

Operating

# RESULTS

of the 1<sup>st</sup> Quarter of 2015



**5,109 kg of gold produced**



**5,260 kg of gold sold**



Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the first quarter of 2015. In the first three months of 2015, KGC produced 164,272 ounces<sup>1</sup> or 5,109 kg of gold and contributed more than 2,92 billion soms in taxes and mandatory payments.

	Three month ended March 31		
	2015	2014	Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions <sup>2</sup>	205.0	131.7	56%
Cost of sales <sup>3</sup> - \$millions	106.7	95.1	12%
Cost of sales <sup>3</sup> - \$/oz sold	631	933	(32%)
Tonnes mined - 000s	41,731	50,762	(18%)
Tonnes ore mined - 000s	1,339	143	836%
Tonnes milled - 000s	1,175	1,482	(21%)
Average mill head grade - g/t	5.13	2.65	94%
Recovery - %	81.0%	76.2%	6%
Gold produced – ounces <sup>1</sup>	164,272	102,933	60%
Gold produced – kg	5,109	3,202	60%
Gold sold – ounces <sup>1</sup>	169,185	101,915	66%
Gold sold – kg	5,262	3,169	66%
Average realized gold price <sup>3</sup> – \$/oz sold	1,212	1,292	(6%)
Capital expenditures (sustaining) <sup>3</sup> - \$millions	12.4	8.3	49%
Capital expenditures (growth) <sup>3</sup> - \$millions	6.5	1.9	242%
Capital expenditures (stripping) <sup>3</sup> - \$millions	67.5	88.1	(23%)
Adjusted operating costs <sup>3</sup> - \$/oz sold	254	361	(30%)
All-in sustaining costs <sup>3</sup> - \$/oz sold	634	1,058	(40%)
All-in costs <sup>3</sup> - \$/oz sold	673	1,077	(38%)
All-in costs including taxes <sup>3</sup> - \$/oz sold	842	1,257	(33%)

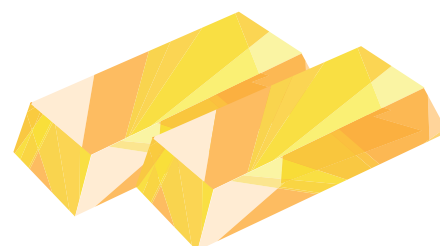
<sup>1</sup>- One Troy ounce equals to 31,10348 grammes.

<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 February 19, 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 first quarter of 2015 were \$82.9 million which includes:

- \$12.4 million of sustaining capital<sup>4</sup>;
- \$6.5 million invested in growth capital<sup>4</sup>; and
- \$67.5 million for capitalized stripping.

capital  
expenditures  
**\$86.4**  
million



## Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions  
to the budget  
**2.92 billion**  
soms



As of March 31, 2015.	USD thousands
Revenue-based tax	35,893.58
Issyk-Kul Development Fund	2,761.04
Pollution tax	310.00
Employee Income tax	1,320.84
Social Insurance Fund	5,022.92
Customs	171.36
Tax on nonresident companies	165.10
Other taxes and mandatory payments	24.48
<b>Total</b>	<b>45,669.32</b>
<b>US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2015</b>	<b>63.8736</b>
<b>Equivalent of payments effected in thousands Kyrgyz Soms</b>	<b>2,917,063.98</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.

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 March 31, 2015, has produced approximately 10.3 million ounces or 311 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 May 19, 2015, Kyrgyzstan's interests were estimated at **\$ 466 million**.

