

centerragOLD



CENTERRA GOLD
2021
CONFLICT-FREE GOLD REPORT

JULY 19, 2022

CENTERRA GOLD CONFLICT-FREE GOLD REPORT 2021

SUMMARY

This Conflict-Free Gold Report has been produced to conform with the World Gold Council's *Conflict-Free Gold Standard* (the "Standard"). Our assessment confirms that all gold and gold-bearing materials produced at our operating site have been extracted in a manner that does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law.

This Report has been independently assured as per the requirements of the World Gold Council.

BACKGROUND

The *Conflict-Free Gold Standard* is comprised of a four-part assessment, A–D, plus Part E, the Management Statement of Conformance.

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

Part A of the Standard requires all companies to investigate whether international sanctions are applicable to their operations and whether they are operating in "conflict-affected or high-risk" areas. Under the Standard's guidelines, if a company's operating site within the last two years has been ranked as 5 (war) or 4 (limited war) in the Heidelberg *Conflict Barometer*, it is classified as "conflict-affected or high-risk." For companies not operating in "conflict-affected or high-risk" areas and where gold is not transported through a "conflict-affected or high-risk" area while in the company's custody, the Standard requires only Part D and Part E to be completed. For companies operating in "conflict-affected or high-risk" areas, all parts of the Standard must be completed.

REPORTING BOUNDARY

The reporting boundary of this Conflict-Free Gold Report includes all gold mining and processing operations under the control of and managed by Centerra Gold (herein, "Centerra" or "the Company"), namely the Öksüt Gold Mine and Mount Milligan Copper-Gold Mine. As of March 2022, Centerra no longer owns the Kumtor Mine and it has been removed from the scope of this report.

PART A. CONFLICT ASSESSMENT

SECTION A1. INTERNATIONAL SANCTIONS

Centerra conducted a review of international sanctions and determined that there are no applicable international sanctions imposed on Turkey or Canada.

Below is a summary of the authoritative supra-national bodies which demonstrate that there are no applicable sanctions in any of Centerra’s operating countries. The sources included Global Affairs Canada, the European Union Sanctions Database, U.S. Department of State database and the United Nations Security Council.

AUTHORITATIVE SUPRA-NATIONAL BODIES	COUNTRY	SANCTION	IMPACT TO CENTERRA
Global Affairs Canada Accessed here	No sanctions in any of Centerra's operating countries.		
European Union Sanctions Database Accessed here	Turkey	Restrictive measures in view of Turkey's unauthorized drilling activities in the Eastern Mediterranean	Not applicable to Centerra
U.S. Department of State Accessed here	Turkey	The United States Sanctions Turkey Under CAATSA	Not applicable to Centerra
United Nations Security Council Accessed here	No sanctions in any of Centerra's operating countries		

SECTION A2. RECOGNITION OF CONFLICT EVIDENCE

Centerra reviewed two primary external sources to confirm that none of the areas in which it operates are considered to be “conflict-affected or high-risk”:

1. The Heidelberg *Conflict Barometer* (<https://hiik.de/conflict-barometer/current-version/?lang=en>)
2. The European Commission’s 2021 list of Conflict-Affected and High-Risk Areas (CAHRAs) (<https://www.cahraslist.net/>)

TURKEY

Through our review of Turkey in the Heidelberg *Conflict Barometer* on a national level, Turkey included a region that was classified as a level 3 (violent crisis) in 2021, level 4 (limited war) in 2020 and level 5 (war) in 2019. Through an analysis of the regional detail in the Heidelberg *Conflict Barometer*, however, the 2021 classification of level 3 in Turkey was related to a conflict in Şırnak, which is a province that borders Iraq and is over 800 km away from the Öksüt Mine. On the other hand, the province of Kayseri, where the Öksüt Mine is located, has been classified as a “no conflict” region (level 1) for all three years (2019 to 2021).

The 2021 *Conflict-Affected and High-Risk Area (CAHRA) Report* produced by the European Commission also classified the province of Şırnak as the only region classified as a CAHRA.

