centerraGOLD

NEWS RELEASE

Centerra Gold Reports Fourth Quarter and 2014 Year-end Results

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 30 and in the Cautionary Note Regarding Forward-looking Information on page 35. It should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2014 and associated Management's Discussion and Analysis. The consolidated financial statements of Centerra are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All figures are in United States dollars unless otherwise stated.

To view Management's Discussion and Analysis and the Audited Consolidated Financial Statements and Notes for the year ended December 31, 2014, please visit the following link:
http://media3.marketwire.com/docs/CG2014-YEMDA.pdf

Toronto, Canada, February 19, 2015: Centerra Gold Inc. (TSX: CG) today reported a net loss of $11.3 million or $0.05 per common share (basic) in the fourth quarter of 2014 as compared to net earnings of $106.6 million or $0.45 per common share (basic) for the same period in 2013. The 2014 fourth quarter loss includes a non-cash impairment charge of $111 million (or $0.47 per share (basic)) for goodwill related to the Kyrgyz cash generating unit (CGU), primarily as a result of the decrease in reserves and resources at the Kumtor mine as announced on February 9, 2015.

2014 Fourth Quarter Highlights

- Achieved full year gold production and unit cost guidance.
- Produced 301,236 ounces of gold in the fourth quarter, including 291,635 ounces at Kumtor and 9,601 ounces at Boroo.
- All-in sustaining costs per ounce sold[1], which excludes revenue-based tax in the Kyrgyz Republic and income tax, were $436 in the fourth quarter and $853 for the full year.
- All-in costs per ounce sold[1], which excludes revenue-based tax in the Kyrgyz Republic and income tax, were $497 for the fourth quarter and $955 for the full year.
- Extended the Company's existing US$150 million revolving credit facility with the European Bank for Reconstruction and Development ("EBRD") until February 17, 2016, on the same terms as the prior facility, LIBOR plus 2.9%.
- Reserve and resources updated at year-end resulting in a 1.65 million contained ounce decrease in total reserves, as described in the Company's news release of February 9, 2015, substantially all of which was attributable to the decrease in reserves at Kumtor.
- Subsequent to year-end, the Gatsuurt Project in Mongolia was designated as a mineral deposit of strategic importance by the Mongolian Parliament.
- On February 5, 2015, the Company announced that it signed a definitive agreement to form a 50/50 partnership for the joint ownership and development of Premier Gold's Trans-Canada

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

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Property including the Hardrock Gold Project located in the Geraldton-Beardmore Greenstone Belt in northwestern Ontario.

During the fourth quarter of 2014, Centerra's cash, cash equivalents and short-term investments increased by $157.6 million to $562.0 million from $404.4 million at the end of September 2014 ($501.5 million at December 31, 2013). As at December 31, 2014, the Company had drawn $76 million on its $150 million revolving credit facility with EBRD, leaving a balance of $74 million undrawn. The amount drawn is due to be repaid on August 11, 2015. Centerra believes, based on its current forecast, that it has sufficient cash and short-term investments to carry out its business plan in 2015 (see "2015 Outlook").

For the full year, the Company recorded a net loss of $44.1 million or $0.19 per share (basic), as compared to net earnings of $157.7 million or $0.67 per share (basic) in 2013. The net loss in 2014 reflects a non-cash impairment charge of $111 million (or $0.47 per share (basic)) for goodwill related to the Kyrgyz CGU, fewer ounces produced and sold (ounces sold decreased 12% over 2013), lower realized gold prices ($1,241 per ounce vs. $1,355 per ounce) and higher share-based compensation, partially offset by lower cost and exploration spending.

Consolidated gold production for 2014 totaled 620,821 ounces compared to 690,720 ounces in 2013 reflecting lower gold production at both operations. In 2014, Kumtor produced 567,693 ounces and Boroo produced 53,128 ounces compared to 600,402 ounces and 90,318 ounces in 2013, respectively. The lower gold production at Kumtor was due to processing lower grades from cut-back 16 compared to the higher grades of ore processed from cut-back 15 in 2013. Boroo's lower gold production was due to the depletion of stockpiled mill ore and the processing of lower grade ore and fewer ounces recovered from the heap leach operation as the operation transitioned to secondary leaching.

Commentary

Ian Atkinson, President and CEO of Centerra Gold stated, "I am pleased to report that we achieved our production and cost guidance for the year. The Boroo operation continued to perform well in the fourth quarter and exceeded our revised production guidance for the year. At Kumtor, the operation met its annual production guidance and during the fourth quarter produced 291,635 ounces of gold as we accessed the high-grade SB Zone which we are continuing to mine in the first quarter of 2015."

"At the Öksüt Project in Turkey things are proceeding well. As we announced earlier, measured and indicated resources have increased to an estimated 1.4 million contained ounces of gold (40.0 million tonnes (Mt) at 1.1 grams per tonne gold (g/t Au)). Work on the environmental and social impact assessment is progressing as planned and we had our first public meeting regarding that in August last year. Additionally, we continue to work on the full feasibility study which we are targeting to complete by mid-year."

"In the Kyrgyz Republic, the Company is continuing its discussions with the government regarding the potential restructuring of the Kumtor Project to resolve all outstanding concerns relating to the project. We are in the process of negotiating the definitive agreements to implement the restructuring as described in the Heads of Agreement signed on January 18, 2014 and are continuing discussions with the Kyrgyz Government in this regard."

"For 2015 we are estimating consolidated gold production to be in the range of 480,000 to 535,000 ounces, no gold production from Gatsuurt has been included in this guidance. At Kumtor this year, we are expecting relatively even quarterly gold production as compared to prior years when the majority of the ounces were produced in the fourth quarter. Centerra's projected consolidated all-in sustaining cost per ounce sold[1] (which excludes revenue-based tax in the Kyrgyz Republic and income tax) for 2015 is within a range of $898 to $1,003 and the projected range for consolidated all-in cost per ounce sold[1] (before taxes) is $1,003 to $1,121 for 2015."

"After the quarter end, we reported the designation of Gatsuurt as a mineral deposit of strategic importance by the Mongolian Parliament and this designation allows the Gatsuurt Project to move forward within the application of the Water and Forest Law. We also announced forming a partnership with Premier Gold to develop the Trans-Canada Project in northwestern Ontario. These two projects together with our Öksüt Project represent a significant step forward for Centerra in creating a development pipeline and reducing the risk associated with over reliance on a single project," Mr. Atkinson concluded.

Recent Developments

Kumtor Operations

- A non-cash impairment charge of $111 million was recorded at December 31, 2014 for the goodwill related to the Kyrgyz CGU primarily as a result of the reduction in Kumtor's reserves and resources announced on February 9, 2015. The reserve decrease is a result of negative production reconciliation in 2014 at Kumtor, development of a new resource model for the Kumtor Central Pit, and design changes to the Kumtor Central Pit resulting from the new resource model and flattening of certain pit slopes.
- A new collective labour agreement was ratified and signed by Kumtor and the unionized employees on January 23, 2015. The new two year labour agreement will expire on December 31, 2016 and provides for inflation adjustments during the period. The local inflation rate will be reviewed every six months and an inflation allowance may be made with a cap of 8% per annum maximum.
- Starting in the fourth quarter of 2014, Kumtor has submitted to various Kyrgyz Republic governmental agencies for approval its 2015 annual mine plan and its ecological passport, which provides for, among other things, allowable levels of environmental emissions and discharges. The ecological passport requires renewal every five years. Similar to Kumtor's experience in 2014, Kumtor has received correspondence from such agencies declining to review such documents and expressing concerns regarding the mining of ice at Kumtor. The Company and Kumtor dispute the reasons provided by the regulatory agencies for their refusal to review the documents. The Company notes that the current project agreements governing the Kumtor project require relevant Kyrgyz Republic Government authorities to be reasonable in relation to their approval of any mining plans submitted for approval, and with respect to permits and approvals, Kumtor is entitled to maintain, have renewed and receive such licenses, consents, permissions and approvals as are from time to time necessary or convenient for the operation of the Kumtor project. The Company intends to continue discussion with the Kyrgyz Republic Government and the applicable agencies to obtain the relevant approvals and permits but there can be no assurances that such approvals and permits will be received or that a suspension of mining will not occur. See "Other Corporate Developments - Kyrgyz Permitting and Regulatory Matters".
- The Company continued its discussions with the Government of the Kyrgyz Republic relating to the restructuring described in the Heads of Agreement dated January 18, 2014 (the "HOA"). See "Other Corporate Developments".

Mongolian Operations

- Discussions with the Mongolian Government regarding the Gatsuurt Project continued during the fourth quarter as to possible levels of Government ownership in the project, ultimately leading to the

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

January 23, 2015, announcement that the Mongolian Parliament designated the Gatsuurt Project as a mineral deposit of strategic importance. This designation allows the Gatsuurt Project to move forward within the application of the Water and Forest Law and now requires the Mongolian Parliament to approve the level of Government ownership (up to a 34% participating interest) in the project. Centerra understands that, on February 17, 2015, the Government's proposal on state ownership of 20% was considered by Parliament but voted down and returned to the Government for review. The Company now expects that Parliament will consider a new proposal for the level of state ownership in the project during its spring session which begins in early April. The terms of such participation are subject to continued discussions between the Company and the Mongolian Government. Further development of the Gatsuurt Project will be subject to, among other things, receiving all required approvals and regulatory commissioning from the Mongolian Government. See "Other Corporate Developments – Mongolia".

