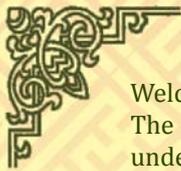


Fact Sheets



Welcome to Fact Sheets produced by Centerra Gold Mongolia (CGM). The company wants to provide you with information that is helpful in understanding the Gatsuurt Mine project, which if it goes ahead, will be near your home.

The Fact Sheets we produce will explain many aspects of the proposed mine, including the technology we propose to use, the ways that we are caring for the environment and how we can work together on long term development and improvement of livelihoods in Tunkhel and surrounds.

As a company, CGM is concerned about the protection of the environment. The Gatsuurt Mine will use modern equipment and technology. This will minimize risks to the natural environment. We believe that the way we have conducted operations at the Boroo Mine demonstrates the standards we expect of ourselves. Even before the Gatsuurt Mine has started, we have improved the water in the Gatsuurt River, which was polluted during earlier alluvial extraction works.

Centerra Gold Mongolia wants to partner with the community in social and economic development. We seek to improve lives in the mine area for a long time, not just during the life of the mine. We will need to work together to plan and implement development.

Centerra Gold Mongolia strives to meet the highest international standards. There are agreed standards for mining that have been developed by national and international organizations. Some of these organizations are:

- Responsible Mining Initiative (Mongolia)
- International Council on Mining & Metals
- The International Finance Corporation
- The European Bank for Reconstruction & Development
- International Organization for Standardization

The standards guide modern mining companies in being responsible about the social, economic and environmental impact of mining operations.

From time to time during the life of the Gatsuurt Mine, CGM will produce new Fact Sheets in response to community questions. These will be distributed in the Tunkhel and Kherkh News. We hope you will put them in this folder to keep them together.

I look forward to future engagement with you and your community.



John Kazakoff
President and Executive Director
Centerra Gold Mongolia



Communication between Centerra Gold Mongolia (CGM) and the community

Centerra Gold Mongolia and Boroo Gold Company encourage you to communicate with company representatives. Here are some ways you can do that:

1. CGM has appointed two Community Relations Officers.

IN MANDAL AREA

Tuya Baatar
has an office in the Zuunkharaa
Governor's building.
Phone: 99139384, 93141133



IN TUNKHEL AREA

Nergui Baasan
has an office next to the Governor's in Tunkhel.
Phone: 98219410

Their job is to listen to community member's ideas, concerns and comments. These are recorded in the Community Diary and passed on to CGM. You can write in the Community Diary directly if you want to.

Nergui and Tuya are there for you. If they cannot answer your questions and enquiries immediately, they will ask the company for information and then talk to you.

2. A Joint Working Group (JWG) has been established. It has 6 community representatives and 6 company representatives. They are:

ON BEHALF OF CGM

1. D. Sandag, Director of Government Relations
2. R. Nyamsuren, Community Relations Consultant
3. Ch. Khatanbaatar, Community Relations Manager
4. L. Jargalsaikhan, Sustainability Director
5. B. Lkhamsuren, Environment Superintendent
6. Rick Blake, Human Resource Director



Communication between Centerra Gold Mongolia (CGM) and the community



ON BEHALF OF THE LOCAL AUTHORITIES:

1. B. Tseepildorj, Governor of Mandal soum
2. Ts. Erdenechimeg, Chairwoman of the CRH
3. S. Radnaabazar, Governor of Tunkhel village
4. B. Ganbold, Governor of Kherkh village
5. N. Nyamdavaa, Environmental Inspector
6. B. Enkhbold, Member of the CRH and Leader of the Democratic Party's Branch in Mandal soum

The JWG meets every second month. The minutes of the meetings are available for you to read at the Community Relations Offices in Zuunkharaa and Tunkhel.

3. From time to time there will be Community Meetings. All community members will be welcome. The purpose of the meetings is to provide information and to talk to each other about concerns, priorities and ways that the company and community can work in partnership to develop benefits that will stay in place long after the mine has been closed.

4. CGM supports the production of Tunkhel News and Kherkh News. You can read and contribute by writing something yourself or speaking to our reporter, Enkhtuguldur. Phone: 9904 8467



What is RESPONSIBLE mining?



Between 2006-7 a large group of people that included representatives from Government, civil society, industry and academia met and talked about responsible mining in Mongolia. They came up with a definition and some principles to guide mining companies and communities about responsible mining. Centerra Gold Mongolia was part of these discussions.

The Mongolian principles for responsible mining are listed below. They give communities affected by mining a list to check on the ways that mining companies are implementing their projects. There are many mining companies working in your area. Would you rate them all as responsible according to the Mongolian definition?

PRINCIPLES

Responsible mining practice will meet the following common principles:

- Secure multi-stakeholder participation
- Transparent and open
- Law-abiding and enforcing
- Responsible for environment and human security
- Investing into the future
- Efficient
- Humane and ethical
- Technologically advanced

MONGOLIAN DEFINITION OF RESPONSIBLE MINING

Responsible Mining is a comprehensive and transparent minerals activity respecting the rights of all stakeholders, especially of local people, environmentally friendly and free of human health impacts, embracing the best international practices and upholding rule of law whilst generating a sustainable stream of benefits for Mongolia.

