

## **2019 Fourth Quarter and 2019 Year-end Results**

### **Basic Operating and Financial Results**

At the Kumtor Mine gold production in 2019 was 600,201 ounces<sup>1</sup> or 18,668.35 kg. Gold sales in 2019 were 600,231 ounces<sup>1</sup> or 18,669.28 kg with a revenue totaling \$827.5 million<sup>2</sup>. Contribution to the national budget in taxes and mandatory payments in 2019 is more than **14.8 billion** soms.

*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.*

### **COVID-19 Update**

Centerra Gold (“Centerra”) continues to prioritize the health, safety and well-being of its employees, contractors, communities and other stakeholders, particularly during the current outbreak of COVID-19. To date, the Company has experienced no operating or production disruptions nor any supply chain interruptions or impact. Kumtor and Mount Milligan operations continue for the time being and, in the case of Kumtor, with the support of the Kyrgyz Republic Government.

Centerra has taken the following measures to provide its employees with accurate information, help prevent infection and reduce the potential transmission of COVID-19:

- **Pandemic & Crisis Management:** A global crisis management team was activated in early March.

The team, comprised of executives and local site leaders, has been leading Centerra’s global response and has implemented a corporate pandemic response plan complemented by local site-specific crisis management plans.

- **Health and Mental Well-being Support:** Centerra continues to educate and raise awareness on COVID-19 facts and preventative actions through frequent communication with employees and is directing leaders to offer compassionate support for employees who are concerned about their wellbeing and the wellbeing of their families. Any employee who is feeling unwell or experiencing flu-like symptoms has been advised to stay home. The Company is conducting temperature checks using non-contact thermometers and asking health questions of all individuals entering any of its sites. A standard operating procedure has been implemented in case there is a need for individual isolation and subsequent transportation from site for any individual who exhibits COVID-19 related symptoms.
- **Workplace Hygiene:** All sites have increased daily cleaning of all common areas and spaces where there is frequent employee contact, including shared objects and any high-touch surfaces. Proper food hygiene and preparation practices have been reinforced at the Company’s mine sites which have onsite living quarters.
- **Remote Working:** As noted above, to promote social distancing practices, corporate and regional offices have been closed for the time being and flexible work arrangements have been implemented globally. Site employees who can work at home have been encouraged to

do so. The Company has also moved to virtual meetings across the organization where possible or limited attendees at meetings while practicing prudent social distancing.

- **Travel and Site Visit Restrictions:** The Company has instituted a no-air travel policy. At the guidance of public health authorities, individuals who have recently returned from either business or non-business-related travel have entered a 14-day self-isolation period. In addition, a visitor ban has been instituted at all sites, including our operating mines, development projects and at our care and maintenance sites.

### **Brownfields Exploration**

During the fourth quarter of 2019, exploration drilling programs continued with the completion of seventy-two diamond drill holes for 17,777 metres, including 3,202 metres of infill drilling in the Hockey Stick Zone and four RC drill holes for 691 metres. Exploration drilling focused on testing zones of mineralization near the surface for additional open pit resources on the north-east side of the Central Pit, at the corridor between the Central and Southwest pits, and on the flanks of the Sarytor target area. An Airborne magnetic geophysical survey was also carried out within the Kumtor Concession area and beyond.

A complete listing of the drill results, drill hole locations and plan map for the Kumtor Mine have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the Company's web site [www.centerragold.com](http://www.centerragold.com).