Corporate

- Centerra is subject to an order dated October 10, 2014 and amended October 20, 2014 (the "Stans Order") from the Ontario Superior Court of Justice in favour of Stans Energy Corp. ("Stans") which prohibits Kyrgyzaltyn JSC ("Kyrgyzaltyn") from, among other things: (i) selling, disposing or exchanging 47,000,000 shares (the "Frozen Shares") of the 77,401,766 shares it holds in the capital of Centerra; (ii) obtaining share certificates in respect of such shares; or (iii) exercising its rights as a registered shareholder of Centerra in a manner that is inconsistent with or would undermine the terms of the Stans Order. The order also prohibits Centerra from, among other things, registering any transfers or issuing share certificates in respect of the Frozen Shares, and requires Centerra to hold in trust for the Stans Application (as defined below) any amounts payable to Kyrgyzaltyn in respect of dividends or distributions that Centerra is currently holding in trust for Kyrgyzaltyn or may declare or pay in the future. Accordingly, the funds held in trust for Kyrgyzaltyn in connection with the Sistem proceedings (as discussed below and in "Other Corporate Developments") continue to be held by Centerra.
- Centerra was also served by Stans with a notice of application to the Ontario Superior Court of Justice (the "Stans Application") which seeks to enforce a June 30, 2014 arbitral award (the "Stans Arbitration Award") obtained by Stans against the Kyrgyz Republic from the arbitration tribunal of the Moscow Chamber of Commerce ("MCCI") in the amount of approximately $118 million. The Stans Application seeks, among other things, an order declaring that the Kyrgyz Republic has a beneficial interest in all of the shares in Centerra held by Kyrgyzaltyn and that monies, interest, dividends and other rights of Kyrgyzaltyn in the stock of Centerra may be seized in order to satisfy the Stans Arbitration Award. We understand that the Kyrgyz Republic is appealing the Stans Arbitration Award to Russian courts in Moscow on the basis that the MCCI lacked the jurisdiction to hear the matter. This matter is scheduled to be heard in first quarter of 2015.
- In a separate proceeding, Kyrgyzaltyn has appealed to the Ontario Court of Appeal (the "Sistem Appeal") the decision of the Ontario Superior Court of Justice in the Sistem Muhendislik Insaat Sanayi ve Ticaret AS ("Sistem") matter, which found that the Kyrgyz Republic has a beneficial interest in the Centerra shares held by Kyrgyzaltyn. See "Other Corporate Developments".
- If the Kyrgyz Republic does not succeed in overturning the Stans Arbitration Award in the Russian courts and Kyrgyzaltyn is unsuccessful in the Sistem Appeal, Centerra expects that Stans would likely succeed in enforcing the Stans Arbitration Award in Ontario and in seizing a sufficient number of the Centerra shares held by Kyrgyzaltyn to satisfy the Stans Arbitration Award. If Stans ultimately seizes such shares, Kyrgyzaltyn would no longer hold a sufficient number of Centerra shares to contribute to the HOA restructuring transaction such that it could receive 50% of a new Kumtor joint venture. In such circumstances, the Company believes that the restructuring of the Kumtor Project in accordance with the HOA would be impossible. See "Other Corporate Developments".

Subsequent Event

Trans-Canada Project

- Centerra announced on February 5, 2015 that it has signed definitive agreements to form a 50/50 partnership for the joint ownership and development of Premier Gold's Trans-Canada Property including the Hardrock Gold Project located in the Geraldton-Beardmore Greenstone Belt in Ontario. The transaction is expected to close on or about March 6, 2015, subject to the receipt of applicable regulatory approvals and the satisfaction of customary conditions precedent. See the Company's news release of February 5, 2015 available on SEDAR.
- The financial terms of the agreements are as follows:
    - Payment to Premier, upon closing, of Cdn$85 million for a 50% interest in a partnership that will hold the Trans-Canada Property.
    - Contribution by Centerra on behalf of Premier of their first Cdn$92.5 million to be spent on the project.
    - After Centerra has contributed its Cdn$92.5 million (for a total of Cdn$185 million), further funding of the project will be on a 50/50 basis.
    - Up to an additional Cdn$30 million contingent payment to Premier subject to the results of a new drill program and an updated resource calculation adding 500,000 contained ounces of gold within the Hardrock Project pit shell as defined in the August 22, 2014 Technical Report published by Premier.
- The terms of the agreement has a significant portion of the purchase price to be spent for the development and construction of the project and allows for Premier to benefit from an additional payment if the partners significantly increase the value of the project by finding more gold, unlike a purchase of shares.

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Consolidated Financial and Operating Summary

Unaudited ($ millions, except as noted)	Three months ended December 31,			Year ended December 31,		
Financial Highlights	**2014**	2013	% Change	**2014**	2013	% Change
Revenue	**$ 360.1**	$ 468.9	(23%)	**$ 763.3**	$ 944.4	(19%)
Cost of sales	**183.5**	271.8	(32%)	**502.6**	559.2	(10%)
Mine standby costs	**2.2**	-	100%	**2.4**	-	100%
Revenue-based taxes	**48.5**	62.9	(23%)	**97.2**	113.5	(14%)
Other operating expenses	**1.9**	1.9	0%	**9.9**	8.3	19%
Impairment of goodwill	**111.0**	-	100%	**111.0**	-	100%
Exploration and business development (1)	**4.1**	8.8	(53%)	**15.7**	29.6	(47%)
Corporate administration	**10.4**	8.1	30%	**34.8**	30.6	14%
(Loss) Earnings from operations	**(9.1)**	109.3	(108%)	**(35.5)**	179.5	(120%)
Net (loss) earnings	**(11.3)**	106.6	(111%)	**(44.1)**	157.7	(128%)
Earnings (loss) per common share - $ basic (2)	**$ (0.05)**	$ 0.45	(111%)	**$ (0.19)**	$ 0.67	(128%)
Earnings (loss) per common share - $ diluted (2)	**$ (0.05)**	$ 0.44	(111%)	**$ (0.19)**	$ 0.64	(130%)
Cash provided by operations	**217.0**	359.5	(40%)	**376.4**	483.9	(22%)
Average gold spot price - $/oz (3)	**1,201**	1,276	(6%)	**1,266**	1,411	(10%)
Average realized gold price - $/oz(4)	**1,199**	1,271	(6%)	**1,241**	1,355	(8%)
Capital expenditures (5)	**57.7**	86.7	(33%)	**351.2**	376.6	(7%)
Operating Highlights						
Gold produced – ounces	**301,236**	362,234	(17%)	**620,821**	690,720	(10%)
Gold sold – ounces	**300,369**	368,954	(19%)	**615,234**	696,818	(12%)
Operating costs (on a sales basis) (6)	**72.9**	83.1	(12%)	**220.0**	250.2	(12%)
Adjusted operating costs (4)	**82.9**	90.9	(9%)	**251.9**	279.8	(10%)
All-in Sustaining Costs(4)	**132.0**	159.7	(17%)	**524.5**	570.0	(8%)
All-in Costs (4)	**150.4**	174.6	(14%)	**587.5**	641.4	(8%)
All-in Costs - including taxes (4)	**198.4**	237.5	(16%)	**687.6**	767.7	(10%)
Unit Costs						
Cost of sales - $/oz sold(4)	**611**	737	(17%)	**817**	803	2%
Adjusted operating costs - $/oz sold (4)	**276**	247	12%	**409**	402	2%
All-in sustaining costs – $/oz sold(4)	**439**	433	1%	**852**	818	4%
All-in costs – $/oz sold (4)	**501**	474	6%	**955**	920	4%
All-in costs (including taxes) – $/oz sold (4)	**661**	644	3%	**1,118**	1,102	1%

(1) Includes business development of $0.7 million and $0.9 million for the three and twelve months ended December 31, 2014, respectively (nil for three and twelve months ended December 31, 2013, respectively).
(2) As at December 31, 2014, the Company had 236,403,958 common shares issued and outstanding.
(3) Average for the period as reported by the London Bullion Market Association (US dollar Gold P.M. Fix Rate).
(4) Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs - including taxes ($ millions and per ounce sold) as well as average realized gold price per ounce and cost of sales per ounce sold are non-GAAP measures and are discussed under "Non-GAAP Measures".
(5) Includes capitalized stripping of $32.5 million and $261.1 million in the three and twelve months ended December 31, 2014 respectively ($70.8 million and $278.6 million in the three and twelve months ended December 31, 2013, respectively).
(6) Operating costs (on a sales basis) are comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes (except at Kumtor where revenue-based taxes are excluded), but excludes reclamation costs and depreciation, depletion and amortization. Operating costs (on a sales basis) represents the cash component of cost of sales associated with the ounces sold in the period.

Fourth Quarter 2014 compared to Fourth Quarter 2013

- Gold production for the fourth quarter of 2014 decreased 17% to 301,236 ounces poured. The decrease in ounces poured was due to the processing of lower grade ore that was mined from cut-back 16 in 2014 in comparison to the ore from cut-back 15 that was processed in the fourth quarter of 2013. During the fourth quarter of 2014, Kumtor's average mill head grade was 7.40 g/t with a recovery of 82.2%, compared with 8.88 g/t and a recovery of 84.1% for the same quarter in 2013. Boroo recorded lower production in the fourth quarter of 2014 as it processed lower average mill feed grades until it ultimately exhausted its stockpiled ore in early December 2014. Fewer ounces were also recovered from the heap leach operation as the operation transitioned from primary to secondary leaching midway through 2014.

