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Cautionary Note Regarding Forward-Looking Statements

Information contained in this report, which are not statements of historical facts, and the documents incorporated by reference herein, may be “forward-looking information” for the purposes of Canadian securities laws.

Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. For a detailed discussion of such risks and other factors, see the Company’s 2017 Management’s Discussion and Analysis (MD&A) and the Company’s most recent Annual Information Form which are available on SEDAR at www.sedar.com.

Although Centerra believes that the assumptions inherent in these forward-looking statements are reasonable, the reader should not place undue reliance on these statements. Centerra disclaims any intention or obligation to update or revise any forward-looking statements. Centerra does not undertake, and specifically cautions readers not to place undue reliance on, any obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Non-GAAP Measures

This document contains certain non-GAAP financial measures, including without limitation, all-in sustaining costs per ounce sold on a by-product basis and Capital Expenditures. Non-GAAP measures used in this report are denoted with a “NG”. These financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers, even as compared to other issuers who may be applying the World Gold Council (“WGC”) guidelines, which can be found at http://www.gold.org.

Management believes that the use of these non-GAAP measures will assist analysts, investors and other stakeholders of the Company in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing our operating performance, our ability to generate free cash flow from current operations and to generate free cash flow on an overall Company basis, and for planning and forecasting of future periods. However, the measures do have limitations as analytical tools as they may be influenced by the point in the life cycle of a specific mine and the level of additional exploration or expenditures a company has to make to fully develop its properties. Accordingly, these non-GAAP measures should not be considered in isolation, or as a substitute for, analysis of our results as a result of new information, future events or otherwise, except to the extent required by applicable laws.

About Centerra

Centerra Gold ("Centerra" or the “Company”) is a Canadian-based gold mining company engaged in operating, developing, acquiring and exploring gold properties in North America, Asia and other markets worldwide. The Company operates two flagship assets, the Mount Milligan Mine in British Columbia, Canada and the Kumtor Mine in the Kyrgyz Republic and is the largest Western-based gold producer in Central Asia. In 2017, Centerra Gold produced 785,316 ounces of gold and 53.6 million pounds of copper from its two operations. Centerra’s objectives are to build shareholder value by maximizing the potential of its current properties, deliver profitable growth through the development of its late-stage properties such as Öksüt, Kemsed Underground, Kemess East, Gatsuurt and Greenstone, add additional exploration properties and exploration joint ventures and continue to increase its reserves and resources. Centerra’s shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Ontario, Canada.

This Report

This document is the Centerra Sustainability Report for the 2017 financial year (twelve months ending December 31, 2017). This report is focused on consolidated data from two operating sites, processing facility, care and maintenance sites, and development projects. Financial amounts are reported in US dollars (USD) unless otherwise stated. References herein to “Centerra” or the “Company” refer to the consolidated company unless the context suggests otherwise. Disclosure represents information as of December 31, 2017 or for the entire 2017 year unless otherwise noted.

This report has been prepared in accordance with GRI Standards: Core option. For sector specific disclosures, various indicators set in GRI’s Mining and Metals Sector Supplement (see www.globalreporting.org) has been employed. Centerra reported under GRI Standards in its 2016 Sustainability Report. The 2016 Sustainability Report was based on our 2016 financial year, and was published in September 2017. This report is available on our corporate website www.centerragold.com.

In determining the scope, content, and boundaries of this report, we considered a materiality assessment process described in the Sustainability Management Section of this report. This report may contain forward-looking statements as defined under Canadian securities laws. Please see our “Cautionary Note Regarding Forward-Looking Statements”.

As we continue to further improve our systems and approaches, we welcome your comments and suggestions on how we can further improve our annual environmental and social reporting and practices. You can find contact details on the back cover of this report.
As the leading Western-based gold producer in Central Asia, we have developed considerable expertise in regards to operating responsibly in the region. Centerra has assets which are at different stages in their life cycle.

**2017 CORPORATE HIGHLIGHTS**

- **Mount Milligan** produced 53.6 million pounds of copper during 2017.
- **$688** Exceeded 2017 guidance for all-in sustaining costs on a by-product basis per ounce sold at $688, excluding revenue-based tax in the Kyrgyz Republic and income tax (NG).
- **$501 million** cash generated from operations (including $416 million from Kumtor and $151 million from Mount Milligan) for the year.
- **$417 million** Cash position at the end of 2017.
- **$501 million** Announced a friendly acquisition of AuRico Metals Inc. on November 7, 2017, which closed on January 8, 2018.
- **Fresh water shortage** in the milling process forced a temporary shut down of Mount Milligan mill in Dec 2017. The mill was restarted using one ball mill on Feb 5, 2018 once sufficient water became available. By the end of the first quarter 2018 both ball mill circuits were operating.
- **Received all the necessary permits and approvals for Kumtor’s 2018 mine plan.** The approvals and permits are valid through Dec 31, 2018.
- **Exceeded 2017 guidance** for all-in sustaining costs on a by-product basis per ounce sold at $688, excluding revenue-based tax in the Kyrgyz Republic and income tax (NG).
This corporate sustainability report covers the 2017 financial year and highlights Centerra’s key accomplishments and challenges experienced in 2017. This report is focused on the consolidated data from our two operating sites, a metallurgical processing facility, three sites on care and maintenance and our four development projects.

During 2017, we completed the roll out of our safety leadership program Work Safe - Home Safe across all our assets and business units; we met our overall gold production guidance and beat the low-end of our cost guidance with a full year of production from our Mount Milligan Mine, and another strong year at the Kumtor Mine which exceeded its favourably revised production guidance and beat its cost guidance; we announced a comprehensive settlement agreement with the Kyrgyz Government which resolved all the outstanding matters affecting the Kumtor Project; and we announced the friendly acquisition of AuRico Metals Inc. which closed on January 8, 2018. Regrettably, late in the year we had to temporarily shut down Mount Milligan’s mill due to a shortage of fresh reclaim water. Once sufficient water became available we restarted the mill in early February 2018 at half capacity and returned to full capacity after the spring melt.

On the financial front in 2017, Centerra had a very strong year in terms of profitability, reporting net earnings of $209.5 million or $0.72 per share (basic). In terms of cash flow on a Company-wide basis, we generated approximately $501 million in cash flow from operations or $1.72 per share, ending the year with $417 million of cash, cash equivalents, restricted cash and short-term investments. With the strong performance from the operations the Company transitioned to a net positive cash position of $119 million at year-end putting the Company in a very healthy financial position.

We believe that how we conduct business and how all employees act in fulfilling their job responsibilities are fundamental to achieving our vision to build a team-based culture of excellence that responsibly delivers sustainable value and growth.

While Centerra’s ultimate objective is to deliver value to our shareholders, integrity and ethics will be the foundation for everything we do. In endeavouring to achieve our vision we will follow our four core values of: responsible miners; strive for continuous improvement; deliver results and win as a team.

We believe our strong commitment to our vision and these values will continue to make Centerra the employer of choice and the business partner of choice by governments, state-owned enterprises and special interest groups in the countries we operate in.

We constantly deepen our cooperation with all stakeholders and make sure we run respect and meaningful dialogue. This is tailored to the life cycle of our activities, ranging from exploration, through operation, to mine closure.

Our industry is increasingly challenged by the necessity to assess, plan for and adapt to changes in the climate. Centerra’s operations and projects are located in some of the world’s most rugged landscapes and harshest climates. Accordingly we strive to identify the risks, and develop a range of adaptive practices to respond to current and potential disruptions tied to the uncertainties of climate change, especially in more water-stressed areas that are facing changing precipitation regimes as well as more frequent and severe extreme weather events.

Such adaptive practices range from revising our emergency preparedness procedures and disclosing through the Carbon Disclosure Project (CDP), to focusing more on our site water management measures and waste recycling programs.

Responsibility Mining
As responsible miners we strive to exceed government regulations and continuously improve upon our internal governance standards. We actively and transparently engage our people, our local communities and the Indigenous groups on whose territories we operate within, through established, structured and measured processes. Our goal is to positively impact the social and economic well-being of local communities through mutually beneficial partnerships and programs.

Integrity and ethics are the foundation for everything we do. As a team, we execute with excellence, are focused on results, and strive for continuous improvement without compromising safety, community well-being or the environment.

As an international company, we respect the different needs, values and traditional knowledge of people and their cultures, and operate with transparency and honesty to ensure stakeholder and community understanding of, and equal participation in, our activities and operations. This is done at every stage of the life cycle from exploration through to mine closure.

Continuous Improvement
Centerra employs 3,500 people worldwide and approximately 1,000 long-term contractors, largely at our operating sites. 98% of our workforce are local to the regions in which we operate.

We strive to support the businesses local to our project and operating sites at every stage of the mining life cycle. In 2017, our two principal operations, Kumtor and Mount Milligan, spent approximately $78 million on local procurement.

In addition, Centerra creates economic value in the countries and communities in which we operate through wages, direct and indirect taxes and other government payments, royalties, social and community development programs, and indirect benefits to local economic development, including improvements to local infrastructure.

We improve both our projects and our people by challenging the status quo, embracing change and celebrating innovation. We are focused on delivering sustainable, responsible growth through replacing and adding reserves through the accretive acquisition of either producing assets or advanced stage development projects.

By continuously improving the management of our operations, we are able to efficiently and effectively respond to the economic, environmental and social expectations of our employees, communities, shareholders, governments and the public.

Deliver Results
Centerra delivers results by striving for operational excellence, safe production, and building a culture where each employee of the Company is empowered to be accountable for their actions.

We undertake environmental and social impact assessments in the early project planning stage and implement environmental and social management systems to support operations and mine closure, in compliance with appropriate Good International Industry Practice (GIIP). Our commitment to safe and responsible mining means planning for the full mining life cycle, including closure. Throughout every stage of our projects, we seek to reduce and limit our long-term environmental and social impacts by avoiding, minimizing and mitigating impactful activities. Each project in the Centerra portfolio has a closure plan in place and we adopt a strict regime for closure planning that includes annual mine cost updates (ARO). We also review the conceptual closure plans for each site every 3 years, which involves the assessment of both environmental and social impacts. We are aligned with the ICMM Mine Closure framework and have strong financial surity in place.

Win as a Team
We win as a team when we have highly engaged, committed employees who look out for one another and celebrate each other’s success.

We congratulate our employees for their continued commitment to maintaining the highest safety, health and environmental standards at our mines and for achieving the production goals of the Company. We look forward to another strong year of profitable production at Kumtor and Mount Milligan, constructing the Öksüt Project in Turkey, advancing the Kemess Underground Project in British Columbia, continuing to de-risk the Greenstone Gold Project, and lastly expanding our exploration program into new regions.

As we continue to further improve our systems and approaches, we welcome your comments and suggestions on how we can further improve our annual environmental and social reporting and practices.

Scott G. Perry
President and Chief Executive Officer
Centerra Gold Inc.
SUSTAINABILITY SNAPSHOT

OPERATING & FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>2017 Targets</th>
<th>2017 Outcome</th>
<th>2017 Challenges &amp; Achievements</th>
<th>2018 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (oz Poured)</td>
<td>786,000</td>
<td>785,316</td>
<td>Increased gold production</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>with ex-TCM acquisition added by-product @ Cu $2.50/lb</td>
</tr>
<tr>
<td>All-In Sustaining Cost Per Ounce Sold* (US$/oz)</td>
<td>731</td>
<td>688</td>
<td>Achieved Company-wide all-in sustaining costs on a by-product basis per ounce sold of $682 for the full year.</td>
</tr>
<tr>
<td>Öksüt Construction Schedule Budget (US$000s)</td>
<td>140,600</td>
<td>Assume target</td>
<td>Entered into a project debt financing facility of $150 million with UniCredit and the European Bank for Reconstruction and Development to finance the eventual development of the Öksüt Project.</td>
</tr>
<tr>
<td>Capital Expenditures (excluding Öksüt) (US$000s)</td>
<td>117,100</td>
<td>92,165</td>
<td>Reduced capital expenditures</td>
</tr>
<tr>
<td>Corporate G&amp;A Cash Expenditures (US$000s)</td>
<td>21,120</td>
<td>14,777</td>
<td>Reduced Corporate G&amp;A Cash Expenditures</td>
</tr>
</tbody>
</table>

* calculated on a by-product basis excluding taxes

HEALTH, SAFETY & SUSTAINABILITY

<table>
<thead>
<tr>
<th>2017 Targets</th>
<th>2017 Outcome</th>
<th>2017 Challenges &amp; Achievements</th>
<th>2018 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Reportable Injury Frequency rate (TRIFR)</td>
<td>0.38</td>
<td>One fatality at Kumtor</td>
<td>&lt;0.30 for Centerra and subsidiaries, excl TCM Entities; and &lt;0.82 for TCM Entities.</td>
</tr>
<tr>
<td>No environmental Accidents by Risk Ranking</td>
<td>One environmental incident of Level III-V</td>
<td>There was one recorded incident at Kumtor mine in 2017</td>
<td>No environmental incidents of Level III-V</td>
</tr>
<tr>
<td>License to Operate No material Business Interruptions</td>
<td>Kumtor mine has completed Update of Conceptual Closure Plan</td>
<td>Local procurement at Kumtor increased</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Received the forestry usage permit and the operating permit for the forestry area at the Öksüt Project.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Carried out EBRD-Environmental and Social Impact Assessment disclosure events in all key communities in Mongolian operations</td>
<td></td>
</tr>
</tbody>
</table>

GROWTH & VALUE CREATION

<table>
<thead>
<tr>
<th>2017 Targets</th>
<th>2017 Outcome</th>
<th>2017 Challenges &amp; Achievements</th>
<th>2018 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>KGC – Cash Sequestration Relief (FS)</td>
<td>Q3 Cash Restriction lifted in Q3 2017</td>
<td>Successful negotiation of the Kumtor Strategic Agreement which lifted the restriction of KGC to transfer cash to Centerra and allowed the free movement of all employees FS</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Greenstone EA Submission</td>
<td>Q3 Q3</td>
<td>Several Indigenous communities required consultation and a relatively large area of traditional territory</td>
<td>EA approval</td>
</tr>
<tr>
<td>Gatsuurt Feasibility Study Delivered</td>
<td>Q3 Q3</td>
<td>Feasibility completed and NI 43-101 report published in Q3 2017</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Announcement of acquisition of Aurico Metals Inc (AMI) for US$250M</td>
<td>Approved TCM Deal</td>
<td>Kumtor cash restriction significantly limited Centerra's ability to transact on growth initiatives. Successfully negotiated the purchase of (AMI), with the key Kemess Underground development project, to further diversify CG's assets portfolio.</td>
<td>Continue to seek value enhancing opportunities (Price Point &gt;$100M)</td>
</tr>
<tr>
<td>New Exploration Projects/JV</td>
<td>3</td>
<td>5</td>
<td>New exploration projects added in Sweden, Mexico, Armenia</td>
</tr>
</tbody>
</table>
CENTERRA’S VALUES

We believe that how we conduct business and how all employees act in fulfilling their job responsibilities are fundamental to achieving our vision to build a team-based culture of excellence that responsibly delivers sustainable value and growth.

