

BUILDING A
**TEAM-BASED
CULTURE** OF
EXCELLENCE THAT
RESPONSIBLY
**DELIVERS
SUSTAINABLE
VALUE AND GROWTH**

centerra**GOLD**



SUSTAINABILITY
REPORT **2016**



WINNING AS A TEAM

Cautionary Note Regarding Forward-Looking Statements

Information contained in this annual 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.

These forward-looking statements relate to, among other things, the Company’s expectations of completing the Strategic Agreement by the fourth quarter of 2017, expectations for 2017 gold and copper production, unit costs, exploration and business development and capital expenditures; the Company’s estimates of production and costs at Kumtor, estimates of production and costs at Mount Milligan and consolidated production and costs; expectations regarding the Gatsuurt Project and entering into definitive agreements, expected royalty rates, planned processing methods and estimated recoveries and our expectations of updating our existing technical and economic studies; expectations regarding further progress on the Öksüt Project, including the schedule for construction; and expectations regarding Greenstone Gold Property, including minimizing the risk profile, advancement of permitting and discussions

on impact benefit agreements and completing and submitting the environmental assessments for the Greenstone Gold Property, Hardrock Project.

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 Management’s Discussion and Analysis (MD&A) and the Company’s most recent Annual Information Form which is 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. Forward-looking information is as of September 30, 2017. 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.

ABOUT

Centerra

Centerra Gold Inc. (Centerra or Company) is a publicly listed, Canadian based gold mining company engaged in operating, developing, acquiring, and exploring gold properties in North America, Asia and other emerging markets worldwide. The Company is the largest Western-based gold producer in Central Asia. Centerra has two producing gold mines, one in the Kyrgyz Republic and the other in British Columbia, Canada. Centerra also owns three development stage properties, its 100% owned Öksüt Gold Project in Turkey and the Gatsuurt Project in Mongolia, and a 50% interest in the Greenstone Gold Property which includes the Hardrock Gold Project in northwestern Ontario, Canada. In 2016, Centerra produced 598,677 ounces of gold and 10.4 million pounds of copper from its

two operations. The Company also has interests in exploration properties in Armenia, Canada, Mexico, Mongolia, Nicaragua, Portugal, Sweden and Turkey.

Centerra’s objectives are to build shareholder value by maximizing the potential of its current properties, expanding its portfolio of gold mining operations, adding additional exploration properties 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. Additional information on Centerra is available at SEDAR (www.sedar.com) and on the Company website (www.centerragold.com).

This Report

This document is the Centerra Sustainability Report for the 2016 financial year (twelve months ending December 31, 2016). 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, 2016 or for the entire 2016 year unless otherwise noted. Data related to certain assets acquired by Centerra in October 2016 have been annualized (based on actual performance from October 20 to December 31, 2016), except for Health and Safety data which only show data from October 20, 2016 to December 31, 2016.

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 G3 standards in its 2013 Corporate Responsibility Report.

The 2013 Corporate Responsibility Report was based on our 2013 financial year, and was published in September 2014. This report and 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.

PROJECTS AND DEVELOPMENT



Öksüt Project, Turkey

The Öksüt Project is located in the Kayseri province of south-central Turkey, 295 kilometres to the southeast of the capital city of Ankara and 48 kilometres directly

south of the city of Kayseri. The Öksüt Project is planned as a conventional truck and shovel open pit heap leach mining operation. We are currently waiting for regulatory approvals and permits in order to commence development of the Öksüt Project. On the basis that such approvals and permits are obtained, a total of approximately 26.1 million tonnes of ore at a grade of 1.4 g/t Au, containing a total of approximately 1.2 million ounces of gold, is planned to be mined and stacked over a mine life of eight years from two open pits, the Keltepe and the smaller Güneytepe pit. It is planned to use a mining contractor to do all mining. Centerra would provide oversight of the mining operations.



Greenstone Gold Mines, Ontario, Canada

In 2015 Centerra and Premier Gold Mines Limited formed a 50/50 partnership for the joint ownership and development of the

Greenstone Gold Property (formerly the Trans-Canada Property) which includes the Hardrock Gold deposit located in the Geraldton-Beardmore Greenstone Belt in Ontario, Canada. Centerra has committed to invest C\$185 million to advance the project, of which half or C\$92.5 million is on behalf of Premier. A portion of this funding was used to complete a mineral resource update and the feasibility study which was completed in 2016. The remainder of the funds will be used towards the construction and development of the Hardrock Project, subject to the satisfaction of certain feasibility and project advancement criteria. After Centerra has contributed its C\$92.5 million (for a total investment of C\$185 million), further funding of the project is on a 50/50 basis.



Gatsuurt, Mongolia

Centerra owns 100% of the Gatsuurt Project, located approximately 90 kilometres north of Ulaanbaatar. It is connected to the Boroo Mine site

by a 55 kilometre road which was completed in 2010. Further development of the Gatsuurt Project is subject to, among other things, receiving all required approvals and regulatory commissioning from the Mongolian government and negotiating a satisfactory deposit development agreement and/or investment agreement.

CARE AND MAINTENANCE SITES



Boroo, Mongolia

The Boroo Mine is located in Mongolia approximately 130 kilometres to the northwest of the capital city of Ulaanbaatar and about 230 kilometres to the south

of the international boundary with Russia. From March 2004 through to December 2016, the Boroo Mine produced approximately 1.8 million ounces of

gold. Mining activities at Boroo were completed in September 2012, although the Boroo mill continued to process stockpiled ore under December 2014. The Boroo mill was placed into care and maintenance effective February 2015. Upon receiving final approvals for the , it is expected that the Gatsuurt ore will be processed at the Boroo mill. In the meantime, we are carrying out closure activities at the Boroo Mine, including technical and biological reclamation.

OPERATING SITES



Kumtor Mine, Kyrgyz Republic

The Kumtor Mine is the largest western-operated gold mine in Central Asia and has been operating since 1997, having produced

approximately 10.94 million ounces of gold by the end of 2016. The Kumtor open pit mine is located approximately 350 kilometres southeast of the capital Bishkek and 60 kilometres north of the border with the People's Republic of China. It is at an altitude of approximately 4,000 metres above sea level in a partially glaciated permafrost zone in the Central Tien Shan Mountains. 2016 marked the twentieth year of the Kumtor Mine operation in the Kyrgyz Republic, and the thirteenth year under the parent company Centerra. The current life of the Kumtor Mine is until 2026. The Kumtor Mine is a significant contributor to the Kyrgyz Republic economy, accounting for 23.4% of Kyrgyzstan's overall industrial output and 8% of GDP in 2016



Mount Milligan Mine, British Columbia, Canada

The Mount Milligan Mine is an open-pit copper-gold mine and concentrator, located approximately 155 kilometres northwest

of Prince George in central British Columbia, Canada. The Mount Milligan Mine is a conventional truck-shovel open-pit copper and gold mine and concentrator with a 60,000 tpd design capacity copper flotation processing plant. Commercial production at the Mount Milligan Mine commenced in 2014. The mine has an estimated mine life of 22 years (2036).

We acquired our 100% interest in the Mount Milligan Mine on October 20, 2016 with the acquisition of the shares of Thompson Creek Metals Company Inc. Other assets acquired included the Thompson Creek Mine, Endako Mine and the Langeloth Metallurgical Facility, as further discussed below. From October 20, 2016 to December 31, 2016, the Mount Milligan Mine produced 10.4 million pounds of copper and 47,717 ounces of payable gold production.

MOLYBDENUM BUSINESS



Thompson Creek Mine, Idaho, USA

The Thompson Creek Mine is a primary, surface molybdenum mine and mill located approximately 48 kilometres southwest

of the town of Challis in Idaho's Custer County. The mine was placed on care and maintenance in December 2014. We expect to re-evaluate the status of the Thompson Creek Mine as market conditions warrant.

The Thompson Creek Mine operates a commercial molybdenum beneficiation circuit to treat molybdenum concentrates to supplement the concentrate feed sourced directly for the Langeloth Facility (discussed below). The beneficiation circuit at the Thompson Creek Mine allows us to process high copper molybdenum concentrate purchased from third parties, which is then transferred to the Langeloth Facility for processing.



Endako Mine, British Columbia, Canada

The Endako Mine is a primary, surface molybdenum mine located near Fraser Lake, 161 kilometres northwest

of Prince George, British Columbia. The mine is operated as a joint venture with Centerra holding a 75% interest and Sojitz Corporation, a Japanese company, holding the remaining 25% interest. The mine and concentrator were placed on care and maintenance in July 2015 due to recent and expected ongoing weakness in the molybdenum price. We expect to re-evaluate the status of Endako Mine as market conditions warrant.

