

Operating

RESULTS

of the 1st Quarter of 2014



Centerra Gold Inc. (Centerra) and **Kumtor Gold Company** have summed up their operating results in the 1st quarter of 2014. In the first three months of 2014, KOC produced 102,933 ounces¹ or 3,202 kg of gold and contributed more than 2.23 billion soms in taxes and mandatory payments.

3,202 kg of gold produced



3,170 kg of gold sold



	Three month ended March 31		
	2014	2013	change
Revenue from gold sales to Kyrgyzaltyn - \$ millions ²	131.7	148.7	(11%)
Cost of sales ³ - \$millions	95.1	66.3	44%
Cost of sales ^{3,4} - \$/oz sold	933	723	29%
Tonnes mined - 000s	50,762	40,184	26%
Tonnes ore mined - 000s	143	209	(32%)
Tonnes milled - 000s	1,482	1,473	1%
Average mill head grade - g/t	2.65	2.69	(1%)
Recovery - %	76.2	74.1	3%
Gold produced – ounces	102,933	89,618	15%
Gold produced - kg	3,202	2,787	15%
Gold sold - ounces	101,915	91,617	11%
Gold sold – kg	3,169	2,849	11%
Average realized gold price ⁴ – \$/oz sold	1,292	1,623	(20%)
Adjusted operating costs ⁴ - \$/oz sold	361	398	(9%)
All-in sustaining costs ⁴ - \$/oz sold	1,058	1,111	(5%)
All-in costs ⁴ - \$/oz sold	1,077	1,329	(19%)
All-in costs including taxes ⁴ - \$/oz sold	1,257	1,556	(19%)
Capital expenditures (sustaining) - \$millions	8.3	11.7	(29%)
Capital expenditures (growth) ⁵ - \$millions	1.9	16.1	(88%)

¹⁻ One Troy ounce equals to 31,10348 grammes.

²⁻ Unless specified otherwise, all dollar figures in this news release are in US dollars.

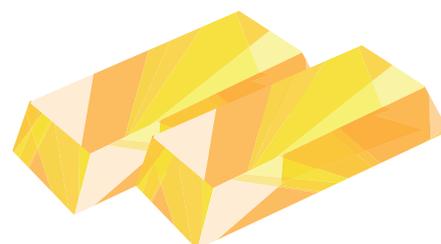
³⁻ Cost of sales does not include administrative expenses.

⁴⁻ 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.

⁵⁻ «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 costs.

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 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.



Production costs and capital expenditures

Capital expenditures spent and accrued in the first quarter of 2014 were \$98.4 million which includes:

- \$8.3 million of sustaining capital⁴;
- \$1.9 million invested in growth capital⁴ mainly for relocating infrastructure; and
- \$88.1 million for capitalized stripping.

capital
expenditures
**\$98.4
million**



Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions
to the budget
**2.23 billion
soms**



As of March 31, 2014.	USD thousands
Revenue-based tax	30,618.56
Issyk-Kul Development Fund	2,932.20
Pollution tax	310.00
Employee Income tax	1,148.92
Social Insurance Fund	5,577.82
Customs	195.42
Tax on nonresident companies	106.92
Other taxes and mandatory payments	21.08
Total	40,910.90
US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2014	54.4813
Equivalent of payments effected in million Kyrgyz Soms	2,228,879.20

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 2014

According to estimates, Kumtor mine will produce between 550,000 and 600,000 ounces or 17.1-18.7 tonnes 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 **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, 2014, has produced approximately **9.4 million ounces or 292 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 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, Canada.

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning **77,401,766 shares** (about 33%). As of May 22, 2014, Kyrgyzstan's interests were estimated at **\$338 million**.

Currently, Centerra has two producing gold mines in the Kyrgyz Republic and Mongolia. The Company also owns the Gatsuurt development project in Mongolia, the Öksüt Gold Project, Turkey, and has interests in the promising exploration properties in Mongolia, Turkey, Russia, Cyprus, and Western Canada.