



centerraGOLD



# RESULTS of 2<sup>nd</sup> Quarter 2011

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 so far has produced more than 8 million ounces, or 252 tonnes, of gold.

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

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

The Kyrgyz Republic (via Kyrgyzaltyn) is Centerra's largest shareholder holding approximately 33% of the common shares (77,401,766).

AS OF AUGUST 15, 2011, THE VALUE OF KYRGYZSTAN'S INTEREST EXCEEDED \$ 1.5 BILLION.

Additional information on Centerra as well as the full text of Centerra's news release about Second Quarter Results are available on the Company's website at [www.centerragold.com](http://www.centerragold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).

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DURING THE FIRST SIX MONTHS OF 2011,  
THE KUMTOR MINE PRODUCED 303,244 OUNCES OF GOLD

DURING THE FIRST SIX MONTHS OF 2011, THE KUMTOR MINE  
CONTRIBUTED MORE THAN 3.65 BILLION SOMS IN TAXES AND  
MANDATORY PAYMENTS

## KUMTOR OPERATING RESULTS

	Three months ended June 30			Six months ended June 30		
	2011	2010	Change (%)	2011	2010	Change (%)
Gold produced - ounces <sup>1</sup>	139,077	90,050	54%	303,244	270,612	12%
Gold produced - kg	4,325.8	2,800.9	54%	9,431.9	8,416.9	12%
Gold sold - ounces	144,687	91,204	59%	310,832	291,971	6%
Gold sold - kg	4,500.3	2,836.8	59%	9,667.9	9,081.3	6%
Average realized gold price - \$ <sup>2</sup> /oz	1,529	1,204	27%	1,451	1,141	27%
Revenue from gold sales to Kyrgyzaltyn <sup>3</sup> - \$ millions	221.2	109.8	101%	451.1	333.1	35%
Total production cost (with depletion and amortization) - \$millions	85.5	68.7	25%	156.8	139.3	13%
Revenue-based tax + Issyk-Kul Development Fund - \$millions	24.4	24.7	(1%)	72.7	68.4	6%
Capital expenditures - \$millions	46.0	39.5	17%	117.9	62.9	87%
Exploration expenditures - \$millions	2.8	2.7	3%	6.9	4.6	50%
Tonnes mined - 000s	38,271	28,654	34%	74,779	56,191	33%
Tonnes ore mined - 000s	1,448	791	83%	2,036	2,179	(7%)
Tonnes milled - 000s	1,545	1,434	8%	2,936	2,900	1%
Average mill head grade - g/t	3.27	2.74	19%	3.68	3.83	(4%)
Recovery - %	82.6	77.5	7%	82.6	77.0	7%

(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

The Board of Directors of Centerra Gold Inc. has declared a 2010 dividend totaling Cdn\$94.4 million (US \$99.3 million at the exchange rate as of the payment date). The dividend was payable in May, 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 value shares Centerra Gold Inc. on the Toronto Stock TSX in 2011



THE VALUE OF KYRGYZSTAN'S INTEREST EXCEEDED \$ 1.5 BILLION

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

Ended June 30, 2011	USD thousands
Revenue-based tax	66,733.2
Issyk-Kul Development Fund	5,979.5
Pollution tax	310.0
Income tax	2,791.6
Social Insurance Fund	4,388.6
Customs	530.0
Other taxes and mandatory payments	28.2
<b>Total:</b>	<b>80,761.1</b>
<i>US\$ official exchange rate to the Kyrgyz Som as of June 30, 2011</i>	<b>45.2067</b>
Equivalent of payments effected in million Kyrgyz Soms	<b>3,650.943</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.

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

Growth capital will 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), a waste dump expansion project (\$3 million) and other projects. Also, \$52 million is included in growth capital investment for the underground.

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 KARA-BALTA REFINERY.

KYRGYZALTYN JSC ENJOYS THE EXCLUSIVE RIGHT TO SELL REFINED GOLD AND SILVER BOTH IN AND OUTSIDE THE KYRGYZ REPUBLIC

