



### **Kumtor Mine: Setting the Record Straight on Environmental Management and Safety**

The Kyrgyz government's seizure of the Kumtor Mine is based on false and misleading allegations. In particular, the government has made a number of inaccurate claims related to alleged breaches of environmental and safety standards in the past operation of the Kumtor Mine.

These claims are entirely meritless and have no justification under longstanding investment agreements or applicable law. Under our management, the Kumtor Mine was a world-class facility operated by Kyrgyz citizens to the highest international environmental, safety and engineering standards.

Since the government has put an "external manager" in charge of Kumtor Gold Company ("KGC"), our wholly owned subsidiary, Centerra is no longer in control of the Kumtor Mine and therefore can no longer ensure the safety of the mine's employees and operations.

For more information about the environmental and safety practices under our management, please refer to the latest [Kumtor Environmental and Sustainability Report](#).

#### **Myth vs. Fact**

**MYTH:** *KGC operated the Kumtor Mine in violation of environmental standards and applicable laws.*

**FACT:** *KGC operated the Kumtor Mine to international environmental and social standards and its operations carefully adhered to applicable laws and agreements with the Kyrgyz government.* The mine has operated in material compliance with all laws and regulations of the Kyrgyz Republic and in accordance with the 2009 Project Agreements.

The government, including the state agency responsible for the environment, approved our mining plans and permits every year and KGC operated the mine accordingly.

The mine's environmental performance was also audited externally multiple times by, among others, the Kyrgyz government's environmental consultant, AMEC Foster Wheeler – an internationally recognized consultancy firm. AMEC's reports confirmed that the Kumtor Mine was operated according to international best practice and its recommendations for improvements were implemented by the Company.



**MYTH:** *KGC's operation of the mine was not in compliance with safety standards.*

**FACT:** *KGC operated the Kumtor Mine in a healthy and safe manner, with standards equal to or exceeding local requirements and international best practice.* Safety elements were incorporated into the design and operational procedures of the mine. Kumtor's Safety Program was audited internally on an annual basis, and all health and safety initiatives were tracked through Kumtor's Corrective & Prevention Action Ledger system and reviewed at site in morning meetings and on a monthly basis. Outside experts also regularly reviewed our safety protocols and procedures. Under our management, the mine recently achieved one year of operations free of any lost time injuries.

### ***Specific Environmental and Safety Claims***

**MYTH:** *Operations at the Kumtor Mine contaminated community drinking water.*

**FACT:** *KGC regularly analyzed water quality at more than 30 sampling points in the area and never found evidence of contaminants in the drinking water.* We also continuously monitored the water level in Petrov Lake, water flow in the Kumtor River and readings of thermistors installed at three points in the natural moraine dam that receive discharge and runoff.

Additionally, each year we collected and analyzed samples of discharge, surface water, potable water and ground water to observe the efficiency of our treatment processes, discharged water quality and any significant impacts of our mining operation on the environment. The water met the quality levels required by Kyrgyz laws and followed international best practice. The presence of sediments and associated metals in the water largely corresponded to the natural geochemical background levels and were not indicative of poor environmental performance at the Kumtor Mine.

KGC was also committed to providing safe drinking water to local communities. KGC established potable water facilities and irrigation programs in the area, and we have provided clean water for more than 40,000 people with our potable water infrastructure projects.

**MYTH:** *Cyanide from the Kumtor Mine's operations caused long-lasting harm to the environment.*

**FACT:** *Cyanide-containing solutions were stored securely in the Tailings Management Facility ("TMF"), and the concentration of cyanide at the TMF was routinely monitored.* Cyanide naturally disintegrates and decomposes in the TMF under sunlight, and the remaining liquid component of the tailings was pumped and treated at the Effluent Treatment Plant for compliance with the established maximum allowable discharge standards before discharge.



**MYTH:** *Ice removal at the Kumtor Mine caused significant glacial melt and recession of the Lysyi and Davydov glaciers.*

**FACT:** *It is well-documented that climate change is the most significant contributor of glacial melt in the region.* Although Central Asia's glaciers are melting at an accelerated rate, glacial retreat long predates the development of the Kumtor Mine and is common to glaciers throughout the Kyrgyz Republic as well as alpine glaciers in other areas of the world. KGC was committed to minimizing the impact of its operation on the glaciers and responsibly addressed the challenges associated with operating a high-altitude mine in an area of active alpine glaciation, including by removing ice only in the vicinity of the open pit and other infrastructure.

**MYTH:** *KGC illegally dumped mining waste rock on the Davydov and Lyisi glaciers.*

**FACT:** *KGC's operations and activities always carefully adhered to applicable laws and project agreements which were approved by the Kyrgyz Republic Parliament and Constitutional Court in 2009.*

KGC worked with the Kyrgyz government to develop annual mine plans, including for the disposal of waste rock. The government, including the state agency responsible for the environment, approved KGC's mining plans and permits every year.

Since 2014, KGC has segregated waste rock and ice, avoiding co-disposal, and had a comprehensive monitoring program in place for waste disposal and storage areas including:

- Daily visual inspection of the landfills and temporary waste storage and holding areas to ensure wastes were being segregated correctly prior to removal from site.
- Daily visual inspection of the TMF to check tailings were being deposited correctly.
- Daily measurement/estimation of the volume/quantity of waste being produced, including tailings, domestic waste, scrap metal, wood, batteries, plastic, packaging, oily rags, electric cable, tires and waste oil.

**MYTH:** *Before the government took control of the mine, Centerra disabled critical sensors used to monitor the stability of the mine and the movement of nearby glaciers.*

**FACT:** *All key safety, monitoring and operational systems were functioning properly before the government took control of the mine. Centerra did not disable any such systems, and the mine was operating without incident.* As a result of the government's unprecedented actions, Centerra suspended access by KGC employees in the Kyrgyz Republic to Centerra's global IT systems to prevent any unauthorized intrusions into those systems. None of these systems were required to operate the mine safely.

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