

**The President Sadyr Japarov: The Kumtor gold mine has been completely and irrevocably returned to our Motherland.**

**The President of the Kyrgyz Republic Sadyr Japarov today, on the 4 of April, addressed the people of the country.**

**Here is the full text of the President's address:**

**Good evening, dear people of Kyrgyzstan!  
My dear compatriots!  
Beloved Fatherland!**

I am speaking to you, the people of Kyrgyzstan and the international community, to announce the total return of the Kumtor gold mine to our nation.

We have just signed an agreement with “Centerra” to resolve this dispute.

Through this agreement, we have been able to ensure a full and irrevocable handover of our greatest national treasure, the Kumtor gold mine, to Kyrgyzstan.

This means **Kumtor is owned completely by Kyrgyzstan!**

It is no exaggeration to say that today is a true turning point in the history of our country. Today our people have taken responsibility for their fate into their own hands.

Our national assets are now exactly what they should be – in our own hands. This proves that we are on the path of sustainable development and growth.

**I sincerely congratulate all of us, all of our people, all of you, on this achievement.**

*Now*, please allow me to tell you some of the main points of the Agreement.

From now on, Kumtor mine will be fully owned by Kyrgyzstan. **“Kumtor Gold Company” is 100% owned by our country.**

We were able to define the full transition period of the mine as starting from the date of the introduction of external management in May last year.

Thus, we were able to obligate that all parties officially recognise all revenues from 15 May 2021 as our property .

Furthermore, “Centerra” is required to pay us dividends of US\$11 million for the first three quarters of the last year, and “Centerra” must also make a one-time payment of US\$50 million to Kyrgyzstan. This is a significant achievement.

We have regained full control of the Kumtor **Reclamation** Fund, which means a further US\$53 million will be coming back to Kyrgyzstan. These funds were previously held in a trust account with a London bank.

“Centerra” has withdrawn its demand for payment for an undelivered shipment of gold worth around US\$29 million in May 2021.

“Centerra” **has ended all** litigation and other claims against Kyrgyzaltyn in the United States, Sweden and Canada.

As regards the “**Kyrgyzaltyn**” Open Joint Stock Company, it will take over its 26% stake in Centerra. At the same time, Centerra will cover all tax payments related to the transfer of the rights to the specified equity interest in accordance with Canadian law at its own expense.

From our side, we have agreed to withdraw all our lawsuits and other claims against Centerra.

**This was not an easy agreement to reach. It has taken us a year to reach a decision on each of these issues.**

**Dear people of Kyrgyzstan!**

Given the current world crisis and its impact on our own country, **I can assure** you that the terms of this agreement are the best possible and in favor of our national interest.

As you know, litigation and international arbitration can take many years. An attempt to secure better terms would have cost us at least another five years and tens of millions of dollars. It could even have dragged on for seven or eight years.

And there would be no guarantee that positive decisions would be made in our favor. **We could have wasted money and, most importantly, precious time.**

If it had dragged on, we would have been deprived of major investment projects. Indeed, before the arbitration proceedings were over, we risked losing international confidence and investment in the country, and we would have lost both money and goods.

The negotiations were extremely challenging.

Yet, from the very beginning we **stood firm - Firmly for the interests of our state and firmly to defend our position.**

Initially, there were attempts to present us to the international community as “savages, invaders”. Unacceptable demands were made of us. **We weathered this and stood our ground.**

Because our priority was the interests of Kyrgyzstan.

In the end, we achieved a radical shift in the demands made of us and the position we were forced into at the start of negotiations.

Once again, we can say with confidence, that we were able to achieve the optimal results for our country in the current climate.

And we reached our decision with the support of the best international arbitration lawyers in the world. Their advice was invaluable.

*I invite you now to consider what I mean when speaking about the benefits to us from this agreement.*

Up until now, we have only received symbolic annual dividends from Kumtor Mine. To be precise, over 20 years we have received a total of only about US\$85 million. In contrast, in just seven months last year we made a profit of US\$323 million from the mine. This year, we hope to earn US\$500 million dollars.

The Kumtor mine is now valued at roughly of US\$3 billion. The book value of just the machinery and real estate is US\$1.3 billion dollars.

**Looking ahead to the next 10 years**, experts estimate Kumtor mine will produce at least US\$5 billion dollars from the 160-200 tons of gold expected to be mined. This is money straight into the national budget.

And these are only the certified and guaranteed reserves. Even now we are exploring other possibilities and opportunities at the mine. But, we cannot go into details about these just yet. All I need to say is that the mine still has great, untapped potential and Kumtor will serve our people for many years to come.

As you may know, in the coming years we must make large-scale payment towards our sovereign **debt**. Today, we can say that with control of

Kumtor mine we feel **more confident** than ever about making these repayments.

When considering our decisions, we must take into account the fact that almost all our key imports - wheat, sugar and vegetable oil, as well as other commodities such as fuel and fertilizers – are increasing in price due to the international situation. Therefore, it was an urgent requirement not to delay reaching an agreement on the Kumtor mine on the terms we have announced today.

This is not the time to take risks. As a head of the state, I will not hesitate to take decisive steps on urgent matters. And I will tolerate no delay in taking responsibility for our people.

### **Dear people of Kyrgyzstan!**

Kumtor mine is 100% in the hands of our nation.

Sadly, it has taken twenty years to reach where we are today. But we should not regret the past and I will not dwell on those who have stolen and squandered the wealth with which God blessed our people and land.

Throughout my life in Kyrgyz politic, I have talked about the wealth of Kumtor. And together with friends and family, I have endured many hardships, too.

But this is not the time to engage in meaningless confrontation or to argue over *who is right and who is wrong*. To lose ourselves looking for the guilty! There is neither the time nor taste for that.

**I want us now to move forward as one people.**

In spite of all that has happened, we must take decisive strides forward.

**This is what we as people free in our own sovereign state must do.** Our destiny is in our hands now and it is time to take responsibility for our future.

Today's decision on Kumtor mine is **just the beginning** of many more great accomplishments in the development and growth of our country.

Finally, I would like to take this opportunity,

1. To give special thanks to my team, our negotiators, and our national and international lawyers for successfully conducting the negotiations. You have done a great service to our country!
2. To thank the team at Kumtor Mine who have worked without pause and deserve our warmest words and highest appreciation.
3. To thank the deputies of the Jogorku Kenesh (Members of Parliament) for their support for and approval of the decisions we proposed for the mine.
4. And, of course, I sincerely thank all the citizens, all the people of Kyrgyzstan who for years have tirelessly fought for the return of Kumtor mine to our people!

Today's victory is our common victory!

**Dear people of Kyrgyzstan!**

I extend my congratulations to everyone on the holy month of Ramadan!

May prosperity, blessings, happiness and well-being come to every home.

May your fasting be accepted and rewarded!

And may God Almighty bless our Kyrgyzstan!