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Focus: CIS Gold

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Kyrgyzstan Gold Industry

Kyrgyzstan Gold Key Numbers

Indicator	Estimate
National gold production	**~25–30 t/year**
Primary gold reserves on state balance	**~973 t**
Placer gold reserves	**~7.4 t**
Kumtor production, 2025	**12.08 t / ~388 koz**
Kumtor cumulative production, 1997–2025	**~481 t**
Kumtor underground gold added to state balance	**~147 t**
Kumtor planned underground mine life	**~17 years**
Kumtor tailings — contained gold	**~121 t**
Kumtor tailings — contained silver	**~225 t**
Jerooy production, 2025	**~4.8 t**
Jerooy gold inventory	**~88–93 t**
Jerooy design	**~5 t/year**

Executive Summary

Kyrgyzstan is an established Central Asian gold producer with annual output of approximately **25–30 tonnes** and a substantial identified resource base. As of the beginning of 2025, the country's state balance contained approximately **973 tonnes of primary gold reserves**, in addition to around 7.4 tonnes of placer gold. The industry has historically been dominated by Kumtor, but production is becoming increasingly diversified across Jerooy, Taldybulak Levoberezhny, Solton-Sary, Bozymchak and a pipeline of development projects.

Kumtor remains the cornerstone of the industry, producing approximately **12.1 tonnes of gold in 2025**. Since commercial production began in 1997, the mine has produced roughly 481 tonnes. Its outlook has improved substantially with the development of underground resources: approximately **147 tonnes of gold associated with the underground project** have been added to the state balance, supporting a planned 17-year underground mining programme. In addition, historical Kumtor tailings contain approximately **121 tonnes of gold and 225 tonnes of silver** on the state balance, creating a potentially important third stage of development after conventional open-pit and underground mining.

Kumtor is also central to understanding Kyrgyzstan's investment history. Originally developed with Canadian capital through Cameco and subsequently owned by Toronto-listed Centerra Gold, the mine came under Kyrgyz government control in 2021 following a prolonged dispute. A 2022 settlement transferred full ownership of Kumtor to Kyrgyzaltyn in exchange for Kyrgyzaltyn surrendering its approximately 26% shareholding in Centerra. Kumtor is now effectively a state-owned gold producer.

The industry's second major asset is **Jerooy**, developed by Alliance Altyn, historically associated with Musa Bazhaev's Russian Platinum group. Jerooy contains approximately **88–93 tonnes of gold** depending on reserve classification and produced approximately **4.8 tonnes in 2025**, close to its roughly 5-tonne annual design capacity.

production	
Taldybulak production, 2025	**~3.6 t**
Taldybulak historical gold inventory	**~77 t**
Taldybulak remaining resource	**~47 t Au**
Solton-Sary/Buchuk production, 2025	**~0.88 t**
Solton-Sary/Buchuk design production	**~1.8 t/year**
Tulkubash planned production	**~110 koz / 3.4 t/year**
Tulkubash planned processing capacity	**~4 Mtpa**
Silvercorp / Kyrgyzaltyn ownership	**70% / 30%**
Silvercorp initial development commitment	**~US$150m**
Tulkubash/Kyzyltash acquisition consideration	**~US$162m**

Open-pit mining is expected eventually to transition toward underground production, potentially extending operations into the 2040s.

Taldybulak Levoberezhny provides a third major production centre. Operated by Altynken under a Chinese-Kyrgyz ownership structure involving Zijin Mining and Kyrgyzaltyn, the mine produced approximately **3.6 tonnes in 2025**. It demonstrates a more durable model of foreign strategic investment combined with direct Kyrgyz state participation.

A new generation of projects is now emerging. Solton-Sary's Buchuk operation produced approximately **0.9 tonnes in 2025** during its initial ramp-up and has design capacity targeting around 1.8 tonnes annually. More importantly, Canadian-listed Silvercorp acquired the **Tulkubash/ Kyzyltash** project in 2026 following years of development work by Chaarat Gold. The new structure gives Silvercorp a 70% operating interest and Kyrgyzaltyn a **30% free-carried interest**. Initial development targets a 4 Mtpa Tulkubash operation producing approximately **110,000 oz, or 3.4 tonnes, annually**, before potential development of the larger Kyzyltash sulphide resource.