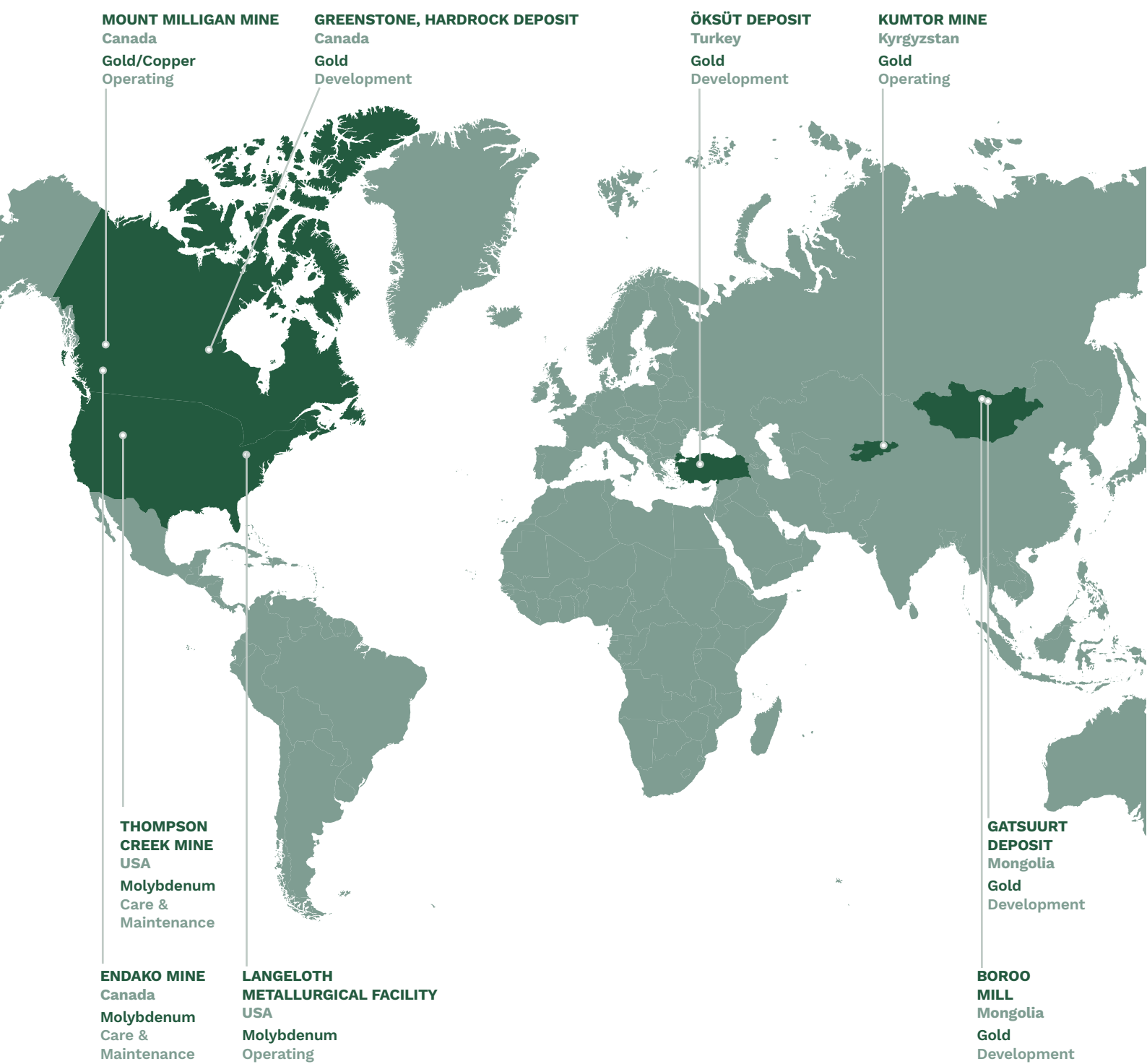


The Langeloth Metallurgical Facility, Pittsburgh, Pennsylvania, USA

The Langeloth Metallurgical Facility , located approximately 40

kilometres west of Pittsburgh, Pennsylvania, is one of the largest toll conversion plants in the world with a long history of producing high-quality products that are sold to the metallurgical and speciality markets. Langeloth operates as a toll processor, secondary to purchasing molybdenum concentrates from third parties.

OPERATIONAL HIGHLIGHTS



2016 CORPORATE HIGHLIGHTS

Completed **\$1.03 billion** acquisition of Thompson Creek Metals Company Inc.

Gold mineral reserves **increased 90%** to 16.0 million contained ounces of gold (673.5 Mt at 0.7 g/t gold) at year-end.

Cu

Initial copper mineral reserves of **2,049 million** pounds of contained copper (496.2 Mt at 0.242% copper) at year-end.

\$682

Company-wide all-in sustaining cost on a by-product basis per ounce sold¹ for the full year.

Cash provided by operations totalled **\$371.4 million** for the year.

Kumtor generated **\$237 million** in cash after all capital expenditures and taxes in 2016, achieving all-in sustaining costs¹ of \$640 per ounce sold for the year.

Received the forestry usage permit and the operating permit for the forestry area at the Öksüt Project.

\$408.8 million

Cash and cash equivalents and short-term investments total, at December 31, 2016.
(includes \$247.8 million of cash that can only be used for Centerra's Kumtor subsidiary purposes.)

Established a new credit facility with a syndicate of lenders, amounting to **\$325 million** which was used for the acquisition of Thompson Creek Metals.

Entered into a project debt financing facility of **\$150 million** with UniCredit and EBRD to finance the eventual development of the Öksüt Project.

Completed a feasibility study on Greenstone Gold Mines Hardrock Project.

\$856.4 million

Positive retained earnings at year-end

¹Non-GAAP measure

CEO'S MESSAGE

This corporate sustainability report highlights Centerra's key accomplishments and challenges experienced in 2016. This report is focused on the consolidated data from our two operating sites, a metallurgical processing facility, three sites on care and maintenance and three development projects.

During 2016, the Company refined its vision of; Building a Team-based Culture of Excellence that Responsibly Delivers Sustainable Value and Growth. We will achieve our vision through the application of our four values which are: Win as a Team; be Responsible Miners; Deliver Results and Continuous Improvement. Our biggest asset is our people and to make sure we are safeguarding everyone, the Company rolled out a new Centerra-branded safety leadership program called Work Safe, Home Safe across all our assets and business units. 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.

2016 was a busy, exciting and transformative year for Centerra. The key milestone was the closing of the \$1.03 billion Thompson Creek Metals Company acquisition in October. With this acquisition the Company favourably repositioned its geographic profile by adding the Mount Milligan mine, a world class, long life, low cost producing gold and copper mine located in Canada. Operationally we had another strong year as we exceeded the mid-point of our favourably revised gold production guidance and achieved lower unit costs than the Company's favourably revised cost guidance.

On the financial front in 2016, Centerra had a strong year in terms of profitability, reporting net earnings of \$151.5 million or \$0.60 per share (basic). In terms of cash flow on a Company-wide basis, we generated approximately \$371 million in cash flow from operations, ending the year with \$409 million of cash, cash equivalents and short-term investments, which included \$247.8 million of cash required to be retained in Centerra's wholly-owned Kumtor subsidiary. As well, at year-end the Company's debt balance was around \$475 million which shows that the Company is in a very healthy position.

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.

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 meet all government regulations and internal governance standards, and ensure we actively and transparently engage our people and the communities around us. We consider our engagement with local communities as a key essential to maintain our social license to operate. We have established structured processes to effectively listen to and communicate with local communities everywhere we work. Our goal is to have a positive impact economically and socially on the communities by creating mutually beneficial partnerships.

Integrity and ethics are the foundation for everything we do. As a team, we execute with excellence, are results focused and strive for continuous improvement without compromising safety or the environment.

As an international company, we respect the different needs and values of people and their cultures and operate with transparency to ensure stakeholder confidence. 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.



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. Centerra is focused on delivering sustainable responsible growth. Part of this mandate is to replace and add reserve through accretive acquisitions of either producing assets or advanced stage development projects.

We 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.

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 where we operate. We continually support local businesses, and in 2016 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.

Deliver Results

In delivering results we strive for operational excellence, safe production and accept that we are each accountable for our results.

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 plans. Centerra recognizes the importance of minimization of negative impact of waste on the environment and operates in compliance with Good International Industry Practice (GIIP).

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 ICMM Mine Closure framework and have strong financial surety in place. At Boroo in Mongolia our progressive reclamation is lauded as world class attracting evident biodiversity.

Win 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.

We look forward to another strong year of profitable production at Kumtor and Mount Milligan, advancing the development of the Öksüt Project in Turkey, advancing the Gatsuurt Project in Mongolia, de-risking the Greenstone Gold Project, expanding our exploration program into new regions and lastly, looking for new accretive profitable growth opportunities.

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

Chief Executive Officer
Centerra Gold Inc.

SUSTAINABILITY SNAPSHOT

OPERATING & FINANCIAL PERFORMANCE

2016 Targets		2016 Outcome	2016 Challenges & Achievements	2017 Targets
Production (oz's Poured)	505,000	598,677	- Increased gold production at Kumtor and added gold production from Mount Milligan	815,000 60 million lbs copper
All-In Sustaining Cost Per Ounce Sold (US\$/oz)	923	682	- Achieved Company-wide all-in sustaining costs on a by-product basis per ounce sold ¹ of \$682 for the full year.	720
Öksüt Construction Schedule Budget (US\$000s)	157,000	Not spent due to waiting for final permits	- 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 starts at Q4, 2017
Capital Expenditures (excluding Öksüt) (US\$000s)	112,100	111,000	- Reduced capital expenditures	148,000
Corporate G&A Cash Expenditures (US\$000s)	31,000	27,600	- Reduced Corporate G&A Cash Expenditures	35,000

HEALTH, SAFETY & SUSTAINABILITY

2016 Targets		2016 Outcome	2016 Challenges & Achievements	2017 Targets
Total Reportable Injury Frequency rate (TRIFR) < 0.33		0.36	- 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		No environmental incidents of Level III-V		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

2016 Targets		2016 Outcome	2016 Challenges & Achievements	2017 Targets
Greenstone Feasibility Study Delivered		JV Partners Agree & FS Released	- Completed a feasibility study on Greenstone Gold Mines Hardrock Project.	Complete Greenstone EA Submission
Gatsuurt Development Agreement	Approval by Q4 2016	Development agreement negotiation deferred until completion of feasibility studies	- Parliamentary approval of Gatsuurt state ownership obtained in February 2016	Not Applicable
Organic Resource Growth (Inferred oz's)	An increase of 350,000 oz	624,203	- Gold inferred ounces increased by 624,203 ounces	Cash Sequestration Relief for KGC, Kyrgyz Republic
Accretive Acquisition Opportunity (Price Point >\$100MM)	Acquisition approved by the Board	TCM Deal	- Thompson Creek transaction signed in July 2016 and completed in October 2016	Not Applicable
New Exploration Projects/JV	3	7	- 7 new exploration projects, joint ventures and strategic exploration agreements entered into	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,
- Challenge the status quo, embrace change and search for new ways to grow our business.

shareholders, governments and the public.



WIN AS A TEAM

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

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



CONTINUOUS
IMPROVEMENT



DELIVERING
RESULTS



WINNING
AS A TEAM

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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 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 required. 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 totaling 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 2016, the Kyrgyz courts issued decisions in relation to four such claims, which ordered KGC to pay approximately \$102 million. KGC appealed these decisions but these court proceedings were continually postponed while we engaged in discussions with the Government of the Kyrgyz Republic on resolving all of the outstanding matters affecting the Kumtor project. No payment was ever made in respect of these decisions. In September 2017, the Company and the Government of the Kyrgyz Republic entered into a comprehensive settlement (the “Strategic Agreement”) of all outstanding matters relating to the Kumtor project, including as to the environmental claims referred to above. We made no admission in the Strategic Agreement regarding any environmental wrongdoing, or any non-compliance with Kyrgyz laws and the Strategic Agreement affirms the validity of the project agreements governing the Kumtor project. The completion of the Strategic Agreement is subject to certain conditions precedent, which are expected to be satisfied in the fourth quarter of 2017.

