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# EDITED TRANSCRIPT

CG.TO - Q1 2018 Centerra Gold Inc Earnings Call

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## PRESENTATION

### Operator

Ladies and gentlemen, thank you for standing by, and welcome to the 2018 First Quarter Results Conference Call and Webcast. (Operator Instructions) As a reminder, this conference is being recorded Tuesday, May 1, 2018. I would now like to turn the conference over to Mr. John Pearson, Vice President Investor Relations. Please go ahead.

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### John W. Pearson - Centerra Gold Inc. - VP of IR

Thanks, Kayla. I would like to welcome everyone to Centerra Gold's 2018 First Quarter Conference Call. Today's call is open to all members of the investment community and media. Summary slides are also available on Centerra's website to accompany each speaker's remarks. Following the formal remarks, the operator will give the instructions for asking a question, and then we'll open the phone line for questions. Please note that all figures are in U.S. dollars, unless otherwise noted.

Joining me on the call today is Scott Perry, President and Chief Executive Officer; Darren Millman, Chief Financial Officer; Gordon Reid, Chief Operating Officer; and Yousef Rehman, General Counsel. I would like to caution everyone that certain statements made on this call today maybe forward-looking statements and as such, are subject to known and unknown risks, which may cause actual results to differ from those expressed or implied.

Also, certain of the measures we will discuss today are non-GAAP measures, and I refer you to our description of non-GAAP measures in the combined news release and MD&A. For a more detailed discussion of the material assumptions, risks and uncertainties, please refer to our news release and MD&A issued this morning, along with the unaudited financial statements and notes and to our other filings, which all can be found on SEDAR and the company's website. And now, I'll turn the call over to Scott.

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### Scott Graeme Perry - Centerra Gold Inc. - President, CEO & Director

Thanks, John. Good morning, ladies and gentlemen. I'm just referencing Slide 5 of the presentation deck that John referenced. Number of key highlight's that I'd just like to touch on during the quarter, but really one of the most significant ones is the key safety milestone that we achieved



at Kumtor. During our past conference call, we've always spoken about our safe -- company-wide safety-leadership program called Work Safe, Home Safe. We've now rolled this out across all operations within Centerra.

We think we're starting to see some real sort of tangible benefits with this program. But obviously, key highlight here at Kumtor was on April 11, we achieved 1 full year of lost time incident free operations. This also equates to approximately 6 million man-hours, which really highlights the significance of this milestone. On April 11, 2017, there was a tragic event for Kumtor, when we had a fatality at the operation, but I just cannot give the guys enough kudos and enough recognition for just how well they've bounced back in terms of posting this key safety milestone.

It really is demonstrating to all of our operations within Centerra that we have it what takes to put forward a business environment which is -- one in which -- which is zero harm. So well done to the guys.

On -- in the first week of January, we closed the acquisition of AuRico Metals. The key asset underpinning this transaction was the Kemess project, which is in British Columbia. We think this is going to be a key organic growth opportunity for Centerra moving forward. Based on the numbers and the feasibility study numbers, it looks like it could be one of our lower-cost assets moving forward. It's got significant mine longevity. It's a brownfield project. We've got a lot of surface infrastructure in place, it's quite derisked just in terms of the environmental assessment approvals and the impact benefit agreements. We think this is an asset that's going to really underpin Centerra moving into the next decade.

At Mount Milligan, you would have seen that we started up both ball mill circuits now and that right now as we speak are averaging around 40,000 tonnes per day. A ramp-up during the quarter has gone faster than what we were planning, and that's really underpins some good production results that Gord will speak to, but again, production results today are, I think, tracking ahead of our current guidance.

In terms of the organic growth pipeline, one of the things that myself and the management team are really excited about is that we announced the commencement of construction at Öksüt, which is our next generation project in Turkey. We started our earthworks there on March 27, that was earlier than what we were anticipating. Our original startup estimate was the first week of April, but our earthworks contractor, again, mobilized a lot quicker than what we anticipated, and that allowed us to start moving dirt and broken ground effectively quicker than I was expecting.