Kyrgyzstan therefore provides an unusually diverse set of mining ownership models. Kumtor evolved from Canadian-listed ownership to full state control; Jerooy was developed with Russian private capital; Taldybulak combines Chinese mining expertise with Kyrgyz state ownership; Bozymchak forms part of a regional mining group; and Tulkubash/Kyzyltash introduces a new foreign-operator/state-free-carry structure.

The country also possesses an established domestic gold value chain. Major mines have dedicated processing facilities, while Kyrgyzaltyn operates the **Kara-Balta refinery**. Kumtor doré is purchased by Kyrgyzaltyn, refined domestically and subsequently sold into domestic or international markets.

The principal constraints remain political and regulatory risk, difficult mountain geography, infrastructure requirements, environmental considerations and community relations. The Kumtor dispute remains an important precedent for foreign investors, while the new requirement for significant state participation can affect project economics.

Nevertheless, the industry's outlook has improved materially. **Kumtor underground development and potential tailings retreatment, mature production from Jerooy and Taldybulak, ramp-up at Solton-Sary and renewed development of Tulkubash/Kyzyltash provide several independent sources of future production.** Kyrgyzstan increasingly looks less like a single-mine gold economy and more like a diversified Central Asian gold-producing jurisdiction.

Kyrgyzstan Gold Industry

Industry Overview and Gold Production

Kyrgyzstan is one of Central Asia's established gold-producing countries, with a mining industry dominated historically by the giant Kumtor deposit but increasingly diversified across several medium-sized mines and development projects.

Gold occupies an unusually important position in the Kyrgyz economy. Unlike Uzbekistan, where production is concentrated within two very large state-controlled industrial groups, Kyrgyzstan has developed its gold resources through a succession of different ownership structures involving Canadian, Russian, Chinese, Kazakh and domestic state capital.

The country's principal producing assets are **Kumtor, Jerooy and Taldybulak Levoberezhny**, supplemented by Bozymchak, Solton-Sary and smaller operations.

National gold production averaged approximately **26 tonnes annually during 2021–2025**, compared with roughly 15 tonnes annually before 2020. Approximately 141 tonnes were produced over the five-year 2021–2025 period.

Kumtor remains the largest individual producer. It produced approximately **12.1 tonnes of gold in 2025**, followed by Jerooy at approximately **4.8 tonnes** and Taldybulak Levoberezhny at approximately **3.6 tonnes**. Together, these three mines account for the majority of national production.

The country's underlying resource base is considerably larger than present production might suggest. As of 1 January 2025, approximately **973 tonnes of primary gold reserves** were recorded on the Kyrgyz state balance, together with approximately 7.4 tonnes of placer gold.

These state-balance figures are not directly comparable with JORC or NI 43-101 Mineral Resources and Reserves and should not be aggregated mechanically with internationally reported company estimates.

Nevertheless, they demonstrate that Kyrgyzstan possesses sufficient identified gold resources to remain an important producer well beyond the present generation of mines.

1. Geology and Gold Provinces

Kyrgyzstan occupies a central position within the **Tien Shan orogenic system**, one of Eurasia's major metallogenic belts.

The country's complex geological history has produced numerous gold, copper-gold, polymetallic, antimony and other mineral systems.

Gold mineralization occurs across several geological environments, including structurally controlled gold deposits, intrusive-related systems, porphyry copper-gold mineralization, gold-sulphide deposits and placer occurrences.

Three broad regions dominate the modern industry.

Central and Eastern Tien Shan

The most important asset is **Kumtor**, situated at high altitude in the eastern part of the country near the Chinese border.

Kumtor is exceptional both in scale and operating environment. The deposit occurs above 4,000 metres and has historically required large-scale open-pit mining under severe climatic conditions.

Northern Kyrgyzstan

Northern Kyrgyzstan contains several major deposits, including **Taldybulak Levoberezhny** in Chuy Region and **Jerooy** in Talas Region.

