

BUILDING FOR
TOMORROW
BUILT FOR TODAY

centerra**GOLD**



SUSTAINABILITY
REPORT **2017**



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DELIVERING RESULTS



WINNING AS A TEAM

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 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 reported under GAAP.

For a reconciliation of the non-GAAP measures used in this report to their closest GAAP measure, please see the Company’s annual management’s discussion and analysis for the year ended December 31, 2017.

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, Kemess 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

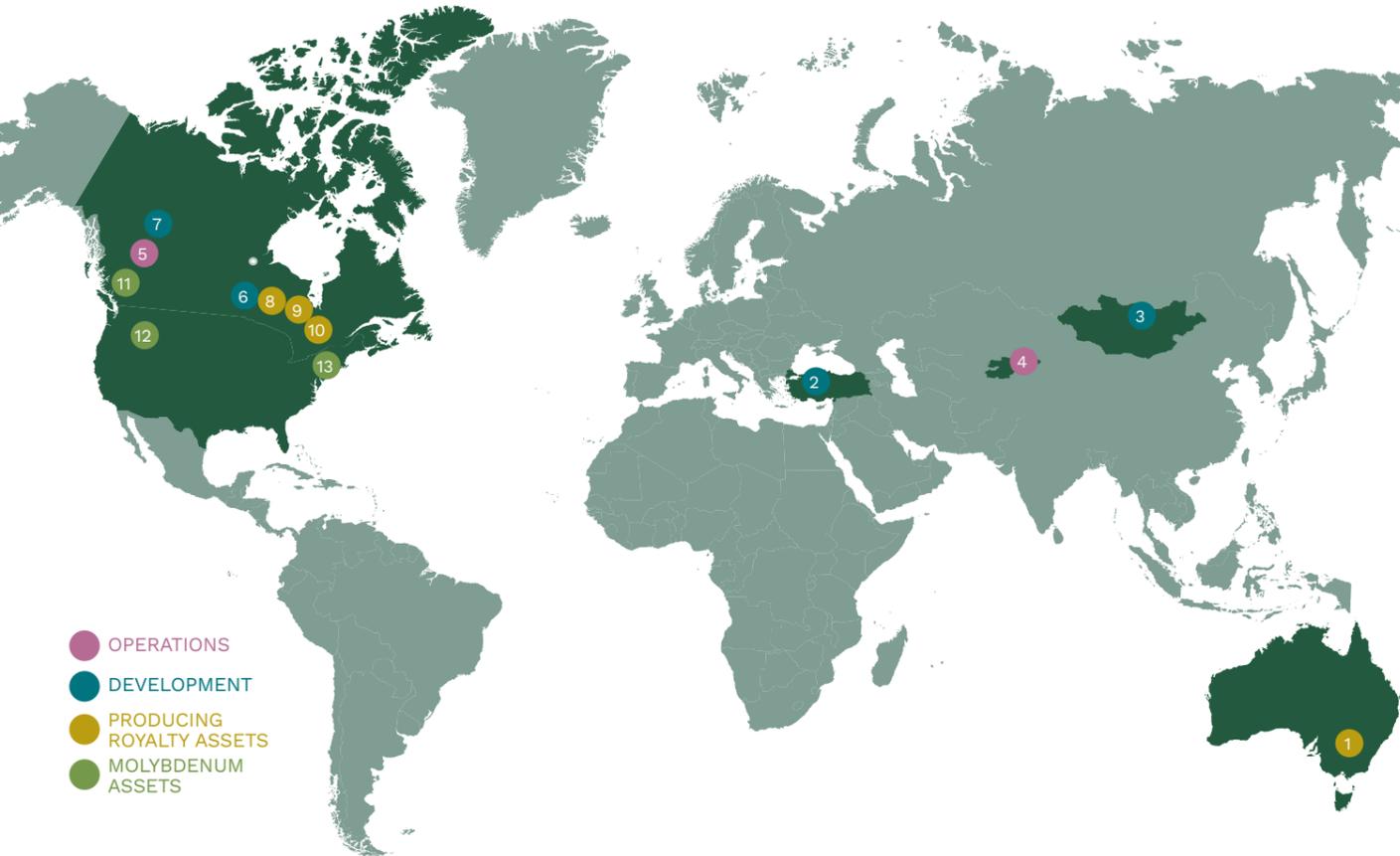
Sustainability Report was based on our 2016 financial year, and was published in September 2017. This report is available on our corporate website www.centerragold.com.

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.

OPERATIONS & ASSETS

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.



- OPERATIONS
- DEVELOPMENT
- PRODUCING ROYALTY ASSETS
- MOLYBDENUM ASSETS

<p> Australia</p> <p>PRODUCING ROYALTY ASSET</p> <p>1. FOSTERVILLE MINE¹ (2.0% NSR) Au</p>	<p> Turkey</p> <p>DEVELOPMENT</p> <p>2. ÖKSÜT PROJECT Au</p>	<p> Mongolia</p> <p>DEVELOPMENT</p> <p>3. GATSUART PROJECT² Boroo Mine² Au</p>	<p> Kyrgyz Republic</p> <p>OPERATION</p> <p>4. KUMTOR MINE Au</p>	<p> Canada</p> <p>OPERATION</p> <p>5. MOUNT MILLIGAN MINE Au, Cu</p> <p>DEVELOPMENT</p> <p>6. GREENSTONE PROJECT 50% Au</p> <p>7. KEMESS Underground and East Projects Au, Cu</p> <p>PRODUCING ROYALTY ASSET</p> <p>8. HEMLO-WILLIAMS MINE¹ (0.25% NSR) Au</p> <p>9. EAGLE RIVER MINE¹ (0.5% NSR) Au, Cu</p> <p>10. YOUNG-DAVIDSON MINE¹ (1.5% NSR) Au</p> <p>MOLYBDENUM ASSET</p> <p>11. ENDAKO MINE (75%) Mo</p>	<p> United States</p> <p>MOLYBDENUM ASSET</p> <p>12. THOMPSON CREEK MINE Mo</p> <p>13. LANGELOTH METALLURGICAL FACILITY Mo</p>
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¹These assets were subsequently sold by Centerra in Q2 2018

²These assets were subsequently sold by Centerra in Q4 2018

2017 CORPORATE HIGHLIGHTS

Entered into a comprehensive settlement agreement in September 2017 with the Government of the Kyrgyz Republic to resolve all the outstanding matters affecting the Kumtor Project.

785,316 oz of gold produced company-wide. Kumtor produced 562,749oz and Mount Milligan 222,567oz.

Mount Milligan produced **53.6 million pounds** of copper during 2017.

Cu

\$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.

Announced a friendly acquisition of AuRico Metals Inc. on November 7, 2017, which closed on January 8, 2018.

Received all the necessary permits and approvals for Kumtor's 2018 mine plan. The approvals and permits are valid through Dec 31, 2018.

\$417 million

Cash position at the end of 2017.

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.

CEO'S MESSAGE

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: be 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 respectful and meaningful dialogue. This is tailored to the life cycle stage 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 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.