The productivities to date have been excellent. The safety performance has been great. Öksüt is trending really well in these early stages. And this is key to Centerra, because Öksüt was less than a 2-year build, and it's going to represent our third source of high quality, low-cost production. And it's going to be very important just in terms of our ongoing diversity moving forward.

So it's great to see projects in construction now. Darren will touch on some of these earnings result, but the key headlines result was after-tax earnings of \$9 million, which equates to \$0.03 per share, and that was obviously underpinned by the gold production results of just under 130,000 ounces of gold and copper production of some 6.1 million pounds.

The company-wide all-in sustaining cost during the quarter was \$932 per ounce. We would position and advocate that on a go forward basis, you'll see that all-in sustaining cost trending low. Obviously, as we see Mount Milligan continue to ramp up quarter-over-quarter, just given that growing denominator in terms of our metal output, we'd expect to see the all-in sustaining cost trending lower.

One of the things Darren will touch on is the second-last bullet point here. During the quarter, we finalized and established a new \$500 million U.S. corporate revolving line of credit facility that gives the company the utmost liquidity when it comes to executing on our organic growth moving forward.

You can see the last bullet point there, we finished the quarter with total liquidity at \$458 million. So that liquidity together with our profitable production really positions the company well in terms of being able to internally finance our business plan moving forward

I'll just move onto Slide 6 of the presentation. Just a few charts in here highlighting the financial results. The chart on top left is like a waterfall chart that really just illustrates the Q1 cash flow statement. So if you look at, you can see the first 2 items there are associated with the AuRico Metals acquisition. So we drew down on a \$125 million acquisition through the facility to help fund that acquisition. You can see the red decrement there

was the total acquisition cost of around \$246 million. You can also see during the quarter, we repaid -- we paid out the EBRD drawn facility of \$76 million, so that facility has been paid out and discharged.

And then you can see the other key item of note would be the use of cash at Mount Milligan. Obviously, we would expect this to be a -- this use of cash to be declining and trending into cash flow positive quarter-over-quarter, as Mount Milligan continues to ramp up and the mill returns to full capacity and not by just the obviously growing metal output, stronger margins and increased operational cash flow.

I spoke to the liquidity there in the top right already. We think we're well positioned in terms of our treasury position. And obviously, again, it was another quarter of positive earnings, so you see that in the retained earnings in the bottom right. We're now well in excess of \$1 billion of after-tax retained earnings on the balance sheet, which again, just speaks to the quality and the profitability of the underlying operating asset base.

Just on Slide 7. Slide 7 is always one of my favorite slides. It's -- what we're really illustrating here is, each of Centerra's operating assets and our key organic growth projects here in the short-term and just where they're positioned on the gold industry all-in sustaining cost curve. And I've always liked -- I like to think this is something that distinguishes the company well. Generally speaking, the majority of our assets are positioned around lower-cost quartile. That's what's going to always position the company and the portfolio well in terms of ongoing profitability and cash flow generation, regardless of where we are in the prevailing gold price environment.

But what I'd particularly note is just our 2 organic projects here -- organic growth opportunities, Öksüt, which is our project in Turkey. As I mentioned in my earlier remarks, we're now in construction here, and we think, in less than 2 years, we're going to be producing our first gold at Öksüt. And you can see our guided sort of all-in sustaining cost here on a life of mine basis is up to sort of \$500 per ounce. It's going to be one of our lower-cost asset. It's going to certainly complement our existing operating asset base.

And then Kemess, as I spoke to earlier, Kemess is a 4 to 5 year sort of timeline to first gold production. And as you can see here, its all-in sustaining cost would be around \$250 per ounce. So again, it's going to be a very low cost asset that I think is really going to underpin the company's ongoing growth and diversity in a very favorable manner.

With that, I'm now going to pass the call over to Gord Reid, our Chief Operating Officer.