- All-in sustaining costs per ounce sold[1], which excludes revenue-based tax and income tax, for the fourth quarter increased to $439 from $433 in the comparative period of 2013. The increase resulted from 19% fewer gold ounces sold and increased spending on sustaining capital[1], partially offset by a reduction in operating costs.
- All-in costs per ounce sold[1], which excludes revenue-based tax and income tax, were $501 in the fourth quarter of 2014 compared to $474 in the same period of 2013. The increase reflects fewer ounces sold, higher spending on growth and sustaining capital[1] and increased spending on the Company's Öksüt Project, partially offset by lower capitalized stripping costs at Kumtor and lower exploration spending.
- Revenues in the fourth quarter of 2014 decreased 23% to $360.1 million, as a result of 19% fewer ounces sold (300,369 ounces in the fourth quarter of 2014 compared to 368,954 ounces in the fourth quarter of 2013).and a 6% lower realized gold price ($1,199 per ounce vs. $1,271 per ounce). The lower amount of ounces sold is a reflection of the decrease in gold production in the fourth quarter at both operations.
- Cost of sales for the fourth quarter of 2014 was down 32% at $183.5 million compared to the same quarter of 2013. The decrease reflects fewer ounces sold at both operations and the reversal in the fourth quarter of the inventory impairment of $12.2 million recorded in the third quarter of 2014 at Kumtor.
- Operating costs (on a sales basis) decreased by $10.2 million to $71.7 million in the fourth quarter compared to the fourth quarter of 2013, reflecting lower milling, leaching and site support costs. At Boroo, leaching costs were lower as secondary leaching commenced in the third quarter of 2014 and site support costs reflected reduced personnel levels.
- Exploration expenditures in the fourth quarter totaled $3.4 million compared to $8.8 million in the same period of 2013. The decrease in the fourth quarter reflects the cessation of all exploration activities at Kumtor and reduced spending at the Company's projects including the Öksüt project in Turkey, as the project is transitioning to the pre-development stage.
- Regional administration and corporate administration costs increased 25% and 28% respectively in the fourth quarter of 2014 as compared to the same period of 2013. The increase resulted primarily from higher share-based compensation as the Company's share price increased in the fourth quarter of 2014 by 20% while it decreased by 10% in the comparative quarter of 2013.
- Cash provided by operations was $217.0 million in the fourth quarter of 2014 compared to $359.5 million in the same period of 2013. The decrease reflects lower earnings in the fourth quarter 2014 and a more significant reduction in working capital levels in the comparative quarter of 2013.
- Capital expenditures in the fourth quarter of 2014 were $57.7 million, which included sustaining capital[1] of $13.4 million, growth capital[1] of $11.7 million and $32.5 million of capitalized stripping costs ($24.9 million cash). Capital expenditures in the same quarter of 2013 were $86.7 million, which included $10.1 million for sustaining capital[1] and $5.9 million for growth capital[1] and capitalized stripping of $70.8 million ($50.6 million cash). In 2014, sustaining capital[1] increased due to more equipment overhauls at Kumtor. The increase in growth capital[1] in 2014 reflects spending at Kumtor, mainly related to the infrastructure relocation. The decrease in capitalized stripping in the fourth quarter of 2014 reflected lower tonnage of waste stripping as more of the mining fleet at Kumtor was committed to advancing the ore production out of cut-back 16. In the fourth quarter of 2013, the mining fleet was split between stripping cut-backs 16 and 17, and completing ore mining in cut-back 15.

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

Full Year 2014 compared to Full Year 2013

- Gold production for 2014 totaled 620,821 ounces compared to 690,720 ounces in the prior year, which reflects lower gold production at both operations. In 2014, Kumtor produced 567,693 ounces and Boroo produced 53,128 ounces compared to 600,402 ounces and 90,318 ounces in 2013, respectively. The lower gold production at Kumtor was due to processing lower grades from cut-back 16 compared to the higher grades of ore processed from cut-back 15 in 2013. Boroo's lower gold production was due to the cessation of milling operations in December 2014, the processing of lower grade ore through the mill and the ultimate depletion of the stockpiled ore. In addition, fewer ounces were recovered from the heap leach operation as the operation transitioned to secondary leaching.
- All-in sustaining costs per ounce sold[1], which excludes revenue-based tax and income tax, for 2014, increased to $852 compared to $818 in the same period of 2013. The increase was a result of fewer gold ounces sold, partially offset by a reduction in operating costs.
- All-in costs per ounce sold[1], which excludes revenue-based tax at Kumtor and income tax, was $955, compared to $920 per ounce sold in 2013. The increase is primarily due to fewer ounces sold and increased spending on the Company's Öksüt Project, partially offset by lower capitalized stripping costs at Kumtor, lower spending on sustaining capital[1] and lower exploration spending.
- Revenue for 2014, decreased to $763.3 million from $944.3 million in 2013, primarily from 12% fewer ounces sold and 8% lower average realized gold price ($1,241 per ounce compared to $1,355 per ounce in 2013).
- Cost of sales in 2014 decreased by 10% to $502.6 million due primarily to a reduction in ounces sold. DD&A associated with production, which is included in cost of sales, decreased to $282.6 million in 2014 from $309.0 million in 2013 as a result of lower DD&A levels charged at Boroo and lower amortization of capital stripping costs at Kumtor as increased amounts of ore were stockpiled.

  In 2014, DD&A was $5 million lower than prior guidance of $290 million due to reflecting higher than forecasted levels of gold stockpile inventory at the end of 2014. The advanced development of cut-back 16 at Kumtor in 2014 led to increased amortization of capitalized stripping costs for that cut-back in 2014. At the same time, higher than forecasted levels of gold stockpile inventory as a result of more ore coming from cut-back 16 than planned, resulted in more DD&A costs being charged to closing gold stockpile inventory. At Boroo, DD&A expense included in costs of sales expense for 2014 was $13 million which is $2 million lower than the guidance for 2014. The decrease in the DD&A expense is mainly due to higher than forecasted estimated levels of gold inventory in the heap leach facility at the end of 2014.
- Operating costs (on a sales basis) decreased by $30.2 million to $220 million in 2014, compared to 2013, as a result of higher levels of contained ounces in the broken ore stockpiles at Kumtor at the end of 2014 which absorbed more operating costs into inventory, and lower heap leach costs at Boroo due to the completion of crushing and stacking activities in 2013. Kumtor also benefited from lower prices on tires and diesel fuel, while Boroo consumed fewer reagents. This was partially offset by the cost of the mill liner replacement at Kumtor and the drawdown of higher cost inventory at both operations in 2014.
- Other operating expenses in 2014 included pre-development spending of $6 million at the Company's Öksüt Project, partially offset by $1.9 million income earned at Boroo for the processing of third party ore through its mill.
- During 2014, $2.4 million of standby costs were incurred as a result of placing Boroo's mill on care and maintenance after the mill processed the last of the ore stockpiles in December 2014. The

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

Boroo mill will be kept on standby awaiting the finalization of agreements and permits with the Mongolian Government regarding the Gatsuurt Project.

- Exploration expenditures in 2014 totaled $14.8 million compared to $29.6 million in 2013. The decrease primarily reflects the cessation of all exploration activities at Kumtor and reduced spending on the Company's projects in Turkey, Mongolia and Russia.
- Corporate administration costs in 2014 increased to $34.4 million from $30.6 million in 2013 due primarily to an increase in share-based compensation of approximately $6.7 million, partially offset by a decrease in expenditures. The increase in share-based compensation reflects the appreciation in the Company's share price.
- The reduction in income tax expense of $10.6 million in 2014 was due to lower taxable income at Boroo.
- Cash provided by operations was $376.4 million in 2014 compared to $483.9 million in 2013, as a result of lower earnings partially offset by lower levels of working capital.
- Capital expenditures in 2014 were $351.2 million, which included sustaining capital[1] of $49.2 million, growth capital[1] of $40.9 million and $261.1 million of capitalized stripping costs ($187.3 million cash). Capital expenditures in the same period of 2013 were $376.6 million, which included $58.1 million for sustaining capital[1] and $39.9 million for growth capital[1] and capitalized stripping of $278.6 million ($201.3 million cash). In 2014, capital expenditures decreased 7% to $351.2 million due to a reduction in capitalized stripping of cut-back 16 as compared to cut-back 15 in the prior year and lower maintenance expense for equipment overhauls at Kumtor.

