



Operating Results of the Third Quarter of 2020

Centerra Gold Inc. (Centerra) and Kumtor Gold Company (KGC) have summed up their operating results in the third quarter of 2020. For the nine months of 2020, KGC produced 465,734 ounces¹ or 14,485.95 kg of gold and contributed more than 10.21 billion soms in taxes and mandatory payments.

Despite political and social disruption in the Kyrgyz Republic following its recent Parliamentary election held during the first week of October 2020, operations at the Kumtor Mine continue. Mining and gold production continue at targeted rates, and regular gold shipments are being made. No disruptions have occurred to the mine's supply chain as borders are open for cargo and customs is functioning normally.

The Company understands that other mining companies within the Kyrgyz Republic experienced property damage and interruption in their operations in connection with protests that occurred following the October 4, 2020 parliamentary elections. While Kumtor did not experience any material issues at its offices or mine site, the Company and Kumtor will continue to remain on alert. The Company is monitoring the situation and is taking all the necessary precautions to ensure the safety of its personnel and operations. Centerra and Kumtor will continue to cooperate and work with the Kyrgyz Government and state agencies to ensure uninterrupted operation of the mine.

COVID-19 Update

Kumtor continues to implement mitigation controls and health & safety precautions at the mine site to contain the spread of COVID-19. As previously noted, the Company observed an effect on the availability of Kumtor's workforce due to a greater rate of COVID-19 infections and other illnesses in the Kyrgyz Republic. As a result, open pit mining began operating at less than full capacity in July, but returned to full capacity in September. Mill processing operations continue to work at full capacity throughout the quarter and are expected to maintain gold production by processing stockpiles as originally planned for the year.

It should be noted that in October 2020, there has been a significant increase in reported COVID-19 cases in the Kyrgyz Republic that may result in subsequent changes to operational plans.

On September 1, 2020, Kumtor Gold Company (Kumtor) transferred 78,468,300 soms (an equivalent of US \$1 million, according to the official National Bank exchange rate as of September 1, 2020) to the account of the Health Ministry of the Kyrgyz Republic for repair of healthcare institutions across the country and equipping them with medical appliances.

Kumtor Technical Report Update

The Company continues to carry out further required technical work on the Kumtor life of mine plan, including with respect to mining costs, recoveries and waste rock stability assessments in view of the fatal accidents that occurred at the Lysii Waste Rock Dump in December 2019. Once that technical work has been completed, the Company expects to be in a position to release a new technical report for the Kumtor Mine. At the same time, the Company is continuing to monitor the ongoing political developments in the Kyrgyz Republic and to assess the risks associated with the further potential investments in the Kumtor Mine.

Gold Production and Sales

Gold production was 140,182 ounces from on-surface stockpiled ore in the third quarter of 2020 compared to 150,305 ounces of gold in the third quarter of 2019. The decrease was primarily due to lower process

plant head grade and lower gold recovery. During the third quarter of 2020, Kumtor's average process plant head grade was 3.48 g/t with a recovery of 80.3% compared to 3.78 g/t and a recovery of 84.8% in the third quarter of 2019.

Gold sales in the third quarter of 2020 were 142,132 ounces, or 4,420.80 kilograms. Total revenues from gold sales in the third quarter of 2020 were \$268.2 million ².

Gold production was 465,734 ounces of gold in the first nine months of 2020 from previously mined on-surface stockpiled ore, compared to 451,679 ounces of gold in the first nine months of 2019. The increase was primarily due to higher throughput, more gold produced from carbon fines and higher gold extraction from the additional treatment of the effluent plant water. This increase was partially offset by lower process plant head grade and lower gold recovery. During the first nine months of 2020, Kumtor's average process plant head grade was 3.65 g/t with a recovery of 82.8% compared to 3.66 g/t and a recovery of 83.0% in the first nine months of 2019.

Gold sales in the first nine months 2020 were 472,572 ounces, or 14,698.63 kilograms. Total revenues from gold sales in the first nine months of 2020 were \$803.5 million ².

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.

Mining Operations:

In July 2020, Kumtor received a permit to utilize the Lysii Valley for dumping waste rock going forward. Lysii Valley is expected to be the main mine waste rock dump for the next two years as it is closest to cut back 20. Construction and preparation of haul roads were completed in the third quarter. According to the new waste dumping plan in the Lysii Valley, waste rock will be placed at the base of the valley initially and the waste rock dump will be developed up the valley creating slightly longer haulage distances in the near-term.

