



KYRGYZ REPUBLIC
OPERATING MINE
41°52' N 78°11' E

Kumtor



OPEN PIT MINE
PRODUCTION
SINCE 1997
100% OWNED

VERY GOOD
LABOUR RELATIONS
SIGNED NEW TWO-
YEAR COLLECTIVE
AGREEMENT

NUMBER OF EMPLOYEES
1,600

95% KYRGYZ
NATIONALS

CURRENT PROVEN
AND PROBABLE
RESERVES OF
3.2 MILLION OUNCES

SUCCESSFUL
DRILLING PROGRAM
EXTENDING MINE LIFE

2004 REVENUES
\$159 MILLION

REALIZED GOLD PRICE
\$393 PER OUNCE

CASH COST
\$202 PER OUNCE

EXCEPTIONAL ASSETS

PROVEN TRACK RECORD

UNIQUE EXPERTISE

VAST POTENTIAL

STRONG POSITION

Kumtor, Kyrgyz Republic

PRODUCING MINE



The Kumtor open pit mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by a Western-based producer.

The Prolific Tien Shan Belt

The deposit occurs in the southern Tien Shan metallogenic belt, a prolific gold district that crosses Central Asia from Uzbekistan in the west through Tajikistan and the Kyrgyz Republic into northwestern China. In total, the belt covers more than 1,500 kilometres. It is host to a number of important gold deposits including the world's second largest, at Muruntau.

The Kyrgyz Republic

The Kyrgyz Republic is a former republic of the Soviet Union with a population of approximately five million people. The country declared its independence in 1991 and became a member of the Commonwealth of Independent States. It is currently a politically-stable constitutional democracy and, since independence, has undertaken substantial economic and political reforms, including widespread regulatory and land reforms. The economy is predominantly agricultural, with two-thirds of the population living in rural areas. The country is landlocked and mountainous.

The Kumtor operation

The operation has successfully met the challenges of mining at high elevation. The mine is located about 350 kilometres southeast of the Kyrgyz Republic capital of Bishkek at about 4,000 metres above sea level. It is accessible from the capital by public highways and secondary roads. Since the start of production in 1997, the facility has maintained continuous operations and in the fourth quarter of 2004, surpassed an important milestone as it produced its five-millionth ounce of gold. This is a well-recognized benchmark of a world-class gold mine.



Kumtor is an exceptional operation in terms of its reserve base, exploration potential and the skill and dedication of its workers. We are very appreciative of the many people and organizations which have supported and contributed to the success of Kumtor.

Andy Lewis, President, Kumtor Operating Company

The Kumtor site includes an open pit mine with waste and ore stockpile areas. The deposit is mined using conventional open pit methods and currently produces about 15,000 tonnes per day of ore. Ore from the mine is processed at the facility's crusher and mill. The mill was originally designed with a capacity of 4.8 million tonnes of ore per year but is currently operating at a rate of 5.5 million tonnes per year. Production from the mill, in the form of gold doré, is then sent to the nearby Karabalta refinery in the Kyrgyz Republic for further processing.

Since acquiring full ownership of Kumtor in June 2004, Centerra has been able to embark on an aggressive multi-year exploration program in and around the pit and in the surrounding Concession Area. Results have been very positive to date and have contributed to the addition of enough reserves to extend the mine life by one year. The Company is confident of the potential to extend the mine life even further.

The Kumtor mine is a major contributor to the Kyrgyz economy and currently employs 1,600 people of whom 95% are Kyrgyz citizens. The mine also generates jobs for over 5,000 people from related activities.

Protection of habitat

The number of snow leopards in the wild has been in decline over recent decades and is currently estimated at only 6,000. This is the result of the loss of its natural habitat and poaching, which has grown dramatically in response to the demand for traditional medicines. Kumtor provides support to the International Snow Leopard Trust to conserve this species through wildlife monitoring, educational programs and support to the local economy to reduce reliance on poaching for income.

Kumtor also supports the Sarychat Irtash National Park Biodiversity Program and a fish restocking program in the Song-Kul and Issyk-Kul Lakes.

2004 results

In 2004, Centerra's share of Kumtor's revenues was \$159 million, net of hedges, from the sale of 632,788 ounces of gold. The mine's cash cost, calculated in accordance with the Gold Institute standard, was \$202 per ounce.

Proven and probable reserves at the end of 2004 totaled 3.2 million ounces of contained gold. At the current planned rate of operations, these reserves should support mining at Kumtor for another six years.

Production and Cost Performance

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Ore mined – (thousands of tonnes) | 5,017 | 5,349 | 8,054 | 6,518 | 5,606 | 5,141 | 4,634 | 3,303 |
| Ore milled – (thousands of tonnes) | 4,023 | 5,254 | 5,298 | 5,498 | 5,470 | 5,611 | 5,631 | 5,654 |
| Average mill head grade – (grams/tonne) | 5.6 | 4.8 | 4.5 | 4.7 | 5.2 | 3.7 | 4.5 | 4.4 |
| Recovery – (%) | 73.3 | 78.5 | 79.4 | 81.5 | 83.1 | 78.1 | 82.6 | 82.1 |
| Gold poured – (thousands of ounces) | 502 | 646 | 610 | 670 | 753 | 529 | 678 | 657 |
| Unit production costs | | | | | | | | |
| Cost per tonne milled – (\$) | 6.55 | 6.39 | 5.47 | 5.33 | 5.65 | 5.16 | 5.13 | 5.41 |
| Total cash cost per ounce – (\$) | 193 | 181 | 179 | 153 | 141 | 216 | 191 | 202 |

Reserves and Resources

| As at December 31, 2004 | Tonnes (thousands) | Grade (grams/tonne) | Contained gold (ounces) |
|--|-----------------------|------------------------|----------------------------|
| Reserves | | | |
| Proven | 20,087 | 3.3 | 2,099 |
| Probable | 10,902 | 3.3 | 1,150 |
| Total reserves | 30,989 | 3.3 | 3,249 |
| Resources | | | |
| Measured | 9,395 | 3.3 | 997 |
| Indicated | 8,195 | 3.5 | 917 |
| Total measured and indicated resources | 17,590 | 3.4 | 1,914 |
| Inferred resources | 9,976 | 4.5 | 1,448 |

Notes:

- 1) The reserves have been estimated based on a gold price of \$375 per ounce.
- 2) Open pit resources occur beneath the current ultimate pit design using a gold price of \$375 per ounce and are contained within a larger, unengineered pit shell. Underground resources occur below the pit shell and are estimated based on a cut-off grade of 5.0 grams per tonne.
- 3) The open pit resources at Kumtor are estimated based on a cut-off grade of 1.3 grams per tonne.
- 4) The reserve and resource estimates were prepared under the supervision of Robert S. Chapman, M. Sc., P. Geo., Centerra's Vice President of Exploration, who is a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects issued by the Canadian Securities Administrators ("NI 43-101").