An NGO in Ulaanbaatar is working to ensure responsible mining.

It's called Responsible Mining Initiative or RMI.

Address: Tavan Bogd Plaza - 104,
Prime Minister Amar Street-2,
Sukhbaatar District, Ulaanbaatar

Phone/Fax: (976-11) 7011-1767

E-mail: info@rmi.mn

Web: www.responsiblemining.mn



About Centerra Gold

Centerra Gold Inc. is a Canadian-based gold mining and exploration company, engaged in the acquisition, exploration, development and operation of gold properties in Central Asia, the former Soviet Union and other emerging markets worldwide. The headquarters of Centerra Gold is in Toronto, Canada.



Centerra Gold Inc. is the parent company for two organisations that are registered in Mongolia. These are Centerra Gold Mongolia (CGM) and Boroo Gold Company (BGC). Boroo Gold Company operates the Boroo Gold Mine in Bayangol and Mandal. Centerra Gold Mongolia has historically been the exploration group for the parent company, Centerra Gold Inc.

CURRENTLY, CENTERRA GOLD INC. HAS TWO PRODUCING GOLD MINES:

- 100% interest in the Kumtor mine in the Kyrgyz Republic
- 100% interest in the Boroo mine in Mongolia

Another Mongolian property that is being developed to become a mine is the Gatsuurt property. As of the end of 2010 no mining has taken place by Centerra Gold at the Gatsuurt property. Centerra Gold Inc. also has interests in promising exploration properties around the world. These properties include:

- Nevada, United States of America:
 - Tonopah Divide property, Nevada
 - Oasis property, Nevada
- Turkey:
 - Akarca, Samli and Emali projects, Turkey
 - Oksut project, Turkey
 - Bakir Tepe property, Turkey
- Russia:
 - Kara Beldyr project in the Tyva Republic in Russia



Centerra is a leading North American gold producer and the largest western-based gold producer in Central Asia.



Community Development Fund

Boroo Gold Company has made significant contributions to the development of local communities. In 2004 a Soum Development Fund was created for Bayangol and Mandal soums. From 2006 Boroo Gold extended the fund by establishing the Community Development Fund for Selenge aimag to better address community needs.

These funds are provided to communities near to the mine site to support building repairs and upgrades, new public facilities and projects that will improve the overall community standard of living as well as providing employment. Below are the donations provided to date:

Year	Amount USD	Given to	Total USD
2004	\$100,000 \$100,000	Bayangol soum Mandal soum	\$200,000
2005	\$250,000 \$250,000	Bayangol soum Mandal soum	\$500,000
2006	\$213,400 \$200,000 \$200,000	Bayangol soum Mandal soum Selenge aimag	\$613,400
2007	\$250,000 \$250,000 \$250,000	Bayangol soum Mandal soum Selenge aimag	\$750,000
2008	\$213,600 \$200,000 \$350,000	Bayangol soum Mandal soum Selenge aimag	\$763,600
2009	\$200,000 \$200,000 \$350,000	Bayangol soum Mandal soum Selenge aimag	\$750,000
2010	\$250,000 \$250,000 \$250,000	Bayangol soum Mandal soum Selenge aimag	\$750,000
Total			\$4,327,000 or 5.4 billion MNT

CGM will continue to support local community development and provide funds to communities if the necessary approvals are given for the Gatsuurt mine to go ahead.



Community Development Fund



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SOME OF THE PROJECTS CENTERRA HAS SUPPORTED INCLUDE:

- Construction, repair, equipment renewal and expansion of facilities related to government, children, health, sports, culture and police;
- Micro credit and leasing program to support SME and family businesses which provide jobs and reduce poverty;
- Programs to improve citizens living conditions such as power, water supply, aimag and soum central squares and roads, etc.;
- Cooperation with other project developers such as World Vision (nutrition program), CIDA (vegetable growing and processing), etc. for the benefit of local citizens.

Three enterprise projects have been identified for Tunkhel for 2010-2011. The planning and business development for these started in late 2010 and will continue in 2011. Investments in the projects will be made as the people involved develop and implement their business plans. The projects being contemplated include:

- A shared milking dairy. People with small numbers of cows will be able to milk their cows in safe conditions. Some milk will be used at home and some will be sold for use in Ulaanbaatar.
- Ten existing wood factories will combine their efforts to make wood products for local use and national sale. This project will include sustainable forestry development to ensure that wood used is replenished with new forests.
- A vegetable growing project will produce vegetables for local food and some may be sold to nearby mines and the Ulaanbaatar market.

Centerra Gold Mongolia especially wants to support projects that improve the incomes for households that are currently struggling.