As part of our routine due diligence in Turkey, Centerra also undertakes quarterly geo-political risk assessments. The Senior Leadership Team receives periodic briefs of the geo-political situation in Turkey from the Eurasia Group to better understand its jurisdictional risks. These assessments have also concluded that the Öksüt Mine is not impacted by conflict in the southeastern Turkish region identified by both the Heidelberg *Conflict Barometer* and 2021 *CAHRA Report*. This analysis also corroborates the Company’s own knowledge and experience operating in the region.

As such, Centerra concludes that its Öksüt Mine is not considered to be in a “conflict-affected or high-risk” area.

TRANSPORTATION ROUTE OF CENTERRA’S GOLD

As all Centerra’s mine are not considered to be in a “conflict-affected or high-risk” area, we reviewed our transportation routes to ensure that our gold and gold-bearing material does not travel through “conflict-affected or high-risk” areas while in our custody.

Centerra has determined that neither the area where our mines are located, nor any areas through which the gold or gold-bearing material is transported while in the custody of the Company, are considered to be “conflict-affected or high-risk.”

CANADA

When reviewing Canada in the Heidelberg *Conflict Barometer* on a national level, Canada has been classified as a “no conflict” country from 2019 to 2021. Through a regional analysis of the Heidelberg *Conflict Barometer*, on a subnational the province of British Columbia was also classified as a “no conflict” region from 2019 to 2021. **As such, Centerra concludes that its Mount Milligan Mine is not considered to be in a “conflict-affected or high-risk” area.**

In conclusion, Centerra has determined that all its mines are not considered to be in a “conflict-affected or high-risk” area (see below).

ON A NATIONAL LEVEL:

COUNTRY	2021	2020	2019
Canada	1 (dispute)	1 (dispute)	No conflict
Turkey	3 (violent crisis)	4 (limited war)	5 (war)

ON A SUBNATIONAL LEVEL:

PROVINCE/ REGION	2021	2020	2019
British Columbia	No conflict	No conflict	No conflict
Kayseri	No conflict	No conflict	No conflict

PART B. COMPANY ASSESSMENT

As per the conclusions of Centerra's assessment in Part A, none of the Company's mines are located in an area assessed to be "conflict-affected or high-risk;" as such, Centerra is not required to complete Part B of the *Conflict-Free Gold Standard*.

PART C. COMMODITY ASSESSMENT

As per the conclusions of Centerra's assessment in Part A, none of the Company's mines are located in an area assessed to be "conflict-affected or high-risk;" as such, Centerra is not required to complete Part C of the *Conflict-Free Gold Standard*.

