



## Commentary

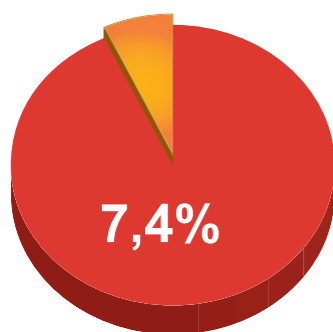
Daniel Desjardins, President of Kumtor Gold Company, commented on the results in 2014 as follows: «I am pleased to report that the operation met its annual production guidance for 2014. During the fourth quarter, the Company produced 291,635 ounces of gold as we accessed the high-grade SB Zone, which we are continuing to mine in the first quarter of 2015.

At Kumtor this year, we are expecting relatively even quarterly gold production as compared to prior years when the majority of the ounces were produced in the fourth quarter. The Kumtor mine is expected to produce between 470,000 and 520,000 ounces of gold, or 14.6 and 16.2 tonnes of gold in 2015.»

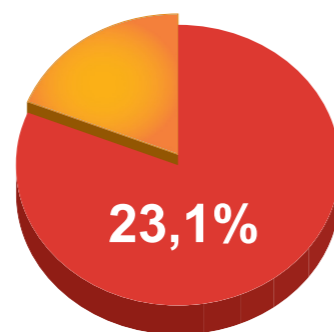
# RESULTS

## Kumtor's Impact on the Macroeconomic Performance of the Kyrgyz Republic

According to preliminary reports of the KR National Statistics Committee:



Kumtor's share in KR GDP in 2014



Kumtor's share in the aggregate industrial output

## Kumtor's Basic Operating Results in 2014



### 2015 Outlook

At Kumtor, 2015 total capital expenditures, excluding capitalized stripping, are forecast to be \$75 million. Spending on sustaining capital<sup>3</sup> of \$49 million relates primarily to the major overhaul maintenance of the heavy duty mine equipment (\$36 million), construction to raise the tailings dam (\$7 million) and other items (\$6 million).

Growth capital<sup>3</sup> investment at Kumtor for 2015 is forecast at \$26 million and includes the relocation of certain infrastructure at Kumtor related to the KS-13 life-of-mine expansion plan and dewatering projects.

The projected cash component of capitalized stripping costs related to the development of the open pit is expected to be \$185 million of the \$234 million total capitalized stripping forecast in 2015.



**The Kumtor open pit mine**, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by Centerra Gold Inc., a Western-based producer. It has been in operation since May 1997 and, as of December 31, 2014, has produced approximately 9.9 million ounces or 307.9 tonnes of gold.

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



**Centerra Gold Inc.** (Centerra) is a gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, Canada and other markets worldwide. Centerra is a leading North American-based gold producer and is the largest Western-based gold producer in Central Asia. Centerra's common shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Ontario, Canada.

Additional information on Centerra and the full text of its news release on the 4th quarter and basic operating results of 2014 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and [www.centerragold.com](http://www.centerragold.com). Information on Kumtor is available at [www.kumtor.kg](http://www.kumtor.kg).

## Basic Operating and Financial Results

At the Kumtor mine gold production in 2014 was 567,693 ounces<sup>1</sup> or 17,657 kg. Gold sales in 2014 were 561,154 ounces or 17,454 kg with a revenue totaling \$694.6 million<sup>2</sup>. The table below displays Kumtor's basic operating and financial results:

17,657 kg  
of gold  
produced in 2013



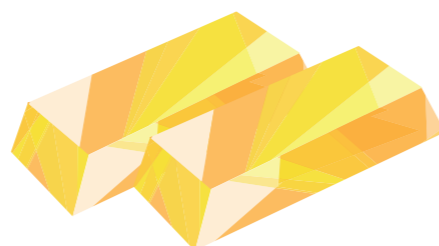
	3 Months Ended December 31			Year Ended December 31		
	2014	2013	Change	2014	2013	Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions <sup>2</sup>	346.2	448.9	(23%)	694.6	810.9	(14%)
Cost of sales <sup>3</sup> - \$millions	171.5	255.1	(33%)	444.5	473.0	(6%)
Cost of sales <sup>3</sup> - \$/oz sold	594	722	(18%)	792	786	1%
Tonnes mined - 000s	42,786	46,866	(9%)	191,723	176,693	9%
Tonnes ore mined - 000s	6,615	4,194	58%	8,640	7,289	19%
Tonnes milled - 000s	1,502	1,460	3%	5,840	5,596	4%
Average mill head grade - g/t	7.40	8.88	(17%)	3.90	4.26	(9%)
Recovery - %	82.2	84.1	(2%)	78.0	79.3	(2%)
Gold produced - ounces <sup>1</sup>	291,635	348,130	(16%)	567,693	600,402	(5%)
Gold produced - kg	9,071	10,828	(16%)	17,657	18,675	(5%)
Gold sold - ounces <sup>1</sup>	288,851	353,252	(18%)	561,154	601,887	(7%)
Gold sold - kg	8,984	10,987	(18%)	17,454	18,721	(7%)
Average realized gold price <sup>3</sup> - \$/oz	1,198	1,271	(6%)	1,238	1,347	(8%)
Adjusted operating costs <sup>3</sup> - \$/oz sold	244	217	12%	356	357	0%
All-in sustaining costs <sup>3</sup> - \$/oz sold	378	388	(3%)	779	775	1%
All-in costs <sup>3</sup> - \$/oz sold	418	407	3%	851	853	0%
All-in costs including taxes <sup>3</sup> - \$/oz sold	585	585	0%	1,024	1,042	(2%)
Capital expenditures (sustaining) <sup>3</sup> - \$millions	13.4	9.6	40%	48.7	49.7	(2%)
Capital expenditures (growth) <sup>3</sup> - \$millions	11.5	5.8	98%	40.1	39.2	2%
Capital expenditures (stripping) <sup>3</sup> - \$millions	32.5	70.8	(54%)	261.1	278.6	(6%)

<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 costs and all-in costs - including taxes (in \$ 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 in Centerra's news release and MD&A dated 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 Restated Gold and Silver Sale Agreement signed by Kumtor Operating Company on behalf of Kumtor Gold Company, Kyrgyzaltyn JSC 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.



## Payments within the Kyrgyz Republic

Contributions made within the Kyrgyz Republic in 2014 (including taxes, refining, domestic suppliers, infrastructure, charities, etc.) have exceeded **\$283 million**.

In all, contributions made within the Kyrgyz Republic between 1994 and 2014 have exceeded **\$2.707 billion**.

payments within  
the Kyrgyz Republic  
**\$283 million**



USD millions	2014	1994 - 2014
Taxes, customs & other mandatory payments	92.590	799.918
Social Insurance Fund	19.870	132.840
Issyk-Kul Development Fund	7.384	42.896
Licenses & permits	0.208	2.787
Pollution tax and payments to the Environment Protection Agency	0.310	4.369
Payments to Kyrgyzaltyn	0.384	12.059
Refinery	3.313	43.765
Revenue from the sale of Centerra shares	-	86.000
Dividends	11.164	76.615
<b>Purchases in the Kyrgyz Republic:</b>		
supplies & services	59.873	647.688
foods	4.924	56.702
<b>Kyrgyz-infrastructure-related payments:</b>		
electricity	10.413	141.006
roads outside the mine site	1.763	39.281
Tamga-Kumtor power-transmission line	-	41.612
KOC employees' net wage	65.919	513.928
Sanatoria treatment	-	0.744
Education, scholarships & training	0.738	4.649
Sponsorships & sustainable development projects	4.482	25.408
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Payments to communities	-	4.400
<b>Payments to communities</b>	<b>-</b>	<b>4.400</b>

## Payments to the Kyrgyz National Budget and Mandatory Contributions

During the twelve months of 2014, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments exceeded **\$120 million**, which according to the KR National Bank's exchange rate as at December 31, 2014, amounts to approximately **7.075 billion soms**.

2014	USD thousands
Revenue-based tax	85,995.22
Issyk-Kul Development Fund	7,384.25
Pollution tax	310.00
Employee Income tax	4,774.74
Social Insurance Fund	19,869.53
Customs	1,103.60
Tax on nonresident companies	589.22
Other taxes and mandatory payments	121.26
<b>Total</b>	<b>120,147.81</b>
<b>US\$ official exchange rate to the Kyrgyz Soms as of December 31, 2014</b>	<b>58.8865</b>
<b>Equivalent of payments effected in million Kyrgyz Soms</b>	<b>7,075,083.91</b>

contributions to the  
national budget  
> \$120 million



**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.