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**Gordon Dunlop Reid** - Centerra Gold Inc. - VP & COO

Well, thanks, Scott. Just to reiterate Scott's comment on safety, for the quarter, our total reportable injury frequency rate as a company was 0.68. It wasn't our best quarter, but we are trending in the right direction. As Scott said, a major highlight is that our Kumtor operation achieved one year without an LTI, that consists of more than 6 million man-hours. That's quite an achievement, and I want to send a shout out to Dan Desjardins, the leadership team and the workforce at Kumtor for this significant milestone. Work Safe, Home Safe continues to be rolled out across the company.

Moving to Slide 9. Kumtor had a solid quarter producing 100,220 ounces at an all-in sustaining cost of \$758 per ounce. Mount Milligan restarted production on February 5 and by the end of the quarter, was operating at a rate of 40,000 tonnes per day.

In the quarter, Mount Milligan produced 29,544 ounces of gold and 6.1 million pounds of copper at an all-in sustaining cost of \$1,554 per ounce sold. Corporately, in the quarter, we produced 129,764 ounces at an all-in sustaining cost of \$932 per ounce sold.

Development on our Öksüt project was initiated by the end of the quarter, and I'll speak to -- more to that in a bit. We continue to derisk the Greenstone project in northern Ontario. We're Currently responding to comments from the regulators on our EA submission and continuing negotiations on impact benefit agreements with the local First Nation communities.

At our Kemess project in northern BC, we continue to prepare the site for eventual development. As our permit submissions go through the regulatory process, no construction decision has as yet been made for either our Greenstone or our Kemess projects.



Moving to Slide 10. Mount Milligan, as I mentioned, was successfully restarted on February 5, on 1 ball mill at 30,000 tonnes a day in order to conserve water resources. As we built up the water resources by accessing Philip Lake and other groundwater sources, the second ball mill was restarted on March 20, as at quarter end, we were operating at 40,000 tonnes a day.

We anticipate operating at an average of 55,000 tonnes per calendar day in the second half of the year. We continue to focus on improving predictive maintenance practices. We maintain our corporate guidance of 645,000 to 715,000 ounces gold produced at an all-in sustaining cost per ounce sold of \$812 to \$912 per ounce sold. Copper production guidance is also maintained at 47 million to 52 million pounds of copper produced.

Moving to Slide 11. Drilling continues in and near pit, currently with 1 drill rig, a second drill rig is planned to be added in the second quarter. In the first quarter, we completed 10 diamond drill holes for 3,445 meters. Of those 10, we received assays back from 4 holes. All 4 holes intersected significant intervals of copper and gold mineralization, and previously, underdrilled areas within and under the existing ultimate pit design.

I would note, it's in the MD&A, hole 18-1057 intersected 149.9 meters of 0.46 gram per tonne gold and 0.43% copper, starting at 178.5 meters. That hole was located in the Saddle zone, which is between the Southern Star and the MBX zone. So it's a very interesting hole, and we're going to be following up on that during the year.

Moving to Slide 12. I'm just -- we put some early stage pictures up on the slide here. Construction commenced, as Scott mentioned, at the end of March at our Öksüt project in Central Anatolia region of Turkey.

The earthworks contractor has started on the access road leading up to the project site. The intent is to drive that access road right up to the ADR plant, which is basically longitudinally from one end to the other of the project and have that sheeted by year-end. We remain on schedule and budget to achieve first gold pour by the first quarter of 2020. I'll turn the call over to Darren.

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**Darren J. Millman** - Centerra Gold Inc. - VP & CFO

Thanks, Gord. For those following the slide deck, I'm now on Slide 14. Revenues for the quarter was \$235 million, consisting of \$153 million from the Kumtor mine, \$26 million from the Mount Milligan mine, representing 1 shipment of concentrate in March and \$56 million from the molybdenum business unit.

On a consolidated level, Centerra realized the gold price during the quarter of \$1,277 per ounce, this is recognizing the Mount Milligan stream arrangements. We recorded \$66.6 million in operating cash flow before changes in working capital.

