



RESULTS

of the 2nd quarter of 2013



DURING THE FIRST SIX MONTH OF 2013
KUMTOR PRODUCED **5,038** kg of gold

COMPANY CONTRIBUTED MORE THAN
IN TAXES AND MANDATORY PAYMENTS **2.826** billion soms

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, 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 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. Company is headquartered in Toronto, Canada.

In addition to the Kyrgyz Republic owning approximately 33% of shares via Kyrgyzaltyn JSC, Centerra has other shareholders, including major investment funds in the USA, Britain, Canada as well as minor European and North American investors.

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

	Three months ended June 30			Six months ended June 30		
	2013	2012	% Change	2013	2012	% Change
Gold sold – ounces ¹	70,318	40,228	75%	161,935	102,425	58%
Gold sold – kg	2,187	1,251	75%	5,036.7	3,185.8	58%
Average realized gold price – \$/oz	1,372	1,592	(14%)	1,514	1,677	(10%)
Revenue from gold sales to Kyrgyzaltyn – \$ millions ²	96.5	64.0	51%	245.2	171.8	43%
Cost of sales – \$ millions	65.7	66.1	(1%)	132.0	128.9	2%
Cost of sales – \$/oz sold	935	1,644	(43%)	815	1,259	(35%)
Tonnes mined – 000s	47,901	42,736	12%	88,085	73,482	20%
Tonnes ore mined – 000s	799	16	4,894%	1,008	79	1,176%
Average mining grade – g/t	1.91	1.18	62%	2.02	1.30	55%
Tonnes milled – 000s	1,351	1,376	(2%)	2,824	2,627	7%
Average mill head grade – g/t	2.17	1.33	63%	2.44	1.64	49%
Recovery – %	69.3	71.2	(3%)	72.0	72.0	0%
Gold produced – ounces	72,365	41,307	75%	161,983	102,014	59%
Gold produced – kg	2,250.8	1,284.8	75%	5,038.4	3,172.9	59%
Operating cash cost – \$/oz produced	608	808	(25%)	522	709	(26%)
All-in cash cost* (pre-tax) – \$/oz produced	1,727	3,180	(46%)	1,524	3,032	(50%)
All-in cash cost including tax – \$/oz produced	1,913	3,397	(44%)	1,735	3,268	(47%)
Capital expenditures – \$ millions	101.5	112.8	(10%)	203.7	268.5	(24%)
Exploration expenditures – \$ millions	2.0	2.9	(31%)	4.4	5.1	(14%)

* All-in cash cost (pre-tax) include operating cash costs (mining, processing, production taxes (excluding the revenue-based tax) and administrative expenses), and sustaining and growth capital (including capitalized stripping).

Operating cash cost, all-in cash cost pre-tax and including tax, average realized gold price, and cost of sales per ounce sold are non-GAAP measures and are discussed under "Non-GAAP Measures" in Centerra's MD&A filed on SEDAR.

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 – Non-GAAP measure, see "Non-GAAP Measures" discussed in Centerra's MD&A filed on SEDAR

KUMTOR'S CONTRIBUTIONS IN TAXES AND MANDATORY PAYMENTS FOR THE FIRST SIX MONTHS OF 2013

During the first six months of 2013, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments totaled **2.8 billion soms**.

As of June 30, 2013	USD thousands
Gross Proceeds Tax (13%)	39,154.31
Issyk-Kul Contribution (1%)	3,880.99
Environmental Pollution Charge for 2013	310.00
Employee Income Tax	2,287.58
Contributions to the KR Social Fund (employer and employee)	11,637.06
Customs Administration Fee	299.39
Withholding Tax on non-residents	521.21
Other taxes and mandatory payments	39.88
Total	58,130.42
US\$ official exchange rate to the Kyrgyz Soms as of June 30, 2013	48.63
Equivalent of payments effected in thousands Kyrgyz Soms	2,826,748.62

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 2013

In 2013, approximately 55% of Kumtor's gold production is expected to occur in the fourth quarter. Ore production in the fourth quarter is planned to come from the high-grade SB Zone ore that has several years of production history and the grade and recovery are well known. The high-grade ore from the SB Zone will be only available for mining at the end of the third quarter to enable the Company to produce the expected 550,000 to 600,000 ounces of gold in 2013.

Total capital expenditures, excluding capitalized stripping, are forecast to be \$97 million in 2013, including:

- **\$67 million** of sustaining capital³ (major overhaul maintenance of the heavy duty mine equipment and purchase of new mining equipment, tailings dam construction raise, etc.);
- **\$30 million** of growth capital³, including the relocation of certain infrastructure at the mine.

The cash component of capitalized stripping costs related to the development of the open pit is expected to be \$196 million in 2013.

DIVIDEND

Centerra's Board of Directors has authorized a dividend of Cdn\$0.04 per common share. The dividend was paid on August 29, 2013 to shareholders of record on the Toronto Stock Exchange on August 15, 2013.

The gold produced by the Kumtor mine, is purchased at the mine site 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 the refined gold and silver.



AS OF **August 23, 2013**,
KYRGYZSTAN'S INTERESTS WERE
ESTIMATED AT **\$483**
million



Additional information on Centerra and the full text of the news release on the results of the second quarter of 2012 are available on SEDAR at www.sedar.com and on the corporate websites of Kumtor Operating Company and Centerra Gold Inc.

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