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

Operations Update
Kumtor

Kumtor Operating Results	Three months ended December 31,			Year ended December 31,		
Unaudited ($ millions, except as noted)	**2014**	**2013**	**% Change**	**2014**	**2013**	**% Change**
Revenue	**346.2**	448.9	(23%)	**694.6**	810.9	(14%)
Cost of sales-cash	**63.1**	70.1	(10%)	**174.5**	191.0	(9%)
Cost of sales-non-cash	**108.5**	185.0	(41%)	**270.0**	282.0	(4%)
Cost of sales-total	**171.5**	255.1	(33%)	**444.5**	473.0	(6%)
Cost of sales - $/oz sold(1)	**594**	722	(18%)	**792**	786	1%
Tonnes mined - 000s	**42,786**	46,866	(9%)	**191,723**	176,693	9%
Tonnes ore mined – 000s	**6,615**	4,194	58%	**8,640**	7,289	19%
Average mining grade - g/t	**3.52**	4.46	(21%)	**3.37**	3.64	(7%)
Tonnes milled - 000s	**1,502**	1,460	3%	**5,840**	5,596	4%
Average mill head grade - g/t	**7.40**	8.88	(17%)	**3.90**	4.26	(9%)
Recovery - %	**82.2%**	84.1%	(2%)	**78.0%**	79.3%	(2%)
Mining costs - total ($/t mined material)	**0.91**	0.39	136%	**0.37**	0.33	12%
Milling costs ($/t milled material)	**12.28**	13.87	(11%)	**12.04**	12.65	(5%)
Gold produced – ounces	**291,635**	348,130	(16%)	**567,693**	600,402	(5%)
Gold sold – ounces	**288,851**	353,252	(18%)	**561,154**	601,887	(7%)
Average realized gold price - $/oz(1)	**1,198**	1,271	(6%)	**1,238**	1,347	(8%)
Capital expenditures (sustaining)(1)	**13.4**	9.6	40%	**48.7**	49.7	(2%)
Capital expenditures (growth)(1)	**11.5**	5.8	98%	**40.1**	39.2	2%
Capital expenditures (stripping)(1)	**32.5**	70.8	(54%)	**261.1**	278.6	(6%)
Operating costs (on a sales basis) (2)	**63.0**	70.1	(10%)	**174.4**	191.0	(9%)
Adjusted operating costs (1)	**70.4**	76.8	(8%)	**199.9**	215.0	(7%)
All-in Sustaining Costs (1)	**109.0**	137.2	(21%)	**437.0**	467.0	(6%)
All-in Costs(1)	**120.5**	143.9	(16%)	**477.0**	513.0	(7%)
All-in Costs - including taxes(1)	**169.0**	206.8	(18%)	**574.0**	627.0	(8%)
Adjusted operating costs - $/oz sold (1)	**244**	217	12%	**356**	357	0%
All-in sustaining costs – $/oz sold (1)	**378**	388	(3%)	**779**	775	1%
All-in costs – $/oz sold (1)	**418**	407	3%	**851**	853	(0%)
All-in costs (including taxes) – $/oz sold (1)	**585**	585	0%	**1,024**	1,042	(2%)

(1) Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs – including taxes (in $ millions and per ounce sold), as well as average realized gold price per ounce sold, cost of sales per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under "Non-GAAP Measures".

(2) Operating costs (on a sales basis) is comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes (except at Kumtor where revenue-based taxes are excluded), but excludes reclamation costs and depreciation, depletion and amortization.

At the Kumtor mine in the Kyrgyz Republic, mining activities in the fourth quarter of 2014 continued to focus on cut-back 16. During the fourth quarter of 2014, Kumtor mined 6.6 million tonnes of ore at an average grade of 3.52 g/t from cut-back 16, compared to 4.2 million tonnes of ore mined at an average grade of 4.46 g/t in the fourth quarter of 2013.

Gold production for the fourth quarter of 2014 was 291,635 ounces compared to 348,130 ounces in the comparative quarter of 2013 due to the 17% lower average mill head grade and a 2% lower recovery rate, which were partially offset by higher throughput achieved by the mill. During the fourth quarter of 2014, Kumtor's average mill head grade was 7.40 g/t with a recovery of 82.2%, compared with 8.88 g/t and a recovery of 84.1% for the same quarter in 2013. Kumtor's mill processed approximately 1.5 million tonnes for the fourth quarter of 2014, which was 3% higher than the comparative quarter of 2013.

Operating costs (on a sales basis), excluding capitalized stripping, decreased 10% to $63.0 million during the fourth quarter of 2014 reflecting lower costs for explosives, diesel fuel and labour.

DD&A associated with production decreased to $108.5 million in the fourth quarter of 2014 from $185.0 million in the comparative period of 2013. The decrease in DD&A resulted primarily from the lower gold sales. In addition, Kumtor mined in 2013 more tonnes of waste stripping in cut-back 15 as compared to cut-back 16 which was mined in 2014, resulting in lower depreciation of capitalized stripping on the ounces sold in the fourth quarter of 2014.

All-in sustaining costs per ounce sold[1], which excludes revenue-based tax, for the fourth quarter of 2014 decreased 3% to $378 compared to $388 in the comparative period of 2013. The decrease results primarily from lower operating costs in the current period.

All-in costs per ounce sold[1], which excludes revenue-based tax, for the fourth quarter of 2014 was $418 compared to $407 in the comparative period of 2013, representing an increase of 3%. The increase is mainly due to an increase in growth capital spending for the infrastructure relocation at Kumtor.

Capital expenditures in the fourth quarter of 2014 were $57.4 million which includes $13.4 million of sustaining capital[1], $11.5 million invested in growth capital[1] mainly on infrastructure relocation and equipment component replacements and $32.5 million for capitalized stripping ($24.9 million cash). Capital expenditures the comparative quarter of 2013 totaled $86.2 million, consisting of $9.6 million for sustaining capital[1], $5.8 million for growth capital[1] and $70.8 million of capitalized stripping ($50.6 million cash).

Ongoing Technical Matters

As previously noted in the Company's news release of May 6, 2014, Kumtor constructed a buttress at the edge of the ultimate pit in response to increased movement of the south arm of the Davidov glacier. The buttress, which continues to be monitored, has been effective in reducing the rate of movement to manageable levels. As a result of the positioning of the buttress, the Company has reduced the width of the ultimate cut-back for the SB Zone and has reduced reserves by 358,000 contained ounces, as disclosed in the Company's news release of February 9, 2015.

Historically, the reconciliation of the Kumtor block model has indicated that the model performed very well until 2013, but as the Company reported in February 2014, the Kumtor operation experienced negative production reconciliation during 2013, totaling 184,000 contained ounces of gold. As a result, in 2014 the Company retained an independent consultant to conduct an audit of the resource model. The work determined that the KS13 resource model was potentially biased and that Centerra should investigate different methodologies for estimating the higher grade section of the SB Zone. They also recommended that Kumtor undertake additional infill drilling in the deeper parts of the ore body which is scheduled to be completed in the first half of 2015.

Late in the third quarter of 2014, mining reached the high-grade SB Zone. The negative reconciliation experienced in the fourth quarter of 2013 re-occurred in the fourth quarter of 2014 and as a result the Company retained an independent consultant to assist in the development of a new resource model for the

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

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Kumtor Central Pit. This new resource model was used for the reserve and resource estimate in the Company's news release of February 9, 2015. The estimate also incorporates the impact of the buttress on the pit design and updated geotechnical information that requires lower pit slope angles in some sectors of the pit. The Company is planning on carrying out further geotechnical drilling in 2015. The results of this work will be incorporated into an updated geotechnical model to determine what, if any, further revisions are required to the pit slope angles.

Using the new reserve estimates, Kumtor's new life of mine plan (LOM) is now being optimized and will also reflect the deferral of capital related to additional mine haulage equipment (20 trucks) and the cancelation of the mill expansion, both of which were planned and described in the December 2012 technical report. The new LOM is expected to be filed on SEDAR by March 26, 2015 and will reflect an updated production profile, and updated operating and capital costs from those that were disclosed in the NI 43-101 technical report for Kumtor dated December 20, 2012.

In addition, Kumtor has experienced difficulty in achieving the gold recoveries published in the December 2012 technical report which assumed a LOM gold recovery rate of 81%. It is now estimated that going forward the average LOM gold recovery is expected to be 77%, which will be reflected in the new LOM production profile in the updated technical report. Work continues at Kumtor on implementing strategies to improve gold recoveries.

The movement in the Central Valley waste-rock dump, which began in mid-March 2013, has since decreased to manageable levels. The Company continues to make progress in relocating and reconstructing the affected infrastructure.

