

2022 nine months production results

Kumtor Gold Company CJSC (KGC) has summarized its results for the nine months of 2022. Kumtor produced 389,357 ounces¹, which is equal to 12,110.3 kg of gold. Since the beginning of 2022 KGC has transferred taxes and obligatory payments in the amount of more than 26.78 billion KGS.

Significant events of 2022 in the KGC operations

On April 4, 2022 a Global Settlement Agreement was signed between the Kyrgyz Republic, Kyrgyzaltyn JSC, Centerra Gold Inc. was signed including Kumtor Gold Company CJSC (KGC) and Kumtor Operating Company CJSC (KOC) as parties, and it was approved by Resolution No. 102 of the Cabinet of Ministers of the Kyrgyz Republic of March 4, 2022. The Global Settlement Agreement governs, among other things, the terms of the transfer by Centerra Gold Inc. (the sole shareholder) of 100% of KGC shares and 100% of KOC shares to Kyrgyzaltyn JSC.

On July 29, 2022, documents were exchanged between the parties to the Global Settlement Agreement evidencing the closing of the transaction. Pursuant to the aforementioned Global Settlement Agreement, Centerra Gold Inc. delivered transfer orders to Kyrgyzaltyn OJSC for registration of ownership right for 100% KGC shares and 100% KOC shares/ On August 2, 2022 an independent registrar registered the ownership of Kyrgyzaltyn JSC for shares of KGC and KOC.

On August 23, 2022, by Order No. 446-r of the Cabinet of Ministers of the Kyrgyz Republic, temporary external management was terminated at KGC.

On August 23-24, 2022, by decisions of the KGC sole shareholder Kyrgyzaltyn JSC, the management board of KGC were elected.

Agreement on New Terms for the Kumtor Project between the Government of the Kyrgyz Republic, Kyrgyzaltyn JSC, Canadian Company Centerra Gold Inc., Kumtor Gold Company CJSC, Kumtor Operating Company CJSC and Canadian Corporation Cameco dated April 24, 2009, ratified by Kyrgyz Republic Law No. 142 dated April 30, 2009, the Restated Investment Agreement between the Government of the Kyrgyz Republic on behalf of the Kyrgyz Republic, Centerra Gold Inc., Kumtor Gold Company CJSC and Kumtor Operating Company CJSC, dated June 6, 2009, and other restated 2009 Kumtor Project agreements are terminated with respect to Centerra Gold Inc and all of its predecessors only. With respect to KGC, KOC, the provisions of the Kumtor Project Agreements are not terminated and continue to apply.

Gold production and sales

Since the beginning of 2022, gold production including the processing of previously mined ore stockpiles was 389,357 ounces compared to 292,970 ounces mined in the first nine months of 2021. The increase in volumes was primarily due to higher gold content in the ore supplied to the mill as well as an increase in the recovery rate of the metal from the ore. The average mill feed grade for the first nine months of 2022 was 3.40 g/t at a gold recovery rate of 79.2%, compared to 2.72 g/t and 71.8% for the same period of 2021, respectively.

In the first nine months of 2022, 379,551 ounces were sold, which is 11,805.37 kg of gold. Total gold revenue for the first nine months of 2022 was \$679.8 million².

The Dore bars produced by the Kumtor mine are purchased by Kyrgyzaltyn JSC for processing at the Kara-Balta refinery pursuant to Revised Gold and Silver Sales Agreement (RGSSA) signed between KGC, Kyrgyzaltyn and the Government of the

Kyrgyz Republic in 2009. Kyrgyzaltyn JSC enjoys the exclusive right to sell refined gold and silver both in and outside the Kyrgyz Republic.

Exploration

During the nine months of 2022, exploration activities at the Kumtor deposit were focused on evaluation and exploration of oxidized and to a lesser extent sulfide ores at the South-West, Central, Muzdu-Suu and Sary-Tor areas. A total of 176 drill holes with a total volume of 35,801.6 r.m. have been drilled since the beginning of the year to the end of September. Since the beginning of the year, 6,190 samples have been analyzed in Alex Stewart Laboratory. The work confirmed the development of previously identified oxidized mineralization, which may be of industrial interest at the South-West (Nadezhda and Deep Oxide zones) and Muzdu-Suu areas. Exploration of the identified ore bodies continues, and exploration of deep-lying sulfide ore reserves for potential underground mining is planned. Ore bodies are being interpreted and the block model is being updated. The Nadezhda and Muzdu-Suu zones are expected to be suitable for open-pit mining, while the Deep Oxide zone is too deep to be exploited by an open pit. The total expected increase in reserves is up to 20 tons for open-pit mining and 10 to 20 tons for underground mining.

Mining Operations

From January to September 2022, the mining operations were conducted at the Central, Sary-Tor, and South-West areas. The volume of mining operations at Kumtor in the first nine months of 2022 amounted to 124.24 million tons. Actual extracted marketable ore for the nine months of 2022 made up 5 million 238 thousand tons with an average gold grade of 3.67 g/t.