During the third quarter of 2020, Kumtor continued stripping from cut-back 20. Tonnes mined were 17.9 million in the third quarter of 2020 compared to 38.7 million tonnes in the third quarter of 2019. The decrease was primarily due to longer haulage distances as a result of the change in waste rock dump location from the Lysii Valley to the Central Valley and lower equipment utilization due to reduced workforce availability. The 17.9 million tonnes mined in the third quarter of 2020 were capitalized as waste stripping for the benefit of future production from cut-back 20.

Mining costs per tonne were \$1.76 in the third quarter of 2020 compared to \$1.32 in the third quarter of 2019. The increase was primarily due to lower tonnes mined and longer haulage distances, partially offset by lower diesel fuel prices and a favourable foreign exchange rate movement. Of the \$31.6 million in mining costs, \$29.4 million was capitalized in the third quarter of 2020, compared to \$51.1 million in mining costs of which \$18.9 million was capitalized in the third quarter of 2019.

Processing costs per tonne were \$10.97 in the third quarter of 2020 compared to \$12.32 in the third quarter of 2019. The decrease was primarily due to a planned mill shutdown that occurred in the third quarter of 2019, a similar shutdown has been deferred to the fourth quarter 2020, higher tonnes processed, and a favourable foreign exchange rate movement. This was partially offset by increased costs associated with the increased carbon fine production.

Production costs per ounce of gold sold were \$326 per ounce in the third quarter of 2020, compared to \$404 in the third quarter of 2019. The decrease was primarily due to lower processing costs per tonne, and a significant decrease in the amount of ore being mined at Kumtor, resulting in higher costs capitalized as stripping and charged to depreciation.

All-in sustaining costs on a by-product basis per ounce sold, which excludes revenue-based tax, were \$639 per ounce in the third quarter of 2020 compared to \$626 per ounce in the third quarter of 2019. The increase was primarily due to lower ounces sold and greater capitalized stripping costs as mining activities were concentrated on stripping cut-back 20, partially offset by lower production costs.

All-in sustaining costs on a by-product basis per ounce sold including taxes were \$905 per ounce in the third quarter of 2020 compared to \$832 per ounce in the third quarter of 2019.

Exploration Update

The drilling program for 2020 includes 55,000 planned metres of exploration drilling, which is focused on priority and high potential targets. Primary targets include various zones of the Central, Southwest and Sarytor deposits where positive drilling results between 2018 and 2019 had been identified. During the third quarter of 2020, exploration drilling programs continued with the completion of 45 diamond drill holes and 11 reverse circulation (RC) drill holes totalling 11,412 metres. Exploration drilling focused on testing zones of sulphide (Central Pit – Northeast wall) and oxide mineralization, at the corridor between the Central and Southwest pits (Hope, Triangle and Southwest Oxide Deep zones), on the periphery of the Sarytor and Northeast Deposits and Muzdusuu Zone (Central Deposit).

Kumtor Operating Results ⁵

Unaudited (\$ millions, except as noted) ³	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Financial Highlights:						
Revenue	268.2	234.5	14%	803.5	627.0	28%
Production costs	46.3	64.7	(28%)	152.5	179.0	(15%)
Depreciation, depletion and amortization	52.5	50.1	5%	170.9	134.7	27%
Earnings from mine operations	169.4	119.7	42%	473.4	313.3	51%
Cash provided by mine operations	208.3	14.4	1347%	562.9	227.1	148%
Cash provided by mine operations before changes in working capital ⁴	174.9	119.9	46%	506.7	335.6	51%
Operating Highlights:						
Tonnes mined - 000s	17,927	38,731	(54%)	61,001	127,874	(52%)
Tonnes ore mined - 000s	5	4,748	(100%)	590	9,255	(94%)
Average mining grade - g/t	1.22	3.08	(61%)	7.66	2.43	215%
Tonnes processed - 000s	1,590	1,496	6%	4,760	4,647	2%
Average process plant head grade - g/t	3.48	3.78	(8%)	3.65	3.66	(0%)
Process plant Recovery - % ⁶	80.3%	84.8%	(5%)	82.8%	83.0%	(0%)
Mining costs - total (\$/t mined material)	1.76	1.32	34%	1.72	1.21	42%
Processing costs (\$/t milled material)	10.97	12.32	(11%)	11.01	11.57	(5%)
Gold produced - ounces	140,182	150,305	(7%)	465,734	451,679	3%
Gold produced - kilograms	4,360.15	4,675.01	(7%)	14,485.95	14,048.79	3%
Gold sold - ounces	142,132	160,088	(11%)	472,572	463,663	2%
Gold sold - kilograms	4,420.80	4,979.29	(11%)	14,698.63	14,421.53	2%
Average realized gold price - \$/oz sold ⁴	1,887	1,464	29%	\$ 1,700	\$ 1,352	26%

