

Operating

RESULTS

of the 1st Quarter of 2017



centerraGOLD



3,962 kg of gold produced



4,190 kg of gold sold



Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the first quarter of 2017. In the first three months of 2017, KGC produced 127,400 ounces¹ or 3962.59 kg of gold and contributed more than 2.2 billion soms in taxes and mandatory payments.

	Three month ended March 31		
	2017	2016	Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions ²	164.1	73.2	124%
Cost of sales - \$millions	72.2	31.2	132%
Cost of sales - \$/oz sold	536	505	6%
Tonnes mined - 000s	39,003	39,275	(1%)
Tonnes ore mined - 000s	-	1,826	0%
Tonnes milled - 000s	1,536	1,543	(0%)
Average mill head grade - g/t	3.53	2.27	55%
Mill Recovery - %	76.0%	75.0%	1%
Gold produced – ounces ¹	127,400	86,444	47%
Gold produced – kg	3962.59	2688.71	47%
Gold sold – ounces ¹	134,682	61,744	118%
Gold sold – kg	4189.08	1920.45	118%
Average realized gold price ⁴ – \$/oz sold	1,219	1,186	3%
Capital expenditures (sustaining) ⁴ - cash	15.2	23.0	(34%)
Capital expenditures (growth) ⁴ - cash	0.9	4.7	(81%)
Capital expenditures (stripping) ⁴ - cash	46.7	10.4	348%
Operating costs (on a sales basis) ⁴	36.3	19.1	90%
Adjusted operating costs ⁴ - \$/oz sold	299	371	(20%)
Gold - All-in sustaining costs on a by-product basis - \$/oz sold ⁴	762	916	(17%)
Gold - All-in sustaining costs on a by-product basis (including taxes)- \$/oz sold ⁴	933	1,084	(14%)

¹- One Troy ounce equals to 31.103 48 grammes.
²- Unless specified otherwise, all dollar figures in this news release are in US dollars.
³- Numbers may not add up due to rounding

⁴- Adjusted operating costs, all-in sustaining costs on a by-product basis (including and excluding taxes), cash provided by operations before changes in working capital, as well as average realized gold price per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under "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.



Operating costs

Operating costs⁴ (on a sales basis) \$73.8 million:

- Mining costs, including capitalized stripping \$47.7 million
- Milling costs \$15.4 million
- Site support costs \$10.7 million

operating costs

\$73.8 million



Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions to the budget
2.2 billion soms



As of March 31, 2017.	USD thousands
Gross Proceeds tax	23,168.14
Issyk-Kul Development Fund	1,389.47
Pollution tax	310.00
Employee Income tax	1,245.57
Social Insurance Fund	5,673.43
Customs	148.83
Tax on nonresident companies	168.59
Other taxes and mandatory payments	108.94
Total	32,213
US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2017	68.61
Equivalent of payments effected in thousands Kyrgyz Soms	2,210,032.01

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 2017

Kumtor's gold production forecast is expected to be in the range of 455,000 ounces to 505,000 ounces with 30% of the gold production expected to be in the fourth quarter. At Kumtor, 2017 total capital expenditures, excluding capitalized stripping, are forecast to be \$96 million². Spending on sustaining capital⁴ of \$68 million relates primarily to major overhauls and replacements of the heavy duty mine equipment (\$58 million), major overhauls and replacements of mill equipment (\$3 million) and other items (\$7 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, 2017, has produced approximately **11.064 million ounces** or **344.143 tonnes of gold**.

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

centerragold



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

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning **77,401,766 shares**. As of May 15, 2017, Kyrgyzstan's interests were estimated at **\$ 450 million**.