

Operating

RESULTS

of the 2nd Quarter of 2016



3,039 kg of gold produced



3,980 kg of gold sold



Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the second quarter of 2016. In the first six months of 2016, the Kumtor mine produced 184,168 ounces¹ or 5,728.27 kg of gold. The Company has contributed more than 3.01 billion soms in taxes and mandatory payments.

	Three Months Ended June 30			Six Months Ended June 30		
	2016	2015	% Change	2016	2015	% Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions	161.62	141.6	14%	234.85	346.6	(32%)
Operating costs (on a sales basis) ⁴	61.6	32.8	88%	80.7	70.7	14%
Tonnes mined - 000s	34,744	40,434	(14%)	74,018	82,165	(10%)
Tonnes ore mined - 000s	2,891	168	1,621%	4,717	1,506	213%
Tonnes milled - 000s	1,609	1,554	4%	3,151	2,729	15%
Average mill head grade - g/t	2.63	3.26	(19%)	2.46	4.06	(39%)
Recovery - %	71.9%	77.5%	(7%)	73.3%	79.4%	(8%)
Gold produced - ounces	97,724	122,111	(20%)	184,168	286,383	(36%)
Gold produced - kg	3,039.56	3,798.08	(20%)	5,728.27	8,907.51	(36%)
Gold sold - ounces	127,909	118,789	8%	189,653	287,974	(34%)
Gold sold - kg	3,978.42	3,694.75	8%	5,898.87	8,957.00	(34%)
Average realized gold price - \$/oz ³	1,264	1,192	6%	1,238	1,204	3%
Capital expenditures (sustaining) ³	13.6	11.8	15%	36.6	24.3	51%
Capital expenditures (growth) ³	5.4	3.9	38%	10.1	10.3	(3%)
Capital expenditures (stripping) ³	25.6	66.0	(61%)	39.7	133.5	(70%)
Adjusted operating costs - \$/oz sold ³	511	317	61%	466	280	66%
All-in sustaining costs - \$/oz sold ³	768	835	(8%)	816	717	14%
All-in costs - \$/oz sold ³	810	867	(7%)	869	753	15%
All-in costs (including revenue-based taxes) - \$/oz sold ³	987	1,035	(5%)	1,043	922	13%

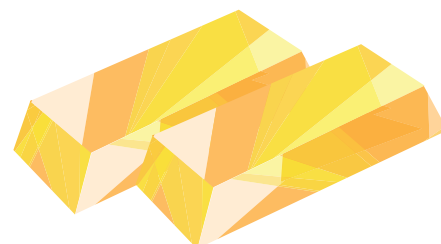
¹⁻ One Troy ounce equals to 31.10348 grammes.

²⁻ Unless specified otherwise, all dollar figures in this news release are in US dollars.

³⁻ Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs - including revenue-based taxes (in \$ millions and per ounce sold), as well as average realized gold price per ounce sold, cost of sales per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under "Non-GAAP Measures".

⁴⁻ Operating costs (on a sales basis) is comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes (except at Kumtor where revenue-based taxes are excluded), but excludes reclamation costs and depreciation, depletion and amortization.

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 second quarter of 2016 were \$44.6 million which includes:

- \$13.6 million of sustaining capital³;
- \$5.4 million invested in growth capital³; and
- \$25.6 million for capitalized stripping (\$18.9 million cash)

capital
expenditures
**\$44.6
million**



Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions
to the budget
**3 billion
soms**



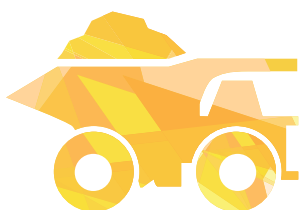
Kumtor's contributions in Taxes and Mandatory Payments for the First Six Months of 2016	USD
Revenue-based tax	29,044,223.15
Issyk-Kul Development Fund	2,234,171.02
Pollution tax	310,000.00
Employee Income tax	2,276,930.00
Social Insurance Fund	9,651,165.90
Customs	327,500.00
Tax on nonresident companies	363,602.22
Other taxes and mandatory payments	413,471.00
Total	44,621,063.29
US\$ official exchange rate to the Kyrgyz Soms as of June 30, 2016	67.49
Equivalent of payments effected in Kyrgyz Soms	3,011,297,076.94

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

The Kumtor mine is expected to produce between 500,000 to 530,000 ounces in 2016, which narrows the range from the previous guidance of 480,000 to 530,000 ounces as disclosed in the Company's news release of May 3, 2016.

At Kumtor, 2016 total capital expenditures, excluding capitalized stripping, are forecast to be \$97 million, which is \$13 million lower from the previous guidance.



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, 2016, has produced approximately **10,666 million ounces** or **328.8 tonnes of gold**.

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



Centerra Gold Inc. is a 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.