

RESERVES AND RESOURCES

On November 7th, 2012, the Company reported an increase in the deposit reserves and extended the mine life by five years. According to the KS-13 resource model, it is expected that the open pit mining life is extended till 2023, with milling of ore extended to 2026.

Reserves and resources at Kumtor as of December 31, 2012	Thousands of tonnes	Grade (g/t)	Contained gold	
			Thousands of oz	Tonnes
Gold reserves:				
<i>proven -</i>	3,149	1.9	196	6.10
<i>probable -</i>	88,371	3.3	9,270	288.33
Total Reserves	91,520	3.2	9,466	294.43
Resources:				
<i>measured (open pit) -</i>	21,975	2.3	1,631	50.73
<i>indicated (open pit) -</i>	12,113	2.3	898	27.93
<i>indicated (Stockwork Underground) -</i>	351	10.7	121	3.8
Total Measured and Indicated Resources	34,439	2.4	2,650	79.04
Inferred Resources:				
<i>Central Pit -</i>	9,339	2.4	712	22.15
<i>Underground Stockwork Zone -</i>	2,002	11.0	705	21.93
<i>Underground SB Zone -</i>	3,413	11.2	1,229	38.23
Total Inferred Resources	14,754	5.6	2,646	82.31

OUTLOOK FOR 2013

- In 2013 the Kumtor mine is expected to produce between 550,000 and 600,000 ounces (17.1- 18.7 tonnes).
- In 2013, approximately 50% of Kumtor's gold production is expected to occur in the fourth quarter.
- Planned exploration expenditures on the Kumtor concession are expected to be about \$13.5 million.
- At Kumtor, 2013 total capital expenditures, excluding capitalized stripping, are forecast to be \$95 million including \$63 million of sustaining capital.
- Growth capital investment at Kumtor for 2013 is forecast at \$31 million, which includes the relocation of certain infrastructure at Kumtor related to the KS-13 life-of-mine expansion.
- Capitalized stripping cash costs related to the development of the open pit are expected to be \$212 million in 2013.



«2012 was a challenging year, beginning with the ice and waste movement at Kumtor and the revised mining plan. However, we managed to stabilize the situation by the end of the year. By the start the fourth quarter in 2013 we expect to be mining in the high grade area of the SB Zone, which has had a number of years of production history. Development of this area will enable stable operations in the coming years from the Kumtor Open Pit.»

Michael Fischer
President of Kumtor Operating Company

Additional information on Centerra and the full text of the news release on the 2012 results are available on SEDAR at www.sedar.com and the corporate websites at www.centerragold.com, and www.kumtor.kg

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The Kumtor open pit mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by a Western-based producer. It has been operating since May 1997 and, as of December 31, 2012, has produced approximately 8.7 million ounces or 271 tonnes of gold.

Kumtor Operating Company is the operator of the Kumtor project responsible for the entire production cycle.

Centerra Gold Inc. is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. Centerra is a leading North American-based gold producer and is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Canada.

Kyrgyzaltyn JSC, a Kyrgyz state-owned entity, is Centerra's largest shareholder owning 77,401,766 shares (about 33%). As of March 1, 2013, Kyrgyzaltyn's interests are estimated at \$457.8 million.

Currently, Centerra has two producing gold mines located in the Kyrgyz Republic and Mongolia. Also, the Company owns the Öksüt Gold Project in Turkey and has interests in promising exploration properties located in Mongolia, Turkey, China and the Russian Federation.



2012 Year RESULTS

■ **9.8 TONNES** OF GOLD PRODUCED

■ TOTAL CAPITAL EXPENDITURE AMOUNTED TO **\$ 399.9 MILLION**

■ EXPLORATION EXPENDITURES TOTALED **11.8 MILLION DOLLARS**

■ TAX AND OTHER PAYMENTS HAVE EXCEEDED **\$ 128 MILLION**, WHICH IS EQUIVALENT TO APPROXIMATELY **6.07 BILLION SOMS**

■ DURING THE PERIOD BETWEEN 1994 AND 2012, KUMTOR GOLD PROJECT'S PAYMENTS WITHIN THE KYRGYZ REPUBLIC HAVE EXCEEDED **\$ 2.15 BILLION**