Responsible 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 1,100 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 impact 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 surety 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

2017 Targets	2017 Outcome	2017 Challenges & Achievements	2018 Targets	
Production (oz Poured)	786,000	785,316	- increased gold production - with ex-TCM acquisition added by-Product @ Cu \$2.50/lb	665,000-705,000 ¹
All-In Sustaining Cost Per Ounce Sold* (US\$/oz)	731	688	- Achieved Company-wide all-in sustaining costs on a by-product basis per ounce sold ¹ of \$682 for the full year.	782 - 829 ²
Öksüt Construction Schedule Budget (US\$000s)	140,600	Assume target	- 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.	Construction Schedule Completion
Capital Expenditures (excluding Öksüt) (US\$000s)	117,100	92,165	- Reduced capital expenditures	142,000
Corporate G&A Cash Expenditures (US\$000s)	21,120	14,777	- Reduced Corporate G&A Cash Expenditures	32,000

* calculated on a by-product basis excluding taxes

¹revised guidance as of August 1, 2018, original guidance 645,000 to 715,000 ounces of gold
²revised guidance as of October 1, 2018, original guidance 812-903 US\$/oz

HEALTH, SAFETY & SUSTAINABILITY

2017 Targets	2017 Outcome	2017 Challenges & Achievements	2018 Targets
Total Reportable Injury Frequency rate (TRIFR) < 0.33	0.38	- One fatality at Kumtor	<0.30 for Centerra and subsidiaries, excl TCM Entities; and <0.82 for TCM Entities.
No environmental Accidents by Risk Ranking	One environmental incident of Level III-V	- There was one recorded incident at Kumtor mine in 2017	No environmental incidents of Level III-V
License to Operate	No material Business Interruptions	- Kumtor mine has completed Update of Conceptual Closure Plan - Local procurement at Kumtor increased - Received the forestry usage permit and the operating permit for the forestry area at the Öksüt Project. - Carried out EBRD-Environmental and Social Impact Assessment disclosure events in all key communities in Mongolian operations	No material business interruptions

GROWTH & VALUE CREATION

2017 Targets	2017 Outcome	2017 Challenges & Achievements	2018 Targets	
KGC – Cash Sequestration Relief (FS) Q3	Cash Restriction lifted in Q3 2017	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	Not Applicable	
Greenstone EA Submission Q3	Q3	Several Indigenous communities required consultation and a relatively large area of traditional territory	EA approval	
Gatsuurt Feasibility Study Delivered Q3	Q3	Feasibility completed and Ni 43-101 report published in Q3 2017	Not Applicable	
Announcement of acquisition of Aurico Metals Inc (AMI) for US\$250M	Approved	TCM Deal	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.	Continue to seek value enhancing opportunities (Price Point >\$100M)
New Exploration Projects/JV	3	5	New exploration projects added in Sweden, Mexico, Armenia	3

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.
- Results focused.
- Recognize contributions and efforts of each team member.

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.





RESPONSIBLE MINING

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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GOVERNANCE

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 totalling 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 SEDAR at www.sedar.com.



RESPONSIBLE MINING

CONTINUOUS IMPROVEMENT

DELIVERING RESULTS

WINNING AS A TEAM

GRI INDEX

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 on an annual basis, or more frequently if required.

All of our operations are assessed for risks related to corruption or unethical behaviours. Assessments are done internally. Corruption and unethical behaviour

risks identified relate primarily for third party agents and the perceptions of conflicts of interest.

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.

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.



TRAINING ON CODE OF ETHICS AND ANTI-BRIBERY/CORRUPTION POLICIES

In 2017, a total of 9 sessions were held across the organization, with a total of 169 employees in attendance.

The training objective was to raise employee awareness regarding Centerra's Code of Ethics and Anti-Bribery/Corruption policies.

Topics presented included:

- Risks and potential impact to the Company, its employees and partners
- Compliance Hotline reporting
- Annual certification of compliance

Centerra's Policies on Code of Ethics & International Business Conduct

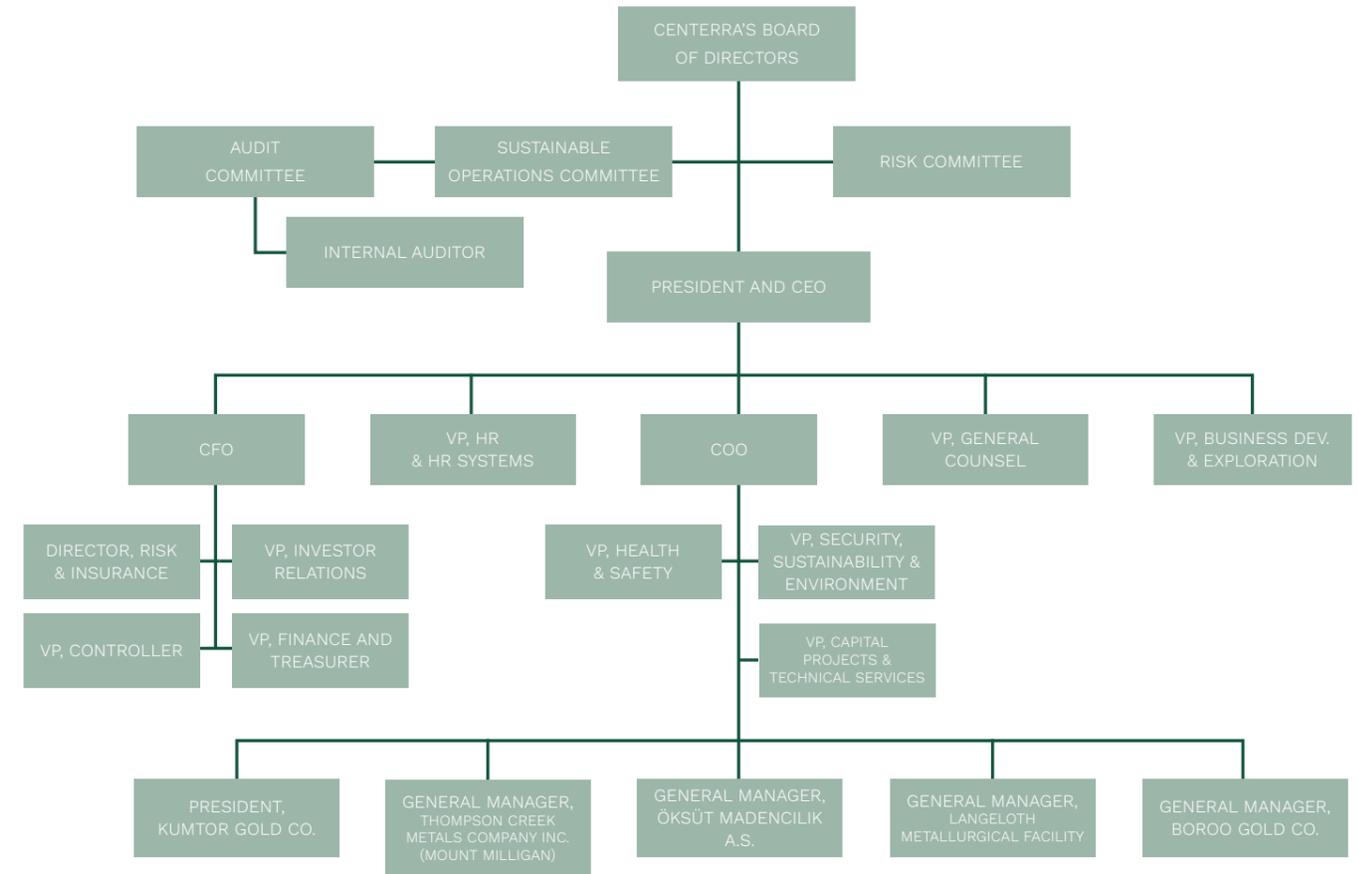
- Conflict of interest
- Confidentiality
- Compliance with Laws
- Compliance with good disclosure practices
- Anti-bribery & accounting provisions
- Prohibited & allowed payments
- Due diligence in third-party relationship
- Indication of corruption ("Red Flags")

Our objective is to conduct this training on an annual basis, and to ensure that all employees receive in-person training at least once every 3 years (if not more in high risk areas).

GOVERNANCE MODEL

The Company's governance system is overseen by the Company's Board of Directors (the "Board"). The Board delegates certain of its authorities (all of which are set out in the written mandate of the Board) to its committees, including the Audit

Committee, Risk Committee, Sustainable Operations Committee (whose mandate includes the oversight of environmental and social matters), Human Resources and Compensation Committee, and the Nominating and Corporate Governance Committee.



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. 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.