For further details of these claims and other allegations of non-compliance, please see pages 64 to 66 of our Annual Information Form for the calendar year ended December 31, 2016. 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.



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, without limitation, 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 other posters/information material set out 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 line 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, the objective of working in a transparent, legal, ethical and socially responsible manner, and the management plans developed internally.

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 INTERNATIONAL BUSINESS CONDUCT POLICY, CODE OF ETHICS AND ANTI-CORRUPTION PROGRAMS

Two training sessions were held at the Company's head office with a total of 54 attendees, including senior executives at Centerra and its operating subsidiaries. Nine sessions were held at Kumtor for expatriate and national employees with a total of 125 attendees. One session was held at our Öksüt development property with 17 attendees.

Training objective was to raise employee awareness regarding Anti-Corruption legislation and Centerra's Anti-Corruption programs including the International Business Conduct Policy and the Code of Ethics.

Topics presented included:

■ **Risks and potential impact to the company, its employees and partners**

■ **Compliance reporting hotline**

■ **Annual certification of compliance**

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

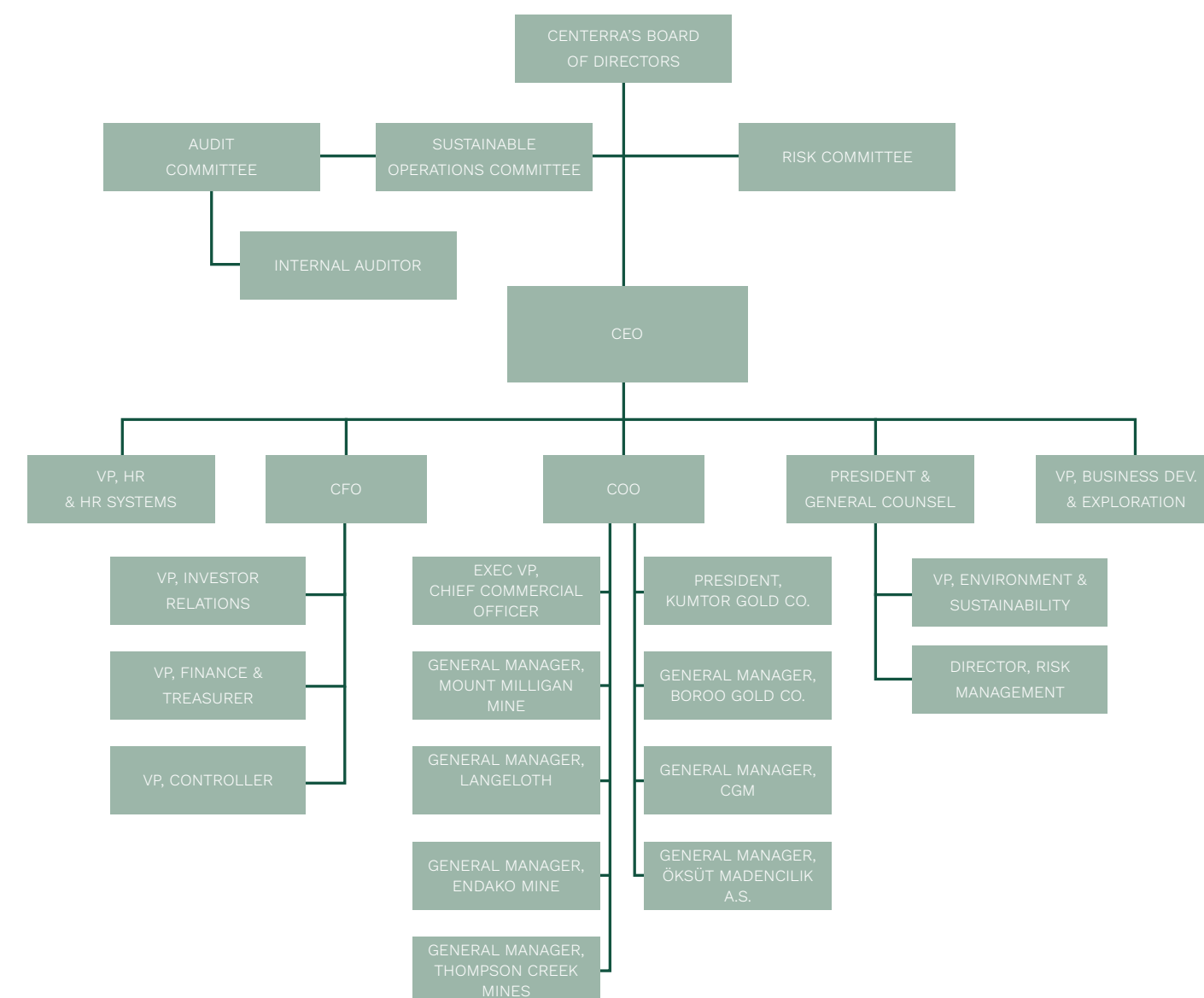
- Conflict of interest
- Confidentiality
- Compliance with Laws
- Compliance with good disclosure practices
- Anti-bribery & accounting provisions
- Prohibited & allowed payments
- Due diligence in third-party relationship
- Indication of corruption ("Red Flags")

Our objective is to conduct this training on an annual basis with a rotating list of attendees.



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 2, 2017. 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.

Seven 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.

Seven 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 2, 2017 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 one 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 2, 2017. 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 2, 2017 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 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 the 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 Director of Health and Safety on economic, environmental, social, health and safety topics and their impacts, risks, and opportunities.

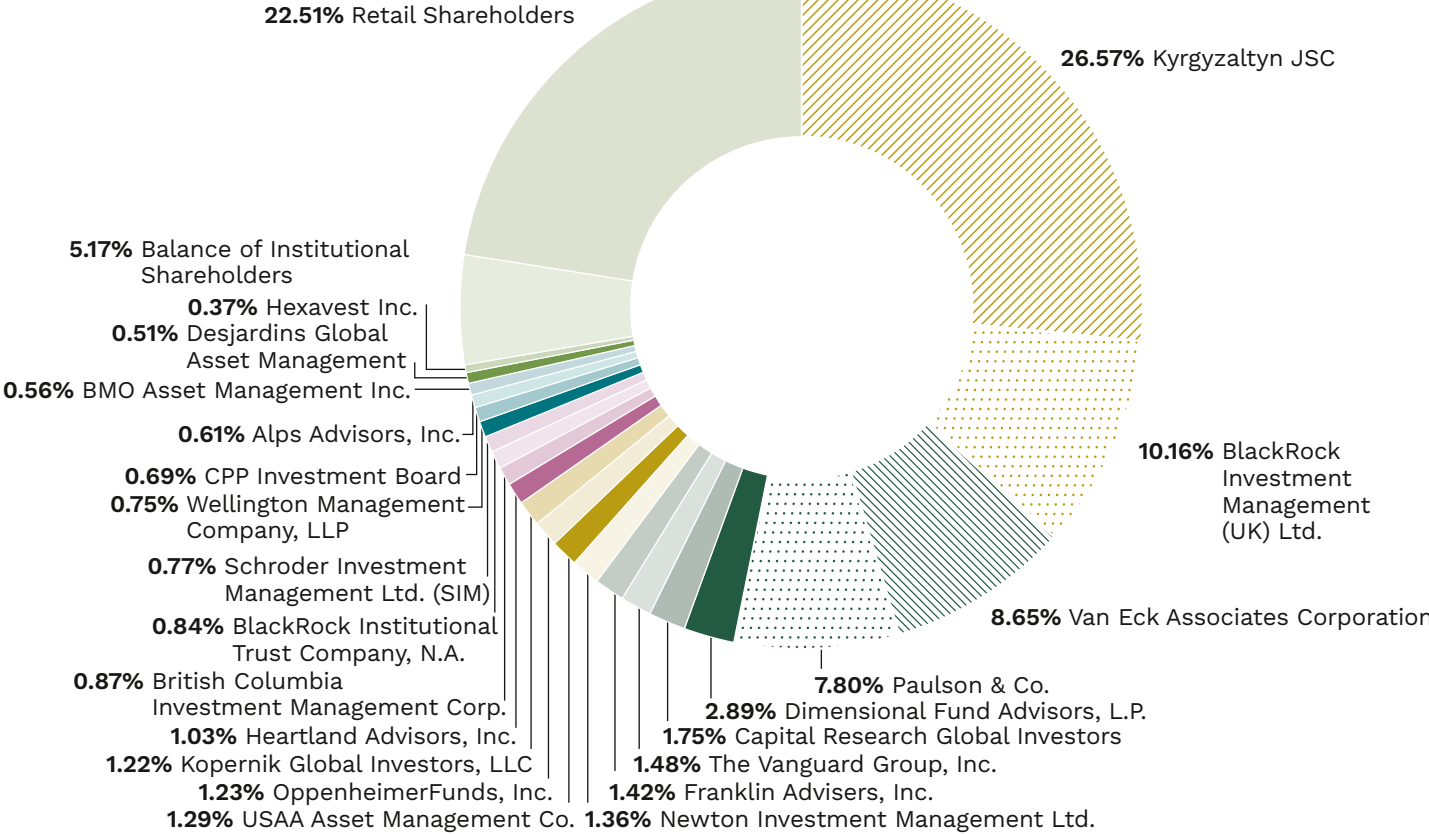
At our operating sites, there is an executive appointed to oversee sustainability and environmental matters, and for health and safety matters. These local executives report to the President/General Manager of the site.

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 CEO, CFO, President/General Counsel, COO, 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.



Fig 1 Centerra’s Top Shareholders



Source: NASDAQ IR Insight and Public Filings

RISK MANAGEMENT

Centerra’s risk management program is based on ISO 31000 and COSO ERM Framework; however, we have not certified or aligned ourselves with either organization. It is a trickle-up approach: at the operation level, risks are identified in each department. The top risks for each department are tracked on a site-wide risk register. The top risks from each of our company’s sites are tracked on an enterprise level with our senior corporate management team.