While Centerra’s ultimate objective is to deliver value to our shareholders, integrity and ethics will be the foundation for everything we do. In endeavouring to achieve our vision we will follow our core values of:

- **BE RESPONSIBLE MINERS**
  - Meet all government regulation and internal governance standards.
  - Ensure we actively and transparently engage our people and the communities around us.
  - Minimize the potential for adverse impacts that may arise from our operations to levels as low as reasonably achievable, taking into account social and economic factors.

- **DELIVER RESULTS**
  - Strive for operational excellence, safe production and be accountable for our results.
  - Be a leading performer among our peers with regard to shareholder value, business ethics, workplace safety, environmental protection and community economic development.

- **STRIVE FOR CONTINUOUS IMPROVEMENT**
  - Continually improve the management of our operations so we may respond to the economic, environmental and social expectations of our stakeholders, including our employees, communities, shareholders, governments and the public.
  - Challenge the status quo, embrace change and search for new ways to grow our business.

- **WIN AS A TEAM**
  - Committed and highly engaged.
  - Recognize contributions and efforts of each team member.
  - Results focused.

We believe our strong commitment to our vision and these values will continue to make Centerra the employer of choice and the business partner of choice by governments, state-owned enterprises and special interest groups in the countries we operate in.

As an international company, we respect the different needs and values of people and their cultures and operate with a high level of transparency to ensure stakeholder confidence.
As responsible miners we meet all government regulations and internal governance standards, and ensure we actively and transparently engage our people and the local and indigenous communities around us.

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LEGAL COMPLIANCE

We are committed to conducting business in a legal, ethical and socially responsible manner. This applies to all of our operations, wherever they occur. We manage legal compliance by developing policies, which are disseminated to employees. Regular training and certifications are carried out, as deemed appropriate.

Our board of directors regularly receive reports from management on legal compliance. The board, through its audit committee, is able to direct its internal auditor to carry out audits as it requires. Other than as set in this section of the report, there are no cases of alleged non-compliance with laws and regulations in the social and economic areas.

We maintain a compliance hotline for employees and third parties to make anonymous complaints relating to unethical or illegal activity. The complaints are reviewed by the legal department. The compliance hotline also allows complainants to escalate their complaint directly to the chair of the audit committee who is independent of the Company. In addition, we also encourage employees and third parties to submit complaints to their supervisors, members of the human resources department or legal department, or to their Centerra point of contact (in the case of third parties).

Kyrgyz Republic Allegations of Non-Compliance

In the Kyrgyz Republic, Centerra’s wholly owned subsidiary KGC has a very high profile and is the focus of public and political attention. The Kumtor project requires approvals and permits annually to operate. Since 2012, the Kumtor Mine has been the subject of various commissions, enquiries and investigations carried out by Kyrgyz authorities. These have included court claims commenced by Kyrgyz authorities alleging non-compliance with Kyrgyz laws and environmental damage and seeking non-monetary and monetary sanctions totaling approximately $300 million (using an exchange rate of 69.43 Kyrgyz som per $1.00) and the repayment of regular course inter-company dividends.

These claims were without merit and we disputed all such allegations. In May 2016, the Kyrgyz courts issued decisions in relation to four such claims, which ordered KGC to pay approximately $102 million. KGC appealed these decisions. On March 27, 2018, upon the application of SIETS and as contemplated by the Strategic Agreement (as discussed below), the Bishkek City Court terminated each of the SIETS claims noted above. However, in April 2018, SIETS successfully appealed the decisions to terminate these claims and the claims have been returned to the court of first instance for further consideration. Despite this, the Company expects these claims to be resolved in connection with the Strategic Agreement.

Kumtor Strategic Agreement

Centerra and its Kyrgyz subsidiaries entered into a strategic agreement (the “Strategic Agreement”) with the Government of the Kyrgyz Republic on September 11, 2017, which is meant to resolve all outstanding issues at the Kumtor mine. The completion of the Strategic Agreement is subject to certain conditions precedent which are expected to be completed in Q1 2019. For further details of these claims and other allegations of non-compliance, please see pages 66 to 67 of our Annual Information Form for the calendar year ended December 31, 2017. For further information about the Strategic Agreement, including other highlights relating to sustainability and environmental matters, see the news release dated September 11, 2017. Both of these documents are available on our Company website and on the Company’s profile under Legal, Ethical and Social Responsibility – Some on an annual basis. Our policies are translated into the local languages in the countries, where we operate and apply to all of our controlled subsidiaries.

Our Policies and related employee communications describe the various ways that employees or third parties can raise concerns about ethics. The options include speaking to an employee’s manager or general manager, human resources personnel or the use of an anonymous compliance line which is operated by an independent third party. The compliance hotline is available by phone, internet or Skype (audio only) and operates on a 24-hour basis. The Compliance Hotline is available in the local languages in the jurisdictions where Centerra operates.

Our CEO and our presidents and general managers at each controlled subsidiary are supportive of the Policies and the objective of working in a transparent, legal, ethical and socially responsible manner.

Centerra has a claw-back policy in the COE, which requires employees to reimburse any bonus, short-term incentive award or amount, or long-term incentive award or amount in the event of any improper activity which impact such award or amount. We carry out in-person training sessions throughout the year at the head office and at our operations. We focus on ensuring that employees have at least one training session in a three-year period, and in certain high-risk areas, on a more frequent basis.

ETHICAL CONDUCT AND ANTI-CORRUPTION

We are committed to conducting business in a legal, ethical and socially responsible manner. Our core values are to build a team-based culture of excellence that responsibly delivers sustainable value and growth.

These principles and values are reflected in a variety of policies, particularly Centerra’s Code of Ethics (COE) and International Business Conduct Policy (IBC Policy). The COE discusses the manner in which employees act and our expectations that their actions reflect honesty, integrity and impartiality. Topics within the COE include preventing conflicts of interest, protecting confidentiality, and compliance with applicable laws. The IBC Policy relates to our employees’ interactions with Public Officials, which include government employees and officials. The IBC Policy includes restrictions against bribery of Public Officials and the obligation to maintain accurate books and records of the Company.

The COE and IBC Policy (collectively, Policies) were developed by Centerra’s legal department and were approved by the Board of Directors. The Board of Directors reviews these policies at least every three years, and oversees compliance with the policies. Centerra’s Internal Auditor is also involved in the oversight of the Policies and related training. The internal Audit directly reports to the Chair of the Audit Committee and meets in camera with the Audit Committee at every meeting. Executives in the legal, human resources, and finance departments are responsible for these Policies, and report to the Company’s Board of Directors. Our policies are disseminated to employees. Regular training and certifications are carried out, as deemed appropriate.

All employees are required to read and sign-off on the Policies when they start working at Centerra or a subsidiary. Furthermore, the vast majority of employees are required to certify on an annual basis their continued compliance with the Policies. Consultants and other third parties are also required to review our Policies, and confirm their compliance – some on an annual basis. Our policies are translated into the local languages in the countries, where we operate and apply to all of our controlled subsidiaries.

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SUSTAINABILITY REPORT 2017
The Board of Directors is currently comprised of 11 members who were all elected to the Board at the Company’s most recent annual meeting of shareholders held on May 1, 2018. The chair of the board is not an executive officer of the Company. The Company’s Chief Executive Officer is a member of the Board. The following information is provided as of August 2018.

Six of the 11 Board members are independent, as such term is defined under applicable securities laws in Canada. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed. Three of the Board members are directors of other public companies, including other mining companies. The details of service on other public boards is fully described in the Company’s management information (“Circular”) for the May 1, 2018 meeting which was mailed to all shareholders of the Company, as required by applicable corporate laws. The Board’s mandate provides members may serve on the boards of other public companies provided that these other commitments do not materially interfere with and are not incompatible with their ability to fulfill their duties as members of the Company’s Board. Directors must advise the Board chair in advance of accepting an invitation to serve on the board of another public company.

We currently have two female board member on the Board.

The Board carries out annually an assessment of its members’ skills using a skills matrix comprised of skills important for the organization. The skills matrix is based on a self-assessment by the directors and is disclosed in the Company’s Circular.

Pursuant to the terms of a Restated Shareholders Agreement dated as of June 6, 2009 between the Company and Kyrgyzaltyn, Kyrgyzaltyn is provided with the right to designate up to two directors for inclusion of the proposed slate of directors to be nominated for election at a shareholders meeting provided that these other commitments do not materially interfere with and are not incompatible with their ability to fulfill their duties as members of the Company’s Board.
meeting. The number of directors that can be designated by Kyrgyzaltyn is dependent upon its shareholding in the Company. Currently, Kyrgyzaltyn has the right to designate two individuals. These two individuals were elected to the Board at the annual shareholders meeting on May 1, 2018. These two individuals are citizens of the Kyrgyz Republic. Kyrgyzaltyn is a state owned company of the Kyrgyz republic and owns approximately 27% of the Company's current and outstanding shares.

In addition, and in light of the continued importance of Kumtor (located in the Kyrgyz Republic) to Centerra, the Board agreed to include an additional Kyrgyz citizen in its slate of directors nominated for election at the May 1, 2018 shareholders meeting. Such individual was successfully elected to the Board. Accordingly, three of the 11 directors are citizens of the Kyrgyz Republic.

The Company’s Sustainable Operations Committee of the Board is responsible for overseeing the Board’s responsibilities on matters related to safety, health, environment, corporate social responsibility and mineral reserves. According to its written mandate, at least 50% of the members on this committee must be independent within the meaning of applicable Canadian securities laws. The committee must meet at least 4 times during year. During these meetings, they receive regular reports from the Company’s Chief Operating Officer, the Vice President of Security, Sustainability and Environment, and the Vice President, Health and Safety on economic, environmental, social, health and safety topics and their impacts, risks, and opportunities.

At our operating sites, there is an executive appointed to oversee sustainability and environmental matters, and for health and safety matters. These local executives report to the President/General Manager of the site.

Pursuant to the Company's disclosure and insider trading policy, employees who become aware of information that may constitute material information must immediately advise at least one member of the Company’s disclosure committee. The disclosure committee is comprised of the President and CEO, CFO, COO, General Counsel and Vice President, Investor Relations.

The Company also has in place written crisis management plans or emergency response plans, which are reviewed from time to time. The plans set out communication protocols. The Company undergoes regular training and mock exercises relating to crisis management.

RISK MANAGEMENT

Centerra has implemented an Enterprise Risk Management (ERM) program to ensure risk-informed decision making throughout the organization. The program is based on leading international risk management standards such as ISO 31000 and COSO as well as industry best practice. It employs both a bottom-up and top-down approach to identify and address risks from all sources that threaten the achievement of our objectives. Each operating site and project are responsible for identifying, assessing, treating and monitoring risk. Efforts are coordinated by appointed “Risk Champions” who facilitate the process to ensure consistency and continuity.

Centerra’s Corporate office based Director, Risk & Insurance is responsible for providing the requisite tools, guidance, oversight and strategic direction for the ERM program. The risk management program at Centerra considers the full life of mine cycle from exploration through to closure. All aspects of the operation and our stakeholders are considered when identifying risks. As such, our risk program encompasses a broad range of risks including technical, financial, commercial, reputational, environmental, health and safety, political and human resources related risks. The Board of Directors for Centerra has created a Risk Committee whose mandate is Enterprise Risk Management governance and oversight.

The Director of Risk & Insurance at Centerra prepares and presents a quarterly report for the Risk Committee on the key strategic, operational, project and exploration risks, as well as emerging risks. The Enterprise Risk Management framework sets out policies and standards of practice that address and define risk governance, identification, analysis, evaluation and treatment. ERM supports continuous improvement in the organization through lessons learned and encourages a risk-aware culture. Stakeholder value is created through focusing on establishing a sustainable competitive edge, by optimizing the cost of managing risks and by helping management improve business performance.

Table: Top Shareholders (as of 31 Dec 2017)

<table>
<thead>
<tr>
<th>Company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyrgyzaltyn JSC</td>
<td>26.53</td>
</tr>
<tr>
<td>BlackRock Investment Management (UK) Ltd</td>
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<tr>
<td>Van Eck Associates Corporation</td>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>The Vanguard Group, Inc.</td>
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<tr>
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</tr>
<tr>
<td>BMO Asset Management Inc.</td>
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<tr>
<td>USAA Asset Management Company</td>
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<tr>
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<tr>
<td>Heartland Advisors, Inc.</td>
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<tr>
<td>Ruffer LLP</td>
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</tr>
<tr>
<td>Blackrock Institutional Trust Company N.A</td>
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<tr>
<td>Schroder Investment Management Ltd. (SIM)</td>
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<tr>
<td>Wellington Management Company, LLP</td>
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<tr>
<td>Alps Advisors, Inc.</td>
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<tr>
<td>Desjardins Global Asset Management</td>
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<tr>
<td>LSV Asset Management</td>
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<tr>
<td>Heptagon Capital LLP</td>
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<tr>
<td>American Century Investment Management, Inc.</td>
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<tr>
<td>Hexavest Inc.</td>
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<td>Balance of Institutional Shareholders</td>
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</tr>
<tr>
<td>Retail Shareholders</td>
<td>34.55</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: NASDAQ IR Insight and Public Filings

Fig 1 Centerra's Top Shareholders (31 Dec 2017)

SUSTAINABILITY REPORT 2017
At Centerra, accountability, transparency and integrity are the foundation for everything we do. As a team, we are results focused and strive for continuous improvement. Across our Company, we have created a culture of excellence that recognizes the true value of sustainability by effectively integrating economic, environmental, and social considerations into everything we do.

We are entrepreneurial and flexible and focus on identifying, adopting and implementing appropriate internationally recognised sustainability “good practices” that reduce the social and environmental impact of our operations.

In particular we focus on:
- Meeting our targets ensuring we run safe, resource efficient and cost-effective mines and projects.
- Addressing the environmental, economic, health and social impacts and benefits of our operations throughout their life cycle.
- Treating our Health & Safety, social and environmental performance as an asset to help us become an employee of choice and welcomed partner wherever we operate.
- Striving to be a leader in the areas of sustainability including shareholder value, business ethics, diversity, workplace H&S, environmental stewardship, community development, and strong internal governance.
- Enhancing the participation of all our stakeholders, especially local and indigenous communities so that they can influence decisions and we can better respond to their concerns.

MATERIALITY ASSESSMENT

We have identified a list of material issues/topics for all of our operations in accordance to the GRI Standards reporting principles. All issues that have significant impact on our business and are important to multiple stakeholder groups were taken into consideration and are reported in this report.