IN 2010 THE FOLLOWING PROJECTS WERE PAID FOR BY CGM AND BUILT IN TUNKHEL:

- Cultural centre
- Kindergarten project (it consists of 5 small projects)
- Secondary school cafeteria
- Green space project play equipment
- Police office repairs
- 2 wells at Tunkhel village
- Well in Balj area



Centerra Gold Payments to the Government of Mongolia

Boroo Gold Company's (BCG) Boroo Mine is the company's only mine in production in Mongolia during 2010. BCG has always paid the taxes required by the Government of Mongolia. Before mining can start, companies must raise funds from the people around the world who buy shares in Centerra Gold Inc. and by borrowing money from banks. To qualify for loans, mining companies must meet high standards that include being good corporate citizens that obey the laws and regulations of the country where they plan to operate. Before the Boroo Mine went into operation Centerra Gold Mongolia invested:

- US\$8.2 million in exploring the area to define the size and economics of the gold deposit
- US\$75 million to build and develop the Boroo Mine facilities

That is approximately MNT 107,900,000,000

From January 1st 2004 to December 30th 2010 BGC has paid MNT 209,479,985,200 in taxes and fees to state and local budgets. Here is the history of taxes that have been paid:

Year	Agreement	Tax level	Tax amounts paid in MNT
2004 - 2006	Stability Agreement signed by Government of Mongolia and BGC in 1998	Boroo Gold paid all taxes and fees with the exception of Corporate Income Tax. Boroo was exempt from Corporate Income Tax for the first 3 years of operations.	2004 - 7,002,706,900 2005 - 10,815,147,400 2006 - 18,063,902,900
2007 now	Stability Agreement Amended August 2007	Company pays 25% corporate income tax from January 2007	2007 - 43,831,491,500 2008 - 41,540,264,700
2007 now	Stability Agreement Amended August 2007	Royalty payments by the company increased from 2.5% to 5% of the gold sold by BCG	2009 - 40,763,176,500 2010 - 47,463,295,300



Centerra Gold Payments to the Government of Mongolia



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- Every single day BGC pays MNT 200 million to the state and local budgets. That is the same as one month's salary for 1,000 teachers.
- The General Department of National Taxation named Boroo Gold as the second largest taxpayer in 2007, third highest in 2008 and the Number 1 Tax Payer in 2009.
- BGC has also refunded to the state the costs of all previous geological explorations that were paid for by the government. This amount was MNT 2.6 billion.
- If the Gatsuurt Property becomes a mine CGM will pay at least MNT 174,021,653,000 in fees, taxes and royalty payments to the state over the life of the mine.



Mr. John Kazakoff, President and Executive Director of Centerra Gold Mongolia and Mr. S. Bayartsogt, Minister for the Treasury Department of Mongolia during "The best tax payer -2009" Award Ceremony.

THE TYPES OF PAYMENTS THAT THE COMPANY MAKES REGULARLY ARE:

- Corporate Income Tax
- Royalty Payments
- Mining License Fee
- Withholding Tax
- Social Insurance
- Immovable Property Tax
- Vehicle Tax
- Customs Duty on Imports
- Customs Duty on Exports
- Fuel Tax
- Land Fee
- Water Use Fee
- Wood Use Fee
- Visa fees, gun fees and other duties & fees
- Payment for use of natural resources except minerals





What could be mined at Gatsuurt?

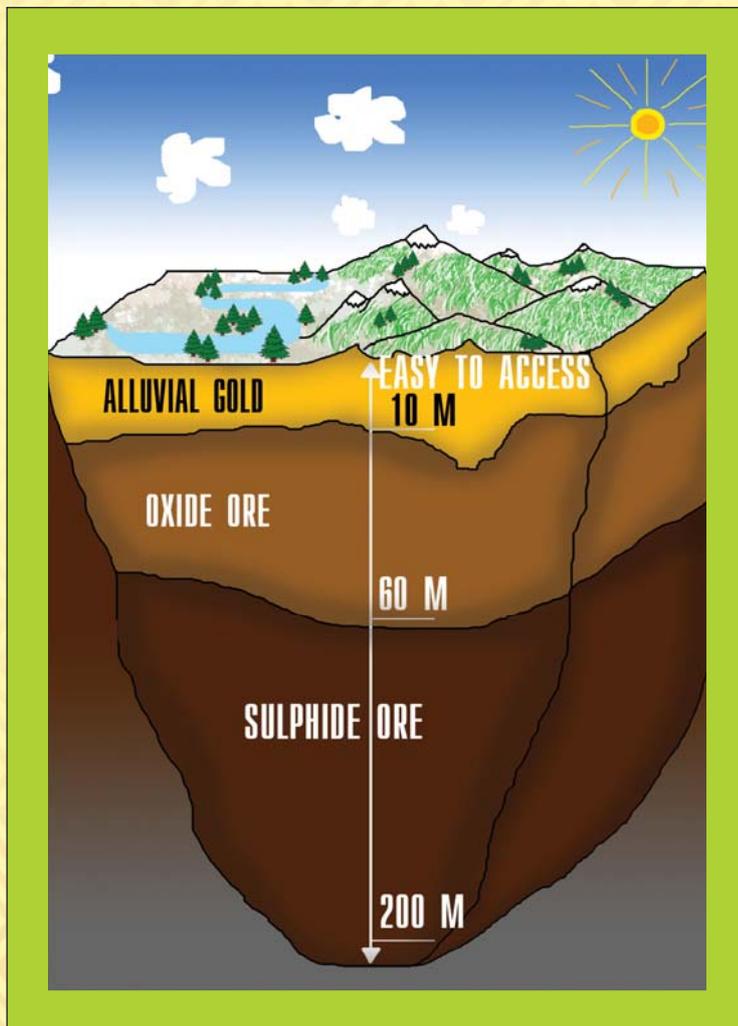


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Oxide Ore is normally closest to the surface. The processing equipment at Boroo extracts gold from the hard rock that comes from the open pit. Oxide ore from the Gatsuurt Mine would be transported to the current Boroo site for processing.