For the quarter, we realized adjusted earnings of \$0.05 per share, the adjusted earnings taking into consideration the AuRico Metals one-off acquisition and integration cost.

I'm now moving to Slide 15. We sold 132,432 ounces of gold and 4.5 million pounds of copper in the quarter to record net earnings of \$9 million. As noted by Gord, we recorded consolidated all-in sustaining cost of \$930 per ounce during the quarter, made up of \$758 per ounce at the Kumtor mine and \$1,554 per ounce at the Mount Milligan mine.

The acquisition and integration of AuRico Metals was very successful. The Centerra's system is now incorporated into the Kemess mine site. And we were able to retain 100% of the targeted AuRico Metals employees. The company remains in a strong financial position with \$458 million in liquidity available at the end of March. This was underpinned by our new \$500 million corporate facility. With that, I'll turn it back to Scott.

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Okay. Thanks, Darren. Just wrapping up and referencing Slide 17. So really just a repeat of the gold industry all-in sustaining cost curve and just where Centerra's assets are positioned on that. I think one of the key things coming out of our first quarter results is the ramp-up at Mount Milligan

is performing very well, slightly ahead of where we were originally guiding. If you look at where Mount Milligan is guided on this all-in sustaining cost for the year, we expect to be averaging at the midpoint all-in sustaining costs of around \$850 per ounce.

But one of the things I would note is the -- as we move forward quarter-over-quarter, you should be seeing increasingly lower all-in sustaining cost just benefiting from the ramp-up in gold output and copper output. That positions us well, as we move into Slide 18. That growing level of metal production is going to position us well just in terms of profitable production, growing free cash flows, and what I'd really highlight is the pie chart in the top right here on Slide 18. This really talks to our strategy, which is -- more and more, we're well-positioned geopolitically in terms of our overall sort of geopolitical risk profile. More than half of the company's value is now domiciled in Canada. But increasingly now, you're going to see the company focusing on executing on its organic growth projects.

Obviously, Turkey is the key one at present, given that's in construction. We would commit that, hopefully, as Turkey commissions and starts pouring its first gold and starts demonstrating copper production, more and more it's going to command a greater share of this overall net asset value distribution. Likewise, with our Canadian growth projects, and I think, overall, in terms of this thesis, that's going to be very favorable in terms of the company's overall political risk profile and just how that's going to resonate in terms of, hopefully, improved, expanded valuation multiples moving forward. With that, I'll wrap up our formal remarks. And operator, if I can pass the call back over to you, we can move into question and answer, please.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) And our first question comes from the line of David Haughton from CIBC.

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### David Haughton - CIBC Capital Markets, Research Division - MD & Head of Mining Research

Maybe I could start with Mount Milligan and the ramp-up, heard that you're at 40,000 tonnes a day with the trajectory of going to 50,000 tonnes a day by, I presume that, the end of the year. How should we be thinking about that? Is it a relatively smooth kind of ramp-up or is there a step-change? And then what should we be expecting for 2019?

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### Gordon Dunlop Reid - Centerra Gold Inc. - VP & COO

Well, there is a ramp-up during the second half of the year. Like I said, we're going to average 55,000 tonne per calendar day for the year. Moving forward, I wouldn't anticipate any more than that for 2019. I mean, if we were going to change that guidance, we'll inform you.

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### David Haughton - CIBC Capital Markets, Research Division - MD & Head of Mining Research

Okay. So we should be thinking about an average of what about 40,000 to 45,000 for the second quarter, then moving into the low 50,000s for the third quarter and then 55,000 on average for the third quarter?