These deposits are considerably smaller than Kumtor but contain relatively high-grade mineralization capable of supporting substantial standalone mines.

The broader northern belt also contains numerous known gold occurrences and exploration prospects.

Western and Southwestern Tien Shan

Western Kyrgyzstan contains the **Chatkal gold district**, including Tulkubash, Kyzyltash and associated exploration areas.

Further south and southwest lie additional gold and polymetallic systems, including Ishtamberdy and Bozymchak.

This region is particularly important for future foreign investment because it contains several projects that are not yet fully developed and therefore remain accessible to new capital.

2. Kumtor

Kumtor is the defining asset of the Kyrgyz gold industry.

Commercial production began in **1997**, and the mine subsequently became one of the largest gold operations in Central Asia.

From 1997 through 2025, Kumtor produced approximately **481 tonnes of gold**.

Production in 2025 amounted to approximately **12.08 tonnes**, compared with approximately 12.55 tonnes in 2024 and 13.57 tonnes in 2023.

The decline in recent years partly reflects the maturity of the open pit rather than the exhaustion of the broader mineral system.

In 2025 approximately **5.8 Mt of commercial ore** were mined, down from approximately 7.3 Mt in 2024. The average grade of mined ore nevertheless increased from approximately 2.27 g/t to 2.39 g/t.

The processing plant treated approximately **6.45 Mt of ore**, implying that stockpiled material supplemented current mine production.

Gold recovery improved to approximately **76%**, compared with 73.3% in 2024.

Kumtor's importance extends far beyond physical production. For much of its operating history it was one of Kyrgyzstan's largest taxpayers, exporters, employers and sources of foreign-exchange earnings.

The mine therefore became simultaneously an industrial asset, a fiscal asset and a recurring subject of national political debate.

3. Kumtor Underground and the Second Life of the Mine

For many years Kumtor appeared to be approaching the final stage of its conventional open-pit life.

Recent exploration has changed that outlook substantially.

Additional geological work resulted in approximately **147 tonnes of gold being added to the state balance** in connection with the underground project.

In August 2025 Kyrgyzstan formally launched underground development at Kumtor.

The underground project is planned to operate for approximately **17 years**.

The transition is strategically important because it potentially changes Kumtor from a mature open-pit mine approaching depletion into a combined open-pit, underground and secondary-resource mining system.

Open-pit mining is expected to continue where economically justified, while underground development provides access to mineralization that would be increasingly difficult or environmentally disruptive to recover through further pit expansion.

Approximately 1.6 kilometres of underground development had already been completed by the time of the formal launch.

This should reduce the enormous waste-rock movements required by progressively deeper open-pit mining and may also reduce the physical interaction between mining operations and the surrounding glacial environment.

Kumtor's future therefore depends increasingly on underground mining rather than continued expansion of the traditional pit.

4. Kumtor Tailings

Kumtor contains another unusually large potential gold asset: its historical tailings.

Decades of processing, particularly during periods when recovery rates were substantially lower than modern levels, left significant quantities of residual gold and silver in the tailings storage facility.

In 2025 approximately **121 tonnes of gold and 225 tonnes of silver contained in the Kumtor tailings were added to the state balance**.

This is an extraordinary figure. In contained-gold terms, the tailings alone represent a resource comparable with a major standalone gold deposit.

Contained metal, however, should not be confused with economically recoverable metal. Actual recovery will depend on metallurgical characteristics, processing technology, capital expenditure and environmental constraints.

Nevertheless, the tailings create the possibility of a third phase in Kumtor's life:

open-pit mining → underground mining → large-scale retreatment of historical tailings.

The tailings project may also offer environmental advantages if retreatment allows historical waste material to be reprocessed and subsequently stored using improved technology.

Kumtor should consequently no longer be regarded simply as an aging open pit. It is evolving into a long-duration mining and reprocessing complex.

5. Kumtor: From Cameco and Centerra to State Ownership

Kumtor's ownership history is as important as its geology.

The mine was originally developed with Canadian mining capital and expertise.

Cameco became involved in the project during the early post-Soviet period and played the principal foreign role in financing, constructing and operating the mine.

Commercial production began in 1997.