In order to assess which issues are material, during the reporting process we considered a number of various sources and based our 2017 materiality assessment on the following:
- Opinions of Board Members via interviews and an on-line survey;
- Opinions of Senior Leadership and Management at sites via interviews and an on-line survey;
- Views of external stakeholders via interviews and an on-line survey;
- Internal policies, values, goals and targets;
- Views of local and indigenous communities;
- Major risks

Material issues

General
- Occupational Health & Safety
- Legal Compliance
- Local & Indigenous Communities
- Water Management
- Waste & Hazardous Materials Management
- Emergency Preparedness
- Ethical Conduct & Anti-Corruption
- Human Rights
- Training & Education

Projects
- Fostering Local Economies
- Closure Planning
- Business Planning

Mining
- Geotechnical Challenges
- Fostering Local Economies
- Biodiversity
- Energy & Climate
- Closure Planning

C&M
- Business Development
Summary of Stakeholder Concerns

**Educational Institutions**
We cooperate with educational institutions and academics in all the countries where we operate to gain from their knowledge and local expertise and share information about our operations. Whenever we commission baseline studies or impact assessments, we deliberately seek national experts to help us gain a truly local perspective.

**Employees of Centerra**
Our employees are our greatest asset and we always make sure that we are safeguarding everyone thorough appropriate health and safety programs, training on professional development and cooperating closely with trade unions, where applicable.

**Governments**
We consistently engage with host governments at all levels in a transparent manner to ensure our operations are legally compliant with all applicable regulations and agreements. We also work with local governments to ensure our social investments help reinforce existing local development plans and encourage sustainability and long-term prosperity in the communities.

**Indigenous and Local Communities**
We continually work towards developing and maintaining constructive relationships with indigenous and local communities. Centerra relies on properly researched and drafted stakeholder engagement plans that focus on two-way engagement and dialogue that helps to build mutual trust and foster genuine collaboration. We conduct various kinds of meetings with indigenous and local communities and rely on a wide variety of media to make sure we resolve grievances, address concerns and perceptions and provide support for their initiatives especially local procurement, hiring and contracting opportunities; social development and community investment programs; and participatory monitoring and impact mitigation activities.

**Lenders**
The Company has very close and positive relationships with its various lenders throughout the world, mainly international banks. We provide formal quarterly disclosure updates to the lenders regarding covenant compliance and other matters. In addition, our treasury department frequently deals with the lenders regarding ancillary business including hedging, cash management, metals trading and additional financing opportunities. Lenders also frequently meet with our management regarding business updates, attend quarterly conference calls and our annual shareholders meetings.

**Non-Governmental Organizations (NGOs)**
We consider Geotechnical Challenges in our operations’ risks registers as one of the major threats to uninterrupted production at our sites. We operate to gain from their knowledge and local expertise and share information about our operations. Whenever we commission baseline studies or impact assessments, we deliberately seek national experts to help us gain a truly local perspective.

**Shareholders**
The Company has procedures in place to effectively communicate with its shareholders, employees and other stakeholders in an open, accessible and timely exchange of information concerning the business, affairs and performance of the Company. Through the Company’s website, shareholders and other stakeholders may access webcasts of the quarterly conference calls with industry analysts, investors/shareholders and media representatives in conjunction with the release of the Company’s financial results, as well as regular presentations to the investment community including industry analysts, institutional shareholders and presentations with potential investors.

**Suppliers**
Our sites are located in remote rural locations and we depend on the global supply chain. Most of the OEM equipment is hard to procure on local markets; however, we do our best to build capacity of local vendors and contracts especially in Central Asia and Turkey. Our efforts include various capacity building programs run in partnership with international NGOs to help local suppliers overcome challenges they face and comply with standards of products and services supplied to support non-interrupted production process at our sites.
STAKEHOLDER ENGAGEMENT

As an international company we acknowledge, respect and embrace the diversity of people and their cultures and operate with transparency to build trust, legitimacy and foster genuine collaboration.

We constantly deepen our cooperation with all stakeholders and indigenous groups to ensure meaningful, two-way engagement and dialogue. This is tailored to the life cycle stage of our activities, ranging from exploration, through operation, to mine closure.

We recognize the importance of establishing enduring relationships with all our stakeholders and indigenous groups to build broad-based and informed support for our activities wherever we operate. Cultural sensitivity, respect and integrity are central to the way we do business so we adopt varying approaches to our stakeholder engagement based on the local or cultural preferences and specific needs of each group.

At Centerra we have developed our own internal toolkits and detailed training programs to help upskill our community relations teams with industry leading “good practices” to help identify and engage with all the various stakeholder and indigenous groups that we impact or affect or that can influence our activities. Indeed a key focus in 2017 was the strengthening of all our site specific Stakeholder Engagement Plans.

As Centerra we place a great emphasis on developing and maintaining constructive relationships with all local and indigenous communities as we believe our operations can be a positive force for social and economic development.

Our philosophy is to build trust, mutual understanding and positive relationships based on an open exchange of information to ensure that local and indigenous community priorities and concerns are taken into account in decision-making by Centerra.

We are committed to making a positive difference to local and indigenous communities and our aim is to share the benefits of our operations with the these communities and contribute to sustainable economic and social development.

We are dedicated to building positive and enduring relationships based on mutual benefit and active engagement with local and indigenous communities that focuses on:

- Meaningful consultation with local and indigenous communities and other stakeholders throughout the life cycle of the mine.
- Respecting the culture, customs, interests and fundamental human rights of all Indigenous Peoples and other stakeholders with whom we interact.
- Responding to questions, complaints and grievances in a fair, timely and consistent manner.
- Identifying and taking into account the special aspirations, needs and concerns of Indigenous Peoples, women, children and vulnerable groups within our sphere of influence.
- Seeking to minimize the impacts of and maximize the community benefits of our activities.
- Working actively with host communities and other stakeholders to promote sustainable social and economic development.
- Monitoring our social performance and seeking opportunities for ongoing improvements to create value for our stakeholders and shareholders alike.

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- Monitoring our social performance and seeking opportunities for ongoing improvements to create value for our stakeholders and shareholders alike.
We fully recognize that mining operations have the potential to impact on all forms of human rights. Depending on where our operations are located globally, the human rights risk profile differs greatly. However, wherever we operate as a minimum we ensure we respect the:

- **Right to healthy and safe working conditions** – e.g. protecting the health and safety of our employees, contractors, and visitors at site. Ensuring fair working conditions, complying with employment legislation and collective bargaining.

- **Right to life** – e.g. protecting health and safety, aiming for zero fatalities, and security and human rights.

- **Right to water** – e.g. ensuring our operations do not negatively impact community’s access to clean and safe drinking water.

- **Indigenous Peoples** – e.g. right to information and minimizing the impact on natural resources and associated livelihoods.

- **Right to an adequate standard of living** – e.g. physical or economic relocation, displacement or resettlement resulting in loss of livelihoods.

- **Right to security of person** – e.g. risks to life, liberty and the security of communities and/or employees due to actions of security forces at site.

- **Right to health** – e.g. avoiding any form or environmental pollution that could impact and affect community health.

We also acknowledge and try to ensure we have a positive impact on human rights through our contribution to local sustainable economic growth, for example, by providing the support necessary for fulfilling various local economic, social and cultural rights in the countries where we operate.

We adopt a proactive management approach to identifying and managing human rights risks. We understand that respecting human rights helps us to build and maintain trust, legitimacy and respect and to secure broad community support.

Centerra’s strategy follows the United Nations “Protect, Respect and Remedy” framework and is aligned with the UN Guiding Principles (UNGPs) on Business and Human Rights. For instance, from a remedy perspective, all our sites have fully accessible, culturally appropriate and responsive grievance mechanisms that are compliant with our internal company standard.

In addition, on sites where we have interaction with public security forces or private security we ensure that all our security practices are fully aligned with the Voluntary Principles on Security & Human Rights (VPs). On sites which have a greater perceived risk we undertake the necessary due diligence, which requires us to:

- Understand the context, and identify and assess human rights impacts;
- Prevent, mitigate and where necessary remediate human rights impacts;
- Track and monitor progress and communicate on actions taken.

All our operations track and report on the activity and responsiveness of their community grievance mechanisms to ensure company-wide effectiveness. This data is reported on a monthly basis to the head office and on a quarterly basis to the Board. We have conducted independent Voluntary Principles (VPs) compliance assessments of our operations in both Mongolia and the Kyrgyz Republic and we continue to ensure that these sites in particular are aligned with the VPs.

The two sites where our human rights risks are the greatest are in Mongolia and the Kyrgyz Republic. In relation to the Kumtor Mine in the Kyrgyz Republic, it is purely with respect to the occasional interaction with the Kyrgyz public security forces. In Mongolia where we face the daily challenge of illegal artisanal mining and intrusions on our Boroo and Gatsuurt sites, our approach is very systematic. In response, we have developed and implemented a specific management plan to deal with the threat of illegal incursions and mining whilst ensuring that our relationship and all interactions with the Mongolian law enforcement agencies and other authorities is fully aligned with the VPs.
ILLEGAL/ARTISANAL MINERS IN MONGOLIA

It is estimated that over fifteen million people worldwide are directly involved in Artisanal and Small-scale Mining (ASM) of gold. Many more – approximately one hundred million people – depend on this ASM activity for their livelihood and mostly all of them were driven into ASM sector by poverty and lack of alternative livelihoods. ASM is a complex development problem for Governments, mining companies, NGOs, aid agencies and donors across the globe. Different types and communities of ASM require different solutions. The challenges are social, economic, environmental and governance, and require a holistic response.

In Mongolia, the World Bank and other organizations (including the International Labour Office (ILO), Swiss Development Corporation (SDC) and the Geological Survey of Denmark and Greenland (GEUS)) researched the drastic increase of ASM over the last two or more decades. The research concluded that switching to a market economy after the collapse of the Soviet system, combined with severe weather conditions impacted the means of income for many rural Mongolians from herding to ASM. From almost zero in the early 1990s, there are now believed to be well over 140,000 ASM miners (known locally as Ninjas) in Mongolia and the number is believed to be increasing, with the majority (~90%) prospecting and mining gold, while the rest prospect for coal, fluorspar and other minerals. This represents around 5% of the population with a likely greater proportion – approximately one hundred million people – directly dependent on this ASM activity for their livelihood and mostly all of them were driven into ASM sector by poverty and lack of alternative livelihoods.

The complex relationship and coexistence between licensed large-scale mining companies and the informal and clandestine ASM sector is acknowledged by the likes of the International Council on Mining & Metals (ICMM), Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, World Bank/International Finance Corporation (IFC), European Bank for Reconstruction & Development (EBRD) and many of the other key multi and bi-lateral donors.

It is important to emphasise that the ASM activity around the Gatsuurt property is not poverty-driven clandestine artisanal mining. Instead it is the Gatsuurt and Illegal Mining (TIM) activity and the difference between these two activities is important. All our interactions with the trespassers and illegal miners continue to remain non-confrontational and all our planned responses and strategies focus on fully aligning with the Voluntary Principles of Security & Human Rights (VPSHR) since 2012.

In 2017 we continued to improve our security around Gatsuurt including implementing a deployment agreement with the Mongolian Police and specific internal security protocols. However, we acknowledged that these actions alone would not solve the TIM issues in the longer term. At Gatsuurt, we usually have regular incursions onto the exploration old drill pad areas and backfilled areas. At the Boroo site TIMs attempt to enter the mill building and open pit areas. Indeed since 2015, the illegal activity at Gatsuurt escalated and our security in cooperation with the Mongolian Police expelled more than 25,000 TIMs (and ~4,500 vehicles) with no incidents or allegations of human rights abuses. There were 85 police deployments involving 654 police officers.

Throughout 2017 we continued the implementation of our strategic TIM action plan with key partners and other Mongolian stakeholders. For instance, we made amendments to the agreement with the Police and internal protocols to ensure they are based on tested ‘good practice’ and that human rights are respected and protected by all parties. We also investigated non-confrontational measures to discourage TIM incursions and related criminal activity including:

- Assessment Activity (Proactive) – understanding the core drivers of the historic escalation in TIM activity and associated threats and risks through community engagement, security intelligence, and information gathering.

- Control Frameworks (Proactive) – reduced the likelihood or consequences of related TIM incidents through the ongoing development and implementation of community awareness programs; reinforcing the community grievance mechanism; and ongoing advocacy and engagement with the Mongolian Government and civil society.

- Responsive Activity ( Reactive) – strengthened our security management system that is designed to reduce the consequences of TIM incidents when they occur. Including reinforcing the demarcation of our licensed area more clearly and visibly using barriers and appropriate signage; and enhancing existing observation and recording methods as an early warning system.
CONTINUOUS IMPROVEMENT

We improve our teams and Centerra Gold by challenging the status quo, embracing change and searching for new ways to grow our business.

GROWING OUR BUSINESS 34
  Business Development 34

FOSTERING LOCAL ECONOMIES 36
  Local Hiring 38
  Local Procurement in context 40

LOCAL COMMUNITIES 42
Centerra is focused on delivering sustainable responsible growth. Part of this mandate is to replace and add reserve through accretive acquisition of either producing assets or advanced stage development projects. Acquisitions are generally material issues because of the price paid which directly impacts the financial health of the Company. Due diligence may not review all aspects of risks and potentially exposes the Company to financial, operational, technical, legal, and reputation risks. As such, Centerra goes through a very thorough due diligence review process where a major acquisition involves all senior management and expert consultants with close consultation with the Board.

BUSINESS DEVELOPMENT

The list of acquisition targets is regularly reviewed and updated. External parties regularly approach Centerra on acquisition opportunities that are subject to review and discuss with senior management. Since all acquisitions are different, the timeline for due diligence process may vary significantly. The timeline will dictate how quickly we mobilize our resources to complete our due diligence process. Generally, we complete a high-level review to determine if there are any fatal flaws with the asset, then we will engage internal and external resources to complete the technical due diligence and an initial valuation of the asset. If a positive business case can be developed that is consistent with Centerra’s strategy, senior management will present the opportunity to members of the Board. Other aspects of due diligence, such as legal, social, and environmental review will also proceed in parallel.

A significant amount of due diligence is required by senior management and the board for any major acquisition because of the potential financial, operational, technical, legal and reputational risks. Integration of the asset is a significant part of any acquisition even though it takes place after the transaction is completed. Centerra will diligently plan a detailed integration plan, possibly with the help of external experts. Although integration can take many months to complete, management will complete post-closing reviews to evaluate the success and failures of various stages of the acquisition process in order to improve for the next transaction.

We generally have a couple of actionable targets that we are reviewing in more details that may lead to execution. It should be noted that because of the competitive nature of the gold mining business and the scarcity of quality assets, not all targets reviewed would lead to final execution.

