

Operating

# RESULTS

of the 2<sup>nd</sup> Quarter of 2015



**3,798 kg of gold produced**



**3,690 kg of gold sold**



Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the second quarter of 2015. In the first six months of 2015, the Kumtor mine produced 286,383 ounces<sup>1</sup> or 8,907.51 kg of gold. The Company has contributed more than 4.8 billion soms in taxes and mandatory payments.

	Three Months Ended June 30			Six Months Ended June 30		
	2015	2014	% Change	2015	2014	% Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions	141.6	99.8	42%	346.6	231.4	50%
Cost of sales-cash	32.8	36.0	(9%)	70.7	67.6	5%
Cost of sales-non-cash	43.5	56.9	(24%)	112.3	120.5	(7%)
Cost of sales - \$/oz sold <sup>3</sup>	642	1,195	(46%)	635	1,047	(39%)
Tonnes mined - 000s	40,434	49,527	(18%)	82,165	100,289	(18%)
Tonnes ore mined - 000s	168	460	(63%)	1,506	602	150%
Tonnes milled - 000s	1,554	1,430	9%	2,729	2,912	(6%)
Average mill head grade - g/t	3.26	2.35	39%	4.06	2.50	62%
Recovery - %	77.5%	73.2%	6%	79.4%	74.8%	6%
Gold produced - ounces	122,111	77,860	57%	286,383	180,793	58%
Gold produced - kg	3,798.08	2,421.72	57%	8,907.51	5,623.29	58%
Gold sold - ounces	118,789	77,743	53%	287,974	179,658	60%
Gold sold - kg	3,694.75	2,418.08	53%	8,957.00	5,587.99	60%
Average realized gold price - \$/oz <sup>3</sup>	1,192	1,284	(7%)	1,204	1,288	(7%)
Capital expenditures (sustaining) <sup>3</sup>	11.8	12.9	(9%)	24.3	21.2	15%
Capital expenditures (growth) <sup>3</sup>	3.9	11.4	(66%)	10.3	13.4	(23%)
Capital expenditures (stripping) <sup>3</sup>	66.0	86.9	(24%)	133.5	175.0	(24%)
Adjusted operating costs - \$/oz sold <sup>3</sup>	317	551	(43%)	280	443	(37%)
All-in sustaining costs - \$/oz sold <sup>3</sup>	835	1,511	(45%)	717	1,254	(43%)
All-in costs - \$/oz sold <sup>3</sup>	868	1,658	(48%)	753	1,328	(43%)
All-in costs (including taxes) - \$/oz sold <sup>3</sup>	1,035	1,838	(44%)	922	1,508	(39%)

<sup>1-</sup> All-in costs (including taxes) - \$/oz sold<sup>3</sup>

<sup>2-</sup> Unless specified otherwise, all dollar figures in this news release are in US dollars.

<sup>3-</sup> «Adjusted operating costs», «all-in sustaining costs», «all-in cash costs» pre-tax and including tax as well as «average realized price» and «cost of sales» per ounce sold are non-GAAP measures. See discussion under "Non-GAAP Measures" in Centerra's news release of July 28, 2015.

The Doré bars produced by the Kumtor mine are purchased by Kyrgyzaltyn JSC for processing at the Kara-Balta refinery pursuant to a Gold and Silver Sales Agreement signed by KGC, 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.



## Production costs and capital expenditures

Capital expenditures in the third quarter of 2015 were \$81.7 million which includes:

- \$11.8 million of sustaining capital<sup>3</sup>;
- \$3.9 million invested in growth capital<sup>3</sup>; and
- \$66.0 million for capitalized stripping.

capital  
expenditures  
**\$81.7  
million**



## Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions  
to the budget  
**2 billion  
soms**



As of June 30, 2015.	USD thousands
Revenue-based tax	\$60,039.45
Issyk-Kul Development Fund	\$4,618.42
Pollution tax	\$310.00
Employee Income tax	\$2,510.71
Social Insurance Fund	\$9,584.46
Customs	\$386.82
Tax on nonresident companies	\$299.84
Other taxes and mandatory payments	\$155.92
<b>Total</b>	<b>\$77,905.61</b>
<b>US\$ official exchange rate to the Kyrgyz Soms as of June 30, 2015</b>	<b>62.0788</b>
<b>Equivalent of payments effected in thousands Kyrgyz Soms</b>	<b>4,836,286.94</b>

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

## Outlook for 2015

The Kumtor mine is expected to produce between 470,000 and 520,000 ounces in 2015. During 2015, Kumtor will continue the development and waste mining from cut-back 17 which is expected to provide an increase in the grade of ore at the end of the third quarter of 2015 compared to the lower grade stockpiled ore currently being processed.



**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 June 30, 2015, has produced approximately **10.152 million** ounces or 315.8 tonnes of gold.

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

**Centerra Gold Inc.** is a North-American based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, Canada and other markets worldwide. Centerra 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 based in Toronto, Ontario, Canada.

The Kyrgyz Republic, via Kyrgyzzaltyn JSC, is Centerra's largest shareholder owning **77,401,766 shares** (about 33%). As of August 11, 2015, Kyrgyzstan's interests were estimated at **\$ 383 million**.