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### Scott Graeme Perry - Centerra Gold Inc. - President, CEO & Director

Yes. So David, it's Scott. I mean, if you look at our guidance and previous discussions during the year-end conference call, I think what we've always been guiding to is, we'll commence the mills running at full speed once the freshet season starts. And that should be commencing any day now in terms of the freshet season, the spring melt. And as and when we have confirmation of that, that's when we'll run the mills at full speed, and once they're running at full speed, we'll be averaging 55,000 tonnes per day. So in terms of your math for the Q2 run rate, you're going to have an

assumption there on when the spring melt starts. But then from July 1 onwards, so the entire second 6 months this year, our guidance is 55,000 tonnes per day.

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**David Haughton** - CIBC Capital Markets, Research Division - MD & Head of Mining Research

Okay. And then 55,000 into 2019, so backing off -- going up towards nameplate of 62,500 now?

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Yes. So again, that's our base case scenario. And again, I think we discussed that at our year-end conference call, when we put out our original outlook. So now we're saying, the baseline is 55,000 tonnes per day in 2019. And one of the key things we were messaging is we want to make sure we're putting out a number there that we deem reliable, consistent, sustainable and something that we can deliver on, and that's where we've set the baseline for now. Obviously, Gord and our operations team, they were all looking at continuous improvement opportunities and as and where we can demonstrate that. That's when it will be appropriate to reconsider, is there an opportunity to upgrade that, but again just to reiterate, for now, baseline is 55,000 tonnes per day.

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**David Haughton** - CIBC Capital Markets, Research Division - MD & Head of Mining Research

Okay. Still at Mount Milligan. Recoveries were a lot better in the quarter than we've seen in the past at -- getting up towards 84% for gold and near 70% for copper. Is that something that we should be thinking about as achievable going forward? Or is there something that sort of puts that a little bit higher than what you'd anticipate going forward?

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**Gordon Dunlop Reid** - Centerra Gold Inc. - VP & COO

Yes. David, first of all, I think you reversed those numbers. I think we're roughly 84% for copper and 70% gold. But we have the benefit of running at a reduced throughput and therefore, we have more leaching time in the circuit, et cetera. So it's not something, I think, you can model going forward. We guided to 79% copper and 61% gold. So I think you should stay with that guidance for now.

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**David Haughton** - CIBC Capital Markets, Research Division - MD & Head of Mining Research

Okay. Over to Öksüt, if that's okay. You've started the spend. We'd previously seen an expectation of CapEx for the year, and we're kind of wondering how you're thinking about the \$82 million for 2018. Is that still something that you're happy with as far as the anticipated spend in 2018?

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Yes, David, it's Scott. Yes, I think we're still quite comfortable with that number.

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**David Haughton** - CIBC Capital Markets, Research Division - MD & Head of Mining Research

And still comfortable, I know early days yet, but being able to start up in perhaps the mid 2019, based on what you can see?

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

So our guidance for first gold pour was Q1 of 2020.



**David Haughton** - *CIBC Capital Markets, Research Division - MD & Head of Mining Research*

Okay. And then just the last one, maybe for Gord -- maybe for Darren. Big spring in the working caps or a little bit of commentary there about payments and royalties, et cetera. Can you just walk us through how you got that big working cap delta? And would we expect for it to unwind in -- over the balance of the year?

**Gordon Dunlop Reid** - *Centerra Gold Inc. - VP & COO*

So I guess, a few things. I guess, one thing that may not be as clear, given you're focus will be on our copper and gold assets, is the molybdenum business unit. With the increase in molybdenum process, you see an increase in working capital needs there, but at the same time, we see an increase in process being realized. So that has increased significantly during the quarter. With Kumtor, I think it's relatively similar levels, but Mount Milligan has probably increased a little bit, given what -- where we have positioned quarter-on-quarter from quarter end.

**Scott Graeme Perry** - *Centerra Gold Inc. - President, CEO & Director*

Did that make sense, David? Did you understand that regarding the molybdenum position?

**David Haughton** - *CIBC Capital Markets, Research Division - MD & Head of Mining Research*

So I can understand the concept of how much working cap you got out there, but when I see a negative \$106 million in a quarter, it looks highly anomalous. And I'm wondering whether there's a one-off element in there. Would we see some unwind of that as we move into the second, third and fourth quarter or whether this is sort of the gap that we'll see going forward?