In 2004 Cameco's gold assets, including Kumtor, were reorganized into **Centerra Gold**, which was subsequently listed on the Toronto Stock Exchange.

The Kyrgyz state, through Kyrgyzaltyn, became a major Centerra shareholder.

The structure was unusual. Rather than simply owning a minority interest directly in Kumtor, Kyrgyzstan held a significant equity position in the Canadian-listed parent company.

Following subsequent restructurings, Kyrgyzaltyn eventually owned approximately **26% of Centerra Gold**.

The arrangement provided Kyrgyzstan with exposure not only to Kumtor but also to Centerra's broader international mining portfolio.

However, relations between Centerra and successive Kyrgyz governments were repeatedly difficult. Disputes concerned taxation, environmental liabilities, mine planning, ownership structure and the distribution of economic benefits.

These tensions culminated in **2021**, when the Kyrgyz authorities imposed external management on Kumtor and effectively took control of the mine.

Centerra and the Kyrgyz Republic subsequently initiated multiple legal and arbitration proceedings.

A comprehensive settlement was reached in 2022.

Under the agreement, Kyrgyzaltyn transferred its approximately **77.4 million Centerra shares**, representing roughly 26% of the Canadian company, back to Centerra for cancellation.

In exchange, Kyrgyzaltyn received **100% ownership of Centerra's two Kyrgyz subsidiaries and therefore the Kumtor mine**.

Additional cash and intercompany settlements formed part of the transaction, while the parties agreed to terminate their outstanding legal claims.

The result was a complete separation:

Centerra exited Kyrgyzstan, while Kyrgyzstan exited Centerra.

Kumtor became wholly state controlled.

The transaction represented one of the most important mining ownership changes in post-Soviet Central Asia and continues to influence perceptions of investment risk in Kyrgyzstan.

At the same time, subsequent foreign investments demonstrate that the Kumtor dispute did not end foreign participation in Kyrgyz mining. Instead, the country appears to be moving toward structures in which the state retains a more explicit economic interest in major projects.

6. Jerooy

Jerooy, located in Talas Region, is Kyrgyzstan's second major standalone gold mine.

The deposit contains approximately **88–93 tonnes of gold**, depending on the reserve classification used, and supports a modern mining and processing complex.

Jerooy had an unusually long development history.

The deposit was discovered during the Soviet period but passed through several development structures and foreign investors before construction of the current mine.

The decisive change came in 2015 when the development licence was awarded to **Alliance Altyn**, associated historically with Musa Bazhaev's Russian Platinum group.

The project represented one of the largest Russian private mining investments in Kyrgyzstan.

Open-pit mining commenced in 2019, while the processing complex entered operation in 2021.

The plant was initially designed around approximately **5 tonnes of annual gold production**.

Production reached approximately **4.8 tonnes in 2025**, bringing the operation close to design capacity.

Jerooy's development plan combines open-pit and underground mining. Open-pit extraction is expected to be followed increasingly by underground production, allowing the deposit to operate well beyond the initial surface-mining period.

The current mine plan potentially extends production into the 2040s.

Jerooy is important because it demonstrates that a large greenfield gold mine could still be financed and constructed in Kyrgyzstan despite the country's difficult history of mining disputes.

It also introduced a second large-scale gold producer, reducing the country's historical dependence on Kumtor.

7. Taldybulak Levoberezhny

Taldybulak Levoberezhny is Kyrgyzstan's third major gold operation.

The deposit is located in Chuy Region and is operated by **Altynken**.

The mine represents the principal Chinese strategic investment in Kyrgyz gold mining.

Zijin Mining acquired the controlling foreign interest in the project in 2011, while Kyrgyzaltyn retained a substantial state shareholding.

Commercial production began in **2015**.

The mine was designed around approximately 2,500 tonnes of ore processing per day and a mine life approaching two decades.

The deposit historically contained approximately **77 tonnes of gold**. Current company resource disclosure indicates approximately **47 tonnes of remaining contained gold**, with an average grade of around **4.3 g/t**.

Production reached approximately **3.6 tonnes in 2025**.

By the end of 2025 cumulative production since commissioning had exceeded **34 tonnes of gold**.

