



# RESULTS

## the First Quarter 2011

DURING THE FIRST THREE MONTHS OF 2011,  
KUMTOR PRODUCED 164 167 OUNCES OF GOLD.

CONTRIBUTED IN TAXES AND MANDATORY  
PAYMENTS MORE THAN \$52 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, 2011, has produced approximately 8,0 million ounces, or 247 tonnes of gold.

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

Centerra Gold Inc. is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. 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. The Company is headquartered in Toronto, Canada.

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning 77,401,766 shares (about 33%).

AS OF MAY 13, 2011, KYRGYZSTAN'S INTERESTS ARE ESTIMATED AT MORE THAN \$1.5 BILLION.

Additional information on Centerra and the full report about the Company's activity in the 2010 is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.centerragold.com](http://www.centerragold.com).

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## KUMTOR OPERATING RESULTS

Three Months Ended March 31	2011	2010	Change
Gold produced - ounces <sup>1</sup>	<b>164,167</b>	180,562	(9%)
Gold produced - kg	<b>5,106.16</b>	5,616.11	(9%)
Gold sold - ounces	<b>166,145</b>	200,767	(17%)
Gold sold - kg	<b>5,167.69</b>	6,244.55	(17%)
Average realized gold price - \$/oz	<b>1,384</b>	1,112	24%
Revenue from gold sales to Kyrgyzaltyn <sup>2</sup> - \$ millions <sup>3</sup>	<b>229.9</b>	223.3	3%
Total production cost (with depletion and amortization) - \$millions	<b>71.3</b>	70.5	1%
Revenue-based tax + Issyk-Kul Development Fund - \$millions	<b>48.2</b>	43.7	10%
Capital expenditures - \$millions	<b>71.9</b>	23.4	207%
Exploration expenditures - \$millions	<b>4.1</b>	1.8	128%
Tonnes mined - 000s	<b>36,508</b>	27,538	33%
Tonnes ore mined - 000s	<b>588</b>	1,387	(58%)
Tonnes milled - 000s	<b>1,391</b>	1,466	(5%)
Average mill head grade - g/t	<b>4,12</b>	4.90	(16%)
Recovery - %	<b>82,6</b>	76.7	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) The Dore bars, produced by the Kumtor mine are 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 refined gold and silver both in and outside the Kyrgyz Republic.

## ANNUAL DIVIDEND

As previously disclosed (see Centerra's news release of May 2, 2011), the Board of Directors of Centerra Gold Inc. has declared a dividend totaling Cdn\$94.4 million (approximately US\$99.3 million at the current exchange rate). The dividend is payable on May 18, 2011 to shareholders of record on May 12, 2011, in an amount of Cdn\$0.40 per common share, comprised of Cdn\$0.30 per common share as a special dividend and Cdn\$0.10 per common share as an annual dividend.

"The decision of Centerra's Board to declare the special dividend was based on our strong operating performance and the high gold price, which have created substantial operating cash flow, and, even after significant capital investment, is resulting in growing cash balances. We believe that this dividend will benefit all of our shareholders, and particularly Kyrgyzaltyn JSC, Centerra's largest shareholder," said Steve Lang, President and CEO of Centerra Gold.

## KUMTOR PROJECT'S CONTRIBUTIONS IN TAXES AND MANDATORY PAYMENTS IN THE FIRST THREE MONTHS OF 2011

As of March 31, 2011	USD thousands
Revenue-based tax	44,006.9
Issyk-Kul Development Fund	4,231.3
Pollution tax	310.0
Income tax	1,475.8
Social Insurance Fund	2,078.4
Customs	230.4
Other taxes and mandatory payments	16.3
<b>Total:</b>	<b>52 349,2</b>
<i>US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2011</i>	<b>47,2448</b>
Equivalent of payments effected in million Kyrgyz Soms	<b>2 473,228</b>

**Note:** Under the Agreement on New Terms of April 24, 2009, the revenue-based tax and contributions to the Issyk-Kul Development Fund are estimated based on actual cash revenues from sales during the specified period.

## OUTLOOK FOR 2011

The Kumtor mine is expected to produce 550,000 to 600,000 ounces, or 17.1 to 18.6 tonnes of gold in 2011. It is expected that the higher than anticipated production realized in the first quarter will not continue in future quarters this year.

During 2011, total capital expenditures are forecast to be \$206 million which includes \$170 million of growth capital investment and \$36 million of sustaining capital.

Growth capital investment is expected to be spent primarily on the purchase of seven CAT 789 haul trucks (\$21 million), purchase of remaining equipment for the North Wall expansion project (\$28 million), pre-strip costs related to the development of the open pit (\$63 million) and a waste dump expansion project (\$3 million), and other projects. \$52 million is included in growth capital investment for the underground growth capital.

The largest sustaining capital spending will be on the major overhaul maintenance of the heavy duty mine equipment (\$19 million), expenditures for the shear key, buttress and tailings dam construction works (\$5 million) and for equipment replacement and other items (\$12 million).

**Planned exploration expenditures in 2011 are approximately \$13 million.**



THE DORE BARS, PRODUCED BY THE KUMTOR MINE ARE 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 REFINED GOLD AND SILVER BOTH IN AND OUTSIDE THE KYRGYZ REPUBLIC.

