



centerraGOLD



# RESULTS

of the 3rd quarter of 2012

- DURING THE FIRST NINE MONTHS OF 2012 KUMTOR PRODUCED 3,913 KG OF GOLD
- COMPANY CONTRIBUTED 4.3 BILLION SOMS IN TAXES AND MANDATORY PAYMENTS.

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 September 30, 2012, has produced approximately 8.5 million ounces or about 264 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.

Currently Centerra has two producing gold mines in the Kyrgyz Republic and in Mongolia.

It also has interests in promising exploration properties located in Mongolia, Turkey, China and the Russian Federation.

**The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning 77,401,766 shares (about 33%).**

## BASIC OPERATING AND FINANCIAL RESULTS

Third quarter ended September 30    Nine month ended September 30

	2012	2011	Change (%)	2012	2011	Change (%)
Gold produced – ounces <sup>1</sup>	23,786	141,217	(83%)	125,799	444,460	(72%)
Gold produced – kg	739.8	4,392	(83%)	3,912.8	13,824	(72%)
Gold sold – ounces	26,626	146,765	(82%)	129,051	457,597	(72%)
Gold sold – kg	828.2	4,565	(82%)	4,013.9	14,233	(72%)
Average realized gold price – \$/oz	1,651	1,705	(3%)	1,671	1,533	9%
Revenue from gold sales to Kyrgyzaltyn <sup>2</sup> – \$ millions <sup>3</sup>	44.0	250.3	(82%)	215.7	701.4	(69%)
Total production cost (with depletion and amortization) – \$ millions	63.3	119.3	(47%)	177.1	280.1	(37%)
Revenue-based tax + Issyk-Kul Development Fund – \$ millions	7.8	32.7	(76%)	71.5	105.4	(32%)
Capital expenditures – \$ millions	78.1	34.4	127%	131.1	152.3	106%
Exploration expenditures – \$ millions	3.5	3.5	0	8.6	10.7	(20%)
Tonnes mined – 000s	35,943	38,702	(7%)	109,425	113,480	(4%)
Tonnes ore mined – 000s	399	2,889	(86%)	478	4,925	(90%)
Tonnes milled – 000s	2.25	3.05	(26%)	2.09	3.43	(39%)
Average mill head grade – g/t	581	1,429	(59%)	3,209	4,365	(26%)
Recovery – %	1.78	4.01	(56%)	1.66	3.79	(56%)
Gold produced – ounces	75.1	80.2	(6%)	72.6	81.8	(11%)

<sup>1</sup>One Troy ounce equals to 31,10348 grammes.

<sup>2</sup>The Dore bar is the final product of the Kumtor mine which contains up to 80% of gold as well as silver, iron, zinc, copper and nickel admixtures.

<sup>3</sup>Unless specified otherwise, all dollar figures in this news release are in US dollars.

AS OF SEPTEMBER 28, 2012, KYRGYZSTAN'S INTERESTS WERE ESTIMATED AT \$915 MILLION.

The gold produced by the Kumtor mine, is purchased by Kyrgyzaltyn JSC for processing at its refinery in the Kyrgyz Republic 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.

## RESULTS OF TECHNICAL AND FINANCIAL STUDIES:

During the third quarter, Kumtor suspended the development work on the underground project and placed the project on care and maintenance while conducting a detailed study on the potential for expanding the limits of the ultimate pit. Subsequent to the third quarter of 2012, a decision was made based on the positive outcome of this study and a new expanded life-of-mine plan was approved for Kumtor with reserves of approximately 10 million ounces of contained gold. The new life-of-mine plan maintains the option of underground development at a later date.

## OUTLOOK FOR 2012:

The Kumtor mine is expected to produce 350,000 to 360,000 ounces of gold in 2012 or 10.9 to 11.2 tonnes. The production guidance has been revised from the previous guidance of 390,000 to 410,000 ounces.

The production guidance has been revised due to the fact that the mine encountered an irregular till/bedrock contact while transitioning between waste and ore. This irregularity resulted in greater than expected amounts of till waste material and ice and less than expected amounts of ore at the till/bedrock contact in the top benches for the southwest section of the SB Zone. By the end of October, Kumtor had mined through the till/ore interface and is now mining in the ordinary course.

At Kumtor, 2012 total capital expenditures are forecast to be \$379 million.

Planned exploration expenditures in 2012 are expected to be \$13 million.

## QUARTERLY DIVIDEND:

As disclosed by Centerra Gold, Inc. on November 7, 2012, its Board of Directors has authorized a dividend of Cdn\$0.04 per common share (approximately US\$9.5 million at the current exchange rate). The dividend of Cdn\$0.04 per common share is payable on December 6, 2012 to shareholders of record on November 22, 2012. The dividend is an eligible dividend for Canadian income tax purposes.

Additional information on Centerra and Kumtor Operating Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the corporate websites at [www.centerragold.com](http://www.centerragold.com) and [www.kumtor.kg](http://www.kumtor.kg).

Kumtor Operating Company  
Centerra Gold Inc.

24 Ibraimov Street  
Bishkek, Kyrgyz Republic, 720031  
Tel: (+996 312) 90 07 07, 90 08 08  
Fax: (+996 312) 90 07 27

[www.kumtor.kg](http://www.kumtor.kg)  
[www.centerragold.com](http://www.centerragold.com)

On November 7, 2012 Centerra Gold announced the results of its technical and financial study regarding expanding the Central open pit at the Kumtor mine in the Kyrgyz Republic.

- Increased Proven and Probable reserves by 58% or 3.6 million contained ounces of gold, total open pit reserves of 9.7 million contained ounces of gold;
- Extended mine life by 5 years, life-of-mine plan (LOM) for the KS-13 open pit extends open pit mining to 2023 and milling operations to 2026;
- Consistent annual gold production averaging 650,000 ounces for the first 10 years;
- Expand mill throughput by 18% in 2016 to 6.7 million tonnes per annum (approximately 18,400 tonnes per day).

## KUMTOR GOLD PROJECT'S CONTRIBUTIONS IN TAXES AND MANDATORY PAYMENTS FOR THE FIRST NINE MONTHS OF 2012

As of September 30, 2012.	USD thousands
Gross Proceeds Tax (13%)	68,373.4
Issyk-Kul Contribution (1%)	3,105.6
Environmental Pollution Charge for 2012	310.0
Employee Income Tax	3,839.4
Contributions to the KR Social Fund (employer and employee)	15,299.4
Customs Administration Fee	866.4
Withholding Tax on non-residents	310.3
Other taxes and mandatory payments	60.4
<b>Total</b>	<b>92,164.9</b>
US\$ official exchange rate to the Kyrgyz Soms as of September 30, 2012	47.1484
<b>Equivalent of payments effected in million Kyrgyz Soms</b>	<b>4,345.4</b>

**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.