Taldybulak is primarily an underground operation using flotation followed by cyanide leaching.

Its economics are therefore quite different from the enormous open-pit Kumtor operation.

Taldybulak is particularly important institutionally because it demonstrates an ownership structure in which a major international mining company provides technical and operating expertise while Kyrgyzaltyn retains a significant state economic interest.

8. Makmal

Makmal occupies an important place in the history of Kyrgyz gold mining.

Located in Jalal-Abad Region, the deposit was one of the principal Soviet-era gold operations in the Kyrgyz Republic and historically formed the foundation of Kyrgyzaltyn's domestic mining business.

Mining began in the 1980s.

Makmal is considerably smaller than Kumtor, Jerooy or Taldybulak and its original high-quality reserve base has progressively matured.

Its strategic significance therefore increasingly lies in the existing processing infrastructure and surrounding exploration potential rather than in the original deposit alone.

Kyrgyz mining policy has periodically sought to extend the life of the Makmal complex by identifying additional nearby feed and attracting investors to modernize or utilize the existing plant.

This is a recurring theme across the country's mature mining districts: existing processing infrastructure can give relatively small satellite deposits economic value that they would not possess as standalone projects.

9. Bozymchak

Bozymchak, in Jalal-Abad Region, differs from Kyrgyzstan's principal gold mines because it is fundamentally a **copper-gold operation**.

The mine is operated by KAZ Minerals.

Bozymchak produces copper concentrate containing payable gold and silver rather than operating as a conventional standalone doré-producing gold mine.

The operation therefore provides Kyrgyzstan with exposure to polymetallic mining and demonstrates the broader metallogenic potential of the Tien Shan beyond pure gold deposits.

Gold production varies with ore grade, mine sequencing and metallurgical recovery.

In recent years Bozymchak has generally contributed several hundred kilograms of gold annually, making it smaller in gold terms than Kumtor, Jerooy or Taldybulak but nevertheless material to the national mining sector.

The mine is particularly interesting because it links Kyrgyzstan directly into a larger regional mining group with operations and processing infrastructure across Kazakhstan and Kyrgyzstan.

10. Solton-Sary

Solton-Sary, in Naryn Region, is emerging as another meaningful domestic gold-producing district.

The deposit consists of several areas, including **Buchuk, Ak-Tash and Altyn-Tor**.

Total historical reserves are approximately **20 tonnes of gold**.

The Buchuk section has been developed with Chinese investment.

A new gold-processing plant entered trial operation in October 2024.

The plant has designed capacity of approximately **600,000 tonnes of ore annually** and targeted gold production of around **1.8 tonnes per year**.

Actual production at Buchuk reached approximately **876 kilograms of gold in 2025**, its first substantial year of operation.

The project has experienced a difficult development history, including opposition from local residents over environmental concerns. Construction was suspended in 2019 before subsequently resuming.

Solton-Sary therefore illustrates both the opportunity and the challenge associated with Kyrgyzstan's medium-sized gold deposits: the geology can support commercially meaningful mines, but social acceptance and environmental concerns can materially affect development schedules.

11. Tulkubash and Kyzyltash

The **Tulkubash/Kyzyltash project** in the Chatkal district represents one of the most important undeveloped gold systems in Kyrgyzstan.

The project was assembled and advanced by **Chaarat Gold**, a company whose corporate history was closely tied to Kyrgyzstan.

Chaarat's strategy was based on sequential development of two geologically different deposits.

Tulkubash contains relatively straightforward oxidized gold mineralization suitable for open-pit mining and heap leaching.

Kyzyltash contains a larger and metallurgically more complicated sulphide resource requiring a different mining and processing approach.

The original strategy was therefore to develop Tulkubash first, generate operating cash flow and infrastructure, and subsequently develop the larger Kyzyltash system.

Despite extensive drilling, engineering and permitting work, Chaarat was unable to finance construction.

The company subsequently experienced financial difficulties, recapitalized and delisted from AIM in 2024.

This left the Kyrgyz assets technically advanced but without sufficient development capital.

That situation changed dramatically in 2026.