**The table below displays Kumtor's basic operating and financial results<sup>5</sup>:**

(\$ millions, except as noted) <sup>3</sup>	Three months ended December 31			Twelve months ended December 31		
	2019	2018	% Change	2019	2018	% Change
<b>Financial Highlights:</b>						
Revenue	<b>200.5</b>	246.9	(19%)	<b>827.5</b>	660.1	25%
Production costs	<b>49.6</b>	61.8	(20%)	<b>228.6</b>	209.1	9%
Standby costs	<b>9.1</b>	-	100%	<b>9.1</b>	-	100%
Depreciation, depletion and amortization	<b>46.6</b>	51.3	(9%)	<b>181.3</b>	154.6	17%
Earnings from mine operations	<b>95.2</b>	133.8	(29%)	<b>408.5</b>	296.4	38%
Cash provided by mine operations	<b>149.1</b>	149.6	(0%)	<b>376.3</b>	291.0	29%
Cash provided by mine operations before changes in working capital <sup>(4)</sup>	<b>107.1</b>	144.1	(26%)	<b>385.1</b>	345.0	12%
<b>Operating Highlights:</b>						
Tonnes mined (000's)	<b>28,565</b>	47,965	(40%)	<b>156,439</b>	180,331	(13%)
Tonnes ore mined (000's)	<b>1,716</b>	2,235	(23%)	<b>10,970</b>	7,356	49%
Average mining grade (g/t)	<b>5.50</b>	3.94	40%	<b>2.91</b>	3.26	(11%)
Tonnes milled (000's)	<b>1,322</b>	1,445	(9%)	<b>5,968</b>	6,325	(6%)
Average mill head grade (g/t)	<b>3.79</b>	5.49	(31%)	<b>3.69</b>	3.29	12%
Mill Recovery (%)	<b>85.3%</b>	87.5%	(2%)	<b>83.5%</b>	79.3%	5%
Mining costs - total (\$/t mined material)	<b>1.50</b>	1.12	34%	<b>1.26</b>	1.17	8%



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Milling costs (\$/t milled material)	<b>13.48</b>	12.70	6%	<b>12.00</b>	10.65	13%
Gold produced (ounces)	<b>148,523</b>	228,096	(35%)	<b>600,201</b>	534,563	12%
Gold produced (tonnes)	<b>4.62</b>	7.09	(35%)	<b>18.67</b>	16.63	12%
Gold sold (ounces)	<b>136,568</b>	203,388	(33%)	<b>600,231</b>	530,448	13%
Gold sold (tonnes)	<b>4.23</b>	6.33	(33%)	<b>18.67</b>	16.5	13%
Average realized gold price (\$/oz sold) <sup>4</sup>	\$ <b>1,468</b>	\$ 1,214	21%	\$ <b>1,379</b>	\$ 1,244	11%
Capital Expenditures - sustaining	<b>7.8</b>	11.8	(34%)	<b>38.6</b>	43.7	(12%)
Capital Expenditures - growth	<b>2.9</b>	2.9	1%	<b>16.0</b>	16.7	(4%)
Capital Expenditures - stripping - cash	<b>28.2</b>	26.3	7%	<b>76.5</b>	103.9	(26%)
Capital Expenditures - stripping - non-cash	<b>6.9</b>	9.7	(29%)	<b>20.7</b>	34.9	(41%)
Capital expenditures - total	<b>45.8</b>	50.7	(10%)	<b>151.8</b>	199.2	(24%)
<b>Unit Costs:</b>						
Production costs per ounce of gold sold	\$ <b>363</b>	\$ 303	20%	\$ <b>381</b>	\$ 394	(3%)
Gold - All-in sustaining costs on a by-product basis (\$/oz sold) <sup>4</sup>	\$ <b>657</b>	\$ 508	29%	\$ <b>598</b>	\$ 694	(14%)
Gold - All-in sustaining costs on a by-product basis - including taxes (\$/oz sold) <sup>4</sup>	\$ <b>864</b>	\$ 679	27%	\$ <b>792</b>	\$ 869	(9%)

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 March 26, 2020.

5- Financial data extracted from Centerra’s news release dated March 26, 2020.

## Financial

Kumtor recognized 25% higher revenues and 38% higher earnings from mine operations during 2019 when compared to the prior year as a result of more ounces sold, higher realized gold prices and lower unit costs from the processing of ore with higher grades and recoveries. Cash provided by mine operations was \$85.3 million higher in 2019 when compared to 2018 due to higher realized gold prices, higher ounces sold and higher accounts payable.

## Production

During 2019, Kumtor focused on developing cut-back 19 and stripping and unloading of ice from cut-back 20. Total waste and ore mined in 2019 was 156.4 million tonnes compared to 180.3 million tonnes in the comparative prior year, due primarily to weather delays affecting the truck and shovel availability and the suspension of mining operations in December 2019. Kumtor produced 600,201 ounces of gold in 2019 compared to 534,563 ounces of gold in 2018. The increase was due primarily to processing ore with higher grade and recovery from cut-back 18 and cut-back 19. During 2019, Kumtor’s mill head grade was 3.7 g/t with a recovery of 83.5% compared with 3.3 g/t grade and a recovery of 79.3% for 2018.