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Mongolia (Boroo/Gatsuurt)

Boroo Operating Results	Three months ended December 31,			Year ended December 31,		
Unaudited ($ millions, except as noted)	**2014**	2013	% Change	**2014**	2013	% Change
Revenue	**13.9**	20.0	(31%)	**68.8**	133.4	(48%)
Cost of sales-cash	**9.8**	13.0	(25%)	**45.5**	59.2	(23%)
Cost of sales-non-cash	**2.1**	3.7	(43%)	**12.7**	27.2	(53%)
Cost of sales-total	**11.9**	16.7	(29%)	**58.2**	86.4	(33%)
Cost of sales - $/oz sold[(1)]	**1,037**	1,065	(3%)	**1,076**	909	18%
Tonnes milled - 000s	**466**	593	(21%)	**2,083**	2,394	(13%)
Average mill head grade - g/t	**0.65**	0.80	(19%)	**0.66**	1.12	(41%)
Recovery - %	**61.0%**	58.3%	5%	**61.2%**	57.6%	6%
Milling costs ($/t milled material)	**8.61**	10.39	(17%)	**10.03**	9.66	4%
Gold produced – ounces	**9,601**	14,104	(32%)	**53,128**	90,318	(41%)
Gold sold – ounces	**11,518**	15,702	(27%)	**54,080**	94,931	(43%)
Average realized gold price - $/oz[(1)]	**1,206**	1,272	(5%)	**1,271**	1,406	(10%)
Capital expenditures (sustaining)[(1)]	-	0.4	(100%)	**0.3**	7.4	(96%)
Operating costs (on a sales basis) [(2)]	**9.8**	13.0	(25%)	**45.5**	59.1	(23%)
Adjusted operating costs [(1)]	**12.4**	14.3	(13%)	**51.9**	64.7	(20%)
All-in Sustaining Costs [(1)]	**12.5**	14.8	(16%)	**52.7**	72.4	(27%)
All-in Costs[(1)]	**12.5**	14.8	(16%)	**52.7**	72.4	(27%)
All-in Costs - including taxes[(1)]	**12.0**	14.9	(19%)	**55.5**	85.2	(35%)
Adjusted operating costs - $/oz sold [(1)]	**1,072**	901	19%	**959**	683	40%
All-in sustaining costs – $/oz sold [(1)]	**1,083**	931	16%	**973**	765	27%
All-in costs – $/oz sold [(1)]	**1,083**	931	16%	**973**	765	27%
All-in costs (including taxes) – $/oz sold [(1)]	**1,043**	934	12%	**1,025**	899	14%

(1) Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs – including taxes (in $ millions and per ounce sold), as well as average realized gold price per ounce sold, cost of sales per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under “Non-GAAP Measures”.

(2) Operating costs (on a sales basis) is comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes, but excludes reclamation costs and depreciation, depletion and amortization.

At the Boroo mine, located in Mongolia, gold production was 9,601 ounces of gold in the fourth quarter of 2014 as compared to 14,104 ounces of gold in the same period of 2013. The lower gold production results mainly from processing lower grade ore through the mill as the operation’s ore stockpiles were depleted in early December. Additionally, fewer ounces were produced from the heap leach operation due to leaching lower grade ore, as secondary leaching commenced in August 2014. The heap leach grade averaged 0.43 g/t in the fourth quarter of 2014, compared to 0.74 g/t from primary leaching in the fourth quarter of 2013.

Mill head grades averaged 0.65 g/t with a recovery of 61.0% in the fourth quarter of 2014, compared to 0.85 g/t with a recovery of 58.3% in the fourth quarter of 2013.

Following the completion of milling of Boroo ore, the Company was engaged by a third party to process its ore in the Boroo mill. The mill processed 86,797 tonnes of ore in early December 2014. The Company received $1.9 million under the agreement, which included a processing fee and a share of the net proceeds from the ultimate sale of the gold bullion recovered.

The Boroo mill was placed on care and maintenance in late December 2014, following the completion of the third party toll processing arrangement. It is anticipated that shutdown activities at the mill will be completed by the end of February 2015, after which the mill is planned to be kept on standby awaiting the start-up of the Gatsuurt Project. The Company expects that the mill at Boroo will commence an organized restart once sufficient mill feed of Gatsuurt ore is received. See “Other Corporate Developments – Mongolia” and “Caution Regarding Forward-Looking Information”.

Operating costs (on a sales basis) in the fourth quarter of 2014 were $9.8 million, compared to $13.0 million in the fourth quarter of the prior year. The reduction reflects lower activity at the project.

All-in sustaining costs per ounce sold[1], which excludes income tax, for the fourth quarter of 2014 increased 16% to $1,083 from $931 in the comparative period of 2013. The increase results primarily from 27% fewer ounces sold in the fourth quarter of 2014 and $0.9 million ($78 per ounce) in standby costs as the mill was placed on care and maintenance, partially offset by lower operating costs and royalties and lower sustaining capital[1] spending.

All-in costs per ounce sold[1], including all costs directly related to gold production except income tax, increased 16% to $1,083 for the fourth quarter of 2014 compared to $931 for the same period of 2013. The increase in all-in costs[1] is primarily due to a 27% fewer ounces sold year-over-year and $1.1 million ($20 per ounce) in standby costs as the mill was placed on care and maintenance, partially offset by lower operating costs[1] and royalties and lower sustaining capital[1] spending.

The Gatsuurt Project remained under care and maintenance in the fourth quarter of 2014. Subsequent to year-end, the Gatsuurt Project was designated as a mineral deposit of strategic importance by the Mongolian Parliament. This designation allows the Gatsuurt Project to move forward within the application of the Water and Forest Law and now requires the Mongolian Parliament to decide on the Government ownership level (up to a 34% participating interest) in the Project. The terms of any such participation will be determined through negotiations with the Mongolian Government. Further development of the Project will be subject to, among other things, receiving all required approvals and regulatory commissioning from the Mongolian Government. See “Other Corporate Developments – Mongolia”.

During the fourth quarter of 2014 exploration expenditures in Mongolia were $1.1 million down from $1.9 million in the same period in 2013. The 2014 exploration expenditures were largely for activities at the Company’s ATO project located in eastern Mongolia.

Non-GAAP Measures

This news release contains the following non-GAAP financial measures: all-in sustaining costs, all-in costs, all-in costs including taxes and adjusted operating costs in dollars (millions) and per ounce sold, as well as cost of sales per ounce sold, capital expenditures (sustaining), capital expenditures (growth) and average realized gold price. These financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers, even as compared to other issuers who may also be applying the World Gold Council (“WGC”) guidelines, which can be found at http://www.gold.org.

[1] Non-GAAP measure, see discussion under “Non-GAAP Measures”.

Management believes that the use of these non-GAAP measures will assist analysts, investors and other stakeholders of the Company in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing our operating performance, our ability to generate free cash flow from current operations and to generate free cash flow on an overall Company basis, and for planning and forecasting of future periods. However, the measures do have limitations as analytical tools as they may be influenced by the point in the life cycle of a specific mine and the level of additional exploration or expenditures a company has to make to fully develop its properties. Accordingly, these non-GAAP measures should not be considered in isolation, or as a substitute for, analysis of our results as reported under GAAP.

Definitions

The following is a description of the non-GAAP measures used in this news release. The definitions are consistent with the WGC's Guidance Note on these non-GAAP measures:

- *Operating costs* (on a sales basis) include mine operating costs such as mining, processing, site support, royalties and operating taxes (except at Kumtor where revenue-based taxes are excluded), but exclude depreciation, depletion and amortization (DD&A), reclamation costs, financing costs, capital development and exploration.
- *Adjusted operating costs* per ounce sold include operating costs (on a sales basis), regional office administration, community costs related to current operations, refining fees and by-product credits.
- *All-in sustaining costs per ounce sold* include adjusted operating costs, the cash component of capitalized stripping costs, regional office administration costs, accretion expenses, and sustaining capital. The measure incorporates costs related to sustaining production.
- *All-in costs per ounce sold* include all-in sustaining costs and additional costs for growth capital, corporate general and administrative expenses, global exploration expenses and social development costs not related to current operations.
- *All-in cost per ounce sold* exclude the following:
  - Working capital (except for adjustments to inventory on a sales basis).
  - All financing charges (including capitalized interest).
  - Costs related to business combinations, asset acquisitions and asset disposals.
  - Other non-operating income and expenses, including interest income, bank charges, and foreign exchange gains and losses.
- *All-in costs including taxes per ounce sold* measure includes revenue-based taxes at Kumtor and income taxes at Boroo.
- *Capital expenditures (Sustaining)* is a capital expenditure necessary to maintain existing levels of production. The sustaining capital expenditures maintain the existing mine fleet, mill and other facilities so that they function at levels consistent from year to year.
- *Capital expenditures (Growth)* is capital expended to expand the business or operations by increasing productive capacity beyond current levels of performance.
- *Average realized gold price* is calculated by dividing revenue derived from gold sales by the number of ounces sold.

Adjusted Operating Cost, All-in Sustaining Costs and All-in Costs (including and excluding taxes) are non-GAAP measures and can be reconciled as follows:

(1) By operation

Kumtor

(unaudited) ($ millions, unless otherwise specified)	Year ended December 31,[1] 2014	Year ended December 31,[1] 2013	Three months ended December 31,[1] 2014	Three months ended December 31,[1] 2013
Cost of sales, as reported	$ **444.4**	$ 473.0	$ **171.5**	$ 255.1
Less: Non-cash component	**270.0**	282.0	**108.5**	185.0
Cost of sales, cash component	$ **174.4**	$ 191.0	$ **63.0**	$ 70.1
Adjust for:				
Regional office administration	**20.1**	18.1	**6.0**	4.8
Refining fees	**3.3**	3.5	**1.7**	2.0
By-product credits	**(3.0)**	(3.8)	**(1.5)**	(2.0)
Community costs related to current operations	**5.1**	6.2	**1.2**	1.9
Adjusted Operating Costs	**$ 199.9**	$ 215.0	**$ 70.4**	$ 76.8
Accretion expense	**1.2**	0.6	**0.3**	0.2
Capitalized stripping and ice unload	**187.3**	201.3	**24.9**	50.6
Capital expenditures (sustaining)	**48.7**	49.7	**13.4**	9.6
All-in Sustaining Costs	**$ 437.1**	$ 466.6	**$ 109.0**	$ 137.2
Capital expenditures (growth)	**40.1**	39.2	**11.5**	5.8
Exploration	**(0.1)**	6.1	**-**	0.8
Other project costs not related to current operations	**-**	1.5	**-**	0.1
All-in Costs	**$ 477.1**	$ 513.4	**$ 120.5**	$ 143.9
Revenue-based taxes and income taxes	**97.2**	113.5	**48.5**	62.9
All-in Costs (including taxes)	**$ 574.3**	$ 626.9	**$ 169.0**	$ 206.8
Ounces sold (000)	**561**	602	**289**	353
Adjusted Operating Costs per ounce sold	**$ 356**	$ 357	**$ 244**	$ 217
All-in Sustaining Costs per ounce sold	**$ 779**	$ 775	**$ 378**	$ 388
All-in Costs per ounce sold	**$ 851**	$ 853	**$ 418**	$ 407
All-in Costs (including taxes) per ounce sold	**$ 1,024**	$ 1,042	**$ 585**	$ 585