12. Silvercorp and the New Chaarat Development Model

In January 2026 Canadian-listed **Silvercorp Metals** acquired the Tulkubash/Kyzyltash project.

The transaction valued the acquisition at approximately **US$162 million**.

Of this amount, approximately **US$92 million** was payable to Chaarat and approximately **US$70 million** to the Kyrgyz side under the associated government arrangements.

The project was subsequently converted into a joint venture:

Silvercorp — 70%, operator

Kyrgyzaltyn — 30%, free-carried interest

The mining licence has been extended to **2062**, providing a long-duration legal framework for development.

Silvercorp has committed approximately **US$150 million** toward the first development phase.

The initial plan envisages construction of a **4 Mtpa open-pit and heap-leach operation at Tulkubash**.

Production is targeted at approximately **110,000 oz of gold annually**, equivalent to roughly 3.4 tonnes, during the initial operating period.

Additional oxide resources around Karator could extend the heap-leach phase.

Kyzyltash would form the second and potentially much larger development phase.

Importantly, the new Silvercorp technical work resets the project's resource baseline. Historical Chaarat estimates should therefore not automatically be treated as current reserves. Further engineering and economic studies will be required before the entire Kyzyltash resource can be regarded as economically mineable.

The transaction is strategically important for Kyrgyzstan because it marks the return of a **North American-listed mine operator to a major Kyrgyz gold development** after the Centerra/Kumtor dispute.

But the structure is very different.

Unlike the original Kumtor model, the state now receives a **30% free-carried project interest from the outset**.

13. Other Producing Mines and Deposits

Below the major mines lies a substantial group of smaller deposits and operations.

Historically important assets include **Ishtamberdy, Terekkan, Jamgyr, Kara-Kazyk, Kuranjayloo and other smaller gold systems**.

Their operating status has changed repeatedly as reserves, licences, ownership and processing economics evolved.

Some have been developed by Chinese-backed companies, while others have remained

associated with Kyrgyzaltyn or domestic investors.

This second tier is important because Kyrgyzstan's national gold production is no longer determined entirely by Kumtor.

Even relatively small mines producing several hundred kilograms to one or two tonnes annually can collectively make a significant contribution to national production.

The development of Solton-Sary illustrates how this second tier can gradually become more important.

14. Exploration and Undeveloped Resources

Kyrgyzstan remains underexplored relative to the maturity of its mining industry.

The country contains numerous known gold occurrences and geochemical anomalies that have received substantially less modern exploration than the major deposits.

The state balance of approximately **973 tonnes of primary gold reserves** demonstrates the scale of already identified mineralization.

The largest exploration opportunities fall into three broad categories.

The first is **brownfield expansion around existing mines**, particularly Kumtor, Jerooy and Taldybulak.

The second is development of known deposits such as Kyzyltash and surrounding Chatkal prospects.

The third is systematic exploration of less-developed gold belts where Soviet geological work identified mineralization but modern drilling remains limited.

Kyrgyzaltyn has also begun presenting exploration areas around existing mining districts for joint development with investors.

This potentially creates a model in which the state contributes licences and geological knowledge while foreign partners provide exploration capital and technical expertise.

15. Small Deposits and Placer Gold

Kyrgyzstan also possesses numerous small hard-rock and placer gold deposits.

Approximately **7.4 tonnes of placer gold reserves** were recorded on the state balance at the beginning of 2025.

Placers have historically supported small-scale mining in several mountainous river systems.

Their economic significance is limited relative to Kumtor or Jerooy, but small-scale gold mining can be locally important and may require considerably less capital than conventional hard-rock mine development.

Small deposits also provide potential feed for existing regional processing plants.

As in other post-Soviet mining jurisdictions, reserve terminology requires care. Many small deposits remain classified using state C1/C2 or forecast-resource categories rather than JORC or NI 43-101 standards.

Their reported contained metal therefore cannot be compared directly with internationally

compliant resources without additional drilling, geological modelling and economic assessment.

16. Processing and Refining

Kyrgyzstan possesses a more developed domestic gold-processing chain than might be expected from the size of the economy.

The major mines operate dedicated processing facilities.

Kumtor produces **gold-silver doré**, rather than exporting raw ore or concentrate.