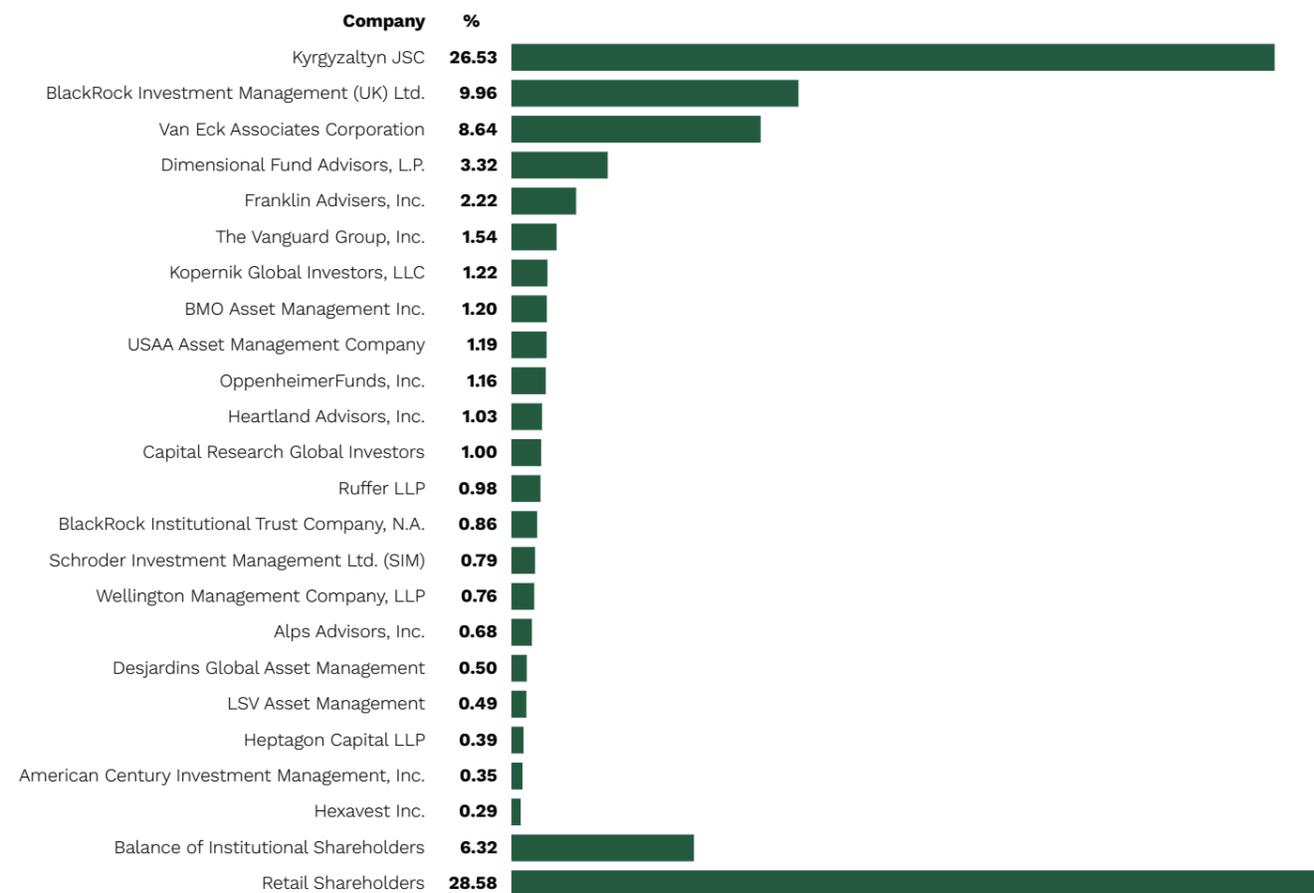
At our operating sites, there is an executive appointed to oversee sustainability and environmental matters, and for health and safety matters. These local executives report to the President/General Manager of the site.

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.

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

Source: NASDAQ IR Insight and Public Filings

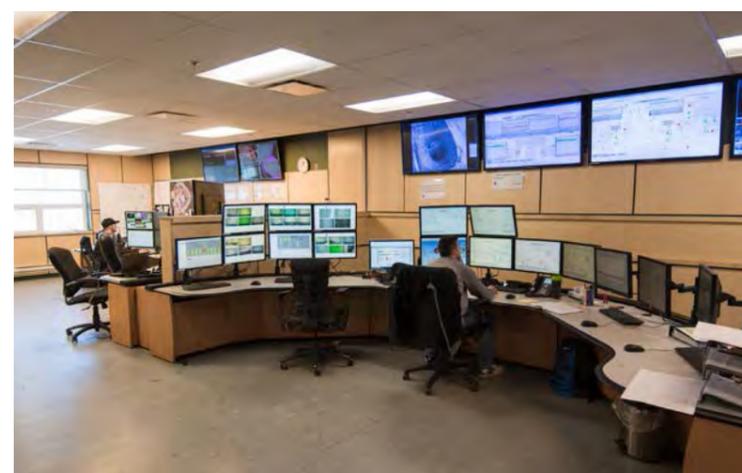


RISK MANAGEMENT

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, social, 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.



SUSTAINABILITY MANAGEMENT

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



RESPONSIBLE MINING

CONTINUOUS IMPROVEMENT

DELIVERING RESULTS

WINNING AS A TEAM

GRI INDEX

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

Stakeholder groups	Approach & Key topics and issues raised
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 through 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 instruments. Lenders also frequently meet with our management regarding business updates, attend quarterly conference calls and our annual shareholders meetings.
Non-Governmental Organizations (NGOs)	NGOs, whether international, or local are important to us and help us improve our activities. We strive to actively listen to and cooperate with both advocacy and developmental focused NGOs through direct meetings, mine site visits, and collaborating on local projects especially in environmental management and socio-economic development.
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.

List of Identified material aspects and boundaries

Material Aspect	Why it Matters	Where it matters
Occupational Health and Safety	Our biggest asset is our people and everyone has the right to a healthy and safe work environment. We confirmed our commitment to this value with the launch and implementation of our new safety leadership program, Work Safe-Home Safe.	All operations
Emergency Preparedness		All operations
Legal Compliance	Our emergency response teams undergo substantial training, ensuring we can adequately manage any emergencies should they occur in our operations. The emergency response teams have been used in certain circumstances to assist the local community or third parties.	All operations
Ethical Conduct and Anti-Corruption	Centerra is committed to conducting business in a legal, ethical and socially responsible manner. This applies to all of its operations, wherever they are.	All operations
Indigenous and Local Communities	It is important for all our sites to maintain their Social License to Operate to ensure successful cooperation with indigenous and local communities and uninterrupted operations.	All operations
Water Management	Minimizing the impact of our operations on the environment is one of our main goals. As responsible miners, we comply with the local and international standards and follow the Good International Industry Practice (GIIP) in our operations.	All operations
Biodiversity		Mining sites
Energy and Climate		Mining sites
Waste and Hazardous Materials Management		Mining sites
Human Rights	We recognize that mining operations have the potential to impact on all forms of human rights. 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.	All operations
Training and Education	We facilitate professional development and career advancement through implementation of training for our employees, and providing internships and scholarships to graduates from local communities.	All operations
Fostering Local Economies	We understand the significant role of our operations in the local and indigenous communities, which includes providing jobs, supporting local producers and investing into the development of the local communities.	All operations
Closure Planning	We recognize that environmental and social responsibility extends beyond the life of our operations. All Centerra operations have Closure plans in place. Our Boroo mine in Mongolia is currently in closure phase.	Mining sites
Business Development	Centerra is focused on delivering sustainable responsible growth. Part of this mandate is to replace and add mineral reserves through accretive acquisition of either producing assets or advanced stage development projects.	Projects and Care & Maintenance sites
Geotechnical Challenges	We consider Geotechnical Challenges in our operations' risks registers as one of the major threats to uninterrupted operations.	All operations

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 our 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 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.

MEMBERSHIPS AND COMMITMENTS:

CG is compliant with or subscribes to:

- EBRD Environment & Social Performance Requirements (Kyrgyz Republic, Turkey and Mongolia)
- IFC Environment & Social Performance Standards (Turkey)
- Equator Principles (Turkey)
- Global Reporting Initiative (GRI)
- International Cyanide Management Code (ICMC)
- Carbon Disclosure Project (CDP)

CG is aligned with or endorses:

- Voluntary Principles on Security & Human Rights
- ICMM Sustainable Development Framework
- ISO 14001
- E3 Plus - Framework for Responsible Exploration
- Towards Sustainable Mining (TSM)
- World Gold Council (Conflict Free Gold Standard)

CG is also a member of:

- Extractive Industries Transparency Initiative (EITI)
- Turkish Gold Mining Association
- Mining Association of British Columbia (MABC)



HUMAN RIGHTS

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 enforcements agencies and other authorities is fully aligned with the VPs.