In 2017, we invested $11 million in exploration and business development and $19 million in our other development properties. Exploration and business development activities continue to focus on Armenia, Canada, Mexico, Nicaragua, Sweden, Turkey, and expand into new regions to meet the long-term growth targets of Centerra.
Centerra is a leading Canadian-based gold producer and is one of the largest Western-based producers in Central Asia. Centerra employs 3,500 employees and approximately 1,100 long term contractors (largely at the operational sites) – 98% of the total workforce are local residents. We continue to support local business, and in 2017 our two principal operations (Kumtor and Mount Milligan) spent approximately $78 million on local procurement.

We continue to create economic value in the countries and communities where we operate. This includes direct contributions to the national and regional governments, wages, direct and indirect taxes and mandatory payments, purchases of local goods and services, taxes, royalties and social and community development programs, and indirect benefits to local economic development, including Indigenous groups.

Despite being in the closure stage at Boroo and in the development phase at Gatsuurt, we continue to support and foster the local economies in Mongolia. Centerra’s revenues are substantially derived from the sale of gold and copper. The Company’s revenues are derived from gold and concentrate production from its mines and gold and copper prices realized from the sale of these products. Gold doré production from the Kumtor Mine is purchased by Kyrgyzaltyn for processing at its refinery in the Kyrgyz Republic while gold and copper concentrate produced by the Mount Milligan Mine in Canada is sold to various smelters and off-take purchasers.

**Fig 4 Consolidated Financial Summary***

<table>
<thead>
<tr>
<th>Financial Highlights</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,199.0</td>
<td>760.8</td>
<td>624.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>1,199.0</td>
<td>760.8</td>
<td>624.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,772.2</td>
<td>2,654.8</td>
<td>1,660.6</td>
</tr>
<tr>
<td>EBITDA (Earnings from mine operations)</td>
<td>492.3</td>
<td>331.2</td>
<td>214.7</td>
</tr>
<tr>
<td>Earnings (loss) before income taxes</td>
<td>191.3</td>
<td>156.0</td>
<td>42.1</td>
</tr>
<tr>
<td>Long-term debt and lease obligation</td>
<td>211.6</td>
<td>422.8</td>
<td>-</td>
</tr>
<tr>
<td>Long-term provision for reclamation, dividends payable and deferred income taxes</td>
<td>177.3</td>
<td>181.1</td>
<td>76.9</td>
</tr>
<tr>
<td>Gold produced - ounces poured</td>
<td>785,316</td>
<td>598,677</td>
<td>536,920</td>
</tr>
<tr>
<td>Payable Copper Produced (000s lbs)</td>
<td>53,596</td>
<td>10,399</td>
<td>-</td>
</tr>
</tbody>
</table>

* 2016 includes results from Thompson Creek operations beginning October 20, 2016, the date of acquisition. Mount Milligan payable production and ounces sold are presented on a 100% basis (Royal Gold streaming agreement entitles it to 35% and 18.75% of gold and copper sales, respectively). Under the streaming arrangement, Royal Gold will pay $435 per ounce of gold delivered and 15% of the spot price per metric tonne of copper delivered. No comparative results presented prior to acquisition.

**Fig 5 Consolidated Direct Economic Value Generated and Distributed**

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,199.0</td>
<td>760.8</td>
<td>624.0</td>
</tr>
<tr>
<td>Other income</td>
<td>3.1</td>
<td>1.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Operating costs (goods and services) - incl. capitalized stripping</td>
<td>446.5</td>
<td>264.6</td>
<td>276.9</td>
</tr>
<tr>
<td>Corporate administration costs</td>
<td>14.6</td>
<td>9.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Exploration and business development costs</td>
<td>8.2</td>
<td>8.8</td>
<td>6.4</td>
</tr>
<tr>
<td>Pre-development costs</td>
<td>3.6</td>
<td>8.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>133.9</td>
<td>123.3</td>
<td>163.6</td>
</tr>
<tr>
<td>Other operating costs (income)</td>
<td>25.9</td>
<td>3.4</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Employee and contractor wages and benefits</td>
<td>140.7</td>
<td>101.6</td>
<td>103.2</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>26.9</td>
<td>32.1</td>
<td>32.3</td>
</tr>
<tr>
<td>Taxes and royalties</td>
<td>93.4</td>
<td>102.0</td>
<td>85.7</td>
</tr>
<tr>
<td>Community donations and investments</td>
<td>1.1</td>
<td>1.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Economic value generated (distributed)</td>
<td>207.5</td>
<td>107.7</td>
<td>(63.6)</td>
</tr>
</tbody>
</table>

**Excludes acquisition and integration costs related to Centerra Gold Inc.’s acquisition of Thompson Creek Metals Co. Inc.

SUSTAINABILITY REPORT 2017
LOCAL HIRING

Centerra’s most valuable resource is our people. We are considered the largest employer in the Kyrgyz Republic, and our pay rates are far above the Kyrgyz average.

The Company generally hires a workforce representative of the communities and regions in which it operates. This includes indigenous people and females, and is represented not only in direct employer/employee relationships, but also with contractors and service contracts with vendors. The Company also endeavors in certain regions to offer additional training programs, externally or internally, to attract and trained targeted workers who otherwise may not have the adequate skill set for the available job opportunities. Such programs are governed through either internal local employment and training procedure guidelines or mechanisms like Impact Benefit Agreements.

Our community-based information centers or community relations officers support our local hiring efforts. We also involve community observers during the screening and interview process at Kumtor, to help ensure the recruitment process is transparent and fair.

At the Mount Milligan mine, the Human Resources and Sustainability teams work closely with dedicated employment & training liaisons from two indigenous groups. These liaisons support community members seeking employment at the mine, assist with the implementation of Mount Milligan’s pre-employment and training programs in local communities, and provide support to all Indigenous employees at the mine site.

At our Turkish Project, Öksüt, we have prepared a detailed report on Labour profile and supplier potential in Develi town. Based on the results and recommendations we have created a Local Candidate Database, where all local job applications were entered. Two thousand sixty five people from the region applied for job and registered into database as of the end of December 2017.

Fig 6 Total Workforce (including Contracting Employees)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Workforce</td>
<td>3,936</td>
<td>3,867</td>
<td>4,608</td>
<td>4,240</td>
</tr>
</tbody>
</table>

Fig 7 Employee Demographics (including Contracting Employees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Employees</th>
<th>Contractor Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>391</td>
<td>21</td>
</tr>
<tr>
<td>2015</td>
<td>369</td>
<td>34</td>
</tr>
<tr>
<td>2016</td>
<td>481</td>
<td>73</td>
</tr>
<tr>
<td>2017</td>
<td>379</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,351</td>
<td>391</td>
</tr>
<tr>
<td>2015</td>
<td>2,300</td>
<td>369</td>
</tr>
<tr>
<td>2016</td>
<td>3,023</td>
<td>481</td>
</tr>
<tr>
<td>2017</td>
<td>2,903</td>
<td>379</td>
</tr>
</tbody>
</table>
LOCAL PROCUREMENT IN CONTEXT

We have a strategic approach to local procurement everywhere we work in the Kyrgyz Republic, Canada, at Projects and at Care and Maintenance sites. In 2017, Centerra introduced one ERP system in all its operations globally.

In describing our local procurement in this chapter, we will focus on Kumtor Mine in the Kyrgyz Republic and the Mount Milligan operations in Canada, and share the challenges we face in our Mongolian operations. Centerra’s vision and values are common throughout all our operations; however, each country has its unique market environments, which create minor differences in local procurement strategies followed by subsidiaries globally.

Kumtor Mine, Kyrgyz Republic

At our Kumtor operation, one of our top priorities is to procure goods locally if possible. We believe KGC’s Local Procurement Strategy creates substantial economic benefits for Kyrgyzstan on local, regional, and national levels. We have strict criteria that all local suppliers must meet. We consider sustainability, quality, and price when we procure goods and services. Like most international mining companies operating in regions with a limited history of large scale or modern mining practices, we face a number of challenges to procure goods locally varied from the lack of existing businesses, to unsatisfactory quality, and low financial literacy. In the past year, at Boroo, we managed to develop 10 local suppliers. This limited number of suppliers is affected by the fact that the Boroo operations are on care and maintenance, and the Gatsuurt Project is awaiting further approvals and commissioning.

Despite the transition to care and maintenance mode from January 2016, we conducted a series of meetings with local communities in the areas directly impacted by our operation (at Boroo and Gatsuurt) and developed the action plan to increase the quantity and range of goods and services procured locally, in order to build up a sustainable and transparent local procurement chain, in readiness for when the Gatsuurt Project will start.

Mount Milligan Mine, BC, Canada

Due to a recent acquisition, Canadian operations are in the process of aligning their policies to a global Centerra’s vision. Currently, Mount Milligan is in the process of building a local supplier database. Local vendor information from the region will be centralised, allowing Centerra employees to easily access information on potential local vendors, as well as prequalified contractors. We proactively seek out local vendors to bid on project work and larger supply/service agreements. In the event two bids are comparable, extra weighting is given to the local business. In some cases, vendors have to demonstrate what they can do for recycling or reusing packaging, and points are awarded for their responses.

Boroo Mine and Gatsuurt Project, Mongolia

During development of Boroo, we struggled to find reliable local suppliers in local districts/soums. Challenges to procure goods locally varied from the lack of existing businesses, to unsatisfactory quality, and low financial literacy. In the past year, at Boroo, we managed to develop 10 local suppliers. This limited number of suppliers is affected by the fact that the Boroo operations are on care and maintenance, and the Gatsuurt Project is awaiting further approvals and commissioning.

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Öksüt Project, Turkey

In cooperation with Develi Chamber of Commerce and Merchants/Craftsmen of Develi, we have conducted a study to learn more about possible local vendors and suppliers. A third party company had conducted a supplier potential study in 2016, which we are basing our practices on. Moreover, we conduct internal and external meetings on a regular basis to understand needs and find out opportunities to procure locally. On a quarterly basis, we conduct meetings with potential suppliers, where we explain policies and procedures in place.

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Fig 8 Local Procurement in Context

<table>
<thead>
<tr>
<th></th>
<th>Canadian operations</th>
<th>Kumtor Mine</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Unit</strong></td>
<td>$USD</td>
<td>$USD</td>
</tr>
<tr>
<td>Total amount of procurement</td>
<td>291,667,000</td>
<td>279,166,070</td>
</tr>
<tr>
<td>Total spending on local suppliers</td>
<td>19,254,426</td>
<td>18,361,391</td>
</tr>
<tr>
<td>Proportion of spending on local suppliers</td>
<td>6%</td>
<td>22%</td>
</tr>
<tr>
<td>Number of suppliers</td>
<td>580</td>
<td>789</td>
</tr>
<tr>
<td>Number of local suppliers</td>
<td>102</td>
<td>176</td>
</tr>
<tr>
<td>Percentage of local suppliers</td>
<td>18%</td>
<td>32%</td>
</tr>
</tbody>
</table>
LOCAL & INDIGENOUS COMMUNITIES

As responsible miners, we consider our engagement with local communities as essential to maintaining our social license to operate. We have established structured processes to effectively listen to, and communicate with local communities everywhere we work, aiming at positive impact on them – economically and socially by creating mutually beneficial partnerships.

Engagement context

Engaging with local communities is important for us in all stages of our operations. We make sure we establish good relations with representatives from local communities from the very beginning, and continue to maintain them throughout the life cycle of the mine. Our approach is based on transparent and trust-based communication with all stakeholders. We always keep local communities informed with the status of the Care & Maintenance sites and plans of the Company.

At the Kumtor Mine in the Kyrgyz Republic, our approach to engagement reflects our desire for respectful and meaningful dialogue within a complex social and political context. To ensure partnerships based on consensus, we initiated the formation of Regional Committees in Jeti-Oguz, Ton and Balykchy. Committee members are local authorities, heads/ chairmen of village councils, representatives of civil society organizations, and others. In these meetings, KGC management informs its stakeholders about KGC operations, employment, contribution of KGC into the economy of the Kyrgyz Republic, payments made to the Issyk-Kul Development Fund and other issues. Plans for KGC’s social investments are also discussed with local communities. Decisions are made taking into account suggestions of representatives of each Committee so that KGC’s investments meet expectations and the needs of communities. Regional Committee meetings take place quarterly.

Mount Milligan sits on the traditional territory of a number of Indigenous groups and building close partnerships with these groups is integral to Centerra Gold’s business in British Columbia. Formal benefit-sharing agreements are in place with two of the Indigenous groups impacted by the Mount Milligan’s operations – a socio-economic agreement with McLeod Lake Indian Band signed in 2010 and a formal Impact Benefit Agreement signed with Nak’Azdli Whut'en in 2016. These agreements outline a number of provisions around employment & training, environmental stewardship and business opportunities.

In 2017, the development of an Indigenous Employment & Training plan began in order to design recruitment and retention initiatives specific to the needs of our local Indigenous groups. 2017 also saw the creation of two Pre-employment Working Groups that brought together local Indigenous groups, Centerra Gold and the local community college to design workplace readiness training programs for Mount Milligan.

Through their work on the Mount Milligan Community Sustainability Committee, representatives from local Indigenous groups act as advisors to Centerra Gold Inc on issues relating to mine operations and social commitments, including environment, health & wellness and employment & training.

Social investments

For all our operational sites and projects, we draft a specific Community Development Plan (CDP) that includes our participatory assessment, delivery, community ownership, and monitoring approaches and philanthropic donations criteria. We adopt an IFC Guideline approach to strategic community investment and economic development wherever possible, with annual budgets based on both impact mitigation needs and benefit sharing (sustainable development opportunities to minimize dependency).

We believe it is important to provide assistance to local communities in reaching their goals to develop the local economy, and for the well-being of local residents. Taking into account that the Mine Closure will have a direct impact on the region’s economy, it is a priority to have a structured and planned approach in community investment projects - a vital component in maintaining our social license to operate.

Investments in the Kyrgyz Republic

We have two major directions of community investment in the Kyrgyz Republic. Major investment projects focus on four main areas, which were identified based on the results of socio-economic baseline study, which company conducts every three years.

The first type of investment is based on the Sustainable Development Strategy for the Issyk-Kul region, which focuses on:

(i) support of business growth and diversification;
(ii) development of agricultural sector;
(iii) youth and educational programs;
(iv) environment protection projects.

In a typical year, investments under this strategy can be up to $1.8 million.

The second type of investment made in the Kyrgyz Republic comprises donations and sponsorship support. We provide one-off donations, usually in form of in-kind equipment or services. Decisions on possible donations are taken by the Donations Committee, which meets every month and is comprised from senior management, who review and approve applications that meet the criteria established by KGC. Follow-up monitoring visits ensure that the donations are used for the intended purpose.

