

Operating

RESULTS

of the 3rd Quarter of 2016



5,164 kg of gold produced



5,127 kg of gold sold



Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the third quarter of 2016. In the nine months of 2016, the Kumtor mine produced 350,198 ounces¹ or 10,892.38 kg of gold. The Company has contributed more than 5 billion soms in taxes and mandatory payments.

Unaudited (\$ millions, except as noted)

	III Months Ended September 30			IX Months Ended September 30		
	2016	2015	% Change	2016	2015	% Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions	220.2	113.5	94%	455.0	460.1	(1%)
Operating costs (on a sales basis) ⁴	46.7	33.5	39%	126.9	104.3	22%
Tonnes mined - 000s	34,838	41,944	(17%)	108,856	124,109	(12%)
Tonnes ore mined - 000s	3,970	1,136	249%	8,687	2,642	229%
Tonnes milled - 000s	1,571	1,496	5%	4,722	4,225	12%
Average mill head grade - g/t	4.11	2.83	45%	3.01	3.63	(17%)
Recovery - %	81.4%	75.7%	8%	77.0%	78.4%	(2%)
Gold produced - ounces	166,030	103,701	60%	350,198	390,084	(10%)
Gold produced - kg	5,164.11	3,225.5	60%	10,892.38	12,133	(10%)
Gold sold - ounces	164,847	100,994	63%	354,500	388,968	(9%)
Gold sold - kg	5,127.32	3,141.3	63%	11,026.19	12,098.3	(9%)
Average realized gold price - \$/oz ³	1,336	1,124	19%	1,284	1,183	9%
Capital expenditures (sustaining) ³	13.0	14.4	(10%)	49.6	38.6	28%
Capital expenditures (growth) ³	3.2	1.4	129%	13.3	11.8	13%
Capital expenditures (stripping) ³	38.7	64.9	(40%)	78.4	198.4	(60%)
Adjusted operating costs - \$/oz sold ³	303	369	(18%)	390	304	28%
All-in sustaining costs - \$/oz sold ³	555	1,000	(45%)	695	791	(12%)
All-in costs - \$/oz sold ³	574	1,014	(43%)	732	821	(12%)
All-in costs (including taxes) - \$/oz sold ³	761	1,171	(35%)	912	987	(8%)

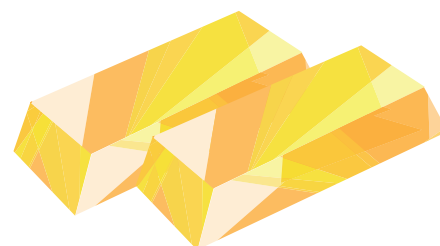
¹⁻ One Troy ounce equals to 31.10348 grammes.

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" in Centerra's news release dated November 7, 2016.

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 third quarter of 2016 were \$54.9 million which includes:

- \$13 million of sustaining capital³;
- \$3.2 million invested in growth capital³; and
- \$38.7 million for capitalized stripping (\$28.2 million cash)

capital
expenditures
\$54.9
million



Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions
to the budget
> 5 billion
soms



	USD thousands		
	Q1 2016	Q2 2016	Q3 2016
Gross Proceeds Tax	15,076.88	13,967.338	20,954.16
Issyk-Kul Development Fund	1,159.76	1,074.41	1,611.86
Pollution tax	310.00	-	-
Employee Income tax	1,125.93	1,151	939.77
Social Insurance Fund	5,056.86	4,594.30	4,245.85
Customs	188.74	138.758	74.63
Tax on nonresident companies	173.33	190.28	772.82
Other taxes and mandatory payments	63.92	348.862	105.20
Total	23,155.42	21,464.95	28,704.28
US\$ official exchange rate to the Kyrgyz Soms	70.0158	67.4860	68.6538
Equivalent of payments effected in thousand Kyrgyz Soms	1,621,245.46	1,448,583.41	1,970,657.85

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 \$85 million, which is \$12 million lower than the previous guidance. The Company decreased its forecast for sustaining capital³ from \$75 million in the previous guidance to \$68 million due to further cancellations or deferral of major overhauls and replacements of certain heavy duty mine equipment (\$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 September 30, 2016, has produced approximately **10.70 million ounces** or **333.9 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 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 November 17, 2016, Kyrgyzstan's interests were estimated at **\$ 395 million**.