externally multiple times by, among others, the Kyrgyz government's own environmental consultant, AMEC Foster Wheeler, and the European Bank for Reconstruction and Development. The government, including the state agency responsible for the environment, approved our mining plans and permits every year, and KGC operated the mine accordingly. Now that the government has taken control of the mine, it continues to operate it under the same plans.

Second, glacial retreat long predates the development of the Kumtor Mine and is common to glaciers throughout the Kyrgyz Republic as well as alpine glaciers in other areas of the world as a result of climate change. The practice of depositing waste rock on glaciers in the Kumtor area, which prior Kyrgyz governments had approved, was discontinued in 2014 and, since then, we have segregated waste rock and ice to avoid co-disposal.

Third, under our control, KGC regularly analyzed water quality at more than 30 sampling points in the area and never found evidence of contaminants in the drinking water. Additionally, each year we collected and analyzed samples of discharge, surface water, potable water and ground water to observe the efficiency of our treatment processes, discharged water quality and any significant impacts of our mining operation on the environment. The water met the quality levels required by Kyrgyz laws and followed international best practice. KGC was also committed to providing safe drinking water to local communities and established potable water facilities and irrigation programs in the area. Through our efforts, we provided clean water for

more than 40,000 people – the first and only potable water infrastructure projects of this kind in the country. More detailed information is available in our Kumtor Annual Environment and Sustainability Report.

Finally, the safety of our workers has always been our priority. Under our management, KGC operated the Kumtor Mine in a healthy and safe manner, with standards equal to or exceeding local requirements and international best practice. Outside experts also regularly reviewed our safety protocols and procedures. Under our management, the mine recently achieved one year of operations free of any lost time injuries. Shortly before the government took control of the mine, all key safety, monitoring and operational systems were functioning properly. When government authorities confiscated computers and passwords of individual Kumtor employees, Centerra Gold’s global IT systems restricted all user access to preserve the integrity of the organization’s global IT infrastructure. Although central system access has been restricted, mine safety systems, including the individual pit wall and glacier monitoring systems, remained operational.

Earlier this year, Centerra Gold announced plans to invest an additional US\$2 billion to extend the life of the Kumtor Mine for another decade. That is all on hold now because of what has happened. We have repeatedly urged the government to come to the table to address its disputes with us in an open and honest manner. But to date, the authorities have repeatedly refused our attempts to open talks. It is our hope that we can resolve those disputes through negotiation and compromise, as we have in the past.