As part of our investment agreement with the Kyrgyz Republic for the Kumtor Mine, KGC contributes 1% of gross annual revenues to the Issyk-Kul Development Fund (IKDF). The IKDF is governed by a Supervisory Committee, comprising of local government representatives and NGOs. The fund is designed to develop the socioeconomic infrastructure in the Issyk-Kul Region in accordance to local and regional government priorities. Since the creation of the fund in 2009, KGC has invested more than $59.8 million into projects as diverse as kindergartens, schools, sports clubs, and irrigation infrastructure across the Issyk-Kul region.

Investments in Canada (British Columbia)

Since 2015, investments have been directed through two major programs: the Mount Milligan Donation Program and the Mount Milligan Community Project Fund.

Community organizations can request support for events, fund raising initiatives or community-based program through the Mount Milligan Donation program. Requests are reviewed by mine employees and organizations received one-time support up to $500. Each year, a budget of $25,000 is set for donations.

The Mount Milligan Community Project Fund provides one-time grants up to $10,000 CAD to support to local organizations working to build capacity at the community level in one or more of the following priority areas: education and training, health, environment, community (including economic development) and literacy.

In addition to these programs, Centerra Gold sponsors many local and regional community and industry events.

SUSTAINABILITY REPORT 2017
Investments in Turkey
The Öksüt Project Recruitment and Procurement Policies are aimed at increasing community development in the local area. There was a number of educational awareness and sponsorship projects implemented by Öksüt Project in 2016, which continued in 2017. Projects included donation of a mammogram machine to Develi District State Hospital and rolling-out a Breast Cancer awareness campaign, which allowed nearly hundred women to get tested; sponsorship of Epçe Secondary School Girls Volleyball Team; and providing assistance to local authorities in raising awareness about health-related issues.

Grievance Mechanism
OMAS developed Livelihood Restoration Plan and Community Development Plan to minimize the negative effects on the livelihoods, and to create some opportunities to the affected communities. OMAS has an open system for all stakeholders to address their grievances and feedbacks. We made presentations to the communities about the Grievance Procedure, and the same presentation is included to the induction training for all employees, including contractors, who will be mainly recruited from the local area.

Cross-cultural dialogue
Centerra recognizes that not only is it important to have a workforce comprised of the demographics of the communities in which it operates, but also that diversity brings value to the workplace. At Centerra, there are different organizations, including contractors, who will be mainly recruited from the local area. In 2017, a formal grievance mechanism for the mine was introduced.

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In the Öksüt Project area, there is a potential economic impact to the shepherds who are grazing their animals in the planned fence line. OMAS developed Livelihood Restoration Plan and Community Development Plan to minimize the negative effects on the livelihoods, and to create some opportunities to the affected communities. OMAS has an open system for all stakeholders to address their grievances and feedbacks. We made presentations to the communities about the Grievance Procedure, and the same presentation is included to the induction training for all employees, including contractors, who will be mainly recruited from the local area.

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In delivering results we strive for operational excellence, safe production and accept that we are each accountable for our results.

ENVIRONMENTAL PROTECTION 48
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- Waste & Hazardous Materials Management 50
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- Geotechnical Challenges 56
- Energy & Climate 58
- Closure Planning 60

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- Emergency Preparedness 63
Likewise, water access and quality is considered and mining industry. However, the local community is sensitive to within regions of relatively good water resources. & maintenance site and development projects are warming trends and alpine glacial retreat. Mine in the Kyrgyz Republic could result in alpine potential impact of climate change to our Kumtor physical environment. At an operational level, the estimating processes due to the potential impacts on regulatory requirements, voluntary accords and maintenance system (EMS), generally aligned with ISO 14001 environmental management systems. These are designed to address the effects of operations on the environment, to monitor compliance with permits and other requirements, and to provide for scheduled monitoring, engineering controls, reporting, and audits. Environmental Stewardship is an important concept at our sites and environmental awareness training is a key training requirement for our new hires. Spill reporting as required by environmental regulations is managed on the different sites. More importantly, immediate spill response is one of the primary concepts to help protect the environment. Additionally, other important aspects to protect the environment include wildlife management, monitoring to ensure air and water quality and sediment and erosion control.

**WATER MANAGEMENT**

Operational risks and opportunities related to climate change influence our planning and cost estimating processes due to the potential impacts on regulatory requirements, voluntary accords and physical environment. At an operational level, the potential impact of climate change to our Kumtor Mine in the Kyrgyz Republic could result in alpine warming trends and alpine glacial retreat. Water resources in Mongolia are limited, with annual reserves of 34.6 cubic kilometers – which is relatively low compared to other countries. Care & maintenance site and development projects are within regions of relatively good water resources. However, the local community is sensitive to potential impacts on water due to climate change and mining industry. Likewise, water access and quality is considered a major aspect to our ongoing development of the Oksus project in Turkey.

**External Water Quality Testing**

Our operations are routinely subject to inspections by local government agencies, who notify us of any concerns identified. We address concerns accordingly. Kumtor Mine, Kyrgyz Republic At Kumtor we track hydrological flows of the main water bodies within the concession area. These include Kumtor River and its principal tributaries, Petrov Lake, and the Upper and Lower Diversion Ditches that divert the Arabel River around the tailings management facility. We also monitor water levels in Petrov Lake, which serves as the fresh water source for Kumtor Mine site. We use water for operational activities, mostly in the mill, and for domestic use (drinking and sanitary) in the mining camp, offices, and workshops. We must also remove water from the mine pit in order to keep operations safe and stable.

**Mount Milligan Mine**

Our Mount Milligan Mine is a zero-discharge operation, where 99% of the water used in mining is recycled. At Mount Milligan, precipitation and snowfall is the primary source of supplying the Tailings Facility with fresh water. This process helps to minimize the need to continually draw fresh water from other sources such as creeks and groundwater. Water supply is augmented annually by precipitation and snowmelt to largely replace water used for the processing of ore as well as water lost in evaporation or is unavailable in tailings pore spaces.

The water is contained in a closed loop system that pumps the water to the mill and back to the Tailings Facility with very little loss of water. This process eliminates the need to continually draw fresh water from other sources such as creeks and groundwater. We continue to collect precipitation and snow on an annual basis at the Mount Milligan mine in order to cover any losses in the process such as evaporation and pore void losses. The goal is zero harm to the environment and aquatic life, which is part of the Environmental Policy. Quarterly water sampling of all surface and groundwater for multiple parameters ensuring compliance targets are met. No external water sources were utilized in 2016 for ore processing. Because Milligan is a non-discharging site, there are no impacts in the receiving environment from mining effluent. All tailings water is captured and pumped back to the tailings facility for recycling and reuse.

**RESULTS**

*This ratio does not include precipitation or snow pack volumes delivered to the Tailings Storage Facility.

Mount Milligan experienced a drier than normal spring and summer during 2017 with a limited amount of spring snow melt. This resulted in lower than expected reclaimer water volumes in the tailings storage facility (TSF) at Mount Milligan which is used for mill processing operations. The water shortage was exacerbated by unanticipated extremely cold temperatures at Mount Milligan, which has resulted in a greater than expected loss of available water volumes in the TSF due to ice formation. Regrettably, in the year we had to temporarily shutdown Mount Milligan’s mill due to a shortage of fresh reclaim water. Once sufficient water became available we restarted the mill in early February 2018 at half capacity and subsequently restarted the second ball mill at the end of March 2018. We continued to face limitations at the Mount Milligan mill due to water supply, a situation which was exacerbated by minimal inflow of snow melt and less than expected precipitation experienced in 2018. In early 2018, we received from British Columbia regulators an amendment to the Mount Milligan Environmental Assessment Certificate which allows us limited withdrawal of water from Phillip Lake until October 2018. Later in 2018, we applied to the British Columbia regulators for further access to additional water sources through July 2021. To date, we have not received any word yet about this application. For further information about the water supply issues at Mount Milligan, please see our regular public disclosure available on SEDAR at www.sedar.com. Information in this report on this matter is given as of October, 2018.

Glacier management at Kumtor Mine Kumtor’s high altitude mining operation is in close proximity to active glaciers, with part of the ore deposit and associated infrastructure extending beneath or affected by moving glaciers. Ice removal is required to provide safe access to ore and has been an approved part of mining since 1994. It is small compared to natural melting. In response to stakeholder concerns and emerging legislation seeking a ban of glacier ice removal in the Kyrgyz Republic, we describe relevant information of our practices and put our impacts in the context of regional and global trends. Measures to manage glaciers and ice have been a feature of mining operations at Kumtor from the beginning of the project in 1994, and the subject of frequent Kyrgyz regulatory oversight and approval, as well as review by international technical and environmental experts. Kyrgyz and international glaciologists have stated the KGC’s impact is insignificant. In November 2017, amendments regulating the operations on Davydov and Lysyi Glaciers were introduced into the Kyrgyz Republic’s Water Code. Research of glaciers surrounding the Kumtor Mine will be continued in 2018.
WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Centerra recognizes the importance of minimization of negative impact of waste on the environment and operates in compliance with Good International Industry Practice (GiIP).

Kumtor Mine, Kyrgyz Republic

Reducing the negative impact on the environment and the effective use of financial resources related to waste management are the key priorities in improving our waste management strategy. As part of the implementation of the strategy objectives, KGC seeks for partners able to provide waste processing/recycling services, contributing to reduction in waste volumes disposed at site landfills. Since 2014, not a single kilogram of industrial waste has been disposed on site. Scrap metal, plastic, rubber, wood, paper, waste oil and other waste are removed from the mine to our local partners to reuse and recycle. The reuse of scrap metal in the production of grinding balls is of particular note. The local company “Vulkan Plus” produces different size steel balls used for ore grinding at the Mill.

In compliance with Kyrgyz Republic environmental legislation, as well as high regulations and standards of environmental responsibility, KGC, as the owner of waste, is committed to ensure safe recycling or utilization of its waste, as well as continuous improvement of its waste management systems/processes/practices in order to minimize negative impact on the environment.

In 2017, a biodegradable waste processing station, or compost unit, was designed and constructed. Food waste is processed by aerobic decomposition producing compost – an organic fertilizer that will be used for restoration of fertile properties of top soil, reclamation of disturbed fertile soil areas. Laboratory tests confirmed that the chemical-biological composition of the final product – compost – fully complies with the properties of organic fertilizers. In this way, about 1 tonne of food waste is processed per day.

Mount Milligan Mine, British Columbia, Canada

Mount Milligan manages waste and hazardous materials in accordance with federal and provincial regulations as well as the best management practices described in the Hazardous Materials Management Plan, Refuse Incinerator Management Plan and Solid Waste Management Plan. The commitments listed in these site-specific management plans emphasize safety protocols and environmental protection with specific procedures for all stages of material handling: transportation, storage, inventory, training, spill response and spill reporting. Regulations such as the Environmental Management Act and the Canadian Environmental Protection Act mandate the legal requirements for safe handling and disposal of materials that could be harmful to human health or to the environment.

As Mount Milligan is a remote site, the transportation of hazardous materials extends the boundary of waste management into local communities extending the potential for impacts along the transport routes. The final point of consumption for products generating waste and hazardous materials is the mine site. Therefore, management is conducted at the mine site, in accordance with federal and provincial regulations, and mine permits.

The goals for the hazardous waste management procedures at Mount Milligan are to reduce or eliminate the potential for impacts to human health or the environment. The target for waste and hazardous materials management procedures are to minimize occurrences of reportable spills by exercising due diligence and by seeking opportunities for continuous improvement regarding best management practices.

Mount Milligan manages waste and hazardous materials in accordance with federal and provincial regulations as well as the best management practices described in the Hazardous Materials Management Plan, Refuse Incinerator Management Plan and Solid Waste Management Plan. The commitments listed in these site-specific management plans emphasize safety protocols and environmental protection with specific procedures for all stages of material handling: transportation, storage, inventory, training, spill response and spill reporting. Regulations such as the Environmental Management Act and the Canadian Environmental Protection Act mandate the legal requirements for safe handling and disposal of materials that could be harmful to human health or to the environment.

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The goals for the hazardous waste management procedures at Mount Milligan are to reduce or eliminate the potential for impacts to human health or the environment. The target for waste and hazardous materials management procedures are to minimize occurrences of reportable spills by exercising due diligence and by seeking opportunities for continuous improvement regarding best management practices.

Biodiversity

We are committed to understanding and reducing our impacts to native biodiversity and working with our local, national, and international stakeholders to pursue net biodiversity gains.

Kumtor Mine, Kyrgyz Republic

The Tien Shan mountain range is one of the longest in Central Asia, stretching approximately 2,800 km through mostly the Kyrgyz Republic and China. The region features globally important biodiversity and is home to a number of endangered species including the snow leopard, and the Marco Polo sheep (Argali). The snow leopard is an important cultural symbol in Central and South Asia and features widely in local folklore. Other species of concern include an aquatic plant in the Ranunculus family (Hedyasarum kirgizorum), which is also included in the Kyrgyz Red Data book, and possibly endemic species of dandelions (Taraxacum cytisorum), and tulips (Tulip tetraphylla).

The coexistence of humans and animals is an extremely important issue for KGC, given the operation’s location adjacent to the Sarychat Eartash Nature Reserve. This is why hunting of all animals has been prohibited within the Kumtor Concession Area since the onset of mining operations. The mine site and surrounds has been the original habitat for many species.

Fig. 11: Regional Fauna Species with Conservation Status Identified Within the Study Area - Kumtor*

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Latin Name</th>
<th>Kyrgyz Red Book (2006)</th>
<th>IUCN Red Book</th>
<th>Kumtor Concession</th>
<th>SCER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mammals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stone Marten</td>
<td>Martes foina</td>
<td>Lower Risk/least concerned</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Snow Leopard</td>
<td>Uncia uncia</td>
<td>Critically Endangered</td>
<td>Endangered</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pallass’s Cat</td>
<td>Otocolobus manul</td>
<td>Near Threatened</td>
<td>Near Threatened</td>
<td>Near Threatened</td>
<td>Near</td>
</tr>
<tr>
<td>Eurasian Lynx</td>
<td>Lynx lynx</td>
<td>Nearly Threatened</td>
<td>Least Concern</td>
<td>Near</td>
<td>Near</td>
</tr>
<tr>
<td>Brown Bear</td>
<td>Ursus arctos</td>
<td>Lower Risk/least concerned</td>
<td>Least Concern</td>
<td>Near</td>
<td>Near</td>
</tr>
<tr>
<td>Mountain Sheep</td>
<td>Ovis ammon</td>
<td>Near Threatened</td>
<td>Near Threatened</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Birds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Stork</td>
<td>Ciconia nigra</td>
<td>Near Threatened</td>
<td>Least Concern</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Whooper Swan</td>
<td>Cygnus cygnus</td>
<td>Least Concern</td>
<td>Least Concern</td>
<td>Near</td>
<td>Yes</td>
</tr>
<tr>
<td>Golden Eagle</td>
<td>Aquila chrysaetos</td>
<td>Near Threatened</td>
<td>Least Concern</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Eastern Imperial Eagle</td>
<td>Aquila heliaca</td>
<td>Vulnerable</td>
<td>Vulnerable</td>
<td>M</td>
<td>M</td>
</tr>
<tr>
<td>Eurasian Black Vulture</td>
<td>Aegypius monachus</td>
<td>Near Threatened</td>
<td>Near Threatened</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Himalayan Griffon</td>
<td>Gyps himalayensis</td>
<td>Least Concern</td>
<td>Least Concern</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lammergeyer</td>
<td>Gypaetus barbatus</td>
<td>Near Threatened</td>
<td>Near Threatened</td>
<td>Near</td>
<td>Yes</td>
</tr>
<tr>
<td>Saker Falcon</td>
<td>Falco cherrug</td>
<td>Endangered</td>
<td>Endangered</td>
<td>Near</td>
<td>Yes</td>
</tr>
<tr>
<td>Eurasian Eagle Ow</td>
<td>Bubo bubo</td>
<td>Least Concern</td>
<td>Least Concern</td>
<td>Near</td>
<td>Yes</td>
</tr>
<tr>
<td>Ibisbill</td>
<td>Ibisindorhynchus struthersii</td>
<td>Vulnerable</td>
<td>Least Concern</td>
<td>Near</td>
<td>Yes</td>
</tr>
<tr>
<td>Demaulus Cranes</td>
<td>Anthropoides virgo</td>
<td>Near Threatened</td>
<td>Least Concern</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: SCER is Sarychat – Eartash Nature Reserve; IUCN is the International Union for Conservation of Nature.