Fig 2 Security practices

	Unit	Mongolia		Kyrgyz Republic	
		2016	2017	2016	2017
Security personnel (full-time)	Number	10	9	124	125
Security personnel (contractors)	Number	75	54	20	20
Security personnel trained for human rights	Number	85	51	61	61
Ratio of security personnel trained for human rights	Percentage	100	81	42	42



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 a 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 indirectly dependent on this informal sector.

The complex relationship and coexistence between licensed large-scale mining companies and the mainly informal and clandestine ASM sector is acknowledged by the likes of the Internal 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 Trespass 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.



RESPONSIBLE MINING

CONTINUOUS IMPROVEMENT

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GRI INDEX

Fig 3 Illegal/Artisanal miners at Mongolian sites





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.

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GROWING OUR BUSINESS

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.



FOSTERING LOCAL ECONOMIES

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 improvements to local infrastructure.

KGC is the largest private sector employer, and the biggest investment project in the Kyrgyz Republic. We employ approximately 2,500 employees at KGC. KGC's contribution to the Kyrgyz economy accounts for 21.1% of Kyrgyzstan's overall industrial output and 9.7% of GDP in 2017. In addition, the Kyrgyz Republic, through the state owned Kyrgyzaltyn Open-End Joint Stock Company (Kyrgyzaltyn JSC), is Centerra's largest stakeholder. The current life of the Kumtor Mine is until 2026.

Mount Milligan operation has a 22-year mine life (ending in 2036), and employs approximately 540 people. The mine is located in north central British Columbia, Canada, 250km from the city of Prince George and approximately 95kms from the communities of Fort St. James and Mackenzie. Centerra Gold operates a regional office in Prince George and runs community offices in both Fort St. James and Mackenzie in partnership with the local community college, The College of New Caledonia. The Company works closely with the local communities, 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*

Financial Highlights	Year ended December 31		
	2017	2016	2015
Revenue	1,199.0	760.8	624.0
Cost of sales	1,199.0	760.8	624.0
Total assets	2,772.2	2,654.8	1,660.6
EBITDA (Earnings from mine operations)	492.3	331.2	214.7
Earnings (loss) before income taxes	191.3	156.0	42.1
Long-term debt and lease obligation	211.6	422.8	-
Long-term provision for reclamation, dividends payable and deferred income taxes	177.3	181.1	76.9
Gold produced - ounces poured	785,316	598,677	536,920
Payable Copper Produced (000s lbs)	53,596	10,399	-

* 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**

(\$ millions)	2017	2016	2015
Revenues	1,199.0	760.8	624.0
Other income	3.1	1.8	4.6
Operating costs (goods and services) - incl. capitalized stripping	446.5	264.6	276.9
Corporate administration costs	14.6	9.2	11.2
Exploration and business development costs	8.2	8.8	6.4
Pre-development costs	3.6	8.8	11.1
Capital expenditure	133.9	123.3	163.6
Other operating costs (income)	25.9	3.4	(0.7)
Employee and contractor wages and benefits	140.7	101.6	103.2
Payments to providers of capital	26.9	32.1	32.3
Taxes and royalties	93.4	102.0	85.7
Community donations and investments	1.1	1.1	2.5
Economic value generated (distributed)	307.5	107.7	(63.6)

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



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)

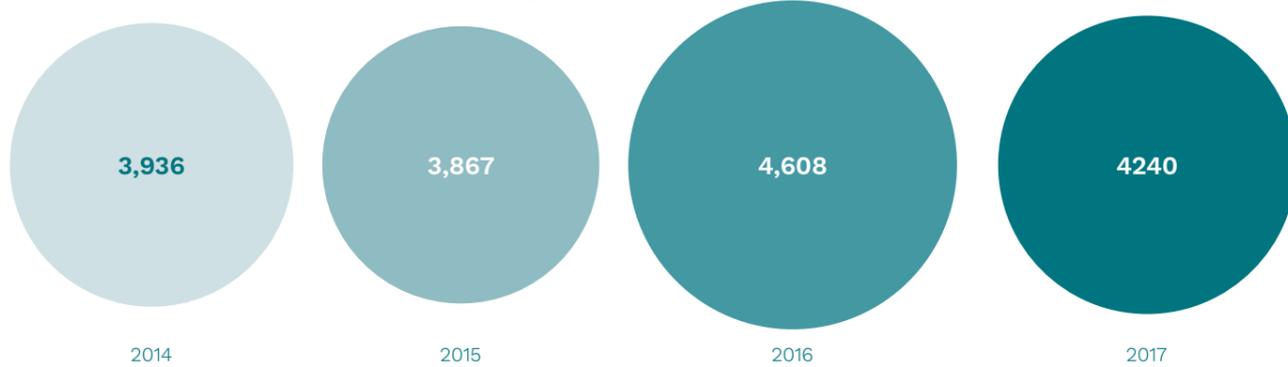
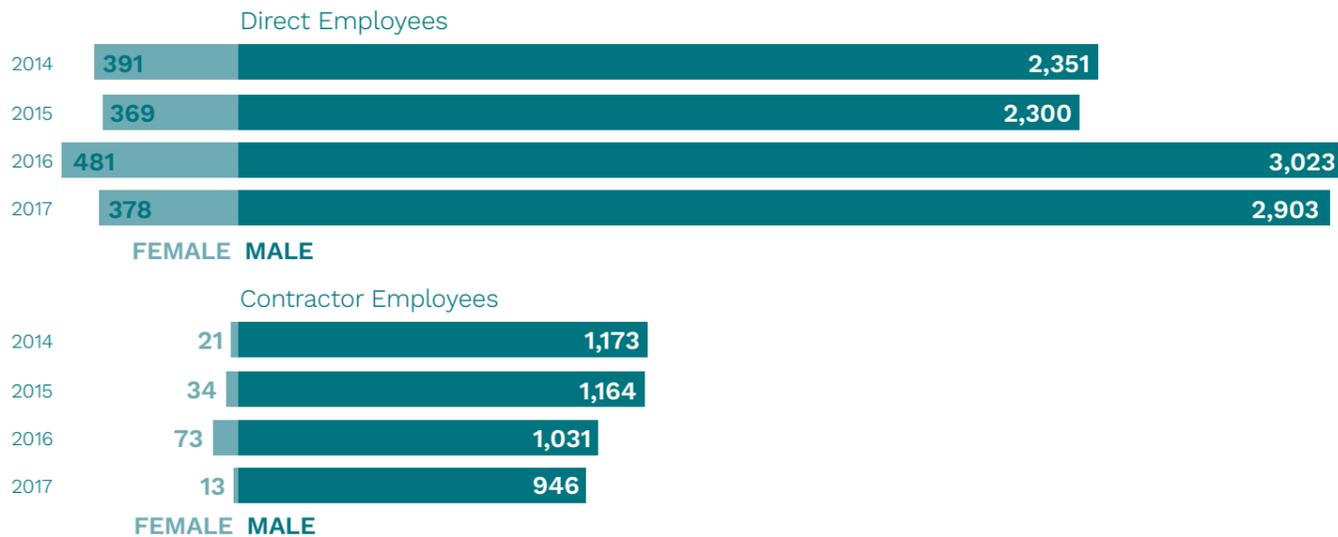


Fig 7 Employee Demographics (including Contracting Employees)



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 barriers to sourcing more goods and services locally. However, we support existing and potential local suppliers to help them overcome these barriers. More information about KGC's local procurement strategy is available on the Kumtor website in the Procurement and Logistics section (www.kumtor.kg/en/procurement_logistics/).

Despite our continuous efforts for improvement, there remains a significant part of our procurement needs, which are not produced or readily available in the Kyrgyz Republic. Examples include specialized mining goods and services, such as heavy mining trucks, original equipment manufacturer (OEM) parts, tires, and major consumables and reagents. In addition, as a large consumer of diesel fuel, we have to import a large portion of our fuel.

We carried out an economic impact assessment of our Kumtor operations in 2014, which was reviewed and updated as part of the 2016 conceptual closure planning process for the Kumtor Mine. This provided more detail on the impact that KGC has on the Kyrgyz Republic economy, and helped us further determine where we could improve in this area.

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.

