

Operating Results of the First Quarter of 2019

Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the first quarter of 2019. In the first three months of 2019, KGC produced 150,308 ounces¹ or 4,675.10 kg of gold and contributed more than 1.51 billion soms in taxes and mandatory payments.

Gold Production and Sales

Kumtor produced 150,308 ounces of gold in the first quarter of 2019 compared to 100,220 ounces of gold in the same period of 2018. The increase in ounces poured in the first quarter of 2019 is primarily due to processing ore with higher grade and higher recovery from cut-back 18 stockpiles mined in 2018, compared to the processing of ore with lower grade and lower recovery that was stockpiled from cut-back 17 and from Sarytor in the first quarter of 2018. During the first quarter of 2019, Kumtor's average mill head grade was 3.73 g/t with a recovery of 82.0% compared to 2.58 g/t and a recovery of 72.2% in the same period of 2018.

Gold sales in the first quarter of 2019 were 150,267 ounces, or 4,673.83 kilograms. Total revenues from gold sales in the first quarter of 2019 were \$195.0 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 within and outside the Kyrgyz Republic.

Operating costs and All-in Measures

Operating costs (on a sales basis)⁴, including capitalized stripping, decreased in the first quarter of 2019 by \$2.8 million to \$68.5 million compared to \$71.3 million in the first quarter of 2018. 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, totaled \$51.3 million in the first quarter of 2019, which was slightly higher (\$0.4 million) than the comparative quarter in 2018.

Milling costs amounted to \$17.2 million in the first quarter of 2019 compared to \$15.5 million in the comparative quarter of 2018. The increase is mainly from higher carbon fines processing costs (\$0.9 million) as such operations were ramping up in the first quarter of 2018, higher grinding balls costs (\$0.6 million) due to the processing of harder ore type and higher carbon costs (\$0.3 million) mainly due to higher prices and consumption rate resulting from ore recovery optimization.

Site support costs in the first quarter of 2019 totaled \$11.8 million compared to \$12.9 million in 2018. The decrease is attributable primarily due to lower costs for camp supplies (\$0.4 million) due to lower consumption, lower contractors' costs (\$0.4 million) due to fewer contractors and lower national labour costs mainly due to favourable exchange rate (69.8 som/\$ vs. 68.5 som/\$).

Other Cost movements

Depreciation, depletion and amortization ("DD&A") associated with sales increased to \$41.0 million in the first quarter of 2019 from \$35.6 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 19.

All-in sustaining costs on a by-product basis per ounce sold⁴, which excludes revenue-based tax, was \$553 in the first quarter of 2019 compared to \$758 in the same period of 2018. The decrease was mainly due to higher ounces sold and lower capitalized stripping as a result of accessing the main ore

body in cut-back 19 in the first quarter of 2019 and, as a result, ceasing the capitalization of stripping activities.

Including revenue-based taxes, all-in sustaining costs on a by-product basis per ounce sold⁴ was \$735 in the first quarter of 2019 compared to \$942 in the comparative year. The decrease was mainly due to lower all-in sustaining costs⁴ (explained above), partially offset by higher revenue-based taxes resulting from increased sales revenue achieved in the first quarter of 2019.

Operating Results of the Kumtor Project⁵

(\$ millions, except as noted) ³	Three months ended March 31,		
	2019	2018	% Change
Financial Highlights:			
Revenue - \$ millions	195.0	153.0	27%
Cost of sales (cash)	51.2	42.6	20%
Cost of sales (non-cash)	41.0	35.6	15%
Cost of sales (total)	92.2	78.2	18%
Cost of sales - \$/oz sold ⁴	613	669	(8%)
Cash provided by operations	120.0	43.1	178%
Cash provided by operations, before changes in working capital ⁴	109.9	84.6	30%
Operating Highlights:			
Tonnes mined - 000s	49,194	47,314	4%
Tonnes ore mined – 000s	1,877	1,405	34%
Average mining grade - g/t	2.14	2.02	6%
Tonnes milled - 000s	1,575	1,668	(6%)
Average mill head grade - g/t	3.73	2.58	44%
Mill Recovery - %	82.0%	72.2%	14%
Mining costs - total (\$/t mined material)	1.04	1.08	(4%)
Milling costs (\$/t milled material)	10.93	9.26	18%
Gold produced – ounces	150,308	100,220	50%
Gold produced – kilograms	4,675.10	3,117.19	50%
Gold sold – ounces	150,267	116,919	29%
Gold sold – kilograms	4,673.83	3,636.59	29%
Average realized gold price ⁴ - \$/oz sold	\$ 1,297	\$ 1,309	(1%)
Capital Expenditures (sustaining) ⁴ - cash	8.9	11.3	(21%)
Capital Expenditures (growth) ⁴ - cash	2.0	3.4	(41%)
Capital Expenditures (stripping) - cash	17.4	28.7	(39%)
Capital Expenditures (stripping) - non-cash	5.5	9.7	(43%)
Capital expenditures (total)	33.8	53.2	(36%)
Operating Costs (on a sales basis) ⁴	51.2	42.6	20%
Adjusted operating costs ⁴ - \$/oz sold	\$ 375	\$ 413	(9%)
Operating Costs (on a sales basis)- \$/oz sold ⁴	\$ 340	\$ 365	(7%)
Gold - All-in sustaining costs on a by-product basis - \$/oz sold ⁴	\$ 553	\$ 758	(27%)

Gold - All-in sustaining costs on a by-product basis (including taxes) - \$/oz sold ⁴	\$ 735	\$ 942	(22%)
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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 May 1, 2019.

5- Financial data extracted from Centerra’s news release.

Payments to the Kyrgyz National Budget and Mandatory Contributions

During the first three months of 2019, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments have totaled **1.51 billion soms**.

As of March 31, 2019.

<i>Type of payment (US dollars)</i>	<i>Q1</i>
Gross Proceeds Tax	10,947,177
Contribution to Issyk-Kul Development Fund	2,043,231
Pollution Charge	310,000
Total	13,300,408
US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2019	69.8496
Equivalent of payments effected in Kyrgyz Soms	929,028,179

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.

As of March 31, 2019.

<i>Type of payment (Kyrgyz soms)</i>	<i>Q1</i>
Personal Income tax	101,803,525
State Social Insurance Contribution	461,734,642
Customs Fees	4,353,000
Tax on nonresident companies	4,368,386
Other taxes and mandatory payments	9,761,878
Total	582,021,431

2019 Outlook

Kumtor’s gold production forecast is expected to be in the range of 535,000 ounces to 565,000 ounces with approximately 28% of the production expected to be in the fourth quarter of 2019.

The Kumtor open pit mine, located in the Kyrgyz Republic, is one of the largest gold mines in Central Asia. It has been in production since 1997 and has produced over 12.2 million ounces of gold to March 31, 2019.

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



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is currently building its next gold mine, the Öksüt Gold Mine in Turkey. Centerra Gold's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra Gold's largest shareholder owning **77,401,766** common shares. As of May 13, 2019, Kyrgyzstan's interests were estimated at **\$ 430 million**.

Additional information on Centerra Gold Inc. and the full text of the news release on the First Quarter of 2019 are available on SEDAR at www.sedar.com and the corporate websites at www.centerragold.com and www.kumtor.kg.

For further information, please contact Media Relations, KGC.media@centerragold.com

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