* Includes non-hazardous industrial and domestic waste. At Kumtor in 2017 100% of industrial waste was recycled, 100% of non-hazardous domestic waste was disposed.

** In 2016, KGC improved the technical equipment of specialists conducting wild animals and birds monitoring near the mine. More powerful optical surveillance equipment was purchased, photo and video equipment updated. Moreover, the frequency and duration of animal observation was increased. This allowed detection and registration of six species of animals (rendered in bold) included in the red book and the IUCN red list.

Fig. 10: Key Waste Statistics

<table>
<thead>
<tr>
<th>Unit</th>
<th>Kumtor Mine</th>
<th>Mount Milligan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous wastes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>recycled, reused</td>
<td>116.5</td>
<td>441</td>
</tr>
<tr>
<td>disposed</td>
<td>545.0</td>
<td>474</td>
</tr>
<tr>
<td>Non-hazardous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>wastes</td>
<td>10,052</td>
<td>272.3</td>
</tr>
<tr>
<td>recycled, reused</td>
<td>817.9*</td>
<td>2,169</td>
</tr>
<tr>
<td>disposed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes non-hazardous industrial and domestic waste. At Kumtor in 2017 100% of industrial waste was recycled, 100% of non-hazardous domestic waste was disposed.
Mount Milligan Mine, British Columbia, Canada
Promoting biodiversity is a business necessity for Mount Milligan from both a regulatory and cultural standpoint. Milligan has made commitments within the Environmental Assessment, and is also regulated by various permits and governing bodies, to protect and manage biodiversity within the mine operational area.

Although Mount Milligan is a remote site, located approximately 90 km from the nearest community of Fort St. James (population ~1,700) and 95 km from the nearest First Nations reserve of Nak’azdli (population ~740) the mine site sits on the traditional hunting and gathering territories of four identified First Nations groups (Nak’azdli Whut’en, McLeod Lake Indian Band, West Moberly First Nations and the Halfway River First Nation). For First Nations and other resource users in the area, biodiversity is linked to their cultural and spiritual values, as well as many groups’ knowledge systems and education. Aesthetic values must also be taken into consideration.

Mount Milligan acknowledges British Columbia’s conservation status, the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) status, and the Species at Risk Act (SARA) status, as well as First Nations’ values of wildlife in the Mount Milligan area.

### Mammals

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Scientific Name</th>
<th>BC Conservation Status (Provincial)</th>
<th>COSEWIC Status (Federal)</th>
<th>SARA Status (Federal)</th>
<th>IUCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grizzly Bear</td>
<td>Ursus arctos</td>
<td>Blue</td>
<td>Special Concern</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Wolverine</td>
<td>Gulo gulo</td>
<td>None</td>
<td>Special Concern</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Fisher</td>
<td>Pekania Pennanti</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Northern Caribou (Northern Mountain population)</td>
<td>Rangifer Ferranti</td>
<td>Blue</td>
<td>Threatened/Special Concern</td>
<td>Schedule 1</td>
<td>Not Assessed</td>
</tr>
<tr>
<td>Cougar</td>
<td>Puma concolor</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Canadian Beaver</td>
<td>Castor canadensis</td>
<td>Not listed</td>
<td>None</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Gray Wolf</td>
<td>Canis lupus</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Coyote</td>
<td>Canis latrans</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Black Bear</td>
<td>Ursus americanus</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Fox</td>
<td>Vulpes vulpes</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
</tbody>
</table>

### Birds

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Scientific Name</th>
<th>BC Conservation Status (Provincial)</th>
<th>COSEWIC Status (Federal)</th>
<th>SARA Status (Federal)</th>
<th>IUCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barn Swallow</td>
<td>Hirundo rustica</td>
<td>Blue</td>
<td>Threatened</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Rusty Blackbird</td>
<td>Euphagus carolinus</td>
<td>Blue</td>
<td>Special Concern</td>
<td>Schedule 1</td>
<td>Vulnerable</td>
</tr>
<tr>
<td>Broad-Winged Hawk</td>
<td>Buteo platypterus</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Short-Eared Owl</td>
<td>Asio flammeus</td>
<td>Blue</td>
<td>Special Concern</td>
<td>Schedule 1</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Swainson’s Hawk</td>
<td>Buteo swainsoni</td>
<td>Red</td>
<td>None</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Peregrine Falcon</td>
<td>Falco peregrinus</td>
<td>None</td>
<td>Special Concern</td>
<td>None</td>
<td>Least Concern</td>
</tr>
</tbody>
</table>

### Insects

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Scientific Name</th>
<th>BC Conservation Status (Provincial)</th>
<th>COSEWIC Status (Federal)</th>
<th>SARA Status (Federal)</th>
<th>IUCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hagen’s Bluet</td>
<td>Enallagma hageni</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Not Assessed</td>
</tr>
<tr>
<td>Beaverpond Basketail</td>
<td>Epitheca canis</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Quebec Emerald</td>
<td>Somatochlora brevicornis</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Furcipate Emerald</td>
<td>Somatochlora forcipata</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Not Assessed</td>
</tr>
<tr>
<td>Kennedy’s Emerald</td>
<td>Somatochlora kenedyi</td>
<td>Blue</td>
<td>None</td>
<td>None</td>
<td>Not Assessed</td>
</tr>
</tbody>
</table>

### Amphibians

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Scientific Name</th>
<th>BC Conservation Status (Provincial)</th>
<th>COSEWIC Status (Federal)</th>
<th>SARA Status (Federal)</th>
<th>IUCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia Spotted Frog</td>
<td>Rana lutescens</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Wood Frog</td>
<td>Rana sylvatica</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Long-Toed Salamander</td>
<td>Ambystoma macrodactylum</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Not listed</td>
<td>Least Concern</td>
</tr>
<tr>
<td>Western Toad</td>
<td>Anaxyrus boreus</td>
<td>Blue</td>
<td>Special Concern</td>
<td>Schedule 1</td>
<td>Least Concern</td>
</tr>
</tbody>
</table>
**DEVELOPMENT PROJECTS**

**Oksut Project, Turkey**

Potential environmental impacts associated with the construction, operation and closure of the Project are evaluated as part of the impact assessment with attention to key biodiversity features and critical habitat. Appropriate mitigation and monitoring measures are proposed based on the mitigation hierarchy, accepted by the Company.

<table>
<thead>
<tr>
<th>Common Name</th>
<th>Latin Name</th>
<th>IUCN Red Book</th>
<th>Mine Site Local Study Area</th>
<th>Powerline Local Study Area</th>
<th>KBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sociable Lapwing</td>
<td>Vanellus gregarius</td>
<td>Critically Endangered</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Slender-billed Curlew</td>
<td>Numenius tenuirostris</td>
<td>Critically Endangered</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>White-headed Duck</td>
<td>Oxyura leucocephala</td>
<td>Endangered</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Saker Falcon</td>
<td>Falco cherrug</td>
<td>Endangered</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Egyptian vulture</td>
<td>Neophron percnopterus</td>
<td>Endangered</td>
<td>Yes</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Common tortoise</td>
<td>Testudo graeca</td>
<td>Vulnerable</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pochard</td>
<td>Aythya ferina</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Red-Breasted Goose</td>
<td>Branta ruficollis</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Marbled Teal</td>
<td>Marmaronetta angustirostris</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Velvet Scoter</td>
<td>Melanitta fusca</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Imperial Eagle</td>
<td>Aquila heliaca</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Greater Spotted Eagle</td>
<td>Clanga clanga</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Great Bustard</td>
<td>Otis tarda</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Aquatic Warbler</td>
<td>Acrocephalus paludicola</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Immigration Period</td>
</tr>
<tr>
<td>Dalmatian Pelican</td>
<td>Pelecanus crispus</td>
<td>Vulnerable</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**VEGETATION AND WILDLIFE MONITORING AT BOROO MINE, MONGOLIA**

The vegetation and wildlife monitoring study is conducted at reclaimed land every 2 years in order to evaluate performance and its results are compared to baseline study of the DEIA (1999). The study results concluded that of the 40 main plants currently growing at the reclaimed area, 21 species that existed before the operation are registered at the reclaimed land. 50 percent of plants within the reclaimed area is composed of native species of plants (which were present in the area when it was in its original state). This demonstrates that the reclaimed area is relatively close to its original natural state. The 2010-2016 monitoring program found out that the reclaimed areas are temporarily and permanently inhabited by 120 species of insects, 1 species of amphibians, 2 species of snakes, 16 species of mammals and 77 species of birds as result of reclamation activities undertaken over the last years. Reforestation and development of forest stripes conducted within the framework of biological reclamation supports reintroduction process of forest-steppe endemic animal at Boroo mine site.

After the mine’s closure and when reclamation activities are fully completed, BGC will conduct post-closure monitoring program for three years in order to control stability, restorability and growth process of the reclaimed area and post closure impacts on the environment. The proposed monitoring program includes integrated surface and ground water sampling and analysis, air quality measurements, dust control and soil quality monitoring.
All Centerra’s mines are either technically complex or situated in challenging environments. If not managed properly any geotechnical challenges can have adverse effect on Centerra’s operations, reputation, the environment, and shareholders’ value.

The mines are exposed to a number of geotechnical risks/challenges that includes, but is not limited to the following:

Kumtor Mine, Kyrgyz Republic:
- The waste dumps movement in the Central, Sarytor and Lysiy valleys.
- The waste dumps are on top of permafrost, finegrained moraine soils, with high ground ice content within the Davidov and Sarytor Valleys and to a lesser extent, the Lysiy Valley. Should the dumps start displacing substantially, their use will need to be reduced or stopped entirely.
- The buttress constructed at the bottom of the Southern arm of the Davidov glacier.
- The buttress is preventing the ice from entering the Central Pit. Should the buttress become unstable and the glacier arm moved into the pit, a significant portion of Mineral Reserves in the SB zone will be sterilized.
- Stability of increased height of the pit walls. If the slope angles used in the Central pit for the design of the Life Of Mine (LOM) need significant flattening or if the pit walls prove to be unstable at the slope angles assumed by the LOM pit design, there would be a negative impact on the LOM plan and on the current open pit Mineral Reserves.
- Wall stability in the Northwest (NW) could impact site facilities located in the immediate vicinity to the final crest of the wall, particularly the mill. Due to the weak rock mass in the NW wall of the Central Pit, it is possible that certain conditions exist that could lead to weakness areas suggesting potential failure zones. Should such deformation occur, it may provoke interruptions to processing that in turn will have a negative impact on gold production.
- Glacial advance and ice unloading.
- The Central Pit of the Kumtor Mine is surrounded by active and moving glaciers. Ice removal is required to provide safe access to lower ore producing benches. Failure to do so may result in interruption of mining operations.
- Glacial melt water inflow into the Central pit.

Öksüt Project, Turkey:
- Waste dump stability.
- Waste dump construction at Öksüt will be done using a bottom up approach. Short-term deformations may occur and are considered acceptable based on stability analyses. An additional geotechnical investigation for the waste dump has been initiated in 2018 to further developed the geotechnical model in the waste dump area.
- Pit wall stability - Alteration in the lower portion of the Keltepe pit.
- The current pit designs do not make allowances for shallower slopes in highly altered rock at the pit bottom. Should the rock mass properties be weaker due to a higher than assumed degree of alteration, the pit wall may become unstable. Additional geotechnical study is recommended during operations.
- Pit wall stability - Hydrogeological study.
- Dry conditions were used for the base case stability calculations as the rock mass is heavily fractured and it is expected that water, if any, will be easily drained by exposed open pits or drill holes. Should this not be the case, the pit walls may become unstable. Hydrogeological assumptions will be confirmed or reverified after mining commences.

Gatsuur Project, Mongolia:
- Pit wall stability.
- The structural geology and hydrogeological properties of certain lithological domains within the Gatsuurt open pits will be further investigated after the commencement of open pit development.

Endako Mine, BC, Canada
- Pit wall stability.
- The Endako mine had recurring issues with the stability of the open pit slopes such as large multibench wedge failures along continuous faults. Visual observations and monitoring data indicate that zones of previous failures exhibit ongoing slow deformations and raveling. If mining works are resumed, there is a high risk of repetition of unfavorable events.

Öksüt Project, Turkey:
- Waste dump stability.
- Waste dump construction at Öksüt will be done using a bottom up approach. Short-term deformations may occur and are considered acceptable based on stability analyses. An additional geotechnical investigation for the waste dump has been initiated in 2018 to further developed the geotechnical model in the waste dump area.
- Pit wall stability - Alteration in the lower portion of the Keltepe pit.
- The current pit designs do not make allowances for shallower slopes in highly altered rock at the pit bottom. Should the rock mass properties be weaker due to a higher than assumed degree of alteration, the pit wall may become unstable. Additional geotechnical study is recommended during operations.
- Pit wall stability - Hydrogeological study.
- Dry conditions were used for the base case stability calculations as the rock mass is heavily fractured and it is expected that water, if any, will be easily drained by exposed open pits or drill holes. Should this not be the case, the pit walls may become unstable. Hydrogeological assumptions will be confirmed or reverified after mining commences.

Identity of the tailing dams. The LOM plan assumes raising of the existing tailings dam. If stability of the dam cannot be ensured, additional capital expenditures beyond those in the current capital budget for the LOM plan would have to be incurred.
- Petrov Lake natural moraine dam.
- Thawing of the moraine dam, to an extent that it allows for piping or overtopping of the dam, may lead to a dam breach and the uncontrolled release of lake water that can potentially erode a section of the tailings dam and damage other downstream facilities.