(1) Result may not add due to rounding

Boroo

(unaudited)	Year ended December 31,[1]		Three months ended December 31,[1]	
($ millions, unless otherwise specified)	**2014**	**2013**	**2014**	**2013**
Cost of sales, as reported	$ **58.1**	$ 86.3	$ **11.9**	$ 16.7
Less: Non-cash component	**12.7**	27.2	**2.1**	3.7
Cost of sales, cash component	$ **45.4**	$ 59.1	$ **9.8**	$ 13.0
Adjust for:				
Regional office administration	**5.1**	5.7	**1.6**	1.4
Mine stand-by costs	**1.1**	-	**0.9**	-
Refining fees	**0.1**	0.3	**-**	0.1
By-product credits	**(0.2)**	(0.5)	**-**	-
Community costs related to current operations	**0.3**	0.1	**0.1**	(0.2)
Adjusted Operating Costs	$ **51.8**	$ 64.7	$ **12.4**	$ 14.3
Accretion expense	**0.5**	0.3	**0.1**	0.1
Capital expenditures (sustaining)	**0.3**	7.4	**-**	0.4
All-in Sustaining Costs	$ **52.6**	$ 72.4	$ **12.5**	$ 14.8
All-in Costs	$ **52.6**	$ 72.4	$ **12.5**	$ 14.8
Income taxes	**2.8**	12.8	**(0.5)**	0.1
All-in Costs (including taxes)	$ **55.4**	$ 85.2	$ **12.0**	$ 14.9
Ounces sold (000)	**54.1**	94.9	**11.5**	15.7
Adjusted Operating Costs per ounce sold	$ **959**	$ 683	$ **1,072**	$ 901
All-in Sustaining Costs per ounce sold	$ **973**	$ 765	$ **1,083**	$ 931
All-in Costs per ounce sold	$ **973**	$ 765	$ **1,083**	$ 931
All-in Costs (including taxes) per ounce sold	$ **1,025**	$ 899	$ **1,043**	$ 934

(1) Result may not add due to rounding

2) Consolidated

Centerra

(unaudited) **($ millions, unless otherwise specified)**	**Year ended December 31,[1]** **2014**	**2013**	**Three months ended December 31,[1]** **2014**	**2013**
Cost of sales, as reported	$ **502.5**	**$** 559.2	$ **183.5**	**$** 271.8
Less: Non-cash component	**282.6**	309.0	**110.6**	188.7
Cost of sales, cash component	$ **219.9**	**$** 250.2	$ **72.9**	**$** 83.1
Adjust for:				
Regional office administration	**25.2**	23.7	**7.6**	6.1
Mine stand-by costs	**1.1**	-	**0.9**	-
Refining fees	**3.4**	3.8	**1.7**	2.1
By-product credits	**(3.2)**	(4.3)	**(1.5)**	(2.1)
Community costs related to current operations	**5.4**	6.4	**1.3**	1.7
Adjusted Operating Costs	$ **251.8**	**$** 279.8	**$ 82.9**	**$** 90.9
Corporate general administrative costs	**34.4**	30.3	**10.4**	8.0
Accretion expense	**1.7**	0.9	**0.4**	0.2
Capitalized stripping and ice unload	**187.3**	201.3	**24.9**	50.6
Capital expenditures (sustaining)	**49.2**	57.7	**13.4**	10.0
All-in Sustaining Costs	$ **524.4**	**$** 570.0	**$ 132.0**	**$** 159.7
Capital expenditures (growth)	**40.9**	39.9	**11.8**	5.9
Exploration and business development	**15.7**	29.6	**4.1**	8.8
Other project costs not related to current operations	**6.4**	1.9	**2.5**	0.2
All-in Costs	$ **587.4**	**$** 641.4	**$ 150.4**	**$** 174.6
Revenue-based taxes and income taxes	**100.1**	126.3	**48.0**	62.9
All-in Costs (including taxes)	$ **687.5**	**$** 767.7	**$ 198.4**	**$** 237.5
Ounces sold (000)	**615.2**	696.8	**300.4**	369.0
Adjusted Operating Costs per ounce sold	**$ 409**	**$** 402	**$ 276**	**$** 247
All-in Sustaining Costs per ounce sold	**$ 852**	**$** 818	**$ 439**	**$** 433
All-in Costs per ounce sold	**$ 955**	**$** 920	**$ 501**	**$** 474
All-in Costs (including taxes) per ounce sold	**$ 1,118**	**$** 1,102	**$ 661**	**$** 644

(1) Result may not add due to rounding

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Sustaining capital, growth capital and capitalized stripping presented in the All-in measures can be reconciled as follows:

Year ended December 31,	Kumtor	Boroo	All other	Consolidated
($ millions) *(Unaudited)*				
2014				
Capitalized stripping –cash	**187.3**	**-**	**-**	**187.3**
Sustaining capital - cash	**48.7**	**0.3**	**0.2**	**49.2**
Growth capital - cash	**40.1**	**-**	**0.8**	**40.9**
Net increase in accruals included in additions to PP&E	**(1.2)**	**-**	**-**	**(1.2)**
Total - Additions to PP&E	**274.9**	**0.3**	**1.0**	**276.2** [(1)]
2013				
Capitalized stripping – cash	201.3	-	-	201.3
Sustaining capital – cash	49.7	7.4	0.6	57.7
Growth capital - cash	39.2	-	0.7	39.9
Net decrease in accruals included in additions to PP&E	9.8	-	-	9.8
Total - Additions to PP&E	300.0	7.4	1.3	308.7 [(1)]

Three months ended December 31,	Kumtor	Boroo	All other	Consolidated
($ millions) *(Unaudited)*				
2014				
Capitalized stripping –cash	**24.9**	**-**	**-**	**24.9**
Sustaining capital - cash	**13.4**	**-**	**-**	**13.4**
Growth capital - cash	**11.5**	**-**	**0.2**	**11.7**
Net decrease in accruals included in additions to PP&E	**3.0**	**-**	**-**	**3.0**
Total - Additions to PP&E	**52.8**	**-**	**0.2**	**53.0** [(1)]
2013				
Capitalized stripping – cash	50.6	-	-	50.6
Sustaining capital – cash	9.6	0.4	0.1	10.1
Growth capital - cash	5.8	-	0.1	5.9
Net decrease in accruals included in additions to PP&E	19.4	-	-	19.4
Total - Additions to PP&E	85.4	0.4	0.2	86.0 [(1)]

[(1)] As reported in the Company's Consolidated Statement of Cash Flows as "Investing Activities - Additions to property, plant & equipment".

Other Corporate Developments

The following is a summary of corporate developments with respect to matters affecting the Company and its subsidiaries in the Kyrgyz Republic and Mongolia. For a more complete discussion of these matters, see the Company's most recently filed Annual Information Form (the "2013 Annual Information Form") available on SEDAR at www.sedar.com.

Readers are cautioned that there are a number of legal and regulatory matters that are currently affecting the Company and that the following brief description is only a summary of the current status of such matters. For more complete background and information on these matters, including with respect to the Kyrgyz Parliamentary and State Commissions and their reports, Kyrgyz Parliamentary resolutions, discussions with the Government of the Kyrgyz Republic in relation to the Heads of Agreement relating to the proposed restructuring of the Kumtor Project, various environmental and other claims made by Kyrgyz state agencies and the draft Kyrgyz Law on Denunciation of the Agreement on New Terms for the Kumtor Project, please refer to the description contained in the 2013 Annual Information Form.

Kyrgyz Republic

Negotiations between Kyrgyz Republic and Centerra

Following discussions with representatives of the Kyrgyz Government in the second half of 2013, Centerra announced on December 24, 2013 that it had entered into a non-binding heads of agreement with the Government of the Kyrgyz Republic in connection with a potential restructuring transaction under which Kyrgyzaltyn would exchange its 32.7% equity interest in Centerra for an interest of equivalent value in a joint venture company that would own the Kumtor Project. The agreement was revised and re-executed on January 18, 2014 (the "HOA"). On February 6, 2014, after its review of the HOA, the Kyrgyz Parliament adopted a resolution which appears to support the concept of the restructuring described in the HOA but also contains a number of recommendations that are materially inconsistent with the terms of the HOA.