Fig 8 Local Procurement in Context

	Unit	Canadian operations		Kumtor Mine	
		2016	2017	2016	2017
Total amount of procurement	\$USD	291,667,000	279,166,070	256,188,105	266,126,258
Total spending on local suppliers	\$USD	19,254,426	18,361,191	58,439,328	60,385,333
Proportion of spending on local suppliers	%	6%	22%	23%	23%
Number of suppliers	Number	580	789	1,049	803
Number of local suppliers	Number	102	176	599	508
Percentage of local suppliers	%	18%	32%	57%	63%

102-9,204-1



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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.

Despite the transition to care and maintenance mode from January 2016, we conducted a series of meeting 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.

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.



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.



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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.





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

As the major company operating in the Kyrgyz Republic, KGC receives complaints and requests ranging from dust caused by truck traffic, to requests for jobs, building roads and procurement related issues. We maintain an open dialogue with all stakeholders and listen to rational ideas. Grievances on sustainability issues are dealt in accordance with the accepted grievance mechanisms, available on the KGC's website (www.kumtor.kg/en). In 2017, KGC received three grievances and resolved all of them during the year. We understand the importance of raised concerns and their timely resolution. We will continue to dedicate our effort to mitigate related risks.

In 2017, a formal grievance mechanism for the mine was introduced.

Local community members and Indigenous groups can provide feedback to Mount Milligan in a number of different ways. Contact information for Mount Milligan is included in all mine community publications, including a community newsletter published twice per year. Mount Milligan also operates community offices in partnership with the local community college in the two closest communities to the mine. Community members can call, email or walk-in to the office to provide feedback about the mine, request information or be

connected directly with Centerra Gold staff. Mount Milligan also operates a Community Sustainability Committee (CSC) composed of community leaders from across the mine's local region. The CSC meets each quarter and provides an opportunity for community members to provide feedback and/or concerns regarding the mine heard and addressed. All meeting minutes of the CSC are publicly available on the Centerra Gold website.

In the Öksüt Project area, there is a potential economical 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 effected 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.

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.

Multicultural work environments vary region to region, and are governed by each localized operation. Multicultural environments are managed differently, and examples include training programs, education on regional histories, ethnographies, traditions, and key points of cultural influence; specific cultural days, menus and ceremonies to inform employees or pay tribute to cultural norms.



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CELEBRATION OF INDIGENOUS PEOPLES DAY AT MOUNT MILLIGAN, BC, CANADA

To celebrate Aboriginal Peoples Day in 2017 Centerra set-up a special evening for employees at the Mount Milligan camp residence. Cultural artwork, literature and other pieces of historical significance to our local Indigenous people were displayed in the lobby. Two Elders from Nak'azdli Whut'en, one of our local Indigenous groups, were invited to the mine site for the evening. As employees arrived back to the lodge for dinner, they were able to view the art and other pieces on display, and speak with the elders and other Indigenous employees at the mine. Following dinner, employees were invited to attend an evening

of story telling by the Elders. Our guests shared stories and traditions from the Nak'azdli people, as well as spoke about their childhood and time spent growing up and raising families in the area.

By providing opportunities for our employees to celebrate and learn about local cultures and the history of the Mount Milligan area, we are building an understanding of the strength of diversity and inclusion, and creating a workforce that has respect for our environment, our people, and the cultural and traditional knowledge of the 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.

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ENVIRONMENTAL PROTECTION

In line with good international practice, we undertake environmental and social impact assessments from the early planning stage, throughout operation, for which we implement an environmental management system, and finally, through to completion of the mine closure plan.

Each operation applies an environmental management 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 Oksut 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 snow melt 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.



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Fig 9 Water Usage

	Unit	Kumtor Mine	Mount Milligan
Volume of water withdrawn from surface water	Mil.m ³	5.21	0.7
Volume of water withdrawn from ground	Mil.m ³	0	0.23
Volume of water withdrawn from rainwater and snowpack collected by the organization	Mil.m ³	0	4.2
Total water consumption	Mil.m ³	6.35	8.0
Water recycled and reused	Mil.m ³	6.19	3.0
Ratio of water demand supplied using recycled water	%	49.4	98*

* 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 reclaim 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, late 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 withdraw 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

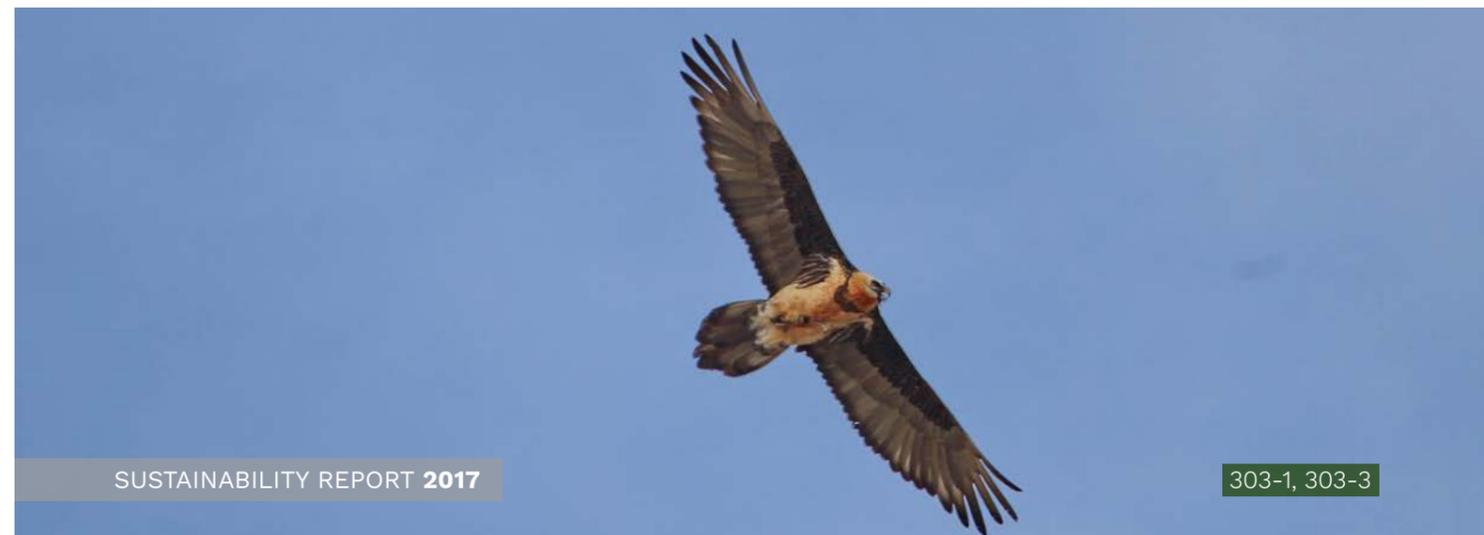
disclosure available on SEDAR at www.sedar.com. Information in this report on this matter is given as of October, 2018.

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 glacial ice removal in the Kyrgyz Republic, we describe relevant information on 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 – 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.

Fig 10 Key Waste Statistics

	Unit	Kumtor Mine	Mount Milligan
Hazardous wastes recycled, reused, recovered	tonnes	116,5	441
Hazardous wastes disposed	tonnes	545.0	474
Non-hazardous wastes recycled, reused, recovered	tonnes	10.052	272.3
Non-hazardous wastes disposed	tonnes	817.9*	2,169

*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.



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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 (Hedysarum kirgizorum), which is also included in the Kyrgyz

Red Data book, and possibly endemic species of dandelions (*Taraxacum syrtorum*), and tulips (*Tulpe tetraphylia*).

The coexistence of humans and animals is an extremely important issue for KGC, given the operation's location adjacent to the Sarychat Eertash 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*

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

Note: SCER is Sarychat – Eertash Nature Reserve; IUCN is the International Union for Conservation of Nature. M – marked on a span (seasonal migrant).

* 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 list.

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.



