

2023 Operating Results

Kumtor Gold Company CJSC (KGC) has summed up its results for 2023. Kumtor produced 436,196 ounces, which is equal to 13,567 kg of gold. In 2023, payments to the budget of the Kyrgyz Republic in taxes, contributions to the Social Fund of the Kyrgyz Republic and other mandatory payments under the Restated Investment Agreement (RIA) amounted to USD 196,096 thousand (KgS 17.2 billion).

Significant Events in 2023

In April 2023, the first Annual General Meeting of Shareholders with the participation of the Cabinet of Ministers of the Kyrgyz Republic was held since the transfer of 100% KGC shares to Kyrgyzaltyn JSC. During the meeting, the KGC budget and work plan for 2023 were approved and a decision was made to distribute dividends in the amount of USD 140 million in favour of the Kyrgyz Republic.

The Company's 30th anniversary since the commencement of the Kumtor deposit development was celebrated with the participation of the President of the Kyrgyz Republic Sadyr Japarov and the presentation of state awards.

The management functions of Kumtor Operating Company CJSC (KOC) has been transferred to KGC, in August of 2023 KOC received licences to develop the Togolok deposit and to conduct exploration work on the Dzhangart area.

The British Company Behre Dolbear conducted a production and environmental audit, which resulted in a positive opinion.

Metso Outotec Company conducted process studies of the Kumtor tailings material and identified process flows that are feasible for gold recovery.

A pre-feasibility study was received from Mining One Company for underground mining of the Kumtor Mine off-pit reserves in accordance with international standards. The pre-feasibility study results confirm the economic attractiveness of the project and allow proceeding to the design and construction of the underground mine.

Basic operating and financial results of the KGC operations

USD millions, except as noted	2023	2022
Financial Highlights:		
Revenue	849.0	986.5
Cost of sales	362.8	414.5
Other operating expenses and revenues	181.8	187.8
Other non-operating expenses and revenues	1.9	12.5
Net profit	302.5	371.7
Operating Highlights:		
Tonnes mined (000's)	193,934	171,334
Tonnes ore mined (000's)	16,276	5,601
Average mining grade (g/t)	1.90	3.70
Tonnes processed (000's)	6,323	6,135
Average process plant head grade (g/t)	2.74	3.51
Process plant recovery (%)	78.56%	80.42%
Mining costs – total (\$/t mined material)	1.30	1.48
Processing costs - total (\$/t processed material)	14.27	13.74
Gold produced (ounces)	436,196	556,375
Gold produced (kg)	13,567	17,305
Gold sold (ounces)	436,508	555,692
Gold sold (kg)	13,577	17,284
Average realized gold price (\$/oz)	1,945	1,775

Production

Gold production in 2023, including the processing of previously mined and stockpiled ore, was 436,196 ounces¹ or 13,567 kg of gold, compared to 556,375 ounces or 17,305 kg of gold in 2022. The decrease in gold production was due to lower gold grades in ore delivered to the Mill as well as lower recovery rates. The gold grade in ore delivered to the Mill from ore stockpiles with different grades averaged 2.74 g/t with a gold recovery rate of 78.56% in 2023, compared to 3.51 g/t and 80.42% in 2022, respectively.

Mining Operations

In 2023, according to the Mine Development Plan, mining operations at the Kumtor Mine were conducted in the Central, Sarytor and Southwest pits. Tonnes mined in 2023 were 193.9 million compared to 171.3 million tonnes in 2022. The increase in tonnes mined in 2023 was due to the efficient utilization and distribution of heavy-duty equipment.

Mining costs per tonne of ore mined in 2023 were \$1.30² compared to \$1.48 in 2022. The decrease was due to higher tonnes mined and lower costs, including lower diesel fuel and explosives prices. Total mining costs were \$251.7 million in 2023, compared to \$254.2 million in 2022.

Processing costs per tonne of ore processed in 2023 were \$14.27 compared to \$13.74 in the same period of 2022. The increase was due to higher grinding ball costs because of harder ore delivered to the Mill, higher reagents consumption and costs, partially offset by higher tonnes processed. Processing costs were \$90.3 million in 2023, compared to \$84.3 million in the same period of 2022.