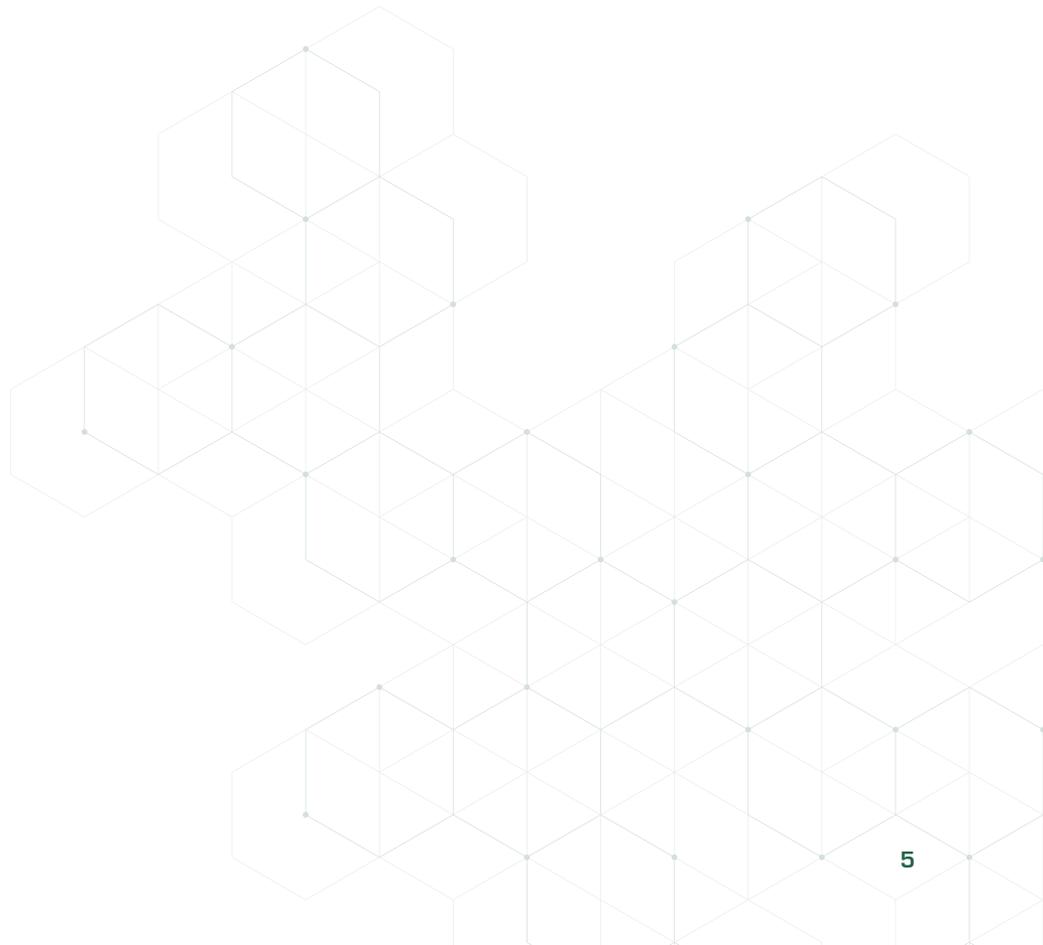
PART D. EXTERNALLY SOURCED GOLD

In 2021, Öksüt did not source gold or gold-bearing material from any external suppliers. All production at Öksüt is registered and recorded by the state and audited by both the state and independent third parties. The process of refining doré to bullion is also observed and the amounts are confirmed by an independent third-party expert. The Mount Milligan Mine also did not source gold or gold-bearing material from any external supplier.

PART E. MANAGEMENT STATEMENT OF CONFORMANCE

Centerra has produced the appropriate Management Statement of Conformance which has been sent to our refiners, the next participant in the chain of custody, as required by Part E.

A copy of the Management Statement of Conformance is provided in Appendix 1.



APPENDIX 1. CENTERRA CEO STATEMENT OF CONFORMANCE

Centerra commits to not supporting unlawful armed conflict and to respecting human rights and, where relevant, international humanitarian law.

Centerra confirms, to the best of its knowledge, that the gold or gold-bearing material that has been produced by the Company's operating mines has the appropriate systems and controls in place to conform with the World Gold Council's *Conflict-Free Gold Standard*. These systems and controls are described in the Company's 2021 ESG Report and include security personnel training on the Voluntary Principles on Security and Human Rights, implementation of grievances mechanisms, and stakeholder and group engagement processes.

To support transparency in the jurisdictions where we operate, Centerra is a signatory of the Extractive Industries Transparency Initiative and annually publishes payments made to governments through its Extractive Sector Transparency Measures Act report.

The Company's latest Conflict-Free Gold Report relates to the 12 months ending on December 31, 2021 and was subject to independent assurance. The Conflict-Free Gold Report and the independent assurance report can be viewed at <https://sustainability.centerragold.com/transparency-hub>.

Nothing has come to our attention to indicate any non-conformance since that date. This Statement of Conformance is provided by Centerra as part of the conformance requirements for the World Gold Council's *Conflict-Free Gold Standard* and in order to provide a good faith representation to the next participant in the chain of custody.



Scott G. Perry
President and Chief Executive Officer
Centerra Gold

July 19, 2022