Jerooy operates the modern Talas gold-processing plant.

Taldybulak uses underground mining combined with flotation and cyanide-leaching technology.

Tulkubash is planned around open-pit mining and heap leaching.

Bozymchak produces copper concentrate containing payable precious metals.

At the downstream end of the chain is the **Kara-Balta refinery operated by Kyrgyzaltyn**.

Kumtor's doré is purchased at the mine by Kyrgyzaltyn and transported to Kara-Balta for refining.

The resulting refined gold can then be sold domestically or internationally by Kyrgyzaltyn.

Kara-Balta has longstanding international refining credentials and is associated with the London bullion-market Good Delivery system.

This domestic refining capacity allows Kyrgyzstan to retain more of the gold value chain inside the country and reduces dependence on foreign refineries.

17. Kyrgyzaltyn and State Ownership

Kyrgyzaltyn occupies the central institutional position in the country's gold industry.

Its role has changed considerably over time.

Historically it operated domestic mines such as Makmal while representing the Kyrgyz state in major joint ventures.

It became a major shareholder in Centerra Gold through the Kumtor restructuring and eventually owned approximately 26% of the Canadian company.

Following the 2022 Kumtor settlement, Kyrgyzaltyn exchanged those Centerra shares for full ownership of Kumtor.

Today its role extends across several parts of the industry:

ownership of Kumtor;

state participation in mining joint ventures;

gold refining at Kara-Balta;

purchase and marketing of mine production;

operation or participation in smaller domestic assets; and

development of new partnerships with foreign investors.

The company therefore combines elements of a mining company, state holding company and strategic mineral-development institution.

Its growing use of joint ventures suggests that Kyrgyzstan does not intend to develop every major deposit exclusively through state capital.

Instead, Kyrgyzaltyn increasingly provides the state equity component alongside international mine operators.

18. Foreign Investors and the Evolution of the Ownership Model

Kyrgyzstan provides an unusually rich case study in the evolution of foreign mining investment in Central Asia.

Different major deposits represent different periods and different ownership

Asset	Principal Development Model
Kumtor	Cameco / Centerra → Kyrgyz state ownership
Jerooy	Russian private capital / Alliance Altyn
Taldybulak Levoberezhny	Chinese strategic investor + Kyrgyzaltyn
Bozymchak	Regional private mining group
Solton-Sary	Chinese investment + domestic regulatory framework
Tulkubash / Kyzyltash	Silvercorp 70% + Kyrgyzaltyn 30% free carry

Kumtor represents the first generation.

A foreign mining company financed and operated a strategic mine while the Kyrgyz state held equity exposure through the foreign parent.

That model eventually broke down.

Jerooy demonstrated that Russian private capital could finance a large greenfield project despite political and regulatory risk.

Taldybulak demonstrated a different model based on Chinese strategic mining capital and direct

state participation.

The new Silvercorp structure represents what may become the next generation:

foreign operator + majority foreign capital + substantial free-carried state interest.

This model reduces the state's financing requirement while guaranteeing direct participation in project economics.

Whether it produces greater long-term stability than the original Kumtor structure will be an important test for Kyrgyzstan's mining industry.

19. Gold Sales and the Domestic Value Chain

Kyrgyzstan's gold-sales system differs from Uzbekistan's highly centralized relationship between NMMC and the Central Bank.

At Kumtor, the mine produces doré bars containing gold and silver.

Kyrgyzaltyn purchases this doré at the mine and transports it to its Kara-Balta refinery.

Kyrgyzaltyn then controls the sale of the resulting refined gold domestically or internationally.

This creates a partially integrated state-controlled chain:

Kumtor → doré → Kyrgyzaltyn → Kara-Balta refinery → domestic/international gold market

Other mines have different sales structures depending on ownership and product.

Bozymchak, for example, produces concentrate within KAZ Minerals' regional metallurgical system.

The country's gold industry therefore combines state-controlled domestic refining with internationally integrated private mining operations.

Gold remains a major source of export earnings and foreign currency, while state ownership of Kumtor has substantially increased the government's direct exposure to gold prices and mine profitability.