Each department manager is responsible for the risks on his/her risk register, and we have identified a risk professional or coordinator at each of our operating sites to ensure consistency and continuity in our risk management approach. Centerra employs a Director of Risk Management at its Corporate office to provide guidance, oversight and strategic direction for the Enterprise Risk Management program. On an enterprise level, risks are considered when developing budgets, strategic direction, and annual and long term goals and objectives.

The risk management program at Centerra considers all aspects of the operation and our stakeholders when identifying risks. As such, our risk program encompasses 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 oversight. The Director of Risk Management at Centerra prepares and presents a quarterly report for the Risk Committee. The report typically contains top enterprise risks, high severity operational, project and exploration risks, and 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.

Centerra’s Risk Management model is based on four steps:

1. Risk Identification
2. Risk Analysis
3. Risk Response
4. Risk Monitoring

This approach is consistent with ISO 31000 approach and is an effective way to identify, prioritize and manage various risk groups including sustainability risks regarding social, environmental and economic aspects, throughout the organization.

SUSTAINABILITY MANAGEMENT

At Centerra, integrity and ethics are the foundation for everything we do. As a team, we are results-focused, execute with excellence and strive for continuous improvement without compromising safety or the environment. We are entrepreneurial and flexible.

- Meeting our targets ensuring we run safe, efficient, cost-effective mines and projects;
- Maximizing the value of our existing assets and properties;
- Striving to lead our peer group in the areas of shareholder value, business ethics, workplace safety, environmental protection, community development, transparency and governance;
- Minimizing the potential for harmful impacts from our operations to the lowest levels we reasonably can;
- Improving our engagement with stakeholders to better respond to their needs and concerns.

We believe our commitment to these principles will continue to make us an employer and business partner of choice everywhere we work.

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 CG's 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 2016 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 online survey;
- Internal policies, values, goals and targets;
- Views of local communities;
- Major risks



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Material issues



General

Occupational Health & Safety

Legal Compliance

Local 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
Centerra employees	Our employees are our greatest asset and we always make sure that we are safeguarding everyone thorough appropriate health and safety programs, training on professional development and cooperating closely with trade unions, where applicable.
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.
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.
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.
Local Communities	We continually work towards developing and maintaining constructive relationships with host 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 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.
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 partnering 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. 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
Emergency Preparedness		All operations
Legal Compliance	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
Ethical Conduct and Anti-Corruption		All operations
Local Communities	It is important for all our sites to maintain a social license to operate to ensure successful cooperation with 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 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 reserve 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 respect the different needs and values of people and their cultures and operate with transparency to ensure stakeholder confidence. 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.

We recognize the importance of establishing enduring relationships with our all our stakeholders to build broad-based 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, map, analyze and engage all the various stakeholder groups that we impact or affect or that can influence our activities.

As Centerra we place a great emphasis on developing and maintaining constructive relationships with all our local communities as we believe mining 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 community priorities and concerns are taken into account in decision-making by Centerra. We are committed to making a positive difference to host communities and our aim is to share the benefits of our operations with the host communities and contribute to economic and social development.

Centerra is dedicated to building positive and enduring relationships based on mutual benefit and active engagement with host communities that focuses on:

- Meaningful consultation with host communities and other stakeholders throughout the life of the mine
- Respecting the culture, customs, interests and fundamental human rights of all stakeholders with whom we interact
- Responding to questions, complaints and grievances in a fair, timely and consistent manner

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 / Equator Principles (Turkey)
- Global Reporting Initiative (GRI)
- International Cyanide Management Code (ICMC)
- Carbon Disclosure Project (CDP)

CG is Aligned/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 Assoc.
- Mining Association of British Columbia (MABC)

- 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.



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 – 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.

As Centerra, 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. In 2015, we also 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. However, KGC will be carrying out a series of trainings on VPs in 2017.

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.



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Fig 2 Security practices

	Unit	Mongolia	Kyrgyz Republic	Total
Security personnel (full-time)	Number	10	124	134
Security personnel (contractors)	Number	75	20	95
Security personnel trained for human rights	Number	85	61	146
Ratio of security personnel trained for human rights	percentage	100	42	64%

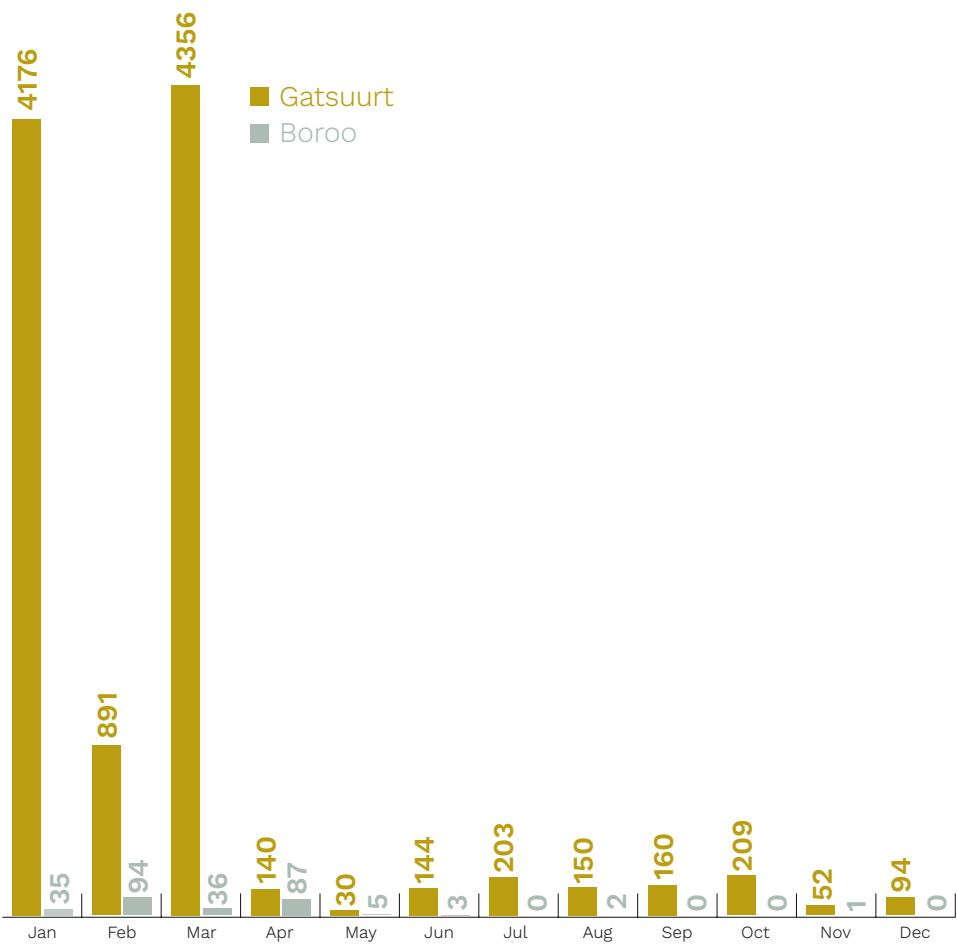
ILLEGAL/ARTISANAL MINERS IN MONGOLIA

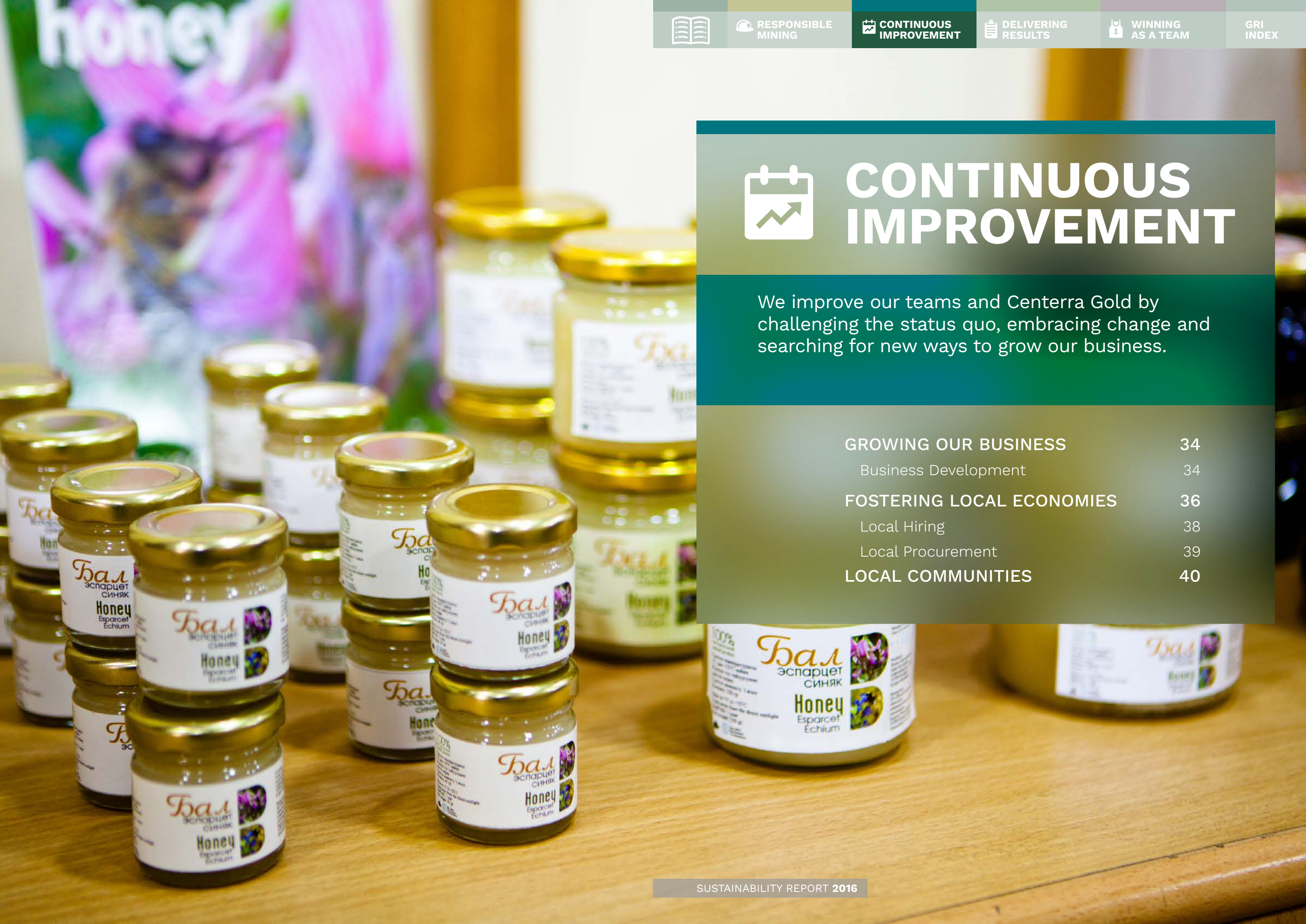
The concept of Voluntary Principles and practices have been incorporated into the Company Security Standard Operating Procedure since 2012 and all security post orders meet the requirement. Based on past artisanal mining situation at exploration site, we developed a protocol on TIM (Trespass/Illegal Mining), which is specifically aimed at human rights protection.