## Mining Costs, including capitalized stripping

Mining costs, including capitalized stripping, were \$197.6 million in 2019 compared to \$211.1 million in 2018. Mining costs decreased due to fewer tonnes mined as a result of the suspension of mining in December 2019 and poor weather conditions during the summer, resulting in a decrease in diesel costs, partially offset by higher costs for spare parts.

### **Milling Costs**

Milling costs were \$71.6 million in 2019 compared to \$67.3 million in the comparative prior year, which increased due to higher carbon fine processing, costs related to the comprehensive maintenance shutdown for the planned replacement of equipment (not performed in 2018) and higher grinding media and cyanide costs due to the processing of a harder ore type.

### **Site Support Costs**

Site support costs in 2019 totaled \$49.0 million compared to \$51.7 million in the comparative prior year, the decrease was due primarily to fewer contractors on site and lower camp supply costs.

### **Production costs per ounce of gold sold**

Production costs per ounce of gold sold were \$381 for 2019, consistent with \$394 in 2018, due to ounces sold and cost of sales increasing by similar percentages.

### **All-in Sustaining Costs<sup>4</sup>**

All-in sustaining costs on a by-product basis per ounce sold<sup>4</sup>, which excludes revenue-based tax, were \$598 per ounce in 2019 compared to \$694 per ounce in 2018. The decrease was mainly due to more ounces of gold sold and lower capitalized stripping as a result of the suspension of mining operations and earlier cessation of stripping activity in 2019 (cut-back 19) than in 2018 (cut-back 18). Including revenue-based taxes, all-in sustaining costs on a by-product basis per ounce sold<sup>4</sup> were \$792 per ounce in 2019 compared to \$869 per ounce in 2018.

### **Kumtor's Contributions in Taxes and Mandatory Payments for the Twelve Months of 2019**

<i>Type of payment (US dollars)</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
Gross Proceeds Tax	10,947,177	29,585,268	23,227,415	44,381,965	<b>108,141,825</b>
Contribution to Issyk-Kul Development Fund	2,043,231	2,275,790	1,786,724	2,379,163	<b>8,484,908</b>
Contribution to Nature Development Fund	-	-	57,400,000	3,700,000	<b>61,100,000</b>
Contribution to Regional Social Partnership Fund	-	-	5,000,000	951,665	<b>5,951,665</b>
Pollution Charge	310,000	-	-	-	<b>310,000</b>
<b>Total</b>	<b>13,300,408</b>	<b>31,861,057</b>	<b>87,414,139</b>	<b>51,412,793</b>	<b>183,988,397</b>
US\$ official exchange rate to the Kyrgyz Soms at the end of the quarter	69.8496	69.4928	69.7039	69.6439	-
Equivalent of payments effected in Kyrgyz Soms	<b>929,028,179</b>	<b>2,214,114,061</b>	<b>6,093,106,443</b>	<b>3,580,587,414</b>	<b>12,816,836,097</b>

**Notes:**

*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. Contribution to Nature Development Fund and Contribution to Regional Social Partnership Fund are made under the Strategic Agreement among the Government, Centerra Gold Inc. and KGC of September 7, 2017, and in accordance with Additional Contributions of July 8, 2019.*

<i>Type of payment (Kyrgyz soms)</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Total</i>
Personal Income tax	101,803,525	89,661,508	81,957,964	70,960,356	<b>344,383,353</b>

State Social Insurance Contribution	461,734,642	386,137,482	372,087,070	354,457,461	<b>1,574,416,655</b>
Customs Fees	4,353,000	5,710,000	6,465,000	7,355,000	<b>23,883,000</b>
Tax on nonresident companies	4,368,386	4,931,646	6,961,372	4,390,675	<b>20,652,080</b>
Other taxes and mandatory payments	9,761,878	9,176,628	6,748,696	10,307,758	<b>35,994,959</b>
<b>Total</b>	<b>582,021,431</b>	<b>495,617,263</b>	<b>474,220,102</b>	<b>447,471,250</b>	<b>1,999,330,046</b>

### Payments within the Kyrgyz Republic

Contributions made within the Kyrgyz Republic in 2019 (including taxes, refining, domestic suppliers, infrastructure, charities, etc.) have exceeded US \$ **366.899 million**. In all, contributions made within the Kyrgyz Republic between 1994 and 2019 have exceeded US \$ **4.14 billion**.