Capital Expenditures - sustaining	9.7	10.5	(7%)	42.7	30.8	39%
Capital Expenditures - growth	3.4	6.6	(49%)	7.4	13.1	(44%)
Capital Expenditures - stripping - cash	29.4	18.9	56%	94.4	48.3	95%
Capital Expenditures - stripping - non-cash	9.1	4.7	93%	29.6	13.7	116%
Capital expenditures - total	51.6	40.8	27%	174.2	106.0	64%
Unit Costs:						
Production costs per ounce of gold sold	\$ 326	\$ 404	(19%)	\$ 323	\$ 386	(16%)
Gold - All-in sustaining costs on a by-product basis - \$/oz sold ⁴	\$ 639	\$ 626	2%	\$ 661	\$ 581	14%
Gold - All-in sustaining costs on a by-product basis (including taxes) - \$/oz sold ⁴	\$ 905	\$ 832	9%	\$ 901	\$ 771	17%

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 November 04, 2020.

5 - Financial data extracted from Centerra's news release dated November 04, 2020.

6 - Metallurgical recoveries are based on recovered gold, not produced gold.

Payments to the Kyrgyz National Budget and Mandatory Contributions

During the nine months of 2020, contributions to the national budget in taxes, deductions to the Social Fund and other mandatory payments have totaled **10.21 billion soms**.

As of September 30, 2020.

Type of payment (US dollars)	Q1 - 2020	Q2 - 2020	Q3 - 2020
Gross Proceeds Tax	16,181,004	37,600,713	33,802,415
Contribution to Issyk-Kul Development Fund	2,279,527	2,892,363	2,600,186
Contribution to Social Partnership for Regional Development Fund	9,911,811	1,156,945	6,040,074
Pollution Charge	310,000	-	-
Total	28,682,342	41,650,021	42,442,675
US\$ official exchange rate to the Kyrgyz Soms at the end of the quarter	80.8100	75.9887	79.6000
Equivalent of payments effected in thousand Kyrgyz Soms	2,317,820	3,164,931	3,378,437

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.

Contribution to Social Partnership for Regional Development Fund is made under the Strategic Agreement among the Government, Centerra Gold Inc. and KGC as of September 11, 2017, and in accordance with Additional Contributions as of August 7, 2019.

As of September 30, 2020.

Type of payment (Kyrgyz soms)	Q1 - 2020	Q2 - 2020	Q3 - 2020
Personal Income tax	80,421,670	80,754,907	61,070,684
State Social Insurance Contribution	395,248,617	363,157,719	287,528,714
Customs Fees	6,262,000	6,306,000	7,498,678
Tax on nonresident companies	6,161,109	16,178,339	3,326,086
Other taxes and mandatory payments	12,614,470	11,787,319	14,343,685
Total	500,707,866	478,184,284	373,767,847

Commentary

Scott Perry, President and Chief Executive Officer of Centerra stated, "We continue to stay vigilant at all of our operations to prevent an outbreak and avoid the spread of the COVID-19 virus and to ensure the



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health, safety and well-being of our employees, contractors and communities. We are also carefully observing the unfolding political events in the Kyrgyz Republic in order to ensure uninterrupted operations at Kumtor.”

“The strong operating performance at Kumtor and Mount Milligan continued into this quarter and our Öksüt Mine demonstrated the additional value it brings to our operating portfolio on all metrics; production, low cost and cash flow generation”.

“We continue to advance the Kumtor technical report, with additional work being incorporated into the new life of mine plan with respect to mining costs, recoveries and waste rock stability assessments.”

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 **13.1 million ounces of gold** to September 30, 2020.

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 three mines, the Kumtor Mine in the Kyrgyz Republic, the Mount Milligan Mine in British Columbia, Canada and the Öksüt Mine in Turkey. Centerra'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 November 16, 2020, Kyrgyzstan's interests were estimated at **\$ 713,553,969**.

Additional information on Centerra Gold Inc. and the full text of the news release on the Third Quarter of 2020 are available on SEDAR at www.sedar.com and the corporate websites at www.centerragold.com and www.kumtor.kg.

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