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Fig 12 Regional Fauna Species with Conservation Status Identified within the Study area - Mount Milligan

Common Name	Scientific Name	BC Conservation Status (Provincial)	COSEWIC Status (Federal)	SARA Status (Federal)	IUCN
Mammals					
Grizzly Bear	Ursus arctos horribilis	Blue	Special Concern	None	Least Concern
Wolverine	Gulo gulo	None	Special Concern	None	Least Concern
Fisher	Pekania Pennanti	Blue	None	None	Not Assessed
Northern Caribou (Northern Mountain population)	Rangifer tarandus	Blue	Threatened/Special Concern	Schedule 1	Not Assessed
Cougar	Puma concolor	Not listed	Not listed	Not listed	Least Concern
Canadian Beaver	Castor canadensis	Not listed	Not listed	Not listed	Least Concern
Gray Wolf	Canis lupus	Not listed	Not listed	Not listed	Least Concern
Coyote	Canis latrans	Not listed	Not listed	Not listed	Least Concern
Black Bear	Ursus americanus	Not listed	Not listed	Not listed	Least Concern
Fox	Vulpes vulpes	Not listed	Not listed	Not listed	Least Concern
Birds					
Barn Swallow	Hirundo rustica	Blue	Threatened	None	Least Concern
Rusty Blackbird	Euphagus carolinus	Blue	Special Concern	Schedule 1	Vulnerable
Broad-Winged Hawk	Buteo platypterus	Not listed	Not listed	Not listed	Least Concern
Short-Eared Owl	Asio flammeus	Blue	Special Concern	Schedule 1	Least Concern
Swainson's Hawk	Buteo swainsoni	Red	None	None	Least Concern
Peregrine Falcon	Falco peregrinus	None	Special Concern	None	Least Concern
Insects					
Hagen's Bluet	Enallagma hageni	Blue	None	None	Not Assessed
Beaverpond Baskettail	Epitheca canis	Blue	None	None	Least Concern
Quebec Emerald	Somatochlora brevicincta	Blue	None	None	Least Concern
Forcipate Emerald	Somatochlora forcipata	Blue	None	None	Not Assessed
Kennedy's Emerald	Somatochlora kennedyi	Blue	None	None	Not Assessed
Amphibians					
Columbia Spotted Frog	Rana luteiventris	Not listed	Not listed	Not listed	Least Concern
Wood Frog	Rana sylvatica	Not listed	Not listed	Not listed	Least Concern
Long-Toed Salamander	Ambystoma macrodactylum	Not listed	Not listed	Not listed	Least Concern
Western Toad	Anaxyrus boreus	Blue	Special Concern	Schedule 1	Least Concern



DEVELOPMENT PROJECTS

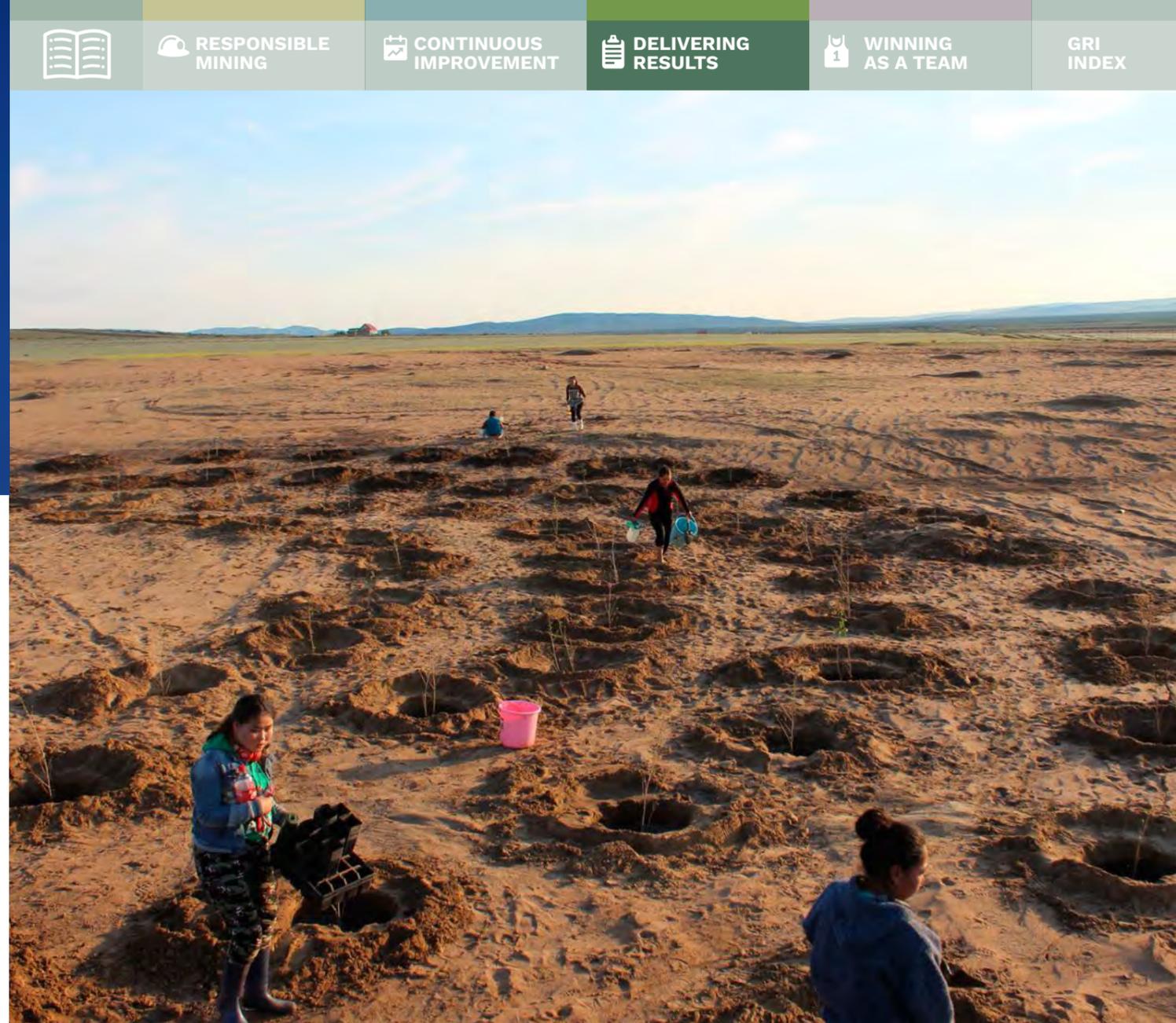
Oksut Project, Turkey

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.

Fig 13 Regional Fauna Species with Conservation Status Identified within the Study area - Öksüt

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



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.

GEOTECHNICAL CHALLENGES

All Centerra's mines are either technically complex or situated in challenging environments. If not managed properly any geotechnical issue may have an 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 prone to deformation in saturated conditions. 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.

■ **Glacier melt water inflow into the Central pit.**

Pit wall stability is strongly influenced by the level of water saturation in the rock mass, with dry conditions being more stable than saturated conditions. If ore mining is timed to a melt season, excessive inflow may impede/interrupt ore production, that in turn will affect economic performance of the operation.

■ **Stability of the expanded/raised Tailings dam.**

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 particular) 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 pressure buildup may 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.



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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 revisited after mining commences.

Gatsuurt 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.

Thompson Creek Mine, USA

■ **Tailings Dam.**

The Tailings Dam at Thompson Creek is about 230m high and can withstand a pressure of 260 mln. tonnes of tailings. Should the design, construction and operation be inadequate, the instability of the dam will pose substantial environmental and financial threats to the Company.

■ **Pit wall stability.**

The slope stability situation at Thompson Creek has existed for several years. Production history has shown that the mine has been able to recover from major slope instabilities and continue operations. There is a risk of future slope instability that could negatively affect future production should the mine be re-started due to increasing slopes heights on the high wall. Depending on the magnitude of future slope movements, there would be a corresponding increase to mine operating costs.