Centerra expects to continue its discussions with the Government regarding a potential restructuring transaction to resolve all outstanding concerns relating to the Kumtor Project. However, it maintains that any agreement to resolve matters must be fair to all of Centerra's shareholders. Any definitive agreement for a potential restructuring remains subject to required approvals in the Kyrgyz Republic, including the Government and Parliament of the Kyrgyz Republic, Centerra Special Committee and Board approval, as well as compliance with all applicable legal and regulatory requirements and approvals, including an independent formal valuation and shareholder approval.

However, Centerra notes that if the Kyrgyz Republic does not succeed in overturning the Stans Arbitration Award (as defined below) in the Russian courts and Kyrgyzaltyn is unsuccessful in the Sistem Appeal (as defined below), Centerra expects that Stans would likely succeed in enforcing the Stans Arbitration Award in Ontario and in seizing a sufficient number of the Centerra shares held by Kyrgyzaltyn to satisfy the Stans Arbitration Award. If Stans ultimately seizes such shares, Kyrgyzaltyn would no longer hold a sufficient number of Centerra shares to contribute to the HOA restructuring transaction such that it could receive 50% of a new Kumtor joint venture. In such circumstances, the Company believes that the restructuring of the Kumtor Project in accordance with the HOA would be impossible.

While Centerra expects to continue discussions with the Government, there can be no assurance that any transaction will be consummated or that Centerra will be able to successfully resolve any of the matters currently affecting the Kumtor Project. The inability to successfully resolve matters, including obtaining all necessary approvals, and/or further actions of the Kyrgyz Republic Government and/or Parliament, and/or the inability of the Kyrgyz Republic to overturn the Stans Arbitration Award and/or for Kyrgyzaltyn to successfully challenge the determination that the Kyrgyz Republic beneficially owns the Centerra shares held by Kyrgyzaltyn, could have a material adverse impact on Centerra's future cash flows, earnings, results of operations and financial conditions.

Kyrgyz Permitting and Regulatory Matters

In the normal course of operations at Kumtor, KGC prepares annual mine plans and other documents for approval for the Kumtor project which are considered and approved by, among others, the State Agency for Environmental and Forestry under the Government of the Kyrgyz Republic ("SAEPF") and the State Agency for Geology and Mineral Resources ("SAGMR"). As was previously disclosed, KGC experienced delays in 2014 in obtaining the required approval of the annual mine plan and other permits and approvals due to concerns raised by SAEPF and SAGMR and other regulatory agencies regarding, among other things, the mining of ice at Kumtor. After months of negotiating, Centerra announced on June 2, 2014 that the continuing absence of such approvals and permits created significant uncertainty and risk for Centerra and its employees and that accordingly, Centerra had instructed Kumtor to begin an orderly shutdown of operations if the approvals and permits were not received by June 13, 2014. Fortunately, the approvals and permits were received prior to any shut down being initiated.

In the fourth quarter of 2014, Kumtor submitted to SAEPF, SAGMR and other relevant agencies various documents for approval, including its 2015 annual mine plan and its ecological passport, which provides for, among other things, allowable levels of environmental emissions and discharges. Similar to 2014, Kumtor received correspondence from such agencies declining to review such documents and expressing concern regarding the mining of ice at Kumtor.

As previously disclosed, the Parliament of the Kyrgyz Republic passed a law prohibiting activities which affect glaciers in the Kyrgyz Republic. This law passed by Parliament on April 23, 2014, but was not approved by the President of the Kyrgyz Republic who returned it to Parliament for revision. Centerra understands that this matter is still being reviewed by Kyrgyz Parliament. In addition, Kyrgyz regulators have also referred to older legislation, the 2005 Law of Water (the "Water Law"), which purports to prohibit the mining of ice by Kumtor. Centerra disputes the reasons stated by the regulatory authorities and have urged the relevant agencies and the Kyrgyz Government to provide the approvals and permits which are necessary for the operation of the Kumtor project, including the 2015 annual mine plan and ecological passport. Centerra believes that the stabilization and non-discrimination provisions contained in the Kumtor project agreements (the "Kumtor Project Agreements") and the laws of the Kyrgyz Republic which implemented the Kumtor Project Agreements support the view that the Water Law and any new law which could purport to prohibit the mining of ice would not apply to Kumtor operations. Centerra believes that any disagreement in relation to the application of the Water Law to Kumtor would be subject to the international arbitration provisions of the Kumtor Project Agreements. Centerra has also explained that (i) the Kumtor Project Agreements require the relevant Government authorities to be reasonable in their consideration of such approvals; (ii) the mining of ice has been a constant feature of the Kumtor project since its inception; and (iii) that the continued mining of ice is critical to ensuring efficient and stable mining operations. In addition, Centerra also notes that with respect to permits and approvals, Kumtor is entitled to maintain, have renewed and receive such licenses, consents, permissions and approvals as are from time to time necessary or convenient for the operation of the Kumtor project.

Centerra also notes that Kumtor has not received notice from any governmental authority ordering or threatening to order it to suspend operations. Furthermore, successive Kyrgyz governments have consistently emphasized the strategic importance to the Kyrgyz Republic of continued operation of the Kumtor mine. The Restated Investment Agreement requires that any order of suspension be stayed pending the outcome of the dispute resolution provisions of the Restated Investment Agreement, unless necessary to prevent imminent harm to human health and safety or imminent material harm to the environment.

While Centerra and KGC expect to continue discussions with the Government and the relevant Kyrgyz authorities in relation to the approval of the 2015 annual mine plan and other related approvals and permits, there can be no assurance that any such approvals and permits will be received or that a suspension of mining operations will not occur. The inability to successfully resolve matters, including obtaining all necessary approvals, and/or further actions of the Kyrgyz Republic Government and/or Parliament, could have a material adverse impact on Centerra's future cash flows, earnings, results of operations and financial conditions.

Kumtor Dividend Claim and Japarov Criminal Proceeding

As previously disclosed, the Kyrgyz Republic General Prosecutor's Office ("GPO") filed on May 23, 2014 a civil claim in Kyrgyz court against KGC which sought to unwind a $200 million inter-corporate dividend declared and paid by KGC to Centerra in December 2013. KGC and Centerra believe the dividend complied with the Kumtor Project Agreements and all applicable Kyrgyz laws, and that the payment of the dividend does not have an impact on the valuation which underlies the restructuring contemplated by the HOA. Effective October 10, 2014, the case has been suspended at the request of the GPO until the completion of the criminal proceedings against Mr. Japarov (see below).

The GPO has brought criminal proceedings against Mr. D. Japarov, who was a member of the KGC board of directors (as nominee of Kyrgyzaltyn) in December 2013, when the KGC board of directors approved the declaration and payment of a $200 million inter-corporate dividend to Centerra. Mr. Japarov was also Chairman of the management board of Kyrgyzaltyn at that time. Such court hearings are ongoing and Mr. Japarov remains in custody.

Environmental Claims

As previously disclosed, Kumtor has received very substantial claims from various Kyrgyz Republic state agencies in relation to alleged environmental offences and other matters. In aggregate, these claims amount to approximately $470 million at the then current exchange rates. Such claims continue to be before the Kyrgyz courts. For further detail on such claims, please refer to the Company's news releases dated February 19, 2014, May 6, 2014, July 29, 2014, October 29, 2014 and the Company's 2013 Annual Information Form.

As previously stated, Kumtor believes the claims are exaggerated and without merit. The Kumtor Project has been the subject of systematic audits and investigations over the years by Kyrgyz and international experts, including by an independent internationally recognized expert who carried out a due diligence review of Kumtor's performance on environmental matters at the request of Centerra's Board of Directors. The report of this expert was released in October 2012 and can be found on the Kumtor website at http://www.kumtor.kg/en/ under the "Environment" section.

Land Use Claim

As previously disclosed on November 11, 2013, the Company received a claim from the Kyrgyz Republic General Prosecutor's Office requesting the Inter-District Court of the Issyk-Kul Province to invalidate the Company's land use certificate and seize certain lands within Kumtor's concession area. Kumtor challenges this claim and the matter is currently before the Kyrgyz courts. For further details of the claim, see the Company's news releases dated February 19, 2014, May 6, 2014, July 29, 2014, October 29, 2014 and the Company's 2013 Annual Information Form.

Management Assessment

There are several important outstanding issues affecting the Kumtor Project, which require consultation and co-operation between the Company and Kyrgyz regulatory authorities. The Company has benefited from a close and constructive dialogue with Kyrgyz authorities during project operations and remains committed to working with them to resolve these issues in accordance with the Kumtor Project Agreements, which provide for all disputes to be resolved by international arbitration, if necessary. However, there are no assurances that the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project. There are also no assurances that continued discussions between the Kyrgyz Government and Centerra will result in a mutually acceptable solution regarding the Kumtor Project, that any agreed upon proposal for restructuring would receive the necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law and that the Kyrgyz Republic Government and/or Parliament will not take actions that are inconsistent with the Government's obligations under the Kumtor Project Agreements, including adopting a law "denouncing" or purporting to cancel or invalidate the Kumtor Project Agreements or laws enacted in relation thereto. The inability to successfully resolve all such matters would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. See "Caution Regarding Forward-looking Information".