Sulphide ore is when ore that contains the natural sulphide mineral encapsulates the gold. Separating the gold from sulphide ore will require a special process known as Bio-Oxidation. If the Gatsuurt Mine goes ahead, CGM will build a Bi-Ox Plant at the Boroo Mine site. This plant will be the first of its kind in Mongolia. The cost of building this processing plant and infrastructure is over US\$104 million.

CGM is committed to safe gold extraction that does not harm the environment. **No mineral processing chemicals will be used at the Gatsuurt Mine.**



Gatsuurt Mine - the basics

Centerra Gold Mongolia is aiming to develop the Gatsuurt Mine. The company has conducted exploration activity and developed a feasibility plan to confirm that the deposit justifies the investment that would be required to responsibly mine the area.



Gatsuurt Valley before mining operations, showing the location of the underground deposits.

Here are some basic facts about the planned mine:

- Between 1997 - 2006 more than US\$49.7 million was spent on exploration projects in Mongolia that lead to the discovery of the Gatsuurt hard rock deposit.
- The Panel Review of the Specialized Minerals Council accepted the Gatsuurt reserve in December 2007. The same panel accepted the Gatsuurt Feasibility Study, in March 2008.

- There will be two pits developed (Central Zone and Main Zone) to remove ore from under the ground. The Central Zone pit will be about 230 meters deep while the other pit, the Main Zone pit, will be about 125 meters deep.
- Approximately 84 million tonnes of material will be removed from the Gatsuurt mine. 67 million tonnes of this is waste that is stockpiled and reclaimed after mining. For every 1 tonne of ore, 4 tonnes of waste has to be moved. (Approximately 16.5 million tonnes of ore at 2.83 grams per tonne of gold.) Gold with trace amounts of silver will be extracted from the Gatsuurt property.
- The deposit has been drilled with an exploration drill at regular intervals going down to a depth of up to 200 meters. Drilling down and bringing the core that are drilled back to the surface enabled the company to see what is in the ore under the ground. The average grade of the deposit is up to 2.83 grams for each tonne of ore removed from the ground.
- CGM will need to invest US\$104 million to build new facilities to process the ore at Boroo, once an Investment Agreement is signed with the Government of Mongolia.
- Ore will be transported to Boroo by haulage trucks at the rate of about 5300 tonnes per day. About 5 trucks will be going each way every hour.



What type of permits and licenses are required for the Gatsuurt Mine?

INVESTMENT AGREEMENT

An Investment Agreement is between the company and the government. The purpose of the agreement is to set out a stable environment for royalties, taxation and other payments required. This means that foreign companies can invest in Mongolia knowing all the costs at the start of large projects.

Centerra Gold Mongolia is working with the Government of Mongolia on a new Investment Agreement to establish the terms, based on current laws and regulations, for the Gatsuurt Mine.

LICENSES, APPROVALS AND PERMITS

The Gatsuurt Project requires nearly 90 different licenses, approvals and permits. Centerra Gold Mongolia operates fully within the legal requirements of Mongolia. The company applies for, renews and submits the documentation as required by the different agencies that consider applications.

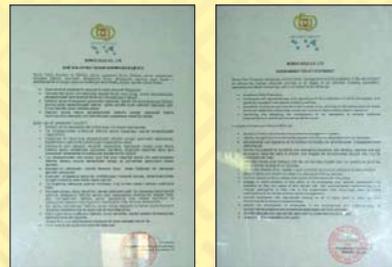
HERE ARE SOME EXAMPLES OF THE PERMITS THAT CGM MAINTAINS:

- Haulage road
- Workshop
- Fuel Farm
- Blasting Magazine
- Storm water diversion system
- Power line
- Sewage and water supply system
- Bio Oxidation Plant
- Tailings Management Facility extension
- Camp



THE OPERATIONAL LICENSES, APPROVALS AND PERMITS REQUIRED INCLUDE:

- Mining License
- Feasibility Study on Mineral Mining
- Mining Plan
- Blasting License
- Environmental Impact Assessment
- Mine boundary and pegging act
- Agreement on Land Use
- Local Environmental Inspectors approval for landfill
- Water and Land Use Agreements
- Environmental protection plan and bondage
- Bio Oxidation Plant Environmental Impact Assessment
- Tailings Management Facility Environmental Impact Assessment
- Commissioning approvals for Mine Facilities



Will the mine affect how we use the land now?

Centerra Gold Mongolia has asked a Mongolian company, Centre for Policy Research, to undertake a study of existing land use in the area to identify any land issues. The result is a map that shows the items listed below. The map will help us to understand each other when talking about use of the land. The maps and a report are available in the CGM Community Relations offices in Tunkhel and Zuunkharaa.