BASIC OPERATING AND FINANCIAL RESULTS

	Three Months Ended December 31			Year Ended December 31		
	2012	2011	Change	2012	2011	Change
Gold produced – ounces	189,438	138,696	37%	315,238	583,156	(46%)
Gold produced – kg	5,892.2	4,313.9	37%	9,805.0	18,138.2	(46%)
Gold sold – ounces	185,936	141,897	31%	314,987	599,494	(47%)
Gold sold – kg	5,783.3	4,413.5	31%	9,797.2	18,646.4	(47%)
Average realized gold price – \$/oz	1,709	1,689	1%	1,694	1,570	8%
Revenue from gold sales to Kyrgyzaltyn* – \$ millions	317.8	239.7	33%	533.6	941.1	(43%)
All-in cash cost, including discretionary spending (pre-tax) – \$ millions**	151.2	110.6	37%	614.5	475.0	29%
Total production cost (with depletion and amortization) – \$ millions	193.5	112.1	42%	370.5	392.2	(6%)
Capital expenditures – \$ millions	83.9	28.5	195%	399.9	180.7	121%
Exploration expenditures – \$ millions	2.9	2.9	(7)	11.8	13.6	(11%)
Tonnes mined – 000s	38,185	37,124	3%	147,610	150,605	(2%)
Tonnes ore mined – 000s	4,463	1,095	308%	4,955	6,020	(18%)
Tonnes milled – 000s	1,547	1,450	7%	4,756	5,815	(18%)
Average mill head grade – g/t	5.13	3.80	35%	2.79	3.79	(26%)
Recovery – %	77.7	77.6	0%	75.6	80.8	(6%)

* The final product of the Kumtor mine, the Doré bars, is purchased by Kyrgyzaltyn JSC for processing at its refinery in Kara-Balta pursuant to a Gold and Silver Sales Agreement signed by KOC, Kyrgyzaltyn and the Government of the Kyrgyz Republic. Kyrgyzaltyn JSC enjoys the exclusive right to sell refined gold and silver both in and outside the Kyrgyz Republic.

** All-in cash cost (pre-tax) includes the following costs: operating cash costs (mainly mining, processing, production taxes (excluding revenue-based taxes) and administrative expenses), sustaining and growth capital (including capitalized stripping), exploration expenses and community investments.

The Company has decided to move toward reporting an "all-in cash cost" methodology for gold production. The Company believes an all-in cash cost measure more fully reflects the actual cost of producing gold. All-in cash cost (pre-tax) is non-GAAP measure.

CONTRIBUTIONS TO THE KYRGYZ NATIONAL BUDGET AND OTHER MANDATORY PAYMENTS

	As of December 31, 2012
	USD thousands
Revenue-based tax *	96,594.74
Issyk-Kul Development Fund	4,638.17
Pollution tax	310.00
Employee Income tax	4,828.52
Social Insurance Fund	19,886.43
Customs	1,093.53
Tax on nonresident companies	566.96
Other taxes and mandatory payments	109.77
Total	128,028.13
US\$ official exchange rate to the Kyrgyz Soms as of December 31, 2012	47.4012
Equivalent of payments effected in million Kyrgyz Soms	6,068,686.83

Note: Under the Agreement on New Terms of April 24, 2009, the revenue-based tax and contributions to the Issyk-Kul Development Fund are estimated based on actual cash revenues from sales during the specified period.

* - Includes an advance of \$30 million of revenue-based taxes otherwise due in 2013

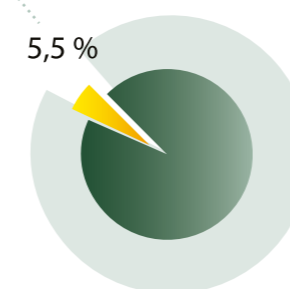
KUMTOR GOLD PROJECT'S PAYMENTS MADE WITHIN THE KYRGYZ REPUBLIC

In 2012, payments within the Kyrgyz Republic (including taxes, refining charges, payments to local suppliers of goods and services, infrastructure payments, charities, etc.) exceeded \$298 million.

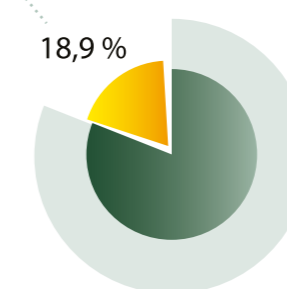
	2012	1994 – 2012
	USD millions	USD millions
Taxes, customs & other mandatory payments	103.194	627.453
Social Insurance Fund	19.886	92.362
Issyk-Kul Development Fund	4.638	27.674
Licenses & permits	0.259	2.279
Pollution tax and payments to the Environment Protection Agency	0.310	3.749
Payments to Kyrgyzaltyn	-	11.421
Refinery	1.884	36.081
Revenue from the sale of Centerra shares	-	86.000
Dividends	5.836	50.249
Purchases in the Kyrgyz Republic:		
supplies & services -	54.178	537.014
foods -	5.278	46.471
Kyrgyz-infrastructure-related payments:		
electricity -	10.941	119.340
roads outside the mine site -	1.530	35.333
Tamga-Kumtor power-transmission line -	-	41.612
KOC employees' net wage	66.575	378.652
Sanatoria treatment	0.136	0.744
Education, scholarships & training	0.074	3.839
Sponsorships & sustainable development projects	2.921	14.992
Government contributions	21.000	31.000
Payments to communities	-	4.400
Total	298,641	2 150,664

THE COMPANY'S IMPACT ON THE MACROECONOMIC CHARACTERISTIC OF THE KYRGYZ REPUBLIC

Kumtor's share in GDP in 2012 was



Kumtor's share in the total industrial output was



* According to the KR National Statistics Committee's preliminary reports.