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 leading local and international experts for various projects (i.e. engineering studies, stability calculations, and numerical modelling) 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. dewatering) 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 CDPs 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 Marshalling 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

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



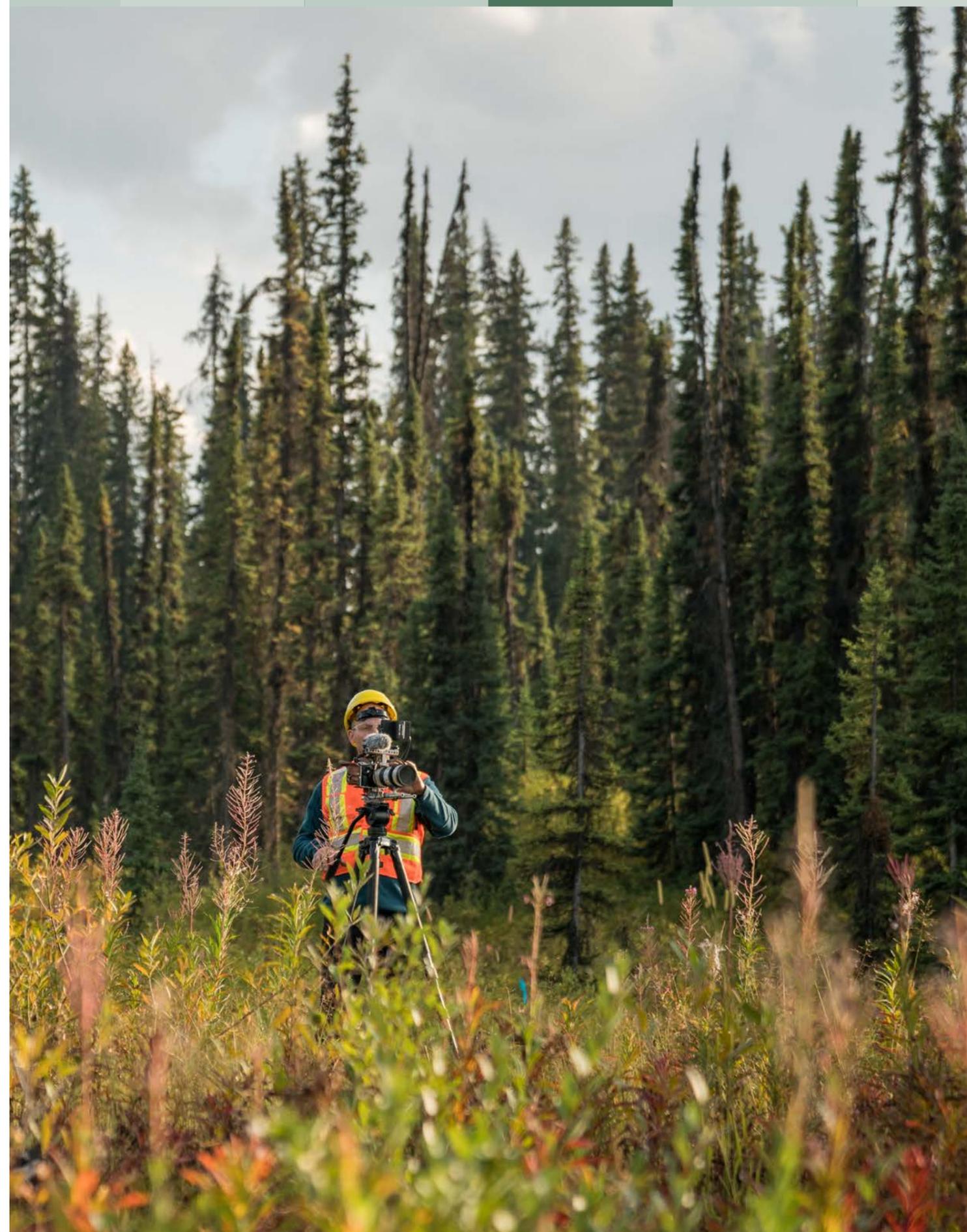
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CLOSURE PLANNING

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 (ARO) 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 uninflated 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 take 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. Once all the conditions set forth by the agreement are met, Kumtor is to fund \$6.0 million on an annual basis into the reclamation trust fund until a minimum of \$69 million is reached.



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Mount Milligan Mine, British Columbia, Canada

Mine closure planning is a 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.



¹These assets were subsequently sold by Centerra in Q4 2018

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.

Fig 15 Key Health and Safety Statistics

	Unit	2016	2017
Total Hours Worked	person-hours	6,945,944	8,450,708
Total Work Days	number	511,575	736,603
Total injuries	number	13	16
Total Occupational Disease Cases	number	1	1
Total Lost Days	number	6,500	6,290
Injury Rate	rate	0.37	0.38
Occupational Disease Rate	rate	0	0
Lost Day Rate	rate	185.80	148.86
Total OHS Training Hrs	number	82,686	103,339

Note: Centerra's Incident Reporting Standards requires 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.



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

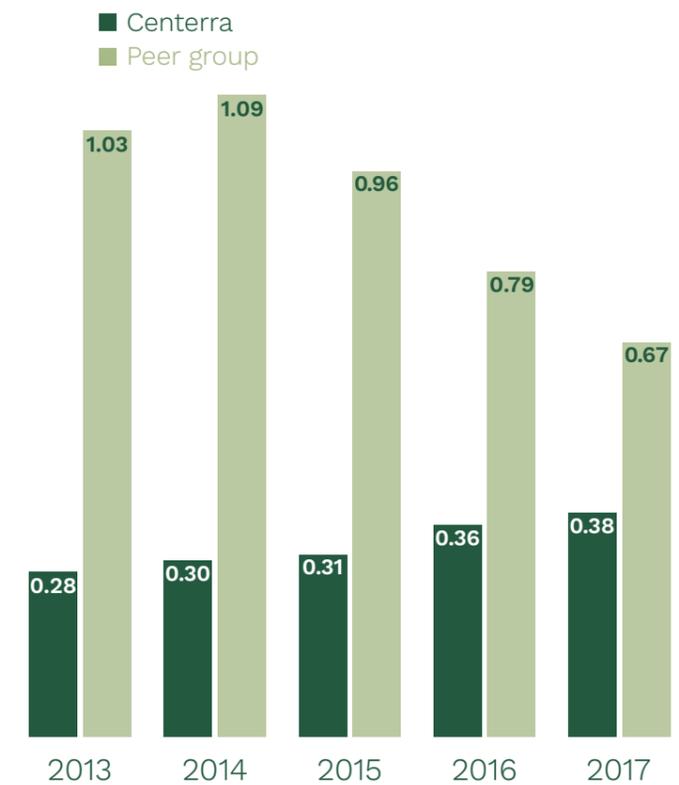
The implementation and rollout of Centerra's Vision, Values and the Work Safe | Home Safe program was completed in July of 2017. Work Safe | Home Safe is a Safety Leadership program that establishes and fosters a culture where individuals are responsible to take ownership of their personal safety and 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.

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.

Fig 16 Reportable Injury Frequency Rate: Centerra vs Peer Group



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

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Employee Training

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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 while varying in the offerings site by 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 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 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.

In conjunction with the Health and Safety Policy, Centerra Gold protects and supports Employees' right to:

- Fair treatment and consistent application of policies, rules, and procedures
- Know, be informed and involved in the type of work being performed and risks involved in your work area
- Be trained to perform the assigned work
- Refuse work deemed unsafe

Employee Leadership Behaviours

- Provide your suggestions for safe production
- Know and follow job specific Operating Instructions
- Wear assigned PPE
- When unsure about an assigned task, STOP and ASK
- Use the right tools and equipment for work being performed
- Take immediate action to stop, correct and report any unsafe conditions
- Recognize the impact of your attitude and actions on others
- Have the courage to talk with your coworkers if working unsafely

Leadership Safety Behaviours

- Speak passionately about safe production
- Be accessible to and transparent with your people
- Consistently recognize and reward positive safety behaviours
- Walk the talk - be the example
- Immediately stop, assess and correct unsafe work and practices
- Listen to concerns, take action and ensure feedback is provided
- Be consistent and fair in your treatment of people
- Communicate and share your knowledge from risk assessments and incident prevention activities

Employee Safety Responsibilities

- Actively participate in pre-shift meetings
- Understand Operating Instructions for tasks assigned
- Maintain PPE and safety devices in good condition
- Use certified tools and ensure they are in good working order
- Learn and understand the safety tools to use for your job
- You are responsible for your safety and the safety of others
- Do not ignore unsafe conditions

