

Operating Results of the Third Quarter of 2018

Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the third quarter of 2018. In the first nine months of 2018, KGC produced 306,467 ounces¹ or 9532.2 kg of gold and contributed more than 5.66 billion soms in taxes and mandatory payments.

Gold Production and Sales

Kumtor produced 122,445 ounces, or 3.81 tonnes of gold in the third quarter of 2018 compared to 138,561 ounces or 4.31 tonnes of gold in the same period of 2017.

Gold sales in the third quarter of 2018 were 119,521 ounces, or 3.72 tonnes. Total revenues from gold sales in the third quarter of 2018 were \$142.8 million².

The Dore 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 KGC, 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.

Exploration

Kumtor has designed and initiated a two-year 60,000 metre drill program to test potential extensions of gold mineralization along the Kumtor trend. The program is focused within the Central, South-West and Sarytor pits and the North-East Target area. A budget of \$18 million has been allocated to the program with \$6.5 million for 2018 and \$11.5 million budgeted for 2019. Drilling in 2018 is planned to test near surface targets, including the Hockey Stick Zone, the north-west periphery of the Central Pit and the corridor between the Central Pit and South-West Pit.

During the third quarter of 2018, 30 diamond drill holes were completed for a total 8,318 metres, at the vicinity of the Central and South-West Pits and the North-East Target area. More than half of the holes (17 drill holes for a total 4,507 metres) were completed in the Central Pit area targeting the Hockey Stick Zone. In the South-West area, 7 drill holes were completed for a total 2,297.7 metres. In the North-East area, 6 drill holes were completed for a total 1,512.4 metres.

In the fourth quarter of 2018, drilling will be focused on inferred near-surface mineralization in the north-east wall of the Central Zone, south-west extension of the Hockey Stick Zone and periphery of the North-East target.

Drill collar locations and associated graphics are available at the following link:

<http://resource.globenewswire.com/Resource/Download/9a34de56-af74-465c-8617-99019cd8a4a7>

Operating costs and All-in Measures

Operating costs (on a sales basis)⁴, including capitalized stripping, increased in the third quarter of 2018 by \$5.5 million to \$62.9 million compared to \$57.4 million in the same period of 2017. The movements in the major components of operating costs (mining, milling and site support), including capitalized stripping but before changes in inventory, is explained below:

Mining Costs, including capitalized stripping

Mining costs, including capitalized stripping, totaled \$53.2 million in the third quarter of 2018, which was \$4.6 million higher than the comparative quarter in 2017. Increased costs for third quarter of 2018 includes higher diesel costs (\$6.5 million), which were due to higher fuel prices and higher consumption resulting from increased haulage distance and increased heavy equipment availability. Higher diesel cost was partially offset by lower blasting supplies costs (\$1.7 million) and benefits from implementing continuous improvement initiatives, compared to the same period of 2017.

Milling Costs

Milling costs amounted to \$17.0 million in the third quarter of 2018 compared to \$19.5 million in the comparative quarter of 2017. The decrease is mainly from lower maintenance costs (\$3.5 million), as a result of a comprehensive mill shutdown for the SAG, Ball and Regrind mills which occurred in the third quarter of 2017 but not performed in the third quarter of 2018. This was partially offset by higher carbon fines processing costs, which activities only commenced in 2018.

Site support Costs

Site support costs in the third quarter of 2018 totalled \$12.1 million compared to \$10.6 million in 2017. The increase is attributable primarily to higher costs for food and other supplies, partially offset by lower insurance premiums.

Other Cost movements

Depreciation, depletion and amortization (“DD&A”) associated with sales increased to \$36.2 million in the third quarter of 2018 from \$27.8 million in the comparative period, mainly due to higher ounces sold and higher amortization of capitalized stripping resulting from the release of high-grade ore from cut-back 18.

All-in sustaining costs on a by-product basis per ounce sold⁴, which excludes revenue-based tax, was \$662 in the third quarter of 2018 compared to \$806 in the same period of 2017. The decrease was mainly due to higher ounces sold, lower capitalized stripping costs and sustaining capital.

Including revenue-based taxes, all-in sustaining costs on a by-product basis per ounce sold⁴ was \$831 in the third quarter of 2018 compared to \$982 in the same period of 2017. The decrease was mainly due to lower all-in sustaining costs⁴.

Operating Results⁵

(\$ millions, except as noted) ³	Three months ended September 30			Nine months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Financial Highlights:						
Revenue - \$ millions	142.8	124.3	15%	413.2	457.1	(10%)
Cost of sales (cash)	50.6	26.7	90%	137.6	101.1	36%
Cost of sales (non-cash)	36.2	27.8	30%	103.3	106.0	(2%)
Cost of sales (total)	86.8	54.4	59%	240.9	207.1	16%
Cost of sales - \$/oz sold ⁴	726	547	33%	737	561	31%
Cash provided by operations	45.5	79.5	(43%)	141.4	265.1	(47%)
Cash provided by operations before changes in working capital ⁴	64.1	74.3	(14%)	200.5	279.2	(28%)
Operating Highlights:						
Tonnes mined - 000s	41,559	49,251	(16%)	132,366	131,108	1%
Tonnes ore mined – 000s	2,759	2,465	12%	5,120	2,477	107%
Average mining grade - g/t	3.87	1.93	100%	2.96	1.93	53%
Tonnes milled - 000s	1,641	1,505	9%	4,880	4,578	7%
Average mill head grade - g/t	3.03	3.47	(13%)	2.63	3.51	(25%)
Mill Recovery - %	79.0%	80.5%	(2%)	74.3%	78.6%	(5%)
Mining costs - total (\$/t mined material)	1.26	1.01	26%	1.19	1.11	7%
Milling costs (\$/t milled material)	10.34	12.97	(20%)	10.55	11.24	(6%)