HERE IS WHAT WILL BE MARKED ON THE MAPS AND DOCUMENTED IN A REPORT:

- Topography
- Soum boundaries;
- Soum roads;
- Bag boundaries;
- City/town boundaries;
- Urban area boundaries;
- Main infrastructure lines as available from secondary sources
- Mines;
- Forest boundaries as available from secondary sources;
- Protected area boundaries;
- Sites of worship;
- All mining licenses;
- Illegal mining sites;
- Elevation points with attributes on elevation value and measuring point identification number;
- Geodetic points with attributes on the geodetic station identification number;
- Normal herder migratory routes;
- Emergency weather herder migratory routes;
- Unique or otherwise valuable environmental resource areas with attributes on resource type;
- Existing uses of the agricultural land (pastures, cropland and haymaking areas);
- Existing land rights to the agricultural land (four seasonal camps for each household) including all formal and informal rights and who holds them (herder families, herder groups);
- Existing water resources (wells, streams, ponds, etc.), their location, who uses them and the basis of the use rights;
- Profile of users, including average herd size, number and types of animals;
- Existing migration routes - normal herder migratory routes and emergency weather herder migratory routes;



Will the mine affect how we use the land now?

HERE IS AN INITIAL RESPONSE TO SOME OF THE LAND USE ISSUES THAT HAVE ALREADY BEEN RAISED BY THE COMMUNITY:

- The preservation of **grave sites on Noyon Mountain** - CGM appreciates the importance of the grave sites and will not interfere with them during mining. Two archeological studies were conducted in 1999 and 2005 by the National Archeology Institute and the location of the graves is clear. The company is also developing a policy that requires anyone working on the mine, to stop work and investigate any archeological find they come across by chance. Company and community representatives will examine the find before work continues in the immediate area.
- There are several **Noyon mountains** in the Gatsuert region, only one is close to the CGM license. The graves on this mountain are 7 kilometers from the mine operations site. The mountain is still accessible.
- **Wells** that are required for livestock grazing due to changed access: Two wells have been installed to provide the best available drinking water in Tunkhel. It is important to tell the Community Relations Officers if you are affected by lack of access to water for your herds because of the mine license area. The Land Use map will help us to see the area clearly and find a solution.
- **Children's Camp** - CGM has paid compensation to the Children's Camp owner and a new facility is under construction and will be used in the summer of 2011. The old camp is being leased by CGM. It may be used for contractor accommodation.
- **Other mining licenses** - There are a number of other mine licenses and permits in the area. There are also old alluvial mining sites and some current illegal mines. These will all be documented on the Land Use Map so we can talk about them together.



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Grave on Noyon Mountain examined by Dr. N.Erdene-Ochir Researcher with the Archeological Institute of the Academy of Sciences



How would the Gatsuurt Mine impact the environment?



Regular water quality monitoring activity

Centerra Gold Mongolia is committed to the highest environmental impact standards. Once all the permits are obtained and mining starts the water quality leaving the areas affected by the mining operation will be treated as required. Responsible mining companies set aside funds to reduce the negative impacts. Reducing environmental risks requires modern technology and professional expertise. The community needs to look at the positive impacts of having a mine in the area and that the positive impacts outweigh the perceived negative ones. The Gatsuurt valley has been impacted by many years of alluvial mining where workings have been abandoned without proper reclamation.

When and if the mining operations start, CGM is committed to responsibly reclaim damaged areas on our mining claims and participate in offset programs such as annual reforestation programs and supporting a tree nursery in the area. Already CGM has compensated Mandal Soum environment administration MNT 760 million for revegetation of two hectares for every one hectare we propose to use in our mining operation.

CGM has completed a Detailed Environmental Impact Assessment (DEIA) according to the laws of Mongolia. In addition the following studies have been completed:

- Soil sampling to analyze general contents and heavy metals
- Water sampling from Gatsuurt River, well and small ponds at 20 points to analyze general contents
- Water and geological study
- Plants and wildlife
- Cultural heritage and monumental places
- Forest and tree counting



How would the Gatsuurt Mine impact the environment?



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Impact	Management plan
Soil will be disturbed and ore will be moved.	<ul style="list-style-type: none"> • Topsoil will be stored for use after the mine is closed • Waste rock will be stored and used for landscaping after the mine is closed • Responsible Reclamation according to international standards will be done during and after mining operations
Air quality will be affected by dust from blasting, traffic and the open pits.	<ul style="list-style-type: none"> • The road between Gatsuurt and the Boroo site will be treated with dust reduction agents and watered during the summer months • Modern blasting technology will be used to minimize impact
Water quality arsenic occurs naturally in the environment. The Gatsuurt River water always contained some arsenic.	<ul style="list-style-type: none"> • All water running off the mountains before the mine, will be diverted around the mine during the life of the mine • Water used at the mine site will be treated with environmentally neutral standard water purification agents before it flows back into the river system • Ground water quality will be monitored at wells that have been constructed for this purpose

CGM has done these studies so that the environmental risks can be clearly identified and properly managed. An environmental protection plan will look at each negative impact and find ways to eliminate or reduce the impact. The key negative environmental impacts and management plans are summarized below. The positive impacts include employment opportunities, increase in income circulating in the community, contribution to national productivity and tax payments and financial support for income generation activities that will live on beyond the life of the mine.