Mount Milligan Mine, BC, Canada
- Glaciolacustrine Unit (GLU)
- A GLU was identified in the vicinity of the Northeast (NE) and Southeast (SE) Embankment foundations of the tailings dam. An assessment was completed in 2015/2016 consisting of a site investigation program and stability evaluation. The assessment concluded that while the extent and thickness of the deposit was potentially a cause for concern, the physical characteristics indicated a low risk for a low strength foundation. A drilling program was undertaken in July 2017, to collect additional samples of the GLU for analysis and to install instrumentation into the unit under the final downstream slope of the dam. Results from this test work and analysis confirm that the GLU under the Mount Milligan TSF is at low risk for instability. Instrumentation was installed into the GLU to facilitate monitoring.
- Structural geology and mine design.
- Major structures and their associated strength properties have been identified and measured during the project exploration stage and throughout the early mine life; however, the interpretation of the structural geology (faulting in particularly) when it applies to mine design is not well understood. For this reason, a few pit sectors during various pit development stages require special attention and redesigning.
- Water inflow.
- Attention to the water regime is required to monitor for a situation that might result in significant pore pressures developing behind the walls of the open pit. Excessive pore pressures build-up can contribute to wedge-type failure, particularly in areas where smaller structures in the rock mass intersect with the major structural features described above. Pore pressure in the pit walls has been identified as a contributing factor in a number of bench and multi-bench scale failures in the Pit. The Mine will undertake a program of horizontal drainhole drilling in the fall to assess these pore pressures and to attempt to alleviate some of this pressure.

Management’s Response
Centerra remains committed to adopting industry best practices and a risk-based approach while managing the geotechnical challenges listed above. In particular these include:
- Risk assessments and geotechnical committees carried out by management;
- Utilization of advanced technologies to monitor and appraise safety and geotechnical performance;
- Regular third-party reviews by industry recognized consulting companies;
- Stakeholder engagement (periodical review and inspections by management, governmental and communities authorities; retaining local and international experts for various projects (i.e. engineering studies, stability calculations, and numerical modeling) aiming to reduce the level of uncertainty related to geotechnical objects and to forecast their behavioral patterns;
- Maintaining special policies and procedures (i.e. Emergency Response Plans);
- Undertaking various operational measures (i.e. de-watering) to improve working conditions and reduce geotechnical risk.
ENERGY AND CLIMATE

Climate change risk considerations are integrated into our life of mine planning, water and tailings management programs, and mine closure planning processes.

The Vice President, Security, Sustainability and Environment is the highest level of direct responsibility for climate change at Centerra. This position reports directly to the Chief Operating Officer, who in turn, reports to CEO of Centerra. Centerra rewards behaviors and initiatives that address overall environmental performance (i.e., waste management, energy efficiency), which can contribute to reducing our carbon footprint.

Centerra’s carbon footprint is reported through our participation in the Carbon Disclosure Project (CDP). This is an independent international not-for profit organization that tracks and reports corporate information pertaining to climate change. The data for individual companies is publicly available. Centerra had been disclosing under CDP’s guidance since 2010.

Kumtor Mine, Kyrgyz Republic

Kumtor Mine is a significant consumer of fuel and electricity. Fuel represents over 20% of the commodity and service related purchases. However, wherever feasible, we use electricity. The most energy intensive operation is the mill, representing approximately 75% of our electricity consumption. The Kyrgyz Republic generates more than 70% of its electricity through hydropower. In fact, the Kyrgyz Republic is a leading producer and exporter of hydroelectric energy in the Central Asia region, due to its mountainous terrain and abundant water resources.

The major source of the power supplied to KGC is from the Toktogul Reservoir located on the Naryn River. This means that our specific greenhouse gas (GHG) emission footprint generated from electricity is relatively low. It also means that efforts that reduce or replace our fuel consumption with grid power offers the greatest value in terms of reducing our GHG emissions.

We continue to calculate and monitor our GHG emissions, and explore ways to reduce them as part of energy conservation measures. Our calculations include our three main sites: the mine, Balykchy Marshaling Yard, and Bishkek head office. However, the mine represents around 98% of energy use, and the only site using explosives. We include explosives in our GHG emission calculations as it was determined to be a significant component of the total emissions.

We aim to reduce our GHG intensity by reducing our specific energy consumption and by increasing energy efficiency. We switch from diesel generators to grid electricity, wherever and whenever feasible, for such uses as mine-site lighting, dewatering pumps, and other equipment. This reduces both costs and our GHG footprint.

Mount Milligan Mine, British Columbia, Canada

Mount Milligan mine has implemented a No Idling Policy site wide. This ensures no unnecessary fuel consumption is incurred. One 797F haul truck consumes 50 liters of diesel an hour if idling. In addition, to improve fuel economy we use Ultra Low Sulphur diesel fuels. All power use is by electricity with no diesel generation to supply power.

Mount Milligan has recently begun a partnership with BC Hydro and has hired an Energy Manager. This Energy Manager will review major projects to determine cost savings associated with energy supplied to the mine to determine more energy efficient methods. BC Hydro will supply funding for energy-related research and partial funding on more energy-efficient projects such as variable speed motors for milling operations.

Fig. 14 GHG Emissions

<table>
<thead>
<tr>
<th>Unit</th>
<th>Kumtor 2016</th>
<th>Kumtor 2017</th>
<th>Mount Milligan 2016</th>
<th>Mount Milligan 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Energy Consumption (Gigajoules)</td>
<td>4,807,912</td>
<td>4,838,619</td>
<td>850,891</td>
<td>589,371</td>
</tr>
<tr>
<td>Indirect Energy Consumption (Gigajoules)</td>
<td>1,034,037</td>
<td>1,041,539</td>
<td>1,861,685</td>
<td>2,072,682</td>
</tr>
<tr>
<td>Total Energy Consumption (Gigajoules)</td>
<td>5,841,949</td>
<td>5,880,158</td>
<td>2,712,576</td>
<td>2,072,682</td>
</tr>
<tr>
<td>Direct GHG Emissions (scope 1) (Tonnes CO₂e)</td>
<td>337,028</td>
<td>340,525</td>
<td>59,004</td>
<td>46,821</td>
</tr>
<tr>
<td>Indirect GHG Emissions (scope 2) (Tonnes CO₂e)</td>
<td>25,102</td>
<td>25,279</td>
<td>2,606</td>
<td>143,346</td>
</tr>
<tr>
<td>Total GHG Emissions (scope 1 + scope 2) (Tonnes CO₂e)</td>
<td>362,129</td>
<td>365,804</td>
<td>61,610</td>
<td>190,167</td>
</tr>
</tbody>
</table>
CLOSEUP PLANNING

Our commitment to safe and responsible mining means we plan for the full life cycle, including mine closure. We seek to reduce and limit our long-term environmental and social impacts by avoiding, minimizing and mitigating impacts from the start of the exploration stage, through operations to completion of the closure process. All our operations, projects and care & maintenance sites have closure plans in place. We adopt a strict regime for mine closure including annual mine cost updates (AMC) and we review our conceptual closure plans on a three-year cycle to include both environmental and social impacts of closure. We align with the ICMM Mine Closure framework and strong financial surety is in place. At Boroo in Mongolia our progressive reclamation is lauded as world-class; attracting evident biodiversity.

Boroo Mine, Mongolia1

The Boroo Mine in Mongolia is currently transitioning into the closure stage as having a number of major operations ceased i.e., the open pit mining operation in 2012, processing plant operation in 2014 and heap leach active operation in 2015. As mentioned earlier, however, the Boroo mill has been placed on care and maintenance in anticipation of Gatsuurt ore being processed through the Boroo mill (once the necessary approvals and commissioning is received). Moreover, Boroo Gold Company LLC (BGC) has implemented reclamation activities annually since 2003 (commercial development began in 2004) and a total 435.7 ha of the disturbed land has been reclaimed and officially handed over to the local government. In addition, a forestation program was implemented on 47.4 ha area since 2007. BGC implements Environmental Management System (EMS) consistent with ISO 14001 standard, annually reviews and revises its policies, programs and procedures to maintain their relevance and compliance with the standard requirements, related environmental laws and regulations. BGC has been conducting technical and biological reclamation since 2003 in compliance with technical requirements of the national standards. Each year, scope of technical and biological reclamation and forestation works are reflected in the EMP and implemented in collaboration with local communities.

In 2017, Boroo mine closure cost was updated reflecting latest changes of costs, currency exchange rate, inflation and some changes in the legal requirements. Further, a third party review on Boroo mine closure cost update was conducted by SRK Consulting company using Standardized Reclamation Cost Estimator.

Kumtor Mine, Kyrgyz Republic

At Kumtor, the most recent LOM plan is for open-pit mining to end in 2023 and milling operations to conclude in 2026. As agreed with Kyrgyz authorities and outlined in the Environmental Management Action Plan (EMAP), KGC is required to update the Conceptual Closure Plan (CCP) for the operation every three years, and complete a Final Closure Plan (FCP) two years prior to closure. This approach allows for a period for testing and monitoring of several years to evaluate the various options contemplated by the CCP, and time to consider any changes to the environmental, regulatory and social environment that may have occurred over the life of the mine. KGC has prepared CCPs in 1999, 2004, 2008, 2011, and 2013 and most recently in 2016. The latest CCP covers the existing components of the Kumtor operations including the open pits, waste rock dumps, TMF and related water treatment facilities, and the mill complex and associated mine infrastructure. Closure and land use objectives have been established to guide development of the plan.

As outlined in the 2016 CCP, the uninfilled LOM closure cost is estimated at $56.7 million. It is estimated it would cost $54.4 million to rehabilitate the known impacts and disturbance as of December 31, 2017. Kumtor is required to re-calculate closure liability on an annual basis, in accordance with International Financial Reporting Standards to account of future discount and inflation rates. In 1995, Kumtor established a reclamation trust fund to accrue cash funds for mine closure liabilities. This is funded by sales revenue, annually in arrears. As of December 31, 2017, the balance in the fund was $26.4 million, with the remaining cost to be funded over the life of the mine. On September 11, 2017, the Company entered into a comprehensive settlement agreement with the Government of Kyrgyz Republic. Kumtor is to fund $6.0 million on an annual basis into the reclamation trust fund until a balance of $54.4 million is achieved. As of December 31, 2017, the LOM closure cost is estimated at $56.7 million.

Mount Milligan Mine, British Columbia, Canada

Mine closure planning is required submission for the British Columbia Ministry of Energy and Mines in order to receive a Mine Operating Permit and addresses land and water bodies within the mine lease boundary. The mine closure plan is updated every five years and submitted to the Ministry of Energy and Mines for approval.

Mount Milligan practices ongoing progressive reclamation activities which are documented in the annual reclamation reports submitted to the Ministry of Energy and Mines. In addition to annual reporting, joint annual inspections are undertaken by government in which First Nations are invited to attend. Collaboratively, the provides guidance for current and future reclamation programs. Ongoing field research and monitoring trials are necessary to inform the best management practices that will be utilized incorporating adaptive management techniques and meaningful First Nations input.

Care & Maintenance Sites and Projects

At Endako Mine, closure planning is conducted with consultation from Provincial Ministries, local First Nations, and local community members. Closure plans set out to meet the requirements of the Health, Safety and Reclamation Code for Mines in British Columbia. Reclamation on-site is ongoing and to date, the site has completed several hectares of reclamation. The site is currently working towards developing new reclamation success criteria. The criteria will take into account things like biodiversity, and surrounding habitat types. OMAS has a Conceptual Closure Framework which emphasizes the importance of environmental, and social contents during closure. Community Health Safety and Security, Stakeholder Engagement, Community Development, Labor Management, and Grievance Management will be handled as important as environmental items. OMAS has a plan to monitor environmental and social contents after the stop of mining activities.

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1These assets were subsequently sold by Centerra in Q4 2016
**OCCUPATIONAL HEALTH & SAFETY**

Centerra recognizes the protection of the health and safety of its employees, contractors, and the public as vital to the Company’s existence and continued development.

Centerra is committed to conducting all of its activities including exploration, operations and decommissioning in a responsible manner, providing a safe and healthy work environment for its employees, contractors, visitors and the general public.

In support of this commitment, Centerra has a policy that it will:

- Assign health and safety responsibilities and accountabilities to each level of the organization.
- Establish and maintain systems which will strive to identify, control or eliminate health and safety risks.
- Ensure the mitigation of health and safety risks when evaluating, planning, constructing and managing all projects and operations.
- Meet or exceed local, regional and national health and safety legislation.
- Require senior management of each operation and subsidiary to be accountable for the establishment, maintenance and implementation of documented site programs, plans and procedures in a manner consistent with this policy.
- Require Centerra managers, supervisors and employees to adhere to this policy in identifying, assessing and mitigating health and safety risks.
- Ensure Centerra employees and contractors have the appropriate training so as to allow them to appropriately carry out their health and safety duties and responsibilities.
- Ensure the participation of Centerra employees in the development and implementation of health and safety programs and procedures.
- Communicate this policy to all Centerra stakeholders so they are aware of their health and safety responsibilities in a manner appropriate to their role in the organization, and encourage them to make contributions to Centerra’s safety, health and safety management system.
- Provide adequate and appropriate resources to implement this policy.
- Monitor and conduct regular assessments in the management of our operations so as to achieve continual improvement in health and safety performance that is aligned with leading international industry practices.

The Board of Director’s Sustainable Operations Committee reviews this policy every two years. Most of Centerra’s operations have Formal Joint Worker-Management OHS Committees. Typically, representation is an equal number of employees and management members. These committees meet and conduct field inspections on a regular basis and provide recommendations to the management teams for consideration.

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**Fig 15 Key Health and Safety Statistics**

<table>
<thead>
<tr>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hours Worked</td>
<td>6,945,944</td>
<td>8,450,708</td>
</tr>
<tr>
<td>person-hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Work Days</td>
<td>511,575</td>
<td>736,603</td>
</tr>
<tr>
<td>number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Injuries</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Total Occupational Disease Cases</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Lost Days</td>
<td>6,500</td>
<td>6,290</td>
</tr>
<tr>
<td>number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Injury Rate</td>
<td>0.37</td>
<td>0.38</td>
</tr>
<tr>
<td>Occupational Disease Rate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost Day Rate</td>
<td>185.80</td>
<td>148.86</td>
</tr>
<tr>
<td>Total OHS Training Hrs</td>
<td>82,686</td>
<td>103,339</td>
</tr>
<tr>
<td>number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Centerra’s Incident Reporting Standards require that when a fatality occurs at a site/project, a penalty of 6,000 lost days is automatically charged to the site/project. Injury rate is calculated using the 200,000 person-hour multiplier/factor.

