

KUMTOR ISSUES 1M USD FOR MICRO-CREDITING DEVELOPMENT IN ISSYK-KUL PROVINCE

The Kumtor Gold Company CJSC (Kumtor) transferred 500 K USD to micro-credit agencies 'Jeti-Oguz', 'Ton Finance' and 'Balykchi Finance' to support the micro-crediting programs of Issyk-Kul Province, and 500 K USD will be transferred in July of 2013 as well.

Being aware of the importance of the creation of conditions for social and economic development of Issyk-Kul Province, Kumtor has been implementing the micro-crediting program in Issyk-Kul Province since 2006. Three micro-crediting agencies were organized through the support of Kumtor. They provide the micro credit loans, from 10% to 12% interest rate which is the lowest in Kyrgyzstan. Thanks to this, the residents of Jety-Oguz and Ton Districts, and Balykchi town get access to funds for development of stock-raising, farm enterprises, and small and medium business. Since 2006, Kumtor has invested more than 2 M USD in the micro-crediting program. Taking into account additional financing, the total investment will be 3,160 M USD to the end of 2013.

*«We know that the population of the Issyk-Kul Province require the funds provided by the micro-credit organizations, and therefore we decided that additional funding of the micro-credit organizations in the province would assist in improving the economic outlook. The funds would provide the people with the ability to develop their own businesses and thus, promote growth in the prosperity of people, the development of the various communities, and the economic expansion of the province»
Michael Fischer,
the President of the Kumtor Operating Company*



WATER PROBLEM SOLVED!

Kumtor has established solar panels at Ton and Kok-Sai, Ton district, thus making running water available to more than 1,000 residents.

In these photovoltaic panels solar energy is converted into electrical and provides the water pumps, supplying water from underground wells to the village. If before the villagers had an access to the water only for an hour a day, now thanks to panels, it is available around the clock. Highly efficient solar panels work in a sunny and in cloudy weather conditions. These panels are able to accumulate energy and provide water even at night.

Solar pump is easy in use and is designed for 20 years of service. In total Kumtor Company allocated 529,000 soms to install 8-panel solar system in Mys Valley of Ton village and 857,000 soms to install 16-panel solar system in Kok-Sai village. Investments in modern technology will not only improve the quality of life of the villagers, but also will help the local government to make significant savings on electricity bills.



KUMTOR COMPANY AND AVEP PUBLIC FOUNDATION IMPLEMENT THEIR JOINT PROJECT

The Kumtor Company and AVEP Public Foundation implement their joint three-year project, Karagat+, designed to give a boost to communities and expand the potential of the fruit-and-berry market in Kyrgyzstan.

The Project area will be the Issyk-Kul region, the southern coast of Lake Issyk-Kul in particular. Under this environmentally oriented Project, the Foundation will be training the farmers in the field of growing new varieties of currants, high-yield and cold- and disease-resistant, and innovative irrigation methods. AVEP experts will also provide assistance in creating a network of nursery gardens and farming goods reception centers.

Under the Project, special attention will be given to raising the farmers' awareness of marketing fundamentals to enable them to act unassisted in establishing distribution facilities and making berry-growing business more profitable. AVEP undertakes to help farmers as early as this year in their efforts to market their produce. Following the selection and training of farmers this non-governmental organization is supposed to start assembling the drip irrigation system in the plots allotted.

"This Project's key advantage is that it allows for a comprehensive approach to berry-growing. The Foundation will be assisting the farmers all the way through: from the purchase and distribution of seedlings to the sale and processing of the finished produce. It is also of great importance that the Project will have a good effect on the environment as currants bush roots will stabilize hill sides and thus minimize soil erosion," said AVEP Director, Maksat Abdykaparov.

*«We are happy that this Project is going to be implemented, with our support, in the Issyk-Kul region. Hopefully, this Project will increase the farmers' incomes and promote innovative farming methods throughout the region.»
Michael Fisher,
President of Kumtor Company*



MORE DETAILS:

AVEP is a Central Asian non-governmental and non-political organization working widely with international organizations, private, public and government sector to contribute more effectively to sustainable and innovative development of rural regions in the Kyrgyz Republic.