At Gatsuurt, artisanal miners usually trespass into the old drill pad area, and old backfilled holes. At the Boroo site artisanal miners used to enter the Mill building and open pit areas.

Security personnel continually warn artisanal miners; installing up to 20 warning signs, and carrying out up to 13 operations installing barricades in a year. Usually all illegal miners are ejected from the site, and in exceptional cases security hand them over to local police.

Fig 3 Illegal/Artisanal miners at Mongolian sites





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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 reserves 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 discussion with senior management. Since all acquisitions are different, the timeline for the 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, human rights, 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 2016, we invested \$13 million in exploration and business development and \$39 million in our other development properties. Exploration and business development activities will focus on Asia, Canada, Mexico, Mongolia, Nicaragua, Sweden, Turkey, and may 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 2016 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 23.4% of Kyrgyzstan's overall industrial output and 8% of GDP in 2016. 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 commenced commercial production in early 2014, and was acquired by Centerra in October 2016. The operation has a 22-year mine life (ending in 2036). We employ approximately 480 employees at the Mount Milligan Mine. The mine is located in north central British Columbia, Canada close to the towns of Prince George (where we have an office), Fort St. James and Mackenzie. We have strong relationships with the First Nations communities surrounding the mine site, the McLeod Lake Indian Band and the Nak'azdli Whut'en First Nations.

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.



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Fig 4 Consolidated Financial Summary*

(\$ millions, except as noted)	Year ended December 31		
Financial Highlights	2016	2015	2014
Revenue	760.8	624.0	763.3
Cost of sales	414.6	384.5	502.5
Total assets	2,654.8	1,660.6	1,629.1
Earnings from mine operations	331.2	214.7	233.2
Earnings (loss) before income taxes	156.0	42.1	(41.5)
Long-term debt and lease obligation	422.8	-	-
Long-term provision for reclamation, dividends payable and deferred income taxes	181.1	76.9	79.8
Gold produced - ounces poured	598,677	536,920	620,821
Payable Copper Produced (000s lbs)	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)	2016	2015	2014
Revenues	760.8	624.0	763.3
Other income	1.8	4.6	2.7
Operating costs (goods and services) - incl. capitalized stripping	264.6	276.9	350.8
Corporate administration costs	9.2	11.2	10.4
Exploration and business development costs	8.8	6.4	11.0
Pre-development costs	8.8	11.1	5.5
Capital expenditure	123.3	163.6	97.4
Other operating costs (income)	3.4	(0.7)	(1.6)
Employee and contractor wages and benefits	101.6	103.2	121.8
Payments to providers of capital	32.1	32.3	37.4
Taxes and royalties	102.0	85.7	102.3
Community donations and investments	1.1	2.5	5.4
Economic value generated (distributed)	107.7	(63.6)	25.6

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

LOCAL HIRING

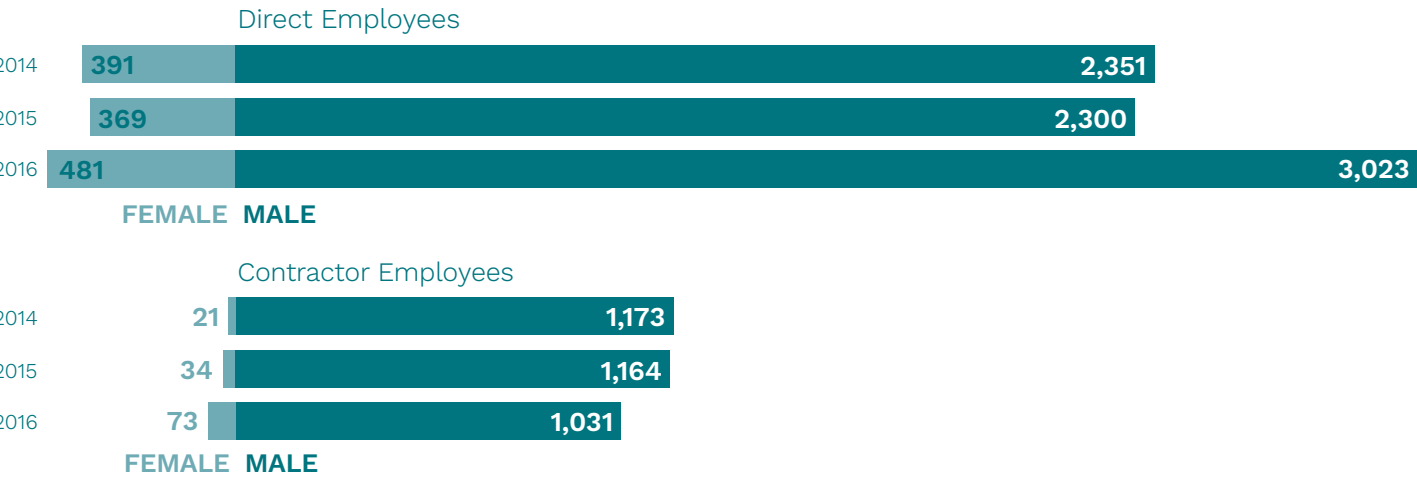
Centerra’s most valuable resource is our people. We are considered the largest employer in the Kyrgyz Republic, and our pay rates are far above the Kyrgyz average.

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 vendor-supplied resources. 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.

Fig 6 Total Workforce



Fig 7 Employee Demographics



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 our Turkish Project, Öksüt, consultancy firm has prepared a detailed report on Labour profile and supplier potential in Develi. Based on the results and recommendations we have created a Local Candidate Database, where all local job applications were entered.

“ Nearly 600 Kyrgyz enterprises supply our operations with almost 11,000 items needed for our day-to-day operations. ”



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LOCAL PROCUREMENT

We have a strategic approach to local procurement everywhere we work in the Kyrgyz Republic, Canada, and at Care and Maintenance sites.

With the acquisition of new sites, which occurred in Q4 2016, we aim to implement Centerra’s approach and revise the Local procurement strategies throughout 2017. 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 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, Canadian operations are in the process of implementing a local supplier database. Local vendor information from our region will be centralised, allowing Centerra employees to easily access information on potential new 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.

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.

Fig 8 Local Procurement in Context

	Unit	Canadian operations	Kumtor Mine
Total amount of procurement	\$USD	291,667,000	256,188,105
Total spending on local suppliers	\$USD	19,254,426	58,439,328
Proportion of spending on local suppliers	%	6%	23%
Number of suppliers	Number	580	1,049
Number of local suppliers	Number	102	599
Percentage of local suppliers	%	18%	57%

LOCAL 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.

We have faced a series of allegations and claims regarding environmental impacts and technical aspects of the mine operation. Because of this, public and media interest in KGC's activities remains high. For further information, these allegations and claims are discussed under the heading "Legal Compliance" on page 18.

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 has both a First Nations Policy and a Community Policy that outlines the approach the

mine takes toward working with its community partners. In addition, we have formal agreements in place with each of the two First Nations groups which are nearby the mine. With McLeod Lake Indian Band, a socio-economic agreement is in place that was signed in 2010. We also have an Impact Benefit Agreement with the Nak'azdli Whut'en First Nations which was signed in 2016. Both of these agreements outline a number of provisions around employment, environmental stewardship and business opportunities. They also contemplate financial payments made by Mount Milligan to the respective First Nations communities.

The Mount Milligan Community Sustainability Committee (CSC) was established in 2008 to facilitate regular and meaningful dialogue with members of the local community, and to maximize the positive economic, social, and environmental contributions of the mine.

Representatives from the communities of McLeod Lake Indian Band, Nak'azdli Whut'en, Mackenzie, Fort St. James, Vanderhoof and Prince George presently comprise the CSC. The CSC typically meets three to four times each year, including an annual summer meeting held at the mine site.

Mount Milligan uses feedback received from the CSC as well as the receipt of formal complaints and grievances through its formal grievance mechanism which is available to the local community as the primary mechanism for evaluating the effectiveness of the management approach for local communities.

Liaisons from both of these First Nations regularly visit the mine site to provide support to Aboriginal employees and work with our Human Resources department on training and recruitment initiatives, as well as mining education programs.

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).



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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.

Investments in the Kyrgyz Republic

In June 2016, a Bishkek Inter-District Court issued a decision restricting the ability of KGC to transfer assets. The decision was taken in connection with the claims by SAEPF as further discussed under the heading "Legal Compliance" starting on page 18. This court decision was lifted in September 2017. From June 2016, all contributions on behalf of KGC to support sustainable development projects, as well as donations were suspended. Due to court restrictions, since June 2016 to September 2017, the KGC Donations Committee did not meet. All parties seeking donations from KGC have been informed in writing about the situation preventing KGC from assisting.

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; and
- (iv) environment protection projects.

From January 2016 until the court order in June 2016, we made investments into the local community of around \$1.2 million. In a typical year, investments under this strategy can be up to \$2 million.

The second type of investment made in the Kyrgyz Republic comprises donations and sponsorship support. In addition to our sustainable community development programs, 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 which 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 (IKD Fund). The IKD Fund is governed by a Supervisory Committee, comprising

KUMTOR AMBASSADORS PROGRAM

In 2016, Kumtor Ambassador Program was a key to maintaining relations with local communities. KGC employees are one of the largest stakeholder groups, and are uniquely placed to provide accurate and credible information about KGC's activities to interested stakeholders. While unable to support some of the communities' ideas financially – our corporate volunteering program united KGC employees from all locations to help needy communities and communicate with our stakeholders, answering their questions about the mine, and addressing concerns.