In USD millions	2019	1994 – 2019
Taxes, customs & other mandatory payments	114.752	1,307.681
Social Insurance Fund	22.555	231.681
Issyk-Kul Development Fund	8.485	78.430
Licenses & permits	0.429	4.652
Pollution tax and payments to the Environment Protection Agency	0.310	5.919
Payments to Kyrgyzaltyn	0.313	14.052
Refinery	5.141	65.215
Revenue from the sale of Centerra shares	-	86.000
Dividends	-	93.315
Purchases in the Kyrgyz Republic:		
- <i>supplies &amp; services</i>	56.849	891.596
- <i>foods</i>	4.175	78.041
Kyrgyz-infrastructure-related payments:		
- <i>electricity</i>	13.062	205.615
- <i>roads outside the mine site</i>	1.549	47.705
- <i>Tamga-Kumtor power-transmission line</i>	-	41.612
KGC employees' net wage	71.724	841.066
Sanatoria treatment	-	0.744
Education, scholarships & training	0.091	6.816
Sponsorships & sustainable development projects	1.364	32.637
Government contributions	-	31.000
Settlements	66.100	73.100
Payments to communities	-	4.400
<b>Total</b>	<b>366.899</b>	<b>4,141.28</b>

### Kumtor's Impact on the Macroeconomic Performance of the Kyrgyz Republic

According to preliminary reports of the Kyrgyz Republic National Statistics Committee,



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- Kumtor's share in Kyrgyz Republic's GDP in 2019 was **9.8%**;
- Kumtor's share in the aggregate industrial output was **20.8%**.

**Scott Perry, President and Chief Executive Officer of Centerra Gold stated,** “We are fully committed to understanding the circumstances that led to the troubling safety incidents at Kumtor in December 2019 and February 2020, so that we can take all necessary steps to prevent such incidents from happening in the future. We remain steadfast in our resolve to ensure that everyone who works at our operations can do so safely and will return home safely, each and every day. There is nothing more important.

Kumtor had another strong year exceeding its revised production guidance in delivering 600,201 ounces of gold production at an all-in-sustaining cost on a by-product basis of \$598 per ounce sold, which was lower than the low-end of its all-in-sustaining cost guidance.

At Kumtor over the past 18 months we have invested significantly in exploration drilling and at year-end we can see the results as Kumtor's open pit measured and indicated gold mineral resources increased by 3.3 million contained ounces to 6.3 million contained ounces and open pit inferred gold mineral resources increased by 1.2 million contained ounces to 1.4 million contained ounces. We are now in the process of updating Kumtor's life-of-mine plan and an updated technical report which we plan to release in the second half of 2020.

The safety of our employees remains our top priority during the outbreak of COVID-19 and we are taking action based on the best available information we have. To ensure appropriate social distancing, the Company has temporarily closed its head office in Toronto and regional offices in Bishkek, Kyrgyz Republic, Prince George, British Columbia, Canada and Ankara, Turkey and has asked its workforce to operate remotely.”

**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 in production since 1997 and has produced over 12.6 million ounces of gold to December 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 one of the largest Western-based gold producers 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 now has a third operating gold mine, the 100% owned Öksüt 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 April 7, 2020, Kyrgyzstan's interests were estimated at **\$ 490 million**.

*Additional information on Centerra Gold Inc. and the full text of the news release on the 2019 Fourth Quarter and 2019 Year-end Results are available on SEDAR at [www.sedar.com](http://www.sedar.com) and the corporate websites at [www.centerragold.com](http://www.centerragold.com) and [www.kumtor.kg](http://www.kumtor.kg).*





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