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**EMERGENCY PREPAREDNESS**

Emergency Preparedness is a vital component of any mine site’s health and safety management system. It ensures that our sites can efficiently respond to situations requiring professionally trained personnel. This function is highly specialized where the impact is generally felt by minimizing harm to our employees and/or our assets including loss to production. Fully active and equipped on-site emergency response teams are readily available 24/7, 365 days a year. This is a requirement in most global mining jurisdictions.

To manage risks associated with emergencies we conduct strategic sessions during site based budgeting cycles and annually develop and improve Emergency Response Plans (ERP). Our practices are reviewed quarterly, and we conduct regular training, mock drills and audits that are aligned with benchmarking. In several of the jurisdictions, annual skills competitions occur amongst our industry peer group.

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**Centerra is a member of the global Mining Safety Round Table group (Peer Group) consisting of other global mining companies that are predominantly headquartered in North America with operations and projects across the globe. Peer group members meet 3 to 4 times a year to exchange and share mine safety best practices as well as research and test innovative technologies for the mining industry. In addition, when members are facing common challenges or concerning trends possible solutions are discussed and shared.**

**WORK SAFE - HOME SAFE**

The implementation and rollout of Centerra’s Vision, Values and the Work Safe | Home Safe program was completed in July of 2017. Work Safe | Home Safe is a Safety Leadership program that establishes and fosters a culture where individuals are responsible to take ownership of their personal safety and the safety of those working around them to ensure that everyone returns home safely after every shift. One very important tool from the program that all participants have actively embraced is the “STOP Conversation”, which is used when someone is seen to be doing something unsafe or in and unsafe situation.

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**Fig 16 Reportable Injury Frequency Rate: Centerra vs Peer Group**

<table>
<thead>
<tr>
<th>Year</th>
<th>Centerra</th>
<th>Peer group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.28</td>
<td>0.30</td>
</tr>
<tr>
<td>2014</td>
<td>0.31</td>
<td>0.32</td>
</tr>
<tr>
<td>2015</td>
<td>0.36</td>
<td>0.38</td>
</tr>
<tr>
<td>2016</td>
<td>0.79</td>
<td>0.74</td>
</tr>
<tr>
<td>2017</td>
<td>0.67</td>
<td>0.60</td>
</tr>
</tbody>
</table>

In 2017 emergency responders, including the on-site medical team responded to one (1) incident that involved a fatal injury at Kumtor Mine in the Kyrgyz Republic. The injury involved a maintenance employee who was trapped underneath a light service vehicle.

We undertook an investigation and reviewed the accident, existing controls, procedures and service requirements with local authorities. The company has revised procedures for the maintenance of light vehicles at Kumtor and at all sites.

We implement programs that identify, record, assess and control accidents, risks, hazards and near misses. When any employee observes or identifies a risk, a hazard or a near miss in an operational area, it is a requirement to complete an industrial hazards or near miss form and submit it to the Occupational Health and Safety Department. Employees then evaluate the risk and according to risk classification, implement appropriate measures to remove the hazard and reduce any future risks from taking place.
WINNING AS A TEAM

We win as a team when everyone is committed to the team, highly engaged, looks out for each other and recognizes the contribution and efforts of each other.

WORKPLACE PRACTICES

Employee Training
WORKPLACE PRACTICES

Employee Rights
We are one of the most attractive employers in the regions in which we operate. We pay fair salaries and provide our workers with various benefits; we comply with local legislation and make sure our employees are supplied with a high-quality products and safety gear. We strive to meet and exceed country requirements for working conditions and comply with all relevant International Labour Organization (ILO) requirements and the European Bank for Reconstruction and Development (EBRD) performance requirements.

The benefits available to our full-time employees, which vary in the operating site, are comprehensive and include pension, family benefits, and health care, compensation for job-related accidents or occupational diseases, and unemployment insurance. Benefits for full-time employees also include scheduled wage increases and employee loans. We support collective bargaining with unions to reach collective agreements. Around 65 percent of Centerra’s employees are covered by collective bargaining agreements.

Centerra has a Respectful Workplace Policy that prohibits discrimination and harassment on any grounds, including a person’s sex, age, race, national or ethnic origin, ancestry, place of origin, citizenship, creed/religion, colour, disability, marital status, family status, sexual orientation, gender identity, gender expression, or conviction for which a pardon has been granted.

Diversity & Equal Opportunities
Centerra recognizes that not only is it important to have a workforce comprised of the demographics of the communities in which it operates, but also that diversity brings value to the workplace. Centerra has various policies, guidelines, training, procedures and agreements at each of its operations, unique to each region, to bring the most cultural diversity and value to each workplace while respecting the cultures, communities and people within each of the regions within which it operates. Centerra maintains culturally diverse recruitment practices, training of its workforce on cultural sensitivities in applicable regions, and management practices that reinforce principles of diversity and cultural acceptance.

Some of the cultures in which we work, and national legislation, create barriers to achieving greater gender diversity, but we currently have good (above industry standard) representation in professional ranks. While the company chooses to pursue diversity and set internal targets for achievement, it still adheres to localized laws in terms of workforce composition, legislation, create barriers to achieving greater gender diversity, but we currently have good (above industry standard) representation in professional ranks. While the company chooses to pursue diversity and set internal targets for achievement, it also still adheres to localized laws in terms of workforce composition, training requirements, and so forth. One notable example of a major external program to bring women to mining is with Kumtor. With support from EBRD, Centerra has determined to improve Equal Opportunities (EO) in the mining sector through a pilot program to improve women’s participation in its operations globally, in order to meet global best practices in EO, staff diversity and resilience. The EBRD, Centerra has determined to improve Equal Opportunities (EO) in the mining sector through a pilot program to improve women’s participation in its operations globally, in order to meet global best practices in EO, staff diversity and resilience. The Programme rolled out with the series of interviews, and trainings for trainers, conducted by third party consultants with further meetings and trainings to be continued in 2018.

Employee training and development is integral to maintaining strong and positive employee growth and improving organizational performance. Enhancing the knowledge and skills of a workforce is fundamental to improving the productivity of operations and efficiency of the business. In some instances, equipment or safety training is critical to legislative compliance or maintaining safe and healthy workers and a safe and healthy workplace.

Our approach to developing our employees is dependent on the geographical region, location needs, individual employee needs, or training objective to be achieved. We deliver training to satisfy governance requirements (i.e. ethics and insider trading awareness), safety requirements, development & career objectives, and technical job training, among other needs. Training needs are identified by any of direct managers or supervisors, through the performance planning and development process, by HR or training departments, or as requested directly by employees. Training delivery is accomplished through a combination of external vendors and programs and internal qualified trainers.

Training success and the performance of training programs is dependent on the training itself. At a base level, measurement in terms of percentage of penetration of the workforce is essential, for example, as in Code of Ethics training. Safety training is also provided and tracked in terms of percentage of workforce trained as a leading indicator, with a longer-term focus on monitoring incident and injury rates over time. Individual training is provided and monitored on an employee to manager relationship basis through the performance management and development processes.

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Fig 17 Key Employee Statistics (Direct employees only)

Management Positions

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Management Employees</th>
<th>Employees on Parental Leave</th>
<th>Employees Returning from Parental Leave</th>
<th>Expat Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>553</td>
<td>217</td>
<td>0</td>
<td>99</td>
</tr>
<tr>
<td>2015</td>
<td>532</td>
<td>219</td>
<td>0</td>
<td>80</td>
</tr>
<tr>
<td>2016</td>
<td>519</td>
<td>215</td>
<td>3</td>
<td>74</td>
</tr>
<tr>
<td>2017</td>
<td>521</td>
<td>221</td>
<td>0</td>
<td>69</td>
</tr>
</tbody>
</table>

Employees Covered by Collective Bargaining Agreement

- Female: 0 (2014), 0 (2015), 0 (2016), 0 (2017)

Fig 18 Key Training & Education Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Training Hours</th>
<th>Training Hours per Employee</th>
<th>Employees Received Annual Performance Review</th>
<th>Rate of Employees Received Annual Performance Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>97,198</td>
<td>20.77</td>
<td>2,553</td>
<td>54.55</td>
</tr>
<tr>
<td>2017</td>
<td>171,845</td>
<td>48.14</td>
<td>2,596</td>
<td>97.22</td>
</tr>
</tbody>
</table>

GRI CONTENT INDEX

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---|---|---
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102-2 Activities, brands, products, and services | Operations & Assets (p.6); 2016 Corporate Highlights (p.7) | -
102-3 Location of headquarters | Contacts (back cover) | -
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102-5 Ownership and legal form | Governance Model (p.19) | -
102-6 Markets served | Operations & Assets (p.6) | -
102-7 Scale of the organization | 2017 Corporate Highlights (p.7); Fostering Local Economies (p.36-37); | -
102-8 Information on employees and other workers | Local Hiring (p.38); Workplace Practices (p.66) | -
102-9 Supply chain | Local Procurement (p.40) | -
102-10 Significant changes to the organization and its supply chain | No significant change has been occurred neither in company’s operational or financial structure nor supply chain | -
102-11 Precautionary principle or approach | Waste and Hazardous Materials Management (p.50); Emergency Preparedness (p.61) | -
102-12 External initiatives | Stakeholder Engagement (p.26-27) | -
102-13 Membership of associations | Stakeholder Engagement (p.27) | -
Strategy | | |
102-14 Statement from senior decision-maker | CEO’s Message (p.8-9) | -
Ethics and Integrity | | |
102-16 Values, principles, standards, and norms of behavior | Centerra’s Values (p.12-13); Ethical Conduct and Anti-Corruption (p.17) | -
Governance | | |
102-18 Governance structure | Governance Model (p.19-21) | -
Stakeholder Engagement | | |
102-40 List of stakeholder groups | Stakeholder Engagement (p.24) | -
102-41 Collective bargaining agreements | Workplace Practices (p.64) | -
102-42 Identifying and selecting stakeholders | Sustainability Management (p.22) | -
102-43 Approach to stakeholder engagement | Stakeholder Engagement (p.26) | -
102-44 Key topics and concerns raised | Legal Compliance (p.16); Sustainability Management (p.23-25) | -
Reporting Practices | | |
102-45 Entities included in the consolidated financial statements | About Centerra (p.5) | -
102-46 Defining report content and topic boundaries | About This Report (p.5); Materiality Assessment (p.22-23) | -
102-47 List of material topics | Materiality Assessment (p.22-26); Materiality Assessment (p.22-23) | -
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### Material Issues

#### Water Management

**GRI 103: Management Approach 2016**

103-1 Explanation of the material topic and its boundary

List of identified material aspects and boundaries (p.28)

This indicator does not include data for Projects and Care & Maintenance sites due to insignificant water usage. Only water used in Mining Operations is included into the indicator, which is fully reported.

103-2 The management approach and its components

Water Management (p.48-49), Human Rights (p.22), Geotechnical Challenges (p.56-57), Energy and Climate (p.58); Closure Planning (p.68)

103-3 Evaluation of the management approach

Governance (p.19-20)

**GRI 303: Water 2016**

303-1 Water withdrawal by source

Water Management (p.49)

303-2 Water sources significantly affected by withdrawal of water or waste water discharges

None, Water Management (p.48-49)

303-3 Water recycled and reused

Water Management (p.49)

#### Biodiversity

**GRI 103: Management Approach 2016**

103-1 Explanation of the material topic and its boundary

List of identified material aspects and boundaries (p.29)

103-2 The management approach and its components

Biodiversity (p.51)

103-3 Evaluation of the management approach

Governance (p.19-20)

**GRI 303: Water 2016**

303-2 Water sources significantly affected by withdrawal of water or waste water discharges

None, Water Management (p.48-49)

**GRI 304: Biodiversity 2016**

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Biodiversity (p.51-54)

304-2 Habitats protected

Biodiversity (p.51-54)

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

Biodiversity (p.53-54); Biodiversity (p.51)
### Local Communities

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| GRI 413: Local Communities 2016               | 413-1 Operations with local community engagement, impact assessments, and development programs | Local Communities (p.42-45) | -         |

### Occupational Health and Safety

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| GRI 403: Occupational Health and Safety 2016    | 403 1: Workers representation in formal joint management-worker health and safety committees | Occupational Health and Safety (p.60) | -         |

|                                                | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Occupational Health and Safety (p.60) | -         |

### Emergency Preparedness

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### Education and Training

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| GRI 404: Training and Education 2016            | 404-1: Average hours of training per year per employee | Employee training (p.66) | -         |
|                                                | 404-2: Programs for upgrading employee skills and transition assistance programs | Employee training (p.65) | -         |
|                                                | 404-3: Percentage of employees receiving regular performance and career development reviews | Employee training (p.65) | -         |
GLOSSARY OF TERMS & ABBREVIATIONS

Aimag – Administrative unit of regions in Mongolia
Bagh – administrative unit of soums in Mongolia
CDP - Carbon Disclosure Project
Chuchuk – horse-meat sausages, traditional food of Kyrgyz people
COE – Code of Ethics
COSO ERM Framework
EA – Environmental Assessment
EBRD – European Bank for Reconstruction and Development
EITI – Extractive Industries Transparency Initiative
GDP – Gross Domestic Product
GIIP – Good International Practice. Defined in the International Finance Corporation Environmental, Health and Safety Guidelines for Mining as “the exercise of professional skill, diligence, prudence and foresight that would be reasonably expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally.”
GPO – General Prosecutors’ Office
GRI – Global Reporting Initiative - GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
IBC Policy - International Business Conduct Policy
ICMM - International Council on Mining & Metals
ICMM - International Council on Mining & Metals
IFC – International Finance Corporation, a member of the World Bank group
ILO - International Labour Organization
ISO – International Organization for Standardization, the world’s largest developer of voluntary international standards
ISO 31000 – Standard developed by ISO Technical Management Board Working Group
IUCM - International Union for Conservation of Nature
KGC – Kumtor Gold Company
LOM – Life of Mine
MABC – Mining Association of British Columbia
MD&A – Management’s Discussion and Analysis
SIETS – State Inspectorate Office for Environmental and Technical Safety of the Kyrgyz Republic
SAEPF - Kyrgyz Republic State Agency for Environmental Protection and Forestry
Soum – Administrative division of aimags in Mongolia
SEDAR – System for Electronic Document analysis and Retrieval
TCM - Thompson Creek Metals
TCM entities - Entities that own the Mount Milligan Mine, Endako Mine, Thompson Creek Mine, and the Langeloth Metallurgical Facility.
TMF - Tailings Management Facility
TRIFR – Total Reportable Injury Frequency Rate

CONTACTS

WE WELCOME YOUR COMMENTS AND SUGGESTIONS ON HOW WE CAN FURTHER IMPROVE SUSTAINABILITY REPORTING AND PRACTICES.

Please email Kevin P.C.J D’Souza (VP Security, Sustainability and Environment) at kevin.dsouza@centerragold.com

Reporting advisor Kyymet-i Harbiye

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