In 2016, employees and contractors of all divisions volunteered 3,000 hours to support the Program.

More than 30 actions have taken place during the reporting period throughout Issyk-Kul and Chui regions.



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 \$53.6 million into projects as diverse as kindergartens, schools, sports clubs, and irrigation infrastructure across the Issyk-Kul region.

Investments in Canada (British Columbia)

At our Mount Milligan Mine, since 2015, investments have been directed through two major programs: the Mount Milligan Donation and Sponsorship Program and the Mount Milligan Community Project Fund. Community organizations can request support for events, fund raising initiatives or community-based program through the Sponsorship and Donation program. Requests are reviewed by mine employees, and organizations received one-off support of up to \$500. Each year, a budget of \$25,000 is set for this program.

The Community Project Fund provides financial support to local organizations working to build capacity at the community level in on one or more of

the following priority areas: education and training, health, environment, community (including economic development) and literacy.

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, including developing regional health services through provision of a mammogram machine to Develi District State Hospital; sponsorship of Epçe Secondary School Girls Volleyball Team by donating equipment and transportation; and providing animal watering troughs for the shepherds around the mine site.

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 2016, 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. There were no grievances received from other Centerra operations globally.

Mount Milligan received no formal grievances in 2016. In 2017, a formal grievance mechanism for the mine will be introduced. Local community members and First Nations will be able to provide feedback to Mount Milligan in a number of different ways. Community members can call, email or walk-in to the office to provide feedback about the mine, request information or be connected with the Sustainability & Community Development department.

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.

Across the region, Mount Milligan regularly participates in career fairs hosted by First Nations communities, and provides academic bursaries to local First Nations students. First Nations’ cultural heritage training is also provided to all new employees at the mine site to foster cross-cultural understanding and respect amongst our work force. Each year, Mount Milligan employees participate in events and trips run by our local First Nations communities. At the mine site each spring, a cultural ceremony led by a local First Nation, Nak’azdli Whut’en, takes place. This ceremony brings together community members and Mount Milligan employees to give thanks to the land for the abundant resources available to us and for the safety of those who work at the mine.

At Kumtor Mine, in 2016 there was an incident with an expatriate employee resulting in departure of that employee from the country. The misunderstanding between local employees and the expat employee took place because of a national dish ‘chuchuk’. KGC adheres to the laws of the Kyrgyz Republic and respects the national culture of all employees.

To avoid similar situations a more comprehensive module on Kyrgyz culture has been included to the New Employee Induction that all new expatriate employees are required to attend. In addition to this, all KGC expatriate employees attended mandatory Cultural Sensitivity Refresher training during the first quarter of 2016.



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“Our aim is for our community investments to generate sustainable local benefits.”

SPONSORING EDUCATION PROGRAMS IN LOCAL COMMUNITIES

The Kumtor Regional Scholarship Program provides students completing high school and wishing to pursue a vocational career the opportunity to apply for one of 20 Scholarships. The successful applicants are awarded a full scholarship that includes tuition, accommodation, meals and a monthly stipend while they attend Technical Vocational School #27 or Technical School #91 in Bishkek.

In 2016, full scholarships were awarded to 11 students to study at Technical School #91 where they graduate with the profession of Cook/Baker.

Technical School #27 has worked closely with KGC to establish a program that incorporates school based instruction with practical training in the Heavy Duty workshop or the Mill Maintenance Department at the Kumtor Mine site. Currently KGC is sponsoring 31 students, with 8 in the first year,

12 in the second year and 11 in the third year. The program takes 3 years to complete with graduates earning the profession auto mechanic.

Mount Milligan’s Academic Bursary program supports high school graduates from across the region, including First Nations communities. \$6,000 was awarded in 2016 to 8 students.

In addition to the Academic Bursary program, as part of the Mount Milligan Legacy Program, the mine supports the delivery of continuing education at the community level by sponsoring courses focused on employment preparedness and skills upgrading in partnership with the local community college. Courses are delivered at no cost and are available to all interested community members on a first-come, first-serve basis.





DELIVERING RESULTS

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.

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. In Mongolia, care and maintenance site and development project are within regions of water scarcity thereby creating operational and community sensitivities related to the potential impacts of climate change. Likewise, water access and quality is considered a major aspect to our ongoing development of the Oksut project in Turkey.

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.

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.

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.m³	5.25	0
Volume of water withdrawn from ground	Mil.m³	0	0.055.62
Volume of water withdrawn from rainwater and snowpack collected by the organization	Mil.m³	0	6.2
Total water consumption	Mil.m³	6.26	0.055.626
Water recycled and reused	Mil.m³	6.50	47,935
Ratio of water demand supplied using recycled water	%	55.27	99*

* This ratio does not include precipitation or snow pack volumes delivered to the Tailings Storage Facility

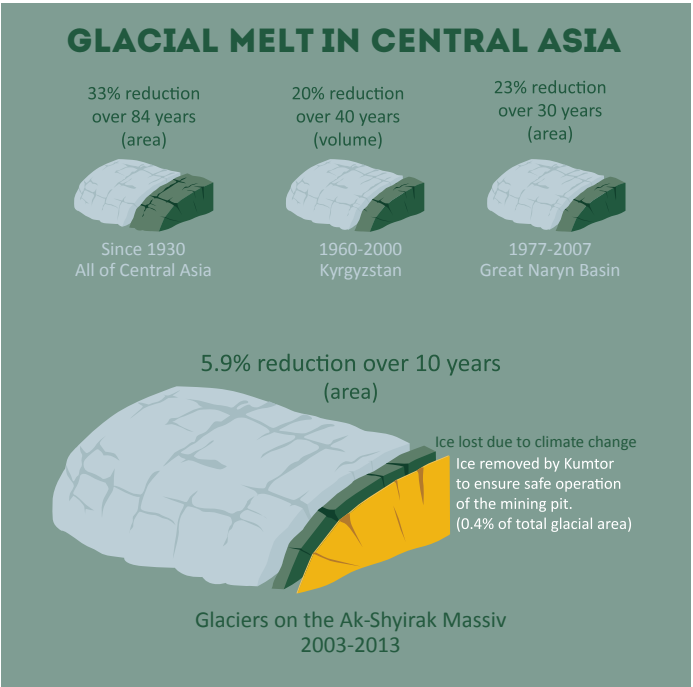
Glacier management at Kumtor Mine

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.



Source: Petrakov, 2015



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

Kumtor Mine adheres to the Waste Management strategy that includes such principles as minimising the negative impact of waste on the environment and effective use of financial resources spent on labor and equipment. In 2016, KGC set the following specific objectives for waste management:

- Continue 100% recycling of industrial waste;
- Reduce the volume of solid domestic waste to be landfilled by 50%;
- Reduce waste management costs by 20%.

Three major types of waste (not including waste rock and tailings) result from the mine operation: solid domestic waste, industrial and hazardous waste. Since 2014, not a single kilogram of industrial waste has been disposed on site.

Scrap metal, plastic, rubber, wood, paper, waste oil, etc. are shipped to our local partners to reuse and recycle. The reuse of scrap metal in the production of grinding balls is of note. The local company “Vulkan Plus” produces different size steel balls used for ore grinding at the Mill. In 2016, KGC spent \$4.5 million on the purchase of grinding balls, which demonstrates KGC’s commitment to support local producers and suppliers.

Solid domestic and hazardous waste are disposed at two landfills commissioned in 2015. These landfills were designed and constructed in full compliance with all engineering and environmental requirements, applicable in the Kyrgyz Republic. Operation of the landfills involves placing the waste and compacting, followed by covering the waste with a 20-30 cm soil layer to prevent access by wild animals. After mine closure, landfills will be capped using the same process as the tailings dam and is outlined in the Conceptual Closure Plan

KUMTOR GOLD COMPANY RECEIVED CERTIFICATE OF COMPLIANCE WITH THE INTERNATIONAL CYANIDE MANAGEMENT CODE

In 2012, KGC received the Certificate Of Compliance with the International Cyanide Management Code from the International Cyanide Management Institute (ICMI), confirming that Company’s transportation operations are in full compliance with the Code. In 2015, KGC was re-certified against the same Code requirements.

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 at the mine site and management in accordance with federal and provincial regulations, as well as mine permits, is conducted at the source.

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	12.6	342.6
Hazardous wastes disposed	tonnes	692.9	0
Non-hazardous wastes recycled, reused, recovered	tonnes	6,996.3	2,710.3
Non-hazardous wastes disposed	tonnes	1,798*	3,028** 2,271

* Includes non-hazardous industrial and domestic waste. At Kumtor in 2016 100% of industrial waste was recycled, 100% of non-hazardous domestic waste was disposed.

** Includes on-site landfill and off-site landfill respectively



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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					
Snow Leopard	Uncia Uncia	Critically Endangered	Endangered	Yes	Yes
Brown Bear	Ursus Arctos	Locally Rare	Least Concern	No	Yes
Argali	Ovis Ammon	Vulnerable	Near Threatened	Yes	Yes
Manul	Otocolobus Manul	Near Threatened	Near Threatened	No	Yes
Stone Marten	Martes Foina	Lower Risk/Least Concerned	No	Yes	Yes
Birds					
Golden Eagle	Aquila Chrysaetos	Near Threatened	Least Concern	Yes	Yes
Lammergeyer	Gypaetus Barbatus	Near Threatened	Least Concern	Yes	Yes
Saker Falcon	Falco Cherrug	Endangered	Endangered	Yes	Yes
Black Stork	Ciconia Nigra	Near Threatened	Least Concern	Yes	Yes
Whooper Swan	Cygnus Cygnus	Least Concern	Least Concern	Near	Yes
Eurasian Black Vulture	Aegypius Monachus	Near Threatened	Near Threatened	Yes	Yes
Himalayan Griffon	Gyps Himalayensis	Least Concern	Least Concern	Yes	Yes
Demausel Cranes	Anthropoides Virgo	Near Threatened	Least Concern	Yes	Yes

Note: SCER is Sarychat – Eertash Nature Reserve; IUCN is the International Union for Conservation of Nature.