Sale of finished products

Gold doré bars produced at the Kumtor Deposit are purchased by Kyrgyzaltyn JSC for further processing at the Refinery Plant in Kara-Balta Town as provided for in the 2009 Restated Gold and Silver Sale Agreement (RGSA) between Kumtor Gold Company CJSC, Kyrgyzaltyn JSC and the Government of the Kyrgyz Republic. According to the provisions of the Restated Gold and Silver Sales Agreement, only Kyrgyzaltyn JSC holds the exclusive right to sell refined gold and silver both within the Kyrgyz Republic and abroad.

KGC sold 436,508 ounces (13,577 kg) of gold in 2023, compared to 556,692 ounces (17,284 kg) of gold sold in 2022. Total gold revenue in 2023 was \$849.0 million, compared to \$986.5 million in 2022.

¹ One Troy ounce equals to 31.10348 grammes.

² Unless specified otherwise, all dollar figures in this news release are in US dollars.

Payments to the budget of the Kyrgyz Republic and mandatory contributions

In 2023, payments to the budget of the Kyrgyz Republic in taxes, contributions to the Social Fund of the Kyrgyz Republic and other mandatory payments under the 2009 Restated Investment Agreement (RIA) amounted to **USD 196.1 million** (KgS 17.2 billion).

Kumtor's contribution in taxes, payments to Funds and mandatory payments for 2023.

Taxes, payments to Funds and other mandatory payments of KGC	2023	2023	2022	2022
	USD thousands	KgS thousands	USD thousands	KgS thousands
Gross Proceeds Tax (13%) *	116,284	10,206,311	127,011	10,580,568
Annual amount for the growth of the mineral resource base - including	29,618	2,632,282	204,330	16,849,049
Annual amount for 2021 (balance including advance payment in 2021)	-	-	8,449	711,827
Annual amount for 2015-2020 (additional charged)	-	-	155,818	12,845,912
Annual amount for 2022	-	-	40,062	3,291,311
Contribution to Issyk-Kul Development Fund (1%) *	8,389	735,773	9,647	800,813
Income tax	733	64,731	-	-
State social insurance contributions	24,276	2,129,437	25,076	2,113,661
Taxes and fees (income tax, non-resident income tax, VAT, customs payments, etc.)	5,599	492,446	6,307	529,765
Payments to Social Partnership for Regional Development Fund (0.4%) **	1,597	138,537	3,858	320,325
Environmental payments and contributions to the Environmental Protection Agency	310	26,561	310	26,288
Payments to Nature Development Fund **	1,542	134,251	3,700	301,763
Contributions to Tenir-Too Naryn Region Development Fund (0.6%)	5,033	441,464	3,099	262,226
Fee for the use of surface water resources of the Kyrgyz Republic	2,717	239,278	4,353	367,212
Total:	196,096	17,241,071	387,690	32,151,670

(*) Under the Agreement on New Terms for the Kumtor Project dated April 24, 2009, the revenue-based tax and contributions to the Issyk-Kul Region Development Fund are estimated based on actual cash proceedings from sales during the period under review.

(**) Payments to Nature Development Fund and Social Partnership for Regional Development Fund were made until 01.06.2023 – the date of termination of the Strategic Agreement on Environmental Protection and Investment Promotion between the Government of the Kyrgyz Republic and Centerra Gold Inc. and Kumtor Gold Company CJSC and Kumtor Operating Company CJSC dated September 11, 2017, and the Deed Poll dated August 07, 2019.

Dividends

By the end of 2022, dividends in the amount of 140 million US dollars were paid. By the end of 2023, it is planned to pay dividends in the amount of 151.3 million US dollars.

USD thousands	2023	2022
Net profit	302,535	371,721
As a percentage of net profit for the period:	50.01%	37.66%
Dividends	151,298	140,000

Commentary

The Kumtor open pit mine, located in the Kyrgyz Republic, is one of the largest gold mines in Central Asia. It has been in production since 1997 and has produced **14.6 million ounces of gold** to December 31, 2023.

For more information, please contact the Media Relations Department.

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