As a responsible mining company CGM will honor all legal requirements of Mongolian laws, including environmental regulations and standards. The company will apply the best environmental practices to offset the impact on forestry through reforestation, support for tree planting at the mine site, community centres and elsewhere.



The map on the other side of this page shows the areas where trees have or will be cleared around the Gatsuurt Mine, if it proceeds. The number of trees studied and removed is calculated using accepted methods based on photos taken by a satellite in space and on the ground visual observations of the width and height of trees and the space between them.



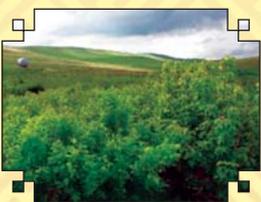
In 2006-2007 Gazar Eco Co. Ltd did a vegetation study of Selenge aimag. In 2009 Nature Friendly LLC confirmed their findings when they prepared the Detailed Environmental Impact Assessment for the Gatsuurt Mine. The Mongolian Ministry of Nature Environment and Tourism (MNET) approved this Assessment in December 2009. This document describes the legal requirements, principles and practical ways of addressing tree issues at this mine.



Three hundred and eighty nine species of vegetation were found in Selenge. Three hundred and three of the species are grass like plants that are suitable for pastureland use. Birch-pine, birch-larch mixed forest and shrub grove were growing in the area of planned mine operations.



In 2010, local authorities cleared several locations of trees at the mine site with the involvement of local companies and communities. With the start up of mining, tree planting and reforestation activities will resume around Tunkhel and Mandal. This would offset the environmental impact, create seasonal jobs and generate revenues for local communities. In 2010 Mandal and Tunkhel communities started seeing the outcome of environmental compensation and many local citizens and companies were involved in tree relocation and tree planting.



In 2010 the Gatsuurt Project compensated for the first 82 hectares of trees that have or will be cleared. The project gave 4948 young trees to local communities, including 1260 trees to Tunkhel.



Caring for the Forest



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Aerial view of the Gatsuurt Valley

Another 1048 trees were moved from the Gatsuurt clearing to Boroo, where they were planted using Tunkhel labor. There is another 40 hectares to be cleared and the community will be compensated with trees planted in other areas.

In 2011 CGM will support research into the sustainability of a wood-processing proposal received from community members and a related reforestation program in and around Tunkhel. The owners of the wood factories that are already in Tunkhel and CGM will participate in the project if it is economically and environmentally sustainable and the mine goes into operation. People with expertise will conduct planning workshops to research the project.