UCHKUN OFFICE
24 Ibraimov Street,
Bishkek, 720031

Reception: 996 (312) 90-07-07

KARAKOL REGIONAL OFFICE
61 Pervomayskaya St., Karakol,
Phone: 03922 5-77-99

BALYKCHY INFO CENTRE
0312 90-07-39 ext 5124

BARSKOON INFO CENTRE
0775 979 760

BOKONBAEVO INFO CENTRE
0779 055 778

0312 90 07 07

www.kumtor.kg

info@kumtor.com

SPONSORSHIPS TO TON DISTRICT IN 2012

- Bokonbayevo-based Altyn Oimok Public Fund, for souvenirs transportation to Canada
- Police Department at Tort-Kul, for purchase and installation of surveillance cameras in the pretrial detention
- Ton District State Administration, for purchase of paintwork material for repairs to a gym at Kaji-Sai
- Adik-Ata Public Fund, for purchase of national outfits to the team "Ton Munushkoru"
- Ton District Police Department, for purchase of a computer, printer, digital video and photo cameras
- Bokonbayevo-based microcrediting agency "Ton Finance", for providing small loans to Ton residents
- Jolchoro Public Charity Fund, for organizing the Festival "Salburun"

**Total:
14 721 821 soms**

Due to lack of fuel across the region, KOC provided 118,030 liters of diesel fuel to local farmers at a reduced price of 33 soms per liter. Taxes had been prepaid by the Company itself. Expenses borne by the Company for the fuel were **684,572 soms**

Financial aid to Ton district through the **Issyk-Kul Region Development Fund** was **57,308,388 soms**.

IN ADDITION:

The two-year project being implemented by One Village One Product Association (OVOP) in Ton district has involved 20 communities located in the villages of Kaji-Sai, Bokonbayevo, Temirkanat, Ai-Sai, Shorbulak, Kyzyl-Tuu, Tort-Kul and Koi-Moinok, largely engaged in the production of jams, cheese, juices, and felt goods. Apart from receiving training, Ton residents were also enabled to display their goods in Karakol and Bishkek research shops, where participants, if necessary, could also acquire marketing and business skills. Total for Issyk-Kul Province: US \$300,000.

The project implemented jointly with ITL: computer skills and vocational guidance for 9-11-grade students in 10 pilot schools in Issyk-Kul province, including 5 schools in Ton district (the villages of Korgondu-Bulak, Toguz-Bulak, Kara-Taala, Ak-Olen, and Ala-Bash). Computer classes provide basic skills in Word, Excel, PowerPoint and enable students to deal with key economic problems.

The life skills training consists of two stages: general information and advice regarding choice of profession

SPONSORSHIPS TO TON DISTRICT IN 2013

- Kol-Tor village administration, for purchase of materials and equipment for a weightlifting gym
- Kol-Tor village administration, for purchase of equipment for a weightlifting gym
- Renovation of a Kaji-Sai sports hall
- Assistance to Rakiya Bolokbayeva, for purchase of a washing machine
- Kaji-Say-based Hadicha Rehabilitation Center, for repayment of electricity and drinking water bills
- Bokonbayevo-based Altyn-Oimok Public Fund, for souvenirs transportation to Canada
- Purchase of gifts to WW II veterans on the eve of Victory Day
- Purchase of gifts on the eve of International Day for Protection of Children
- Installation of pumping plants, for providing Ton and Kok-Sai residents with potable water
- Bokonbayevo-based microcrediting agency "Ton Finance", for providing small loans to Ton residents
- Ton District Youth Committee, for organization of a wrestling tournament

**Total:
9 509 737 soms**

In 2013, Kumtor provided 119 800 liters of diesel fuel to local farmers at a reduced price of 34.5 soms per liter. Taxes were prepaid by the Company itself. As of end of May, the Ton District Administration had received 129,278 liters. Expenses borne by the Company for the fuel were **387,835 soms**.