**Scott Graeme Perry** - *Centerra Gold Inc. - President, CEO & Director*

Just on the Langeloth facilities, that's our metallurgical smelter facility down in Pittsburgh, Pennsylvania. And so in terms of the molybdenum business unit, one of the things we do there is, we purchase concentrates and we treat them in our facilities, upgrading that concentrate and then selling it for a premium. But the molybdenum price has -- it's rallied from \$6.50 to, I think, yesterday, it was at \$12.20. So you can imagine, when we're purchasing these concentrates from our customers, the purchase price has been growing, which is resulting in a build up in working capital, but you'll see that realized in subsequent quarters. That's -- just want to make sure that was clear on the moly business and -- sorry, Darren?

**Darren J. Millman** - *Centerra Gold Inc. - VP & CFO*

Yes. And the second piece is depending on when we settle on the concentrate final 10% of the purchase price, and it's when we are due payment for raw gold. So there was this swing of approximately \$40 million in the quarter as well relating to payment for raw gold.

**Operator**

And our next question comes from the line of Greg Barnes from TD Securities.

**Greg Barnes** - *TD Securities Equity Research - MD and Head of Mining Research*

Scott, I just wanted to get a sense of what is going on in Kyrgyzstan, where discussion sits. I know there's a new government. Have you engaged with the new government or the new Prime Minister? And how that's going?



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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Yes. So it's Scott here. Obviously, we had a change in the Prime Minister there in Kyrgyzstan, that was probably 2 weeks ago now. We have exchanged correspondence in terms of letters with the new government. And we just had our board meetings yesterday, and we've got our AGM this morning. So you can imagine the government's representatives are here with us right now, and one of the things we're trying to set up or establish is a face-to-face meeting with the new Prime Minister. Obviously, he's been busy in terms of getting into office, et cetera. But we've acknowledged their request for meeting, and we'll be setting that up this week with our government-appointed representatives.

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**Greg Barnes** - TD Securities Equity Research - MD and Head of Mining Research

And the new timeline on getting the conditions all settled for the agreement?

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Well, I think we announced -- I think, what David announced that -- a few weeks ago, we announced that the long stop date on that strategic agreement had been extended to May 31.

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**Greg Barnes** - TD Securities Equity Research - MD and Head of Mining Research

And do you think that will have to be extended again? We've got a month to go. Just trying to understand what things have to be done to get the agreement finalized?

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**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Why don't I pass it over to Yousef, our General Counsel.

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**Yousef Rehman** - Centerra Gold Inc. - VP & General Counsel

Yes. Thanks, Scott. There's a couple of -- 1 criminal investigation that still needs to be closed as well as some land use certificates that need to be provided. We're still working toward that, but as Scott has mentioned, we'll have a better sense once we have established the lines of communication with the new government.

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**Greg Barnes** - TD Securities Equity Research - MD and Head of Mining Research

So which case had to be closed? Sorry, I couldn't hear you.

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**Yousef Rehman** - Centerra Gold Inc. - VP & General Counsel

The last criminal investigation relating to the -- it's same subject matter as the ceased environmental claims, and that's the last one that's still outstanding.

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**Operator**

And our next question, it comes from the line of Matthew Macphail from Canaccord.



**Matthew Macphail** - *Canaccord Genuity Limited, Research Division - Associate*

Mostly with regards to Mount Milligan. Firstly, the grade during the quarter was impressive at 0.79 grams per tonne process grade. What can you attribute that to? Is that just a sequencing thing? Or were you putting -- preferentially putting higher-grade stuff through the mill due to the lower throughput? And what can we expect going forward for the rest of the year, considering it's much higher than reserve grade?

