

Operating

# RESULTS

of the 1<sup>st</sup> Quarter of 2016



**2,688 kg of gold produced**



**1,920 kg of gold sold**

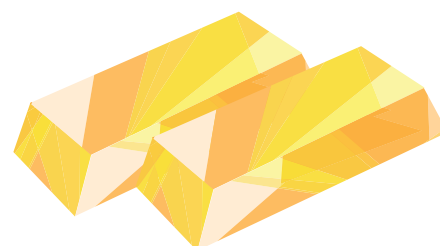


Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the first quarter of 2016. In the first three months of 2016, KGC produced 86,444 ounces<sup>1</sup> or 2688.7 kg of gold and contributed more than 1.6 billion soms in taxes and mandatory payments.

|   | Three month ended March 31 |         |        |
|---|----------------------------|---------|--------|
|   | 2016                       | 2015    | Change |
| Revenue from gold sales to Kyrgyzaltyn - \$ millions <sup>2</sup> | 73.2                       | 205.0   | (64%)  |
| Cost of sales <sup>4</sup> - \$millions                           | 31.5                       | 106.7   | (71%)  |
| Cost of sales <sup>4</sup> - \$/oz sold                           | 510                        | 631     | (19%)  |
| Tonnes mined - 000s   | 39,275                     | 41,731  | (6%)   |
| Tonnes ore mined - 000s   | 1,826                      | 1,339   | 36%    |
| Tonnes milled - 000s  | 1,543                      | 1,175   | 31%    |
| Average mill head grade - g/t                                     | 2.27                       | 5.13    | (56%)  |
| Recovery - %  | 75.0%                      | 81.0%   | (7%)   |
| Gold produced – ounces <sup>1</sup>                               | 86,444                     | 164,272 | (47%)  |
| Gold produced – kg  | 2688.71                    | 5,109   | (47%)  |
| Gold sold – ounces <sup>1</sup>                                   | 61,744                     | 169,185 | (64%)  |
| Gold sold – kg  | 1920.45                    | 5,262   | (64%)  |
| Average realized gold price <sup>4</sup> – \$/oz sold             | 1,186                      | 1,212   | (2%)   |
| Capital expenditures (sustaining) <sup>4</sup> - \$millions       | 23.0                       | 12.4    | 85%    |
| Capital expenditures (growth) <sup>4</sup> - \$millions           | 4.7                        | 6.5     | (28%)  |
| Capital expenditures (stripping) <sup>4</sup> - \$millions        | 14.1                       | 67.5    | (79%)  |
| Adjusted operating costs <sup>4</sup> - \$/oz sold                | 371                        | 254     | 46%    |
| All-in sustaining costs <sup>4</sup> - \$/oz sold                 | 916                        | 634     | 44%    |
| All-in costs <sup>4</sup> - \$/oz sold                            | 993                        | 673     | 48%    |
| All-in costs including taxes <sup>4</sup> - \$/oz sold            | 1,159                      | 842     | 38%    |

- <sup>1</sup>- One Troy ounce equals to 31.103 48 grammes.
- <sup>2</sup>- Unless specified otherwise, all dollar figures in this news release are in US dollars.
- <sup>3</sup>- Numbers may not add up due to rounding.
- <sup>4</sup>- Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs – including taxes (in \$ millions and per ounce sold), as well as average realized gold price per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures.

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 2016 were \$41.8 million which includes:

- \$23.0 million of sustaining capital<sup>4</sup>;
- \$4.7 million invested in growth capital<sup>4</sup>; and
- \$14.1 million for capitalized stripping (\$10.4 million cash)

capital  
expenditures  
**\$41.8  
million**



## Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions  
to the budget  
**1.6 billion  
soms**



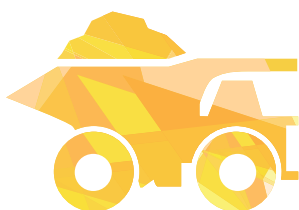
| As of March 31, 2016.  | USD thousands       |
|--|---------------------|
| Revenue-based tax  | 15,076.88           |
| Issyk-Kul Development Fund   | 1,159.76            |
| Pollution tax  | 310.00              |
| Employee Income tax  | 1,125.93            |
| Social Insurance Fund  | 5,056.86            |
| Customs  | 188.74              |
| Tax on nonresident companies   | 173.33              |
| Other taxes and mandatory payments   | 63.92               |
| <b>Total</b>   | <b>23,155.42</b>    |
| <b>US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2016</b> | <b>70.0158</b>      |
| <b>Equivalent of payments effected in thousands Kyrgyz Soms</b>            | <b>1,621,245.46</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 2016

At Kumtor, 2016 total capital expenditures, excluding capitalized stripping, are forecast to be \$110 million. Spending on sustaining capital<sup>4</sup> of \$84 million relates primarily to major overhauls and replacements of certain heavy duty mine equipment (\$69 million), construction to raise the tailings dam (\$6 million) and other items (\$9 million).



**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, 2016, has produced approximately **10.51 million ounces** or **326.79 tonnes of gold**.

**Kumtor Gold Company** is a wholly-owned subsidiary of Centerra Gold Inc. and is the operator of the Kumtor project responsible for the entire production cycle.

**Centerra Gold Inc.** Centerra is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, North America 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 headquartered in Toronto, Ontario, Canada.