* 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 KGC to detect and register 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.

ÖKSÜT BIODIVERSITY LOCAL STUDY AREA (LSA)



The territory was divided in two different study areas:

- Mine site LSA, including the access road and the pipeline. The mine site LSA corresponds to the Develi mountain range, which is also defined as the discrete management unit surrounding the mine site.
- Powerline LSA. 1.5 km buffer around the route centerline defines the Powerline LSA. The protected areas and Sultan Sazlığı Wetland crossed by the Powerline, also included in the assessment.

Potential environmental impacts associated with the construction, operation and closure of the Öksüt 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.

The mitigation hierarchy includes the following steps:

- **Avoidance:** measures taken to anticipate and prevent adverse impacts on biodiversity before actions or decisions are taken that could lead to such impacts.
- **Minimization:** measures taken to reduce the duration, intensity, significance and/or extent of impacts (including direct, indirect and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible.
- **Restoration:** measures taken to repair degradation or damage to specific biodiversity features and ecosystem services of concern (which might be species, ecosystems/habitats or particular ecosystem services) following project impacts that cannot be completely avoided and/or minimized.
- **Offsets:** measurable conservation outcomes, resulting from actions applied to areas not impacted by the project, that compensate for significant, adverse impacts of a project that cannot be avoided, minimized and/or restored.

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 (North. Mt pop.)	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 Bluetit	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
Birds					
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

GEOTECHNICAL CHALLENGES

All Centerra’s mines are either technically complicated 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, fine-grained 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 for the design of the LOM pit 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.

■ Intactness of the site facilities located in the immediate vicinity to the final crest of the Northwest (NW) wall. (Mill in particular).

Due to the weak rock mass in the NW wall, it is prone to deformation in saturated conditions. Should such deformation occur, it may provoke interruptions in Mill process that in turn will have a negative impact on gold production.

■ Glaciers movement 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 of 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 new LOM plan would have to be incurred.

■ Capacity of Tailings Diversion Channels.

The Upper and Lower Diversion channels have been upgraded during the mine life to contain the volume of a 1 in 100 year return event but not a MPF (Maximum Possible Event) - which will be done for Mine Closure.

■ 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.

■ 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 particularly) when it applies to mine design is not well understood. Due to 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.



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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.

■ Pit wall stability - Alteration in 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 walls 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. It is advised that hydrogeological assumptions be confirmed or revisited after mining commences.

Gatsuurt Project, Mongolia

■ Pit walls stability.

The structural geology and hydrogeological properties of certain lithological domains within the Gatsuurt open pits should 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 multi-bench 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.

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 the production of the planned mineral reserve. Depending on the magnitude of future slope movements, there would be a corresponding increased cost to produce the remaining reserve.

In response to stakeholder concerns, Centerra remains committed to adopting industry best practices and a risk-based approach while managing the geotechnical challenges listed above. In particularly these include:

- Wide range of monitoring practices to control global trends and current states of geotechnical objects;
- Risk assessments and Geotechnical committees carried out at top-management level;
- Utilization of advanced technologies to monitor and appraise safety and intactness of geotechnical object;
- Regular third-party reviews by industry recognized consulting companies and corporate office management;
- Stakeholder engagement (periodical review and inspections by top management, governmental and communities authorities; Kumtor Ambassador program; community investments projects);
- Retaining leading local and international experts for various projects (i.e. engineering studies, stability calculations, and numerical modelling) aiming to reduce 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 reduce risks posed by geotechnical challenges.

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, Environment and Sustainability is the highest level of direct responsibility for climate change at Centerra. This position reports directly to the President, 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. 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, our large-scale mining operation 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 greenhouse gas (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.

Fig. 13 GHG Emissions

	Unit	Kumtor	Mount Milligan
Direct Energy Consumption	Gigajoules	4,807,912	850,891
Indirect Energy Consumption	Gigajoules	1,034,037	1,861,685
Total Energy Consumption	Gigajoules	5,841,949	2,712,576
Direct GHG Emissions (scope 1)	Tonnes CO ₂ e	337,028	59,004
Indirect GHG Emissions (scope 2)	Tonnes CO ₂ e	25,102	2,606
Total GHG Emissions (scope 1 + scope 2)	Tonnes CO ₂ e	362,129	61,610



302-1, 305-1, 305-2



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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 ICMM Mine Closure framework and have strong financial surety in place. At Boroo in Mongolia our progressive reclamation is lauded as world class attracting evident biodiversity.

Boroo Mine, Mongolia

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, 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, 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

Kumtor Mine, Kyrgyz Republic

At Kumtor, the most recent life of mine 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 CCP’s 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

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 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 plan to monitor environmental and social contents after the stop of mining activities.

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 will review this policy bi-annually.

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 14 Key Health and Safety Statistics

Unit		
Total Hours Worked	person-hours	6,945,944
Total Work Days	number	511,575
Total injuries	number	13
Total Occupational Disease Cases	number	0
Total Lost Days	number	6,500
Total Fatalities	number	1
Injury Rate	rate	0.37
Occupational Disease Rate	rate	0
Lost Day Rate	rate	185.80
Total OHS Training Hrs	number	82,686

*All data is presented as post TCM acquisition
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.



RESPONSIBLE MINING

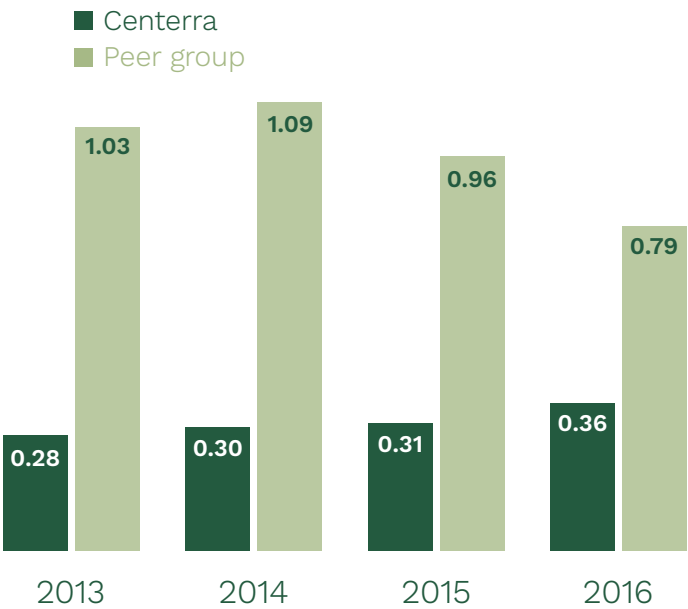
CONTINUOUS IMPROVEMENT

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Fig 15 Reportable Injury Frequency Rate: Centerra vs Peer Group



Centerra is a member of the global Mining Safety Round Table group (Peer Group) consisting of other global mining companies that are predominantly based 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. TRIF Rates are shared on a bi-yearly benchmarking exercise

“82,686 hours of OHS training in 2016”

LEADERSHIP PROGRAM: WORK SAFE - HOME SAFE

Centerra is poised for considerable growth over the next few years with a strong commitment to develop leadership across its operations worldwide. Essentially, all facets of the organization will need to demonstrate commitment to build, operate and maintain safe and productive projects and mines in a responsible and professional manner. Centerra has embarked on a journey towards a desired company culture that values its employees and their contributions to Centerra's goals and objectives.

We have always been committed to ensuring our employees return home safely after every shift. We believe that every individual within the Centerra organization, its contractors, and other business partners, must also take ownership of their personal safety, and the safety of those working around them. Centerra is an industry leader in safety statistics. However, safety statistics can be misleading and, unfortunately, significant incidents and serious injuries continue to occur.

Gathering feedback and input from discussions at all levels of the organization throughout Centerra's global business units in 2016, we agreed that there was a need for a Safety Leadership transformation. Centerra managed to collect and integrate views into the joint program, and along with the assistance and guidance of a consultant, Work Safe | Home Safe became Centerra's Safety Leadership Program. Newly-adopted Centerra's Vision and Values were also incorporated into the Program.

The implementation and rollout of Centerra's Vision, Values and Work Safe | Home Safe program began



in the fall of 2016 with Kumtor employees being selected as the first within the organization to be exposed to the Program. The program consists of a one day version (for employees) and a two day "Leadership" version for supervisors and managers. Both versions are designed to provide information to change behaviour, deliver an emotional element to build commitment to change, and conduct several interactive team based exercises where data is collected to provide on-going focus and feedback to management teams. This feedback is then considered for opportunities in continually managing change and improving safety leadership and culture.

Implementation of Work Safe | Home Safe at KGC is expected to be completed by the end of Q4 2017.

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 functioning professionally trained Emergency Response teams and associated equipment are usually a regulatory requirement in many 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 and mock drills, audits and GIIP benchmarking. In several of the jurisdictions, annual skills competitions occur amongst our industry peer group.

In 2016 emergency responders, including the on-site medical team responded to one (1) incident that involved a fatal injury at Kumtor Mine in the Kyrgyz

KUMTOR EMERGENCY TEAM TRAININGS AND EXERCISES

Every Saturday, between 1 p.m and 6 p.m (5 hours) emergency response team members from Kumtor mine site go through Emergency prevention training sessions and exercises. In 2016, we conducted 52 training sessions at the mine, and 26 sessions at the Balykchy Marshalling Yard (BMV), totalling 260 hours at the mine and 78 hours at the BMV, as well as 5 special circumstance sessions at the mine site in each case, simulating various types of emergencies, including sessions at the BMV (cyanide and chemicals spills and dispersal, vehicle accidents, injuries, fires, etc). Additionally, every year, team members are trained in a specialised Training Centre under the Ministry of Emergency Situations of the Kyrgyz Republic where they receive special certificates upon completion of the training. Command post exercises for threats and emergencies are held at the district level with participation of the Kumtor emergency response team every third year.

Republic. A fatal injury involved a mill employee who inadvertently was caught up in an operating conveyor belt.

As a result, we have undertaken an investigation and review of the accident, existing controls, procedures and service requirements with local authorities. The company has installed more guarding, warning signs and revised the procedure of maintenance of this section in the mill.