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**Gordon Dunlop Reid** - *Centerra Gold Inc. - VP & COO*

Yes, it's a little bit of both. It is part of the mine sequencing, but clearly we were preferentially putting the higher grade into the mill, given our lower throughput and the lower grade material we put into the stockpile. I think you'll have to go with the guidance we provided and make your assessment from there in terms of the rest of the year.

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**Matthew Macphail** - *Canaccord Genuity Limited, Research Division - Associate*

Okay. That's helpful. And then onto the water sourcing. You have a permit to draw from Philip Lake to kind of make up any shortfalls until -- for the summer months, but I've noticed that the permit is temporary, it's only valid until October of this year. What steps need to be taken in order to make that permanent? Or are you -- do you prefer to find alternate sources of water, more wells? Or what's your thought process on that situation?

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**Gordon Dunlop Reid** - *Centerra Gold Inc. - VP & COO*

Well, we're going to -- we actually want to do both. We want to make the Philip Lake withdrawal permit permanent and also find alternative sources of water. We started the process to permit the Philip Lake water access for the life of mine, but that's a process that takes 18 to 24 months. It requires a full impact assessment and of course, interaction with the First Nations and the regulators. So we don't anticipate receiving the permanent permission to withdraw water from Philip Lake till sometime in 2019. In the meantime though, as you said, our current temporary permit expires in October, we are looking with the First Nations and regulators to try to extend that temporary permit beyond that time into 2019, and that process is ongoing. In addition, we have access to groundwater wells, but it also require a water-withdrawal license and permit. So they -- we're pursuing that with the regulators as we speak, and we hope to get the permanent right to withdraw water from groundwater by September. In the meantime, those groundwater wells under the temporary permits expire in June, and we're working with them to extend those temporary withdrawal permits as well.

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**Operator**

(Operator Instructions) Our next question comes from the line of Mike Parkin from National bank.

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**Michael Parkin** - *National Bank Financial, Inc., Research Division - Mining Analyst*

Hi, guys. My questions have been answered. Thanks.

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**Operator**

And our next question comes from the line of Terence Ortslan from TSO.

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**Terence Ortslan**

Just a backup question on the Öksüt project. Can you remind me if you have or you're planning to have a stability agreement with Turkey with respect to this asset as well as other guarantees beside the regular stability agreement? Or are you in the regular mining law?

**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

The short answer is, we're under the regular mining laws, so we do not have an investment agreement or a stability agreement. But the mining code, the regular mining law in Turkey is something that we consider strong and mining-friendly.

**Terence Ortslan**

And -- okay. And with respect to, again, new precedents with respect to mining projects in Turkey, with respect to stability agreements? Or is that never been done? Or the country is not entertaining such proposals?

**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Not that I or the management team here are aware of.

**Operator**

(Operator Instructions) Our next question comes from the line of Trevor Turnbull from Scotiabank.

**Trevor Turnbull** - Scotiabank Global Banking and Markets, Research Division - Analyst

I just was noticing this morning that guys from Chaarat had put out an update with respect to their proposed offer on Kumtor. And I know you'd responded to this earlier with the press release expressing disinterest on your part. And you said, the government felt similarly. I guess, it came up because they've added a few more details with respect to the offer. And I'm just curious, is this something that, if the terms were to change, would be something you would look at? Or is this something that you would look for the Kyrgyz government to take the lead on? If they are interested, then you would take a closer look at, and if they're not interested, it's of no interest to you.

**Scott Graeme Perry** - Centerra Gold Inc. - President, CEO & Director

Yes, Trevor, I'm going to give you a frustrating response, but we stand by our press release of April 24, that's as much as we can say.

**Operator**

And there are no further questions on the phone line at this time.

**John W. Pearson** - Centerra Gold Inc. - VP of IR

With no further questions, I want to thank everyone for participating today in our first quarter conference call. If you have further questions, management will be around this afternoon. We do have our Annual General Meeting this morning, but we will be available for questions after that. Thank you for your participation.



## Operator

Thank you, ladies and gentlemen, that does conclude the conference call for today. We thank you for your participation, and we ask you to please disconnect your lines.

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