Gold produced – ounces	122,445	138,561	(12%)	306,467	404,584	(24%)
Gold produced – kg	3808.5	4309.7	(12%)	9532.2	12584	(24%)
Gold sold – ounces	119,521	99,514	20%	327,060	369,431	(11%)
Gold sold – kg	3717.5	3095.2	20%	10172.7	11490.6	(11%)
Average realized gold price ⁴ - \$/oz. sold	\$ 1,195	\$ 1,249	(4%)	\$ 1,263	\$ 1,237	2%
Capital Expenditures (sustaining) ⁴ - cash	10.6	15.5	(31%)	31.8	44.2	(28%)
Capital Expenditures (growth) ⁴ - cash	4.4	5.2	(15%)	13.8	11.0	26%
Capital Expenditures (stripping) - cash	12.3	30.8	(60%)	77.6	125.0	(38%)
Capital Expenditures (stripping) - non-cash	4.2	10.7	(61%)	25.2	43.4	(42%)
Capital expenditures (total)	31.6	62.2	(49%)	148.4	223.5	(34%)
Operating Costs (on a sales basis) ⁴	50.6	26.7	90%	137.6	101.1	36%
All-in sustaining costs (including taxes) ⁴	99.2	97.7	2%	323.1	353.2	(9%)
Adjusted operating costs ⁴ - \$/oz sold	\$ 467	\$ 337	39%	\$ 472	\$ 321	47%
Operating Costs (on a sales basis)- \$/oz sold ⁴	\$ 425	\$ 264	61%	\$ 422	\$ 271	56%
Gold - All-in sustaining costs on a by-product basis - \$/oz sold ⁴	\$ 662	\$ 806	(18%)	\$ 810	\$ 782	4%
Gold - All-in sustaining costs on a by-product basis (including taxes) - \$/oz sold ⁴	\$ 831	\$ 982	(15%)	\$ 988	\$ 956	3%

1 – One Troy ounce equals to 31.103 48 grammes.

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

3 – Numbers may not add up due to rounding

4 – Non-GAAP measures and are discussed under “Non-GAAP Measures” in Centerra’s MD&A and news release dated October 31, 2018.

5 – Financial data extracted from Centerra’s news release dated October 31, 2018

Payments to the Kyrgyz National Budget and Mandatory Contributions

During the third quarter of 2018, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments have totaled 1.5 billion soms.

Kumtor’s Contributions in Taxes and Mandatory Payments for Nine Months of 2018

<i>As of September 30, 2018</i>	<i>USD³</i>		
	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>
Revenue-based tax	21,991,326	20,026,766	14,287,954
Issyk-Kul Development Fund	2,458,948	1,540,520	1,099,073
Pollution tax	310,000	-	-
Employee Income tax	1,370,596	1,014,540	979,727
Social Insurance Fund	6,189,424	5,297,461	5,049,342
Customs	109,840	128,888	79,398
Tax on nonresident companies	119,640	82,315	35,128
Other taxes and mandatory payments	106,011	109,511	160,520
Total	32,655,784	28,200,003	21,691,142
<i>US\$ official exchange rate to the Kyrgyz Soms as of end of quarter</i>	68.4325	68.0600	69.2773
Equivalent of payments effected in Kyrgyz Soms	2,234,716,938	1,919,292,172	1,502,703,752

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.



News Release from November 14, 2018
Kyrgyz Republic, Bishkek, Kumtor Gold Company CJSC

Commentary

Scott Perry, President and Chief Executive Officer of Centerra stated, “Our sites had another safe quarter and we continue to roll out phase two of our Work Safe – Home Safe program, as we strive to zero harm within the work place.”

“During the quarter and earlier than planned, Kumtor accessed and started mining and processing the higher-grade material from the SB Zone in the Central Pit. As a result, Kumtor delivered better than planned results in the quarter, producing over 122,000 ounces of gold at all-in sustaining costs (before taxes)⁴ of \$662 per ounce sold.

“With our third quarter earnings release today, Centerra increased its gold production guidance for Kumtor for the year to 490,000 – 510,000 ounces and Company-wide to 665,000 to 705,000 ounces. We also lowered our expected all-in sustaining costs on a by-product basis (before taxes)⁴ at Kumtor to \$700 to \$750 per ounce sold and at Mount Milligan to \$825 to \$875 per ounce sold, which bring the Centerra’s consolidated all-in sustaining costs on a by-product basis (before taxes)⁴ to \$782 to \$829 per ounce sold.”

The Kumtor open pit mine, located in the Kyrgyz Republic, is one of the largest gold mines in Central Asia operated by a Western-based gold producer. It has been operating since May 1997 and has produced over **11.8 million ounces or 367.21 tonnes of gold** to September 30, 2018.

Kumtor Gold Company is the operator of the Kumtor Project responsible for the entire production cycle.

Centerra Gold Inc. is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in North America, Asia and other markets worldwide, and is the largest Western-based gold producer in Central Asia. Centerra operates two flagship assets, the Kumtor Mine in the Kyrgyz Republic and the Mount Milligan Mine in British Columbia, Canada and is building its third gold mining operation, the 100%-owned Öksüt Gold Mine in Turkey. 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** common shares. As of November 14, 2018, Kyrgyzstan's interests were estimated at **\$ 285 million**.

Additional information on Centerra and the full text of the news release on the third quarter of 2018 are available on SEDAR at www.sedar.com and the corporate websites at www.centerragold.com and www.kumtor.kg.

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