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, they are required to complete an industrial hazards or near miss form and submit it to the Occupational Health and Safety Administrator and Coordinator. 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

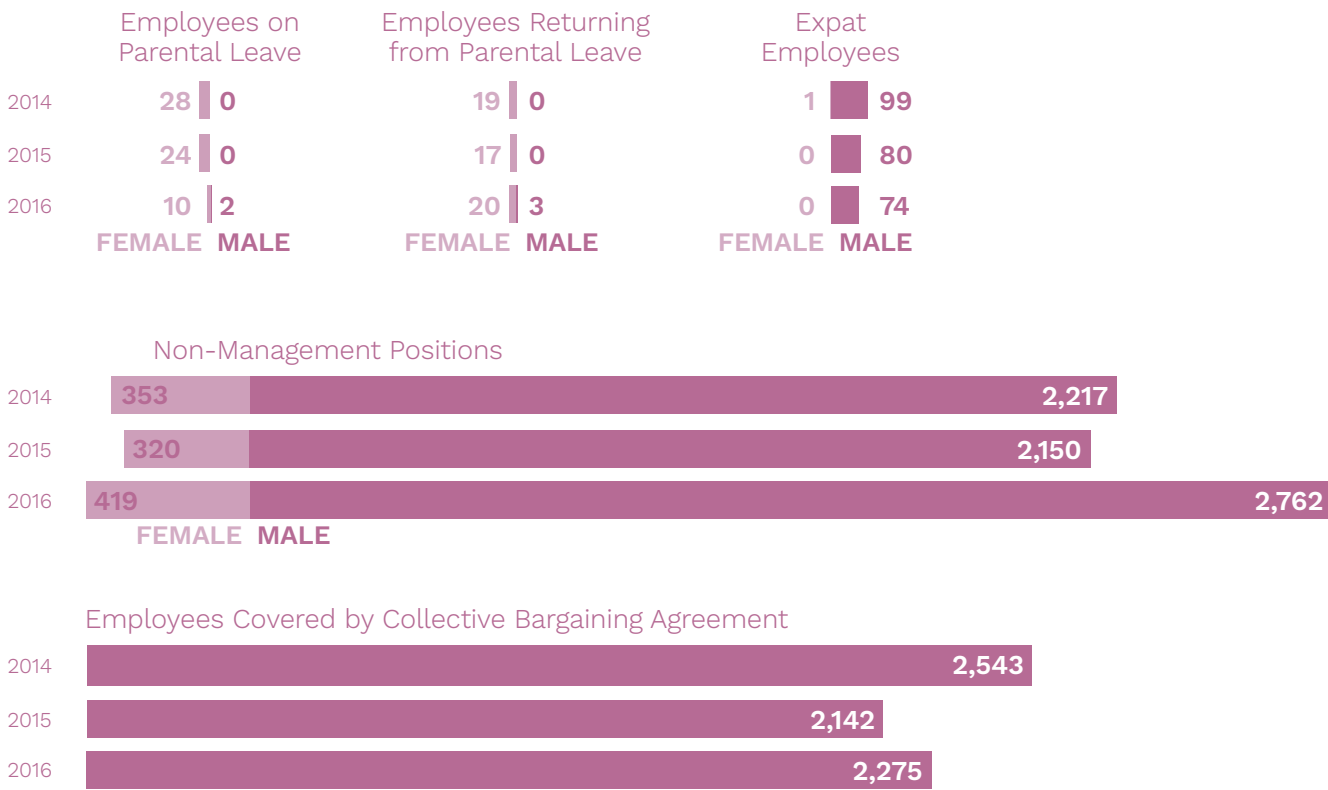
Employee Rights

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 ILO requirements and the EBRD performance requirements.

The benefits available to our full-time employees 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.

“We always improve transparency and credibility of the hiring process”

Fig 16 Key Employee Statistics



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

Be trained to perform the assigned work

Know, be informed and involved in the type of work being performed and risks involved in your work area

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

Diversity & Equal Opportunities

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 Kumtor operations, in order to meet global best-practices in EO, staff diversity and resilience.

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 (ie. 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 Training & Education Statistics

Unit		
Total Training Hours	Person hours	97,198
Training Hours per Employee	Hours	20.77
Employees Received Annual Performance Review	Number	2,553
Rate of Employees Received Annual Performance Review	Percentage	54.55

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SUSTAINABILITY REPORT 2016

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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.6-7); Operational Highlights (p.8); 2016 Corporate Highlights (p.9)	-
102-3 Location of headquarters	Contacts (back cover)	-
102-4 Location of operations	Operational Highlights (p.8)	-
102-5 Ownership and legal form	Governance Model (p.23)	-
102-6 Markets served	Operational Highlights (p.8)	-
102-7 Scale of the organization	2016 Corporate Highlights (p.9); Fostering Local Economies (p.37);	-
102-8 Information on employees and other workers	Local Hiring (p.38); Workplace Practices (p.62)	-
102-9 Supply chain	Local Procurement (p.39)	-
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.48); Emergency Preparedness (p.58)	-
102-12 External initiatives	Stakeholder Engagement (p.28)	-
102-13 Membership of associations	Stakeholder Engagement (p.28)	-
Strategy		
102-14 Statement from senior decision-maker	CEO's Message (p.10-11)	-
Ethics and Integrity		
102-16 Values, principles, standards, and norms of behavior	Centerra's Values (p.14-15); Ethical Conduct and Anti-Corruption (p.19)	-
Governance		
102-18 Governance structure	Governance Model (p.21-22)	-
Stakeholder Engagement		
102-40 List of stakeholder groups	Stakeholder Engagement (p.26)	-
102-41 Collective bargaining agreements	Workplace Practices (p.62)	-
102-42 Identifying and selecting stakeholders	Sustainability Management (p.26)	-
102-43 Approach to stakeholder engagement	Stakeholder Engagement (p.28)	-
102-44 Key topics and concerns raised	Legal Compliance (p.18); Sustainability Management (p.26-27)	-
Reporting Practices		
102-45 Entities included in the consolidated financial statements	About Centerra (p.5)	-

Indicators	Descriptions and Page Numbers	Omissions
102-46 Defining report content and topic boundaries	About This Report (p.5); Materiality Assessment (p.24-25)	-
102-47 List of material topics	Materiality Assessment (p.24-25); Materiality Assessment (p.27)	-
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.64-69)	-
102-56 External assurance	Cautionary Note Regarding Forward-Looking Statements (p.4)	-

Material Issues			
Standards	Indicators	Descriptions and Page Numbers	Omissions
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.46-47), Human Rights (p.30), Geotechnical Challenges (p.52-53); Energy and Climate (p.53); Closure Planning (p.55)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 303: Water 2016	303-1 Water withdrawal by source	Water Management (p.47)	-
	303-3 Water recycled and reused	Water Management (p.47)	-
Biodiversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	List of Identified material aspects and boundaries (p.28)	-
	103-2 The management approach and its components	Biodiversity (p.49)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 303: Water 2016	303-2 Water sources significantly affected by withdrawal of water or waste water discharges	None, Water Management (p.49)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
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.49-50)	-
	304-3 Habitats protected	Biodiversity (p.49-50)	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity (p.49); Biodiversity (p.51)	-
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.28)	-
	103-2 The management approach and its components	CEO's message (p.10 - 11); Waste and Hazardous Material Management (p.48)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	Waste and Hazardous Material Management (p.48)	-
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.28)	-
	103-2 The management approach and its components	Legal Compliance (p.18); Growing our business (p.34)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Legal Compliance (p.18);	-
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	Legal Compliance (p.18);	-
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.28)	-
	103-2 The management approach and its components	Ethical Conduct and Anti-Corruption (p.19)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 205: Anti-Corruption 2016	205-1: Operations assessed for risks related to the corruption	Ethical Conduct and Anti-Corruption (p.19)	-
	205-2 Communication and training about anti-corruption policies and procedures	Ethical Conduct and Anti-Corruption (p.20)	-
	205-3: Confirmed incidents of corruption and actions taken	None	-
GRI 415: Public Policy 2016	415-1: Political contributions	None	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
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.28)	-
	103-2 The management approach and its components	CEO's message (p.10-11); Human Rights (p.30); Fostering Local Economies (p.36)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	Local Procurement (p.39)	-
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.28)	-
	103-2 The management approach and its components	CEO's message (p.10-11); Human Rights (p. 30); Fostering Local Economies (p.36-37); Local Communities (p.40-43)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local Communities (p.40-43)	-
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.28)	-
	103-2 The management approach and its components	Occupational Health and Safety (p.56-57); Workplace Practices (p.63); CEO's Message (p.10-11); Governance (p.22); Human Rights (p. 30); Growing Our Business (p.34)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
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. 56)	-
	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.56-57)	-
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.28)	-
	103-2 The management approach and its components	Emergency Preparedness (p.58); CEO's message (p.10-11); Governance (p.22)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
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.28)	-
	103-2 The management approach and its components	Employee training (p. 63); Local Hiring (p. 38); Local Communities (p.40-43)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Employee training (p.63)	-
	404-2: Programs for upgrading employee skills and transition assistance programs	Employee training (p.63)	-
	404-3: Percentage of employees receiving regular performance and career development reviews	Employee training (p.63)	-
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.28)	-
	103-2 The management approach and its components	Human Rights (p.30-31)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
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.31)	-
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.28)	-
	103-2 The management approach and its components	CEO's message (p.11); Closure Planning (p.55)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
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.28)	-
	103-2 The management approach and its components	CEO's message (p.11); Sustainability Snapshot (p.12-13); Growing our business (p.34)	-
	103-3 Evaluation of the management approach	Governance (p.22); Business Development (p.34)	-

Standards	Indicators	Descriptions and Page Numbers	Omissions
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.28)	-
	103-2 The management approach and its components	CEO's message (p.10-11); Water Management (p.46); Glacier Management at Kumtor Mine (p.47); Energy and Climate (p.54)	-
	103-3 Evaluation of the management approach	Governance (p.22)	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Climate (p.54)	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Climate (p.54)	-
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Climate (p.54)	-
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.28)	-
	103-2 The management approach and its components	Geotechnical Challenges (p.52-53)	-
	103-3 Evaluation of the management approach	Geotechnical Challenges (p.52-53); Governance (p.22)	-

GLOSSARY OF TERMS & ABBREVIATIONS

- Aimag** – Administrative unit of regions in Mongolia

Bagh – 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

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

Soum – 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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