

Operating

RESULTS

of the 2nd Quarter of 2014



2,422 kg of gold produced



2,400 kg of gold sold



Centerra Gold Inc. (Centerra) and Kumtor Gold Company have summed up the operating results of the 2nd quarter of 2014. In the first six months of 2014, the Kumtor mine produced 180,793 ounces¹ or 5,623 kg of gold. The Company has contributed more than 3 billion soms in taxes and mandatory payments.

	Three Months Ended June 30			Six Months Ended June 30		
	2014	2013	% Change	2014	2013	% Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions ²	99.8	96.5	3%	231.4	245.2	(6%)
Cost of sales ³ - cash \$millions	36.0	40.5	(11%)	67.6	72.7	(7%)
Cost of sales ³ - non-cash \$millions	56.9	25.2	126%	120.4	59.3	103%
Cost of sales ^{3,4} - \$/oz sold	1,195	935	28%	1,047	815	28%
Tonnes mined - 000s	49,527	47,901	3%	100,289	88,085	14%
Tonnes ore mined - 000s	460	799	(42%)	602	1,008	(40%)
Tonnes milled - 000s	1,430	1,351	6%	2,912	2,824	3%
Average mill head grade - g/t	2.35	2.17	8%	2.50	2.44	2%
Recovery - %	73.2	69.3	6%	74.8	72.0	4%
Gold produced - ounces ¹	77,860	72,365	8%	180,793	161,983	12%
Gold produced - kg	2,422	2,251	8%	5,623	5,038	12%
Gold sold - ounces ¹	77,743	70,318	11%	179,658	161,935	11%
Gold sold - kg	2,418	2,187	11%	5,588	5,037	11%
Average realized gold price ⁴ - \$/oz	1,284	1,372	(6%)	1,288	1,514	(15%)
Adjusted operating costs ⁴ - \$/oz	551	660	(17%)	443	512	(13%)
All-in sustaining costs ⁴ - \$/oz	1,511	1,681	(10%)	1,254	1,359	(8%)
All-in costs ⁴ - \$/oz	1,658	1,842	(10%)	1,328	1,552	(14%)
All-in costs including taxes ⁴ - \$/oz	1,838	2,034	(10%)	1,508	1,764	(15%)
Capital expenditures (sustaining) ⁴ - \$millions	12.9	15.0	(14%)	21.2	26.8	(21%)
Capital expenditures (growth) ⁴ - \$millions	11.4	9.3	23%	13.4	25.4	(47%)
Capital expenditures (stripping) \$millions	86.9	77.2	13%	175.0	151.5	16%

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

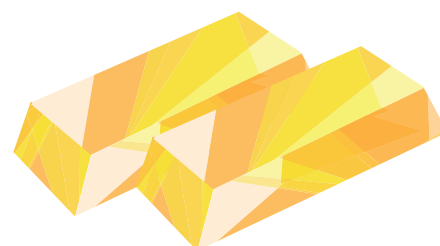
²- Unless specified otherwise, all dollar figures in this news release are in US dollars.

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.

"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.

The Doré bars produced by the Kumtor mine are purchased by Kyrgyzaltyn JSC for processing at the Kara-Balta refinery pursuant to a Restated Gold and Silver Sale Agreement signed by Kumtor Operating Company on behalf of Kumtor Gold Company, Kyrgyzaltyn JSC 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 second quarter of 2014 were \$111.2 million which includes:

- \$12.9 million of sustaining capital⁴;
- \$11.4 million invested in growth capital⁴; and
- \$86.9 million for capitalized stripping (\$61.5 million cash).

capital
expenditures
**\$111.2
million**



Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions
to the budget
**3 billion
soms**



As of June 30, 2014	USD thousands
Gross Proceeds Tax	39,822.09
Issyk-Kul Development Fund	3,832.47
Pollution Tax	310.00
Employee Income Tax	2,479.97
Contributions to the KR Social Fund (employer and employee)	10,821.09
Customs Administration Fee	495.99
Withholding Tax on non-residents	234.17
Other taxes and mandatory payments	37.30
Total	58,033.07
US\$ official exchange rate to the Kyrgyz Soms as of June 30, 2014	52.06
Equivalent of payments effected in thousands Kyrgyz Soms	3,021,486.11



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 gold producer. It has been operating since May 1997 and, as of June 30, 2014, has produced approximately 9.5 million ounces or 294 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 common shares (about 33%). As of August 11, 2014, Kyrgyzstan's interests were estimated at \$424 million.

Currently, Centerra has two producing gold mines in the Kyrgyz Republic and Mongolia. The Company also owns the Gatsurt 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.