Front-line Leader Safety Responsibilities

- Provide appropriate training for your employees
- Conduct open and engaging safety meetings (i.e. pre-shift)
- Regularly review employees safety responsibilities, Operating Instructions and safe work practices
- Initiate and lead risk assessments and incident investigations
- Ensure employees know their rights and comply with Centerra's Golden Rules
- Develop a positive and safe work environment
- Ensure people are held to Centerra Gold's safety standards

Core Employee Safety Tools

- > Operating Instructions
- > Job Hazard Analysis

Critical Safety Risk Standards

- > Working At Heights
- > Cranes and Lifting
- > Hazardous Energy Isolation
- > Operation of Mobile Equipment
- > Handling of Hazardous Materials



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EMPLOYEE TRAINING

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,

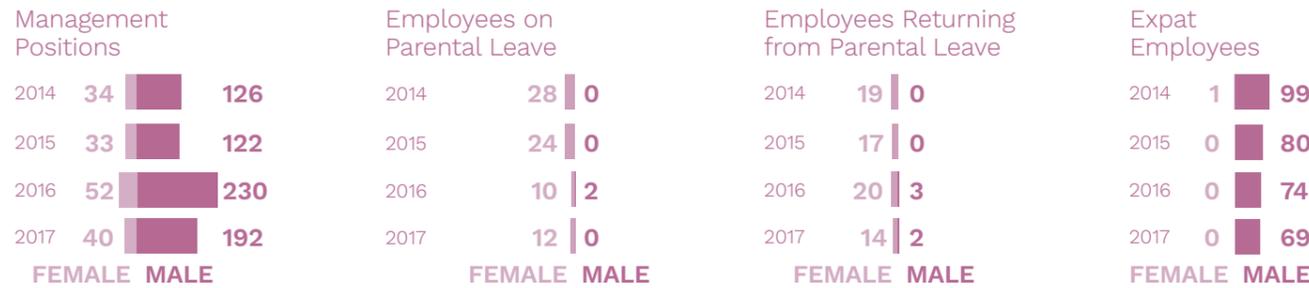
through the performance planning and development process, by HR or training departments, or as requested directly by employees. Training delivery is accomplished through a combination of external vendors and programs and internal qualified trainers.

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.



Fig 17 Key Employee Statistics (Direct employees only)

Non-Management Positions



Employees Covered by Collective Bargaining Agreement

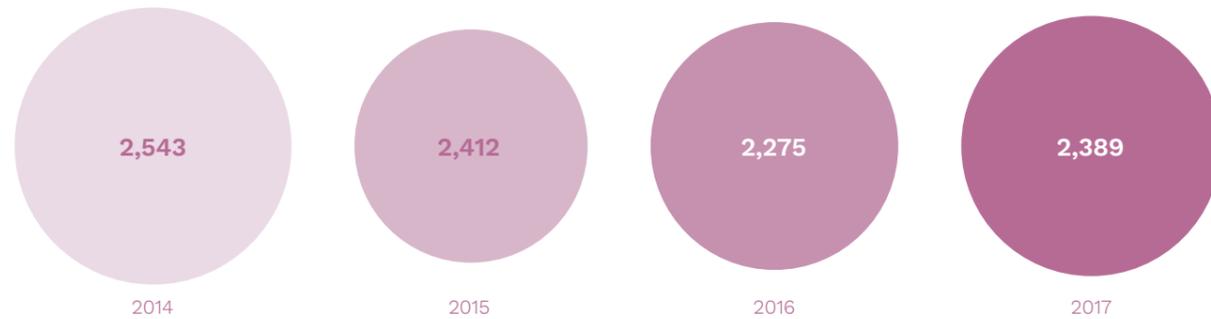


Fig 18 Key Training & Education Statistics

	Unit	2016	2017
Total Training Hours	Person hours	97,198	171,845
Training Hours per Employee	Hours	20.77	48.14
Employees Received Annual Performance Review	Number	2,553	2,596
Rate of Employees Received Annual Performance Review	Percentage	54.55	97.22

GRI CONTENT INDEX

Indicators	Descriptions and Page Numbers	Omissions
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Corporate Profile		
102-1 Name of the organization	About Centerra (p.5)	-
102-2 Activities, brands, products, and services	Operations & Assets (p.6); 2016 Corporate Highlights (p.7)	-
102-3 Location of headquarters	Contacts (back cover)	-
102-4 Location of operations	Operations & Assets (p.6)	-
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.22-25)	-
102-47 List of material topics	Materiality Assessment (p.22-25); Materiality Assessment (p.22-23)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
102-48	Restatements of information	No restatements made in information given in previous reports.	-
102-49	Changes in reporting	About This Report (p.5)	-
102-50	Reporting period	About This Report (p.5)	-
102-51	Date of the most recent report	About This Report (p.5)	-
102-52	Reporting cycle	About This Report (p.5)	-
102-53	Contact point for questions regarding the report	Contacts (back cover)	-
102-54	Claims of reporting in accordance with the GRI Standards	About This Report (p.5)	-
102-55	GRI content index	GRI Content Index (p.68-73)	-
102-56	External assurance	Cautionary Note Regarding Forward-Looking Statements (p.4)	-
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.58)	-
	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)	-
	303-3 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)	-
	304-3 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)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
Waste and Hazardous Material Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.8-9); Waste and Hazardous Material Management (p.50)	-
	103-3 Evaluation of the management approach	Governance (p.15-20)	-
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste and Hazardous Material Management (p.50)	-
Legal Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Legal Compliance (p.16); Growing our business (p.34)	-
	103-3 Evaluation of the management approach	Governance (p.19)	-
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Legal Compliance (p.16);	-
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	Legal Compliance (p.16);	-
Ethical Conduct and Anti-Corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Ethical Conduct and Anti-Corruption (p.17)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
GRI 205: Anti-Corruption 2016	205-1: Operations assessed for risks related to the corruption	Ethical Conduct and Anti-Corruption (p.17)	-
	205-2 Communication and training about anti-corruption policies and procedures	Ethical Conduct and Anti-Corruption (p.18)	-
	205-3: Confirmed incidents of corruption and actions taken	None	-
GRI 415: Public Policy 2016	415-1: Political contributions	None	-
Fostering Local Economies			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.8-9); Human Rights (p.28); Fostering Local Economies (p.36-37)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	Local Procurement (p.40)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.8-9); Human Rights (p.28); Fostering Local Economies (p.36-37); Local Communities (p.42-45)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
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			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Occupational Health and Safety (p.60-61); Workplace Practices (p.64); CEO's Message (p.8-9); Governance (p.19-20); Human Rights (p.28); Growing Our Business (p.34)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
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			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Emergency Preparedness (p.61); CEO's message (p.8-9); Governance (p.19-20)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
Education and Training			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Employee training (p. 65); Local Hiring (p. 38); Local Communities (p.42-45)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
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)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
Human Rights			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	Human Rights (p.28-29)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
GRI 406: Non-discrimination	406-1: Incidents of discrimination and corrective actions taken	None	-
GRI 410: Security Practices	410-1: Security personnel trained in human rights policies or procedures	Human Rights (p.29)	-
GRI 411: Rights of Indigenous Peoples	411-1: Incidents of violations involving rights of indigenous peoples	None	-
Closure Planning			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.8-9); Closure Planning (p.58-59)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
Business Development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.8-9); Sustainability Snapshot (p.10-11); Growing our business (p.18-20)	-
	103-3 Evaluation of the management approach	Governance (p.22); Business Development (p.34)	-
Energy & Climate			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.25)	-
	103-2 The management approach and its components	CEO's message (p.18-9); Water Management (p.48-49); Glacier Management at Kumtor Mine (p.49); Energy and Climate (p.58)	-
	103-3 Evaluation of the management approach	Governance (p.19-20)	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Climate (p.58)	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Climate (p.58)	-
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Climate (p.58)	-
Geotechnical Challenges			
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	Geotechnical Challenges (p.56-57)	-
	103-3 Evaluation of the management approach	Geotechnical Challenges (p.56-57); Governance (p.19-20)	-

GLOSSARY OF TERMS & ABBREVIATIONS

Aimags – Administrative unit of regions in Mongolia

Baghs – 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

ICMC - International Cyanide Management Code

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

IUCN - 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

Soums – 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.

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