

Centerra Gold announced operating results for 2018

Aliya Assilbekova — January 16, 2019

For the reported period, the Company produced 729 556 oz of gold (-7% y/y), of which 534 563 oz of gold (73%) was produced at Kumtor (-7% y/y) and 194 993 oz of gold (27%) was produced at Mount Milligan (-12% y/y). The latter produced 21 364,2 tons of copper (-12% y/y).

During the 4Q2018, Centerra Gold produced 288 367 oz of gold (+33% y/y), of which 288 096 oz of gold was produced at Kumtor (+44% y/y) and 60 271 oz of gold was produced at Mount Milligan (+3% y/y). The latter produced 5 352,4 tons of copper (-4% y/y).

Our opinion:

According to the operating results, Centerra Gold exceeded its production guidance on both mines Kumtor and Mount Milligan in the range of 665 000-705 000 oz of gold. Kumtor demonstrated strong operating results of the gold production delivering 534 000 oz of gold, which exceeded the upper end of 510 000 oz of its gold production guidance. At Mount Milligan there were sufficient water resources in the 4Q2018 that enabled the Company to run the mill processing facility at a higher than anticipated throughput rate allowing the Company to achieve 195 000 oz of its gold production guidance and 21 364 tons of its copper production guidance. We maintain our recommendation **Buy** and **12M TP** of **6.75 CAD/share**.

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