20. Industry Economics

Kyrgyzstan's principal advantage is geology.

The country contains several relatively high-grade deposits within a geographically compact portion of the Tien Shan mineral belt.

Kumtor combines scale with established infrastructure.

Jerooy and Taldybulak combine relatively attractive grades with modern processing facilities.

A second advantage is the existence of **domestic mining expertise and infrastructure** developed over several decades.

The country now possesses experienced mining labour, processing plants, a refinery and established transport and power links to major mining districts.

A third advantage is the size of the undeveloped resource base relative to current production.

With approximately 973 tonnes recorded on the state balance and annual production around the mid-20-tonne range, the geological inventory is substantial relative to extraction.

However, Kyrgyzstan also faces unusually significant challenges.

Altitude and climate

Many deposits are located in mountainous terrain. Kumtor operates above 4,000 metres, creating exceptional logistical, climatic and engineering requirements.

Infrastructure

Smaller deposits in remote mountain districts can require substantial spending on roads, power and processing before mining can begin.

Social licence

Local opposition has affected several projects, including Solton-Sary. Mining companies therefore require not only government licences but durable relationships with nearby communities.

Regulatory and ownership risk

The Kumtor dispute demonstrated that contractual arrangements can be renegotiated when the political perception of the distribution of economic benefits changes.

State participation

Increasing state equity requirements reduce the economic interest available to foreign investors. A free-carried state stake can be particularly significant because the foreign investor finances development while owning less than 100% of the resulting cash flows.

At the same time, direct state participation may align government and investor interests more effectively than purely contractual fiscal arrangements.

The new Silvercorp/Kyrgyzaltyn structure will provide an important real-world test of that proposition.

21. Outlook

Kyrgyzstan's gold industry is entering a new phase.

For much of the past three decades the central question was the future of Kumtor.

That is becoming less true.

Kumtor remains the country's most important mine, but its own future has been substantially extended by the discovery and recognition of additional underground resources and the potential retreatment of historical tailings.

The combination of approximately **147 tonnes associated with the underground development programme and 121 tonnes contained in historical tailings** gives Kumtor a potential second life far beyond the traditional open-pit operation.

Jerooy has meanwhile become an established second major producer, approaching approximately **5 tonnes of annual production**.

Taldybulak contributes another approximately **3.5–4 tonnes annually** and demonstrates the

durability of the Chinese/Kyrgyz joint-venture model.

Solton-Sary is beginning to contribute meaningful new production.

The most important greenfield development is now **Tulkubash/Kyzyltash**.

Silvercorp's acquisition brings a well-capitalized, internationally listed mine operator back into Kyrgyzstan and provides a realistic path toward construction after years of delays under Chaarat.

If Tulkubash reaches its targeted production of approximately **110,000 oz annually**, it could add roughly 3.4 tonnes to national output before the potentially larger Kyzyltash sulphide system is developed.

The ownership structure of the industry is also becoming clearer.

Kyrgyzstan does not appear to be moving toward complete nationalization of its mineral sector despite the Kumtor experience.

Instead, a mixed model is emerging:

strategic state ownership of Kumtor;

Russian private ownership at Jerooy;

Chinese strategic participation at Taldybulak and other projects;

regional mining-company ownership at Bozymchak; and

foreign-listed operators partnered directly with Kyrgyzaltyn at new developments such as Tulkubash/Kyzyltash.

This is arguably a more diversified industry than existed a decade ago.

The central investment question is therefore no longer simply whether Kyrgyzstan can replace declining Kumtor production.

The combination of **Kumtor underground development, tailings retreatment, mature production at Jerooy and Taldybulak, new production at Solton-Sary and renewed development of Tulkubash/Kyzyltash** provides several independent sources of future gold production.

The country's geological base is sufficient to sustain a substantial gold industry for decades.

The more difficult question is whether Kyrgyzstan can establish a stable framework in which the state, local communities and foreign investors consistently agree on how the economic value of those resources should be divided.

If that balance can be maintained, Kyrgyzstan has the geological inventory and existing mining infrastructure to remain one of Central Asia's important gold producers well beyond the life of the original Kumtor open pit.