



Conflict-Free Gold Report 2013

Policy Statement



Centerra Gold acknowledges that operating responsibly and maintaining the trust of our stakeholders requires us to demonstrate that the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law. As such, Centerra Gold has adopted and implemented the World Gold Council's ("WGC") **Conflict-Free Gold Standard ("Standard")**. This Conflict-Free Gold Report summarizes our conformance to the requirements of the Standard for the year ended December 31, 2013

Responsibility for Conformance

Responsibility for the implementation of the Standard is held by VP Sustainability & Environment, who reports to the Chief Operating Officer (COO). Both of these positions report on a quarterly basis to the Safety, Health, and Environmental (SHE) Committee and Corporate Social Responsibility (CSR) Committee of the Centerra Board of Directors.

Reporting Boundary

The reporting boundary of this Conflict-Free Gold Report includes all mining and processing operations under the control of and managed by Centerra Gold. This report does not include exploration and project sites. As such, it covers the gold produced by Centerra at the Boroo Mine in Mongolia and the Kumtor Mine in Kyrgyzstan.

Standard's Requirements

The Standard is comprised of assessments Parts A–E:

- Part A – Conflict Assessment
- Part B – Company Assessment
- Part C – Commodity Assessment
- Part D – External Sources of Gold Assessment, and
- Part E – Management Statement of Conformance.

Part A of the Standard requires companies to assess whether they are adhering to international sanctions and undertake a risk assessment based upon the recognition of conflict. Applying the Standard's criteria, operations that are in an area ranked as 5 (war) or 4 (limited war) within the last two years of the Heidelberg *Conflict Barometer* are to be classified as 'conflict-affected or high-risk' and must complete all remaining assessments in Parts B–E of the Standard. For operations not considered in a 'conflict-affected or high-risk' area and where the company does not transport gold while in the custody of the producer, the remaining assessments are D and E.

Centerra's Evaluation

- Part A – Conflict Assessment, Centerra concluded that we did not breach any international sanctions, have any operations in, or transport gold while in our custody through any 'conflict-affected or high-risk' areas according to the Standard. As a result of this assessment, no further assessment on Parts B and C were required for conformance with the Standard.
- Part D – The Externally Sourced Gold Assessment addresses the sourcing of gold or gold-bearing material from third parties. The company's Kumtor operation in Kyrgyzstan toll treats gold. The company has assessed that the externally sourced gold is not from an area considered to be 'conflict-affected or high-risk' according to the standard. Further, the Company has performed risk-based due diligence procedures to reasonably determine that the externally sourced gold did not contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law.
- Part E - Centerra has produced the appropriate Management Statement of Conformance which has been sent to our refiners, the next participant in the chain of custody, as required by Part E.

In conclusion, Centerra was in conformance with the criteria set out in the *Conflict-Free Gold Standard* for the reporting year end December 31, 2013.

Centerra engaged the services of KPMG to perform a limited assurance engagement regarding Centerra's conformance with the *Conflict Free Gold Standard*. Their assurance report can be viewed in Schedule A.

If users of this report wish to provide any feedback with respect to Centerra's adherence to the Standard or this report please contact Kevin D'Souza (kevin.dsouza@centerragold.com) directly.



Kevin P.C. J. D'Souza

VP Sustainability & Environment

April 15, 2014