

**Statement of the President of the Kyrgyz Republic H.E. Sadyr Zhaparov
on the signing of a settlement agreement between
the Kyrgyz Republic and
the Canadian company Centerra Gold Inc.**

The President of the Kyrgyz Republic H.E. Mr. Sadyr Zhaparov today, April 4, announced the signing of an agreement between the Cabinet of Ministers and the Centerra Gold Inc., containing peaceful resolution and settlement of disagreements over the long-disputed Kumtor Gold Company (KGC).

According to the signed Agreement, the Cabinet of Ministers of the Kyrgyz Republic received the right of full management and ownership of the Kumtor mine.



In a live streaming address to the nation, the President named the agreement as "historic breakthrough" and noted that the conditions concluded are the best possible at the moment. He further announced the openness of Kyrgyzstan to foreign investment.

The agreement provides for a clear division and resolution of all disputes between the Cabinet of Ministers of the Kyrgyz Republic, Centerra and Kyrgyzaltyn OJSC, which is the main shareholder of Centerra.

The Agreement reached contains, among other things, the following points:

- The Kyrgyz Republic and Kyrgyzaltyn OJSC will take full responsibility for the Kumtor Mine and retain the income generated from the mine after May 15, 2021;
- Centerra will make a payment of USD50 million to conserve and protect the natural resources of the Kyrgyz Republic;

- Centerra will make an additional cash payment of USD 11.1 million to Kyrgyzaltyn;
- In addition, the Kyrgyz Republic will be given back control of a USD 53 million reclamation fund;
- Kyrgyzaltyn and Centerra will exchange shares, with Kyrgyzaltyn returning its shares in Centerra and receiving 100% of KGC's shares.
- The agreement also provides for the complete and final withdrawal of mutual claims by the parties, the termination of all litigation involving the parties in all jurisdictions without recognition of liability.



The agreement was preliminarily approved by the Cabinet of Ministers of the Kyrgyz Republic and the Jogorku Kenesh of the Kyrgyz Republic. The Cabinet of Ministers, Centerra and Kyrgyzaltyn OJSC expect that the agreement will be closed no later than 90 days after its signing.