Mining costs per tonne of ore mined for the period from January to September 2022 were \$1.49 compared to \$1.00 per tonne for the same period in 2021. The increase was primarily due to a decrease of mining operations and increased costs due to higher prices for diesel fuel and required spare parts. Total mining costs of \$185.3 million in 2022, compared to a total of \$152.0 million in 2021.

Processing costs per tonne of processed ore for the period from January to September 2022 amounted to \$12.96 per tonne compared to \$10.92 per tonne in the same period of 2021. This increase was primarily due to increased costs for replacement of the Mill equipment and increased costs for use of surface water resources in connection with the new Resolution of the Cabinet of Ministers of Kyrgyz Republic No.222 dated October 18, 2021.

Site support costs

Site support costs for the period from January to September 2022 amounted to \$38.0 million compared to \$32.0 million for the same period in 2021. The increase was due to higher costs for organization of meal outsourcing during the period of temporary external management, increased costs of diesel fuel due to higher prices and increased costs of communication equipment used at the mine site.

Production costs per ounce of gold sold for the period from January to September 2022 were \$541 compared to \$516 for the same period in 2021. The increase was primarily due to higher mining costs, lower overburden to be capitalized, higher processing costs and higher mine operating costs.

All-in sustaining costs per ounce sold (excluding gross income tax) for the period January through September 2022 amounted to \$855 per ounce compared to \$805 per ounce for the same period in 2021. The increase was primarily due to higher sustaining capital expenditures, primarily due to heavy equipment overhauls and higher operating costs.

Including gross income taxes it amounted to \$1,184 per ounce for the period from January through September 2022 compared to \$1,124 per ounce for the same period in 2021. This increase is primarily due

to an increase in the Annual amount for Maintenance of Mineral Resources Base stipulated in the Restated Investment Agreement and an increase in the amount payable to support fund.

Main operating and financial results

	Period ended September 30			
	2022	2021	+/-	% Change
Financial Highlights (unaudited):				
Revenue (million USD)	679.8	504.3	175.5	35%
Production costs (million USD)	205.8	144.5	(61.3)	(42%)
Depreciation, depletion, and amortization (million USD)	92.5	150.6	58.1	39%
Operating highlights:				
Tonnes mined (thousand tonnes)	124 237	151 446	(27 209)	(18%)
Tonnes ore mined (thousand tonnes)	5 238	3 368	1 870	56%
Average mining grade (g/t)	3.67	2.81	0.86	31%
Tonnes processed (thousand tonnes)	4 519	4 570	(51)	(1%)
Average Mill head grade (g/t)	3.40	2.72	0.68	25%
Mill recovery (in %) ³	79.2%	71.8%	7.4%	10%
Mining costs – total (USD per tonne)	1.49	1.00	(0.49)	(49%)
Processing costs – total (USD per tonne)	12.96	10.92	(2.04)	(19%)
Gold produced (ounces)	389 357	292 970	96 387	33%
Gold produced (kg)	12 110.3	9 112.38	2 997.9	33%
Gold sold (ounces)	379 551	279 895	99 656	36%
Gold sold (kg)	11 805.4	8 705.70	3 099.7	36%
Average realized gold price (USD per ounce)	1 791	1 802	(11)	(1%)
Capital expenditure - total, million USD	124.6	131.3	(6.7)	5%
Unit cost (USD per ounce):				
Production costs per ounce of gold sold	541	516	(25)	(5%)
All-in sustaining costs on a by-product basis	855	805	(50)	(6%)
All-in sustaining costs including taxes	1 184	1 124	(60)	(5%)

1 – One Troy Ounce equals to = 31.103 48 grammes.

2 – Unless specified otherwise all amounts are in US dollar.

3 - Metallurgical recovery is based on gold recovered, not gold produced..

Payments to the Kyrgyz National Budget and Mandatory Contributions

For nine months of 2022, contributions to the national budget of the Kyrgyz Republic in taxes, deductions to the Social Fund of the Kyrgyz Republic and other mandatory payments under the Revised Investment Agreement (RIA) amounted to **26.78 billion soms**.

As of September 30, 2022

	January – September 2022	January – September 2021
	Million Som	Million Som
Taxes, payments to Funds and other mandatory payments of KGC		
<i>In Som</i>		
Gross Proceeds tax as per Revised Investment Agreement:		
Gross Proceeds tax	7 865.3	5 011.7
Annual amount for the growth of the mineral resource base	15 519.7	500
Issyk-Kul Development Fund	604.3	424.2

Taxes as per KR Tax Code:		
State Social Insurance Contributions	1 652.7	1 437.9
Taxes and fees (income tax, non-resident income tax, VAT, customs fees, etc.)	393.4	357.3
Payments as per Revised Investment Agreement, Strategic Agreement and etc.:		
Payments to the Social Partnership Fund for Regional Development (monthly contribution)	241.7	169.8
Environmental payments and contributions to the Environmental Protection Agency	26.3	25.9
Payments to the Nature Development Fund	197.6	-
Fee for the use of surface water resources of the Kyrgyz Republic	288.5	-
TOTAL	26 780.6	7 926.8

The Kumtor Mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia. In total, Kumtor has produced over 14.1 million ounces of gold since it began the commercial production in May 1997 through September 30, 2022.