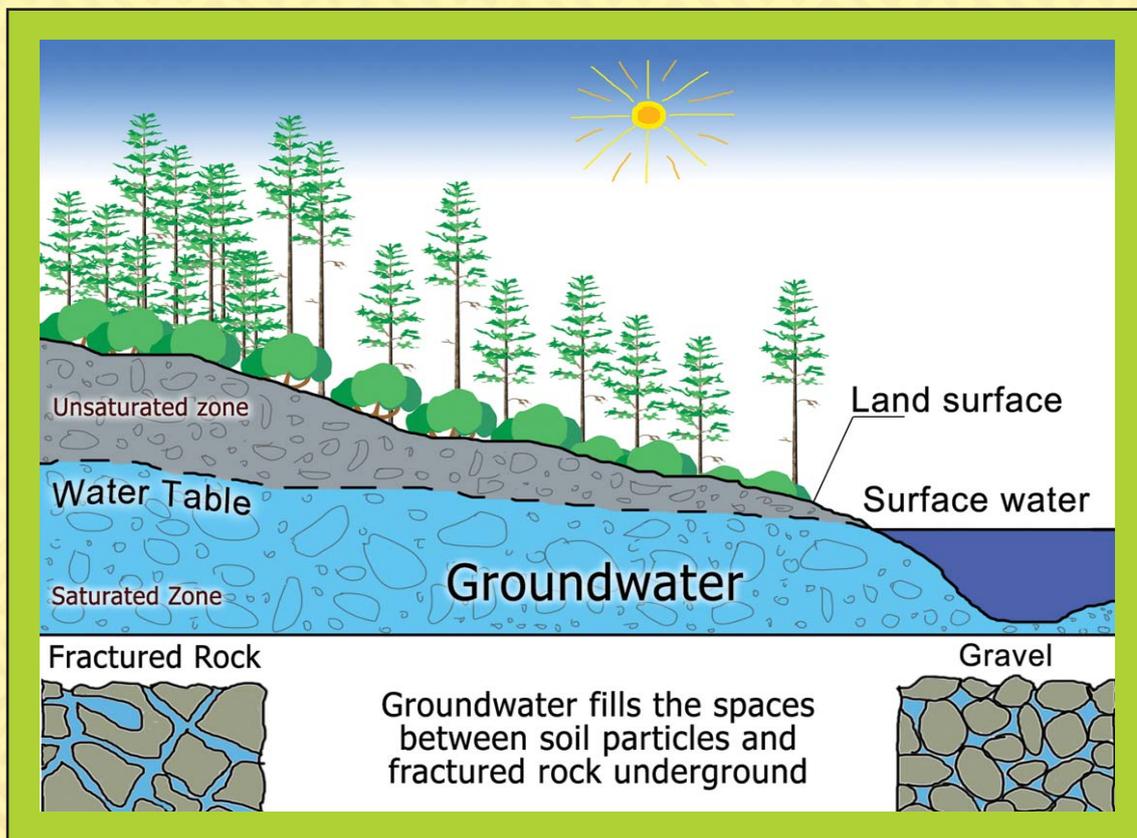


Maintaining fresh water quality

The Gatsuurt Mine will not use water for mining or industrial purposes. The main activity at the Gatsuurt Mine will be ore extraction and stockpiling waste and ore. There will be no mineral processing chemicals used at this mine site. The ore will be transported and processed at the current Boroo mine site.

Surface water in Gatsuurt River contains traces of several naturally occurring elements including arsenic and iron, which have been detected by laboratory equipment, with detection limits at less than 1 part per million. Centerra will bring in the best world engineering solutions to guard against and eliminate additional potential impact on water quality. Proper treatment techniques will ensure that water is safe for the environment and people.

Two types of water can be affected by mining – groundwater and surface water. Groundwater is the water that comes up from wells.



WHAT IS GROUND WATER AND SURFACE WATER?

When rain falls to the ground, the water does not stop moving. Some of it flows along the surface to streams or lakes and becomes surface water. Plants use some of it, some evaporates and returns to the atmosphere, and some sinks into the ground. Imagine pouring



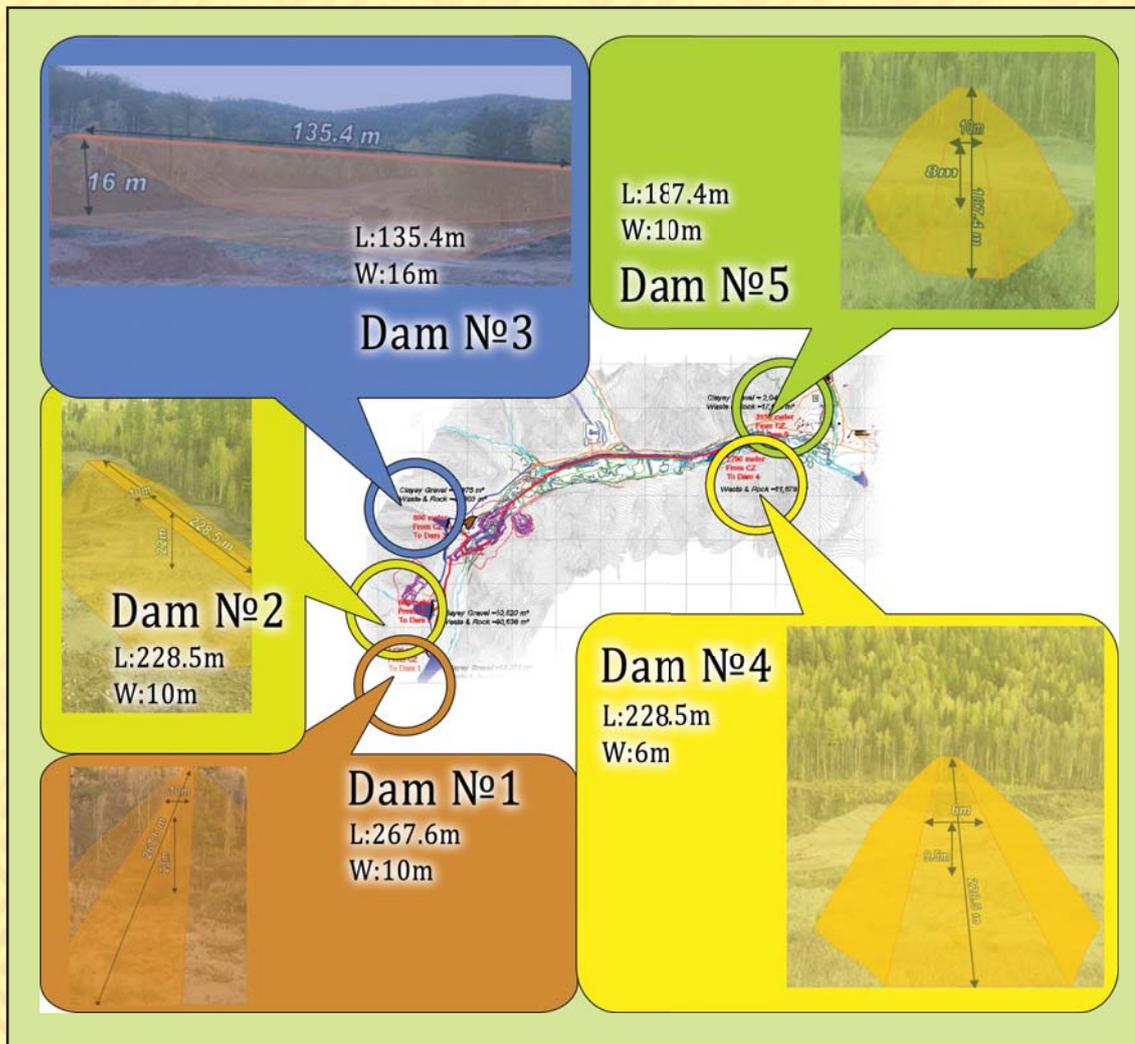
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Storm water diversion system and water quality