Financial aid to Ton district through the **Issyk-Kul Region Development Fund** has so far amounted to **8,050,000 soms**

and basic qualifications received by students at the first stage. The second stage embraces information on the employer's criteria and demands. The students will acquire basic skills in writing a resume or motivation letter, and taking an interview.

Total for Issyk-Kul Province: US \$25,000.

One bank has been founded at Bokonbayevo as part of the Youth Banks Project, which is being implemented in collaboration with Eurasia Foundation of Central Asia. The total Kumtor-paid budget of the Project is US \$300,000, or US \$50,000 per bank.

SPONSORSHIPS TO THE CITY OF BALYKCHI IN 2012

- Balykchi Regional Center for Public Development and Education, for educational training sessions for children from needy families
- Generation Next NGO, for an environmental event
- A.Aliyev, WW II veteran, on Victory Day
- Kyzyl Saz youth, repayment of expenses on sports ground leveling
- Disabled Children Society NGO, on International Day for Protection of Children -
- Generation Next NGO, purchase of computers and a printer
- Generation Next NGO, New Year celebrations
- Purchase of New Year gifts for Kyzyl Saz children
- Microcrediting Agency "Balykchi Finance", for providing small loans to Balykchi residents

**Total:
15 277 174 soms**

Financial aid provided by the **Issyk-Kul Region Development Fund** – **35 921 594 soms**

SPONSORSHIPS TO THE CITY OF BALYKCHI IN 2013

- Balykchi Women NGO, for publishing the book "Balykchi Bakytym"
- Issyk-Kul Taekwondo Youth Federation, for purchase of sports equipment
- Balykchi Regional Center for Public Development and Education, for educational training sessions for children from needy families
- Balykchi City Youth Council, for purchase of sports equipment
- Balykchi KOC и КОГ, for purchase of office equipment
- N.K.Krupskaya higher school, for purchase of furniture
- Kyzyl Saz youth, for holding volleyball matches
- Purchase of gifts to WW II veterans on the eve of Victory Day
- Purchase of gifts to orphans and disabled children on International Day for Protection of Children
- Tien-Shan Children NGO, organization of a summer camp
- Kalygul Bai uluu higher school, purchase of sports equipment
- Kyrgyzstan Jashtarkeneshi Balykchi NGO, for organization of sports events
- Generation Next NGO, for organization of an intellectual contest among young people – 20 300 com
- Microcrediting Agency "Balykchi Finance" for providing small loans to Balykchi residents – 4 708 132 soms
- Rakhmanov, for recording the Balykchi anthem

**Total:
5 758 999 soms**

KUMTOR CONTRIBUTION TO KYRGYZSTAN

USD millions	2012	1994 – 2012
Taxes, customs & other mandatory payments	103,194	627,453
Social Insurance Fund	19,886	92,362
Issyk-Kul Development Fund	4,638	27,674
Licenses & permits	0,259	2,279
Pollution tax and payments to the Environment Protection Agency	0,310	3,749
Payments to Kyrgyzalyn	-	11,421
Refinery	1,884	36,081
Revenue from the sale of Centerra shares	-	86,000
Dividends	5,836	50,249
Purchases in the Kyrgyz Republic:	54,178	537,014
- supplies & services		
- foods	5,278	46,471
Kyrgyz-infrastructure-related payments:	10,941	119,340
- electricity		
- roads outside the mine site	1,530	35,333
- Tamga-Kumtor power-transmission line	-	41,612
KOC employees' net wage	66,575	378,652
Sanatoria treatment	0,136	0,744
Education, scholarships & training	0,074	3,839
Sponsorships & sustainable development projects	2,921	14,992
Government contributions	21,000	31,000
Payments to communities	-	4,400
Total	298,641	2 150,664