

Operating

# RESULTS

of the 3<sup>rd</sup> Quarter of 2014



**2,963 kg of gold produced**



**2,900 kg of gold sold**



Centerra Gold Inc. (Centerra) and Kumtor Gold Company have summed up their operating results in the 3<sup>rd</sup> quarter of 2014. In the nine months of 2014, KGC produced 276,058 ounces<sup>1</sup> or 8,586.4 kg of gold and contributed more than 4 billion soms in taxes and mandatory payments.

	Three months ended September 30			Nine months ended September 30		
	2014	2013	% Change	2014	2013	% Change
Revenue from gold sales to Kyrgyzaltyn - \$ millions <sup>2</sup>	117,0	116,8	0%	348,4	362,0	(4%)
Cost of sales <sup>3</sup> -total \$ millions	84,9	86,0	(1%)	272,9	218,0	25%
Cost of sales <sup>3,4</sup> - \$/oz sold	916	991	(8%)	1 002	877	14%
Tonnes mined - 000s	48649	41741	17%	148 938	129 827	15%
Tonnes ore mined - 000s	1 422	2 087	(32%)	2 025	3 095	(35%)
Tonnes milled - 000s	1 426	1 312	9%	4 338	4 136	5%
Average mill head grade - g/t	3,05	3,04	0%	2,68	2,63	2%
Recovery - %	72,7	76,4	(5%)	74,0	73,6	1%
Gold produced - ounces <sup>1</sup>	95 265	90 289	6%	276 058	252 272	9%
Gold produced - kg	2 963,1	2 808,3	6%	8 586,4	7 846,5	9%
Gold sold - ounces <sup>1</sup>	92 645	86 699	7%	272 303	248 635	10%
Gold sold - kg	2 881,6	2 696,6	7%	8 469,6	7 733,4	10%
Average realized gold price <sup>4</sup> - \$/oz	1 263	1 347	(6%)	1 279	1 456	(12%)
Adjusted operating costs <sup>4</sup> \$/oz sold	539	639	(16%)	476	556	(15%)
All - in sustaining costs <sup>4</sup> \$/oz sold	1 110	1 264	(12%)	1 205	1 327	(9%)
All - in costs <sup>4</sup> \$/oz sold	1 274	1 366	(7%)	1 310	1 488	(12%)
All - in costs including taxes <sup>4</sup> \$/oz sold	1 451	1 555	(7%)	1 489	1 689	(12%)
Capital expenditures (sustaining) <sup>4</sup> - \$ millions	14,2	13,3	7%	35,3	40,1	(12%)
Capital expenditures (growth) <sup>4</sup> - \$ millions	15,2	7,9	92%	28,6	33,4	(14%)
Capital expenditures (stripping) \$ millions	53,5	56,4	(5%)	228,5	207,8	10%

<sup>1</sup>- One Troy ounce equals to 31,10348 grammes.

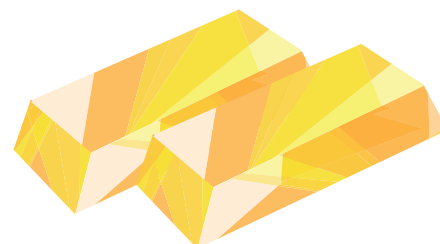
<sup>2</sup>- Unless specified otherwise, all dollar figures in this news release are in US dollars.

<sup>3</sup>- Cost of sales does not include 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.

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 third quarter of 2014 were \$82.9 million which includes:

- \$14.2 million of sustaining capital<sup>4</sup>;
- \$15.2 million invested in growth capital<sup>4</sup>; and
- \$53.5 million for capitalized stripping.

capital  
expenditures  
\$82.9  
million



## Payments to the Kyrgyz National Budget and Mandatory Contributions

contributions  
to the budget  
more than **4 billion**  
soms



As of June 30, 2014	USD thousands
Gross Proceeds Tax	53 036,71
Issyk-Kul Development Fund	4 848,98
Pollution Tax	310,00
Employee Income Tax	3 696,30
Contributions to the KR Social Fund (employer and employee)	15 630,81
Customs Administration Fee	796,66
Withholding Tax on non-residents	416,32
Other taxes and mandatory payments	71,55
<b>Total</b>	<b>78 807,32</b>
<b>US\$ official exchange rate to the Kyrgyz Soms as of Sep 30, 2014</b>	<b>54,52</b>
<b>Equivalent of payments effected in thousands Kyrgyz Soms</b>	<b>4 296 590,60</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.



## Outlook for 2014

According to preliminary estimates, the Kumtor mine will produce between 550,000 and 600,000 ounces or 17.1-18.7 tonnes in 2014 which is unchanged from the previous guidance. Over 50% of this gold production is expected during the fourth quarter when the mine gets back to 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 September 30, 2014, has produced approximately **9.6 million ounces** or **297 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 North American-based gold producer and is the largest Western-based gold producer in Central Asia. The Company is focused on operating, developing, exploring and acquiring gold properties in Asia, the former Soviet Union and other markets worldwide. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Ontario, Canada.

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning **77,401,766 shares (about 33%)**. As of November 17, 2014, Kyrgyzstan's interests were estimated at more than **\$336 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 and Western Canada.