The water flowing from the mountain into the Gatsuurt River contains natural arsenic so water quality testing in the area will always show arsenic. No mineral processing chemicals or any other chemicals will be used at the Gatsuurt mine site.

A system of collection and diversion ditches has been designed to collect the runoff water and divert it as much as possible away from the mine workings. The systems are a way to ensure that water flows around the mine workings and back into the river system downstream of the mine, without any impact from mining or increased water flow in the Gatsuurt River. The water from pits will be collected and treated through the series of settlement dams and other facilities. The outflow from the mining area into the environment will meet the Mongolian discharge level standards.



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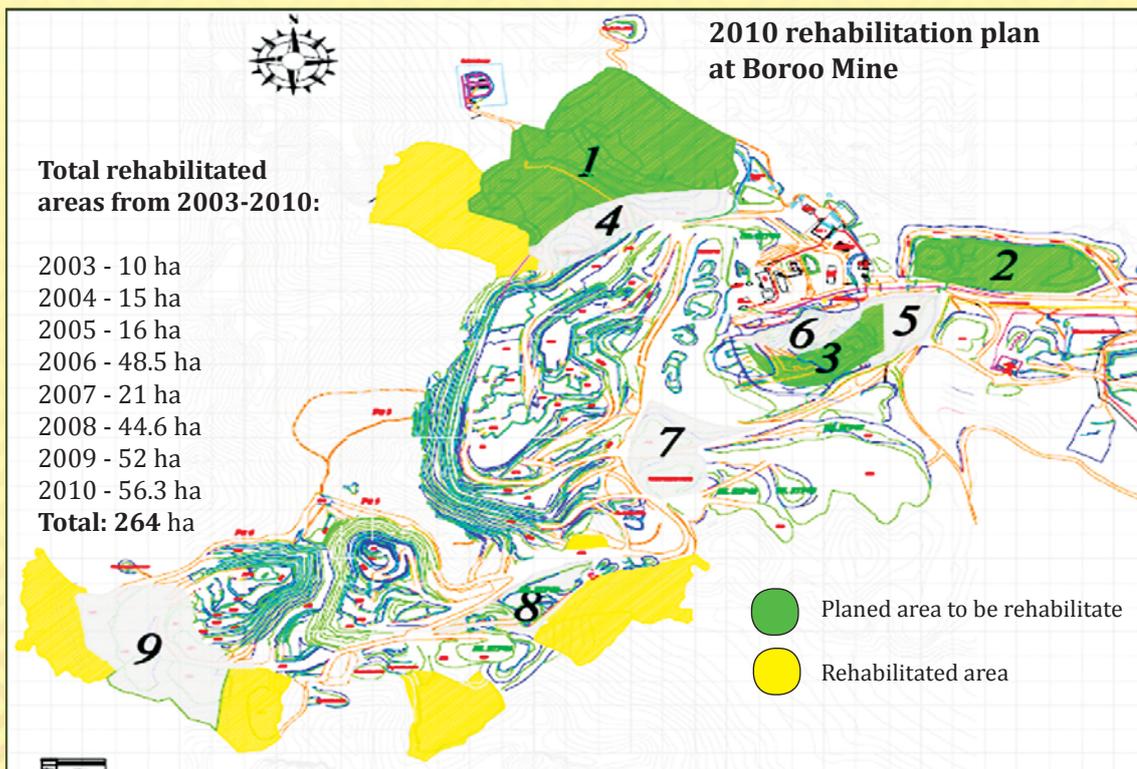
Reclamation at Boroo Mine site

As a responsible mining company, Boroo Gold Company (BGC) developed plans to rehabilitate the mine area, before starting to mine.

Annual reclamation has taken place concurrently with mining activities since 2003. BGC's reclamation standards are high and they comply with International standards. When a piece of land is rehabilitated it is formally handed back to the local government.

Even though processing stockpiles will be finished at Boroo in 2013 the reclamation activity and monitoring will continue until 2015-2016. Local NGOs and people are hired to carry out the seeding and land cultivation.

Like every part of the mine, the Boroo engineers make detailed plans, maps and calculations about reclamation areas. When the mine started the topsoil was carefully stored so it can be used later in rehabilitation. Seeds are collected from local plants and Boroo supports a tree nursery to grow plants that are suited to the area. The reclamation process involves shaping the land and covering it with topsoil, then seeding or planting it and monitoring to make sure the area recovers strongly.





Reclamation at Boroo Mine site



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2006 Reclamation



2007 Reclamation



2008 Reclamation

