

## Reserves and Resources

Updated estimates on reserves and resources at Kumtor as at December 31, 2013, were disclosed in Centerra's news release from February 5, 2014. Kumtor's proven and probable mineral reserves total 8.51 million ounces of contained gold as of December 31, 2013 after processing 766,000 contained ounces in 2013.

Reserves and resources at Kumtor as of December 31, 2013 <sup>1</sup>	Thousands of tonnes	Grade (g/t)	Contained gold		Mining Method
			Thousands of oz	Tonnes	
<b>Gold reserves:</b>					
• proven <sup>3</sup>	4,841	1.9	296	9.20	OP <sup>2</sup>
• proven <sup>3</sup>	80,345	3.2	8,220	255.68	OP
<b>Total Reserves</b>	<b>85,186</b>	<b>3.1</b>	<b>8,516</b>	<b>264.88</b>	<b>OP</b>
<b>Resources:</b>					
• measured <sup>3</sup>	21,975	2.3	1,631	50.73	OP
• indicated <sup>3</sup>	12,113	2.3	898	27.93	OP
• indicated Stockwork UG <sup>2,4</sup>	351	10.7	121	3.76	UG <sup>2</sup>
<b>Total Measured and Indicated Resources</b>	<b>34,439</b>	<b>2.4</b>	<b>2,650</b>	<b>82.42</b>	
<b>Inferred Resources</b>					
• Central Pit, Southwest, Sarytor and Northern deposits <sup>3</sup>	9,339	2.4	712	22.14	OP
• Underground Stockwork Zone <sup>4</sup>	2,002	11.0	705	21.93	UG
• Underground SB Zone <sup>4</sup>	3,413	11.2	1,229	38.23	UG
<b>Total Inferred Resources</b>	<b>14,754</b>	<b>5.6</b>	<b>2,646</b>	<b>82.30</b>	

<sup>1-</sup> The reserves and resources include those of the open-pit area as well as of the Southwest, Sarytor and Northeast deposits and have been estimated based on a gold price of US\$1,300 per ounce.

<sup>2-</sup> "OP" means open pit and "UG" means underground.

<sup>3-</sup> The open pit reserves and resources are estimated on a cut-off grade of 0.85 g/t for the Central Pit and 1.0 g/t for the Southwest, Sarytor and Northeast deposits.

<sup>4-</sup> Underground resources occur below the Central Pit and are estimated based on a cut-off grade of 6.0 g/t.

## Assistance to the KR Government in Implementation of Social Projects

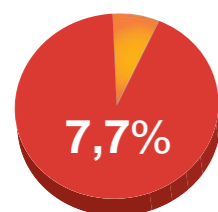
KGC-sponsored funds transferred from Ala-Too Finance to Ayil Bank are approximately 808 million soms. A further approximately 70 million soms was transferred as an operating credit portfolio to a group of regional microcrediting agencies.



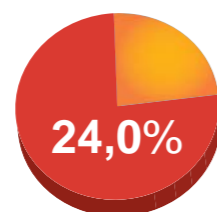
combined sponsorship exceeded **800 millions** soms

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

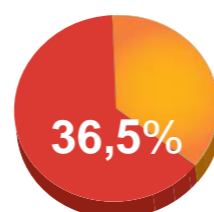
Kumtor's share in KR GDP in 2013 was



Kumtor's share in the aggregate industrial output was



Gold's share in the national exports in 2013 was



## 2014 Outlook

The Kumtor mine estimates it will produce between 550,000 and 600,000 ounces or 17.1 to 18.7 tonnes of gold in 2014 and similar to 2013, over 50% of this gold production is expected during the fourth quarter when mining will reach the high-grade section of the SB Zone.

The projected capital expenditures for 2014, excluding capitalized stripping, are estimated to be \$85 million of which \$42 million will be spending on sustaining capital, including the major overhaul maintenance of the mine equipment, purchase of ball mill girth gear, tailings dam construction raise and other items.

Growth capital investment at Kumtor is forecast at \$43 million and includes the relocation of certain infrastructure at Kumtor related to the KS-13 life-of-mine expansion plan, dewatering projects and purchase of new mining equipment. Capitalized stripping costs (cash) are expected to be \$191 million in 2014.

# RESULTS

Kumtor's 2013 Basic Operating Results



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 in operation since May 1997 and, as of December 31, 2013, has produced approximately 8.9 million ounces or 279 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 gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union 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 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 the news release on the 4th quarter and basic operating results of 2013 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and [www.centerragold.com](http://www.centerragold.com). Information on KOC is available at [www.kumtor.kg](http://www.kumtor.kg)

## Basic Operating and Financial Results

At the Kumtor mine gold production in 2013 was 600,402 ounces<sup>1</sup> or 18,674.6 kg. Gold sales in 2013 were 601,887 ounces or 18,720.8 kg with a revenue totaling \$810.9million<sup>2</sup>. The table below displays Kumtor's basic operating and financial results:

**18 674,6 kg  
of gold  
produced in 2013**



	Three Months Ended December 31			Year Ended December 31		
	2013	2012 <sup>6</sup>	Change	2013	2012 <sup>6</sup>	Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions <sup>2</sup>	448.9	317.8	41%	810.9	533.6	52%
Cost of sales <sup>3</sup> - \$millions	255.1	140.0	82%	437.0	306.9	54%
Cost of sales <sup>4</sup> - \$/oz	722	753	(4%)	786	974	(19%)
Tonnes mined - 000s	46,866	38,185	23%	176,693	147,610	20%
Tonnes ore mined - 000s	4,194	4,463	(6%)	7,289	4,955	47%
Tonnes milled - 000s	1,460	1,547	(6%)	5,596	4,756	18%
Average mill head grade - g/t	8.88	5.13	73%	4.26	2.79	53%
Recovery - %	84.1	77.7	8%	79.3	75.6	5%
Gold produced – ounces	348,130	189,438	84%	600,402	315,238	90%
Gold produced - kg	7,717.7	5,892.2	84%	18,674.6	9,805.0	90%
Gold sold - ounces	353,252	185,936	90%	601,887	314,987	91%
Gold sold – kg	10,987.4	5,783.3	90%	18,720.8	9,797.2	91%
Average realized gold price <sup>4</sup> – \$/oz	1,271	1,709	(26%)	1,347	1,694	(20%)
Adjusted operating costs <sup>4</sup> - \$/oz	217	322	(33%)	357	727	(51%)
All-in sustaining costs <sup>4</sup> - \$/oz	388	618	(37%)	775	1,483	(48%)
All-in costs <sup>4</sup> - \$/oz	407	783	(48%)	853	2,064	(59%)
All-in costs including taxes <sup>4</sup> - \$/oz	585	1,023	(43%)	1,042	2,301	(55%)
Capital expenditures (sustaining) - \$millions	9.6	10.5	(9%)	49.7	40.8	22%
Capital expenditures (growth) <sup>5</sup> - \$millions	5.8	24.0	(76%)	39.2	167.6	(77%)

## Payments within the Kyrgyz Republic

Contributions made within the Kyrgyz Republic in 2013 (including taxes, refining, domestic suppliers, infrastructure, charities, etc.) have exceeded \$270 million.

In all, contributions made within the Kyrgyz Republic between 1994 and 2013 have exceeded \$2.424 billion.

payments within the Kyrgyz Republic  
**\$270,3 millions**



USD millions	2013	1994 – 2013
Taxes, customs & other mandatory payments	79.875	707.328
Social Insurance Fund	20.609	112.971
Issyk-Kul Development Fund	7.838	35.512
Licenses & permits	0.300	2.579
Pollution tax and payments to the Environment Protection Agency	0.310	4.059
Payments to Kyrgyzaltyn	0.254	11.675
Refinery	4.372	40.453
Revenue from the sale of Centerra shares	-	86.000
Dividends	11.902	65.438
<b>Purchases in the Kyrgyz Republic:</b>		
supplies & services	50.801	587.815
foods	5.307	51.778
<b>Kyrgyz-infrastructure-related payments:</b>		
electricity	11.253	130.593
roads outside the mine site	2.186	37.519
Tamga-Kumtor power-transmission line	-	41.612
KOC employees' net wage	69.358	448.010
Sanatoria treatment	-	0.744
Education, scholarships & training	0.072	3.911
Sponsorships & sustainable development projects	5.935	20.927
Government contributions	-	31.000
Payments to communities	-	4.400
<b>Total</b>	<b>270.372</b>	<b>2,424.32</b>

## Payments to the Kyrgyz National Budget and Mandatory Contributions

During the twelve months of 2013, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments exceeded \$108 million, which according to the KR National Bank's exchange rate as at December 31, 2013, amounts to approximately 5.350 billion soms.

As of December 31, 2013	USD thousands
Revenue-based tax	73,595.61
Issyk-Kul Development Fund	7,838.01
Pollution tax	310.00
Employee Income tax	4,363.09
Social Insurance Fund	20,608.90
Customs	1,122.21
Tax on nonresident companies	678.88
Other taxes and mandatory payments	77.49
<b>Total</b>	<b>108,594.19</b>
US\$ official exchange rate to the Kyrgyz Soms as of December 31, 2013	49.2470
<b>Equivalent of payments effected in million Kyrgyz Soms</b>	<b>5,347,938.07</b>

**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.

contributions to the national budget  
**> \$108,6 millions**



<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> Cost of sales does not include regional office administrative expenses.  
<sup>4-</sup> In 2013, the Company adopted non-GAAP performance measures recommended by the World Gold Council. See discussion under

"Non-GAAP Measures" in Centerra's news release of February 19, 2014). "Adjusted operating costs", "all-in sustaining costs", "all-in cash costs" pre-tax and including tax as well as "average realized price" and "cost of sales" per ounce sold are non-GAAP measures. Excludes capitalized stripping.  
<sup>5-</sup>  
<sup>6-</sup> The 2012 comparative period was restated as a result of the adoption of IFRIC 20.

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 refined gold and silver both in and outside the Kyrgyz Republic.