Mongolia

Gatsuurt

The Company announced on January 23, 2015 that the Gatsuurt project, which is located approximately 35 kilometres from the Company's Boroo mine in Mongolia, has been designated as a mineral deposit of strategic importance by the Mongolian Parliament. This designation allows the Gatsuurt project to move forward within the application of the Water and Forest Law and also allows Mongolia to acquire up to a 34% interest in the project. The terms of such participation are subject to continued discussions between the Company and the Mongolian Government. Centerra understands that, on February 17, 2015, the Government's proposal on state ownership of 20% was considered by Parliament but voted down and returned to the Government for review. The Company now expects that Parliament will consider a new proposal for the level of state ownership in the project during its spring session which begins in early April.

Further development of the Gatsuurt project will be subject to, among other things, receiving Parliamentary approval of the Mongolian state ownership as well as the all required approvals and regulatory commissioning from the Mongolian Government. There are no assurances that the Company and the Mongolian Government will be able to finalize and agree upon the terms of the Government's involvement in the project, that the Mongolian Parliament will agree upon and approve a level of ownership of the Gatsuurt project, and that applicable approvals and regulatory commissions from the Mongolian Government are received (in a timely fashion or at all). The inability to successfully resolve all such matters would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Corporate

Enforcement Notice by Sistem

In March 2011, a Turkish company, Sistem Muhendislik Insaat Sanayi ve Ticaret A.S. ("Sistem") initiated a claim in an Ontario court which alleged that the shares in Centerra owned by Kyrgyzaltyn are, in fact, beneficially owned by the Kyrgyz Republic. This claim was made as part of court proceedings seeking to enforce in Ontario an arbitration award received by Sistem against the Kyrgyz Republic in the amount of approximately $9 million plus interest. On April 15, 2014, the Ontario Superior Court of Justice found in favour of Sistem, ruling that the shares of Centerra owned by Kyrgyzaltyn could be seized to satisfy the arbitration award. Kyrgyzaltyn appealed this ruling to the Ontario Court of Appeal where it was heard on October 29, 2014 (the "Sistem Appeal"). No decision has been issued as of the date of this disclosure.

Pursuant to a separate order issued by the Ontario Superior Court of Justice, Centerra was ordered to hold in trust (for the credit of the Sistem court proceedings) dividends otherwise payable to Kyrgyzaltyn in the amount of approximately Cdn$11.3 million. As a result of an agreement reached between Sistem and Kyrgyzaltyn on September 8, 2014, the Ontario Court of Appeal issued an order requiring Centerra to release to Kyrgyzaltyn all of the amounts held in trust for the Sistem proceedings. However prior to receiving instructions from Kyrgyzaltyn with respect to the transfer of the funds, a subsequent order of the Ontario Superior Court of Justice on October 10, 2014 (as later amended) in relation to the Stans Application (as defined below) was made that restricts Centerra from paying such monies to Kyrgyzaltyn. Centerra has advised Kyrgyzaltyn that it will continue holding such funds in trust in accordance with this court order. See "Enforcement Notice by Stans" below.

Enforcement Notice by Stans

On October 10, 2014, Centerra was served with a temporary order (the "Stans Order") from the Ontario Superior Court of Justice in favour of Stans Energy Corp. ("Stans") which prohibits Kyrgyzaltyn from, among other things: (i) selling, disposing or exchanging 47,000,000 shares (the "Frozen Shares") of the 77,401,766 shares it holds in the capital of Centerra; (ii) obtaining share certificates in respect of such shares; or (iii) exercising its rights as a registered shareholder of Centerra in a manner that is inconsistent with or would undermine the terms of the Stans Order. The order also prohibits Centerra from, among other things, registering the transfer of the Frozen Shares, and requires Centerra to hold in trust for the proceeding under the Stans Application (as defined below) any amounts payable to Kyrgyzaltyn in respect of dividends or distributions that Centerra may declare or pay in the future.

Centerra was also served by Stans with a notice of application to the Ontario Superior Court of Justice (the "Stans Application") which seeks to enforce a June 30, 2014 arbitral award (the "Stans Arbitration Award") obtained by Stans against the Kyrgyz Republic from the arbitration tribunal of the Moscow Chamber of Commerce in the amount of approximately $118 million. The Stans Application seeks, among other things, an order declaring that the Kyrgyz Republic has a beneficial interest in all of the shares in Centerra held by Kyrgyzaltyn and that monies, interest, dividends and other rights of Kyrgyzaltyn in the stock of Centerra may be seized in order to satisfy the Stans Arbitration Award. The notice of application was originally served in October 2014 and was recently re-filed in January 2015 with new affidavits. We understand that the Kyrgyz Republic is appealing the Stans Arbitration Award to Russian courts in Moscow and that the hearing is expected to occur in the first quarter of 2015. The Kyrgyz Republic is arguing that the Moscow Chamber of Commerce lacked the jurisdiction to hear the matter and accordingly, the arbitration award must be revoked.

As noted above, in a separate proceeding Kyrgyzaltyn has appealed to the Ontario Court of Appeal the decision of the Ontario Superior Court of Justice in the Sistem matter, which found that the Kyrgyz Republic had a beneficial interest in the Centerra shares held by Kyrgyzaltyn. There is no decision as of the date of this disclosure.

If the Kyrgyz Republic does not succeed in overturning the Stans Arbitration Award in the Russian courts and the Ontario Court of Appeal rules that the Kyrgyz Republic has a beneficial interest in the Centerra shares held by Kyrgyzaltyn, Stans would likely succeed in enforcing the Stans Arbitration Award in Ontario and in seizing a sufficient number of the Centerra shares held by Kyrgyzaltyn to satisfy the Stans Arbitration Award. If Stans ultimately seizes such shares, Kyrgyzaltyn would no longer hold a sufficient number of Centerra shares to contribute to the HOA restructuring transaction such that it could receive 50% of a new Kumtor joint venture. In such circumstances, the Company believes that the restructuring of the Kumtor Project in accordance with the HOA would be impossible.

2015 Outlook

Kumtor's forecast 2015 production and unit costs are provided on a 100% basis and the forecast does not make any assumptions regarding possible changes in the structure and management of the Kumtor Project, including without limitation the level of ownership resulting from ongoing discussions with the Government of the Kyrgyz Republic and Kyrgyzaltyn JSC, Centerra's largest shareholder. See "Material Assumption and Risks" for other material assumptions or factors used to forecast production and costs for 2015.

Centerra's 2015 gold production and unit costs are forecast as follows:

	2015 Production Forecast (ounces of gold)	**2015 Adjusted Operating Costs**[1] ($ per ounce sold)	**2015 All-in Costs**[1] ($ per ounce sold)
Kumtor	470,000 – 520,000	$366 – $406	$869 – $963
Boroo	10,000 – 15,000	$1,092 – $1,639	$1,482 – $2,225
Consolidated	**480,000 – 535,000**	**$387 – $432**	**$1,003 – $1,121**

2015 Gold Production

Centerra's 2015 consolidated gold production is expected to be 480,000 to 535,000 ounces. The Kumtor mine is expected to produce between 470,000 and 520,000 ounces in 2015. Kumtor's 2015 production guidance range is lower than that outlined in the life of mine plan set out in the Kumtor technical report filed on December 20, 2012 primarily as a result of negative block model reconciliation, as previously disclosed, timing of ore release due to deferral of capital for mine haulage equipment and lower than expected metallurgical recovery. An updated technical report and life of mine plan is expected to be filed on SEDAR by March 26, 2015.

At the Boroo mine, gold production is forecast to be 10,000 to 15,000 ounces. The forecast annual production at Boroo represents ounces from the secondary leaching of the heap leach pad. The 2015 forecast assumes no mining activities at Boroo or Gatsuurt, and no gold production from Gatsuurt.

2015 All-in Unit Costs

Centerra's 2015 all-in sustaining costs per ounce sold[1] and all-in costs per ounce sold[1] are forecast as follows:

[1] Non-GAAP measure, see discussion under "Non-GAAP Measures".

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	Kumtor	Boroo(4)	Consolidated
Ounces sold forecast	470,000-520,000	10,000-15,000	480,000-535,000
US $ / gold ounces sold			
Operating Costs	368 – 408	364 – 546	368 – 411
Changes in inventories	(45) – (50)	465 – 697	(31) – (34)
Operating Costs (on a sales basis)	**$323 – 358**	**$829 – 1,243**	**$337 – 377**
Regional office administration	37 – 41	241 – 362	43 – 48
Social Development costs	5 – 6	24 – 36	6
Refining costs and by-product credits	1	(2)	1
Sub-Total (Adjusted Operating Costs) (1)	**$366 – 406**	**$1,092 – 1,639**	**$387 – 432**
Corporate general & administrative costs	-	-	69 – 77
Accretion expense (reclamation)	2 – 3	32 – 48	3 – 4
Capitalized stripping costs – cash	356 – 394	-	346 – 386
Capital expenditures (sustaining)(1)	95 – 105	7 – 11	93 – 104
All-in Sustaining Costs (1)	**$819 – 908**	**$1,131 – 1,698**	**$898 – 1,003**
Capital expenditures (growth) (1)	50 – 55	-	48 – 54
Other costs (2)	-	351 – 527	57 – 64
All-in Costs	**$869 – 963**	**$1,482 – 2,225**	**$1,003 – 1,121**
Revenue-based tax and income taxes (3)	164	-	160
All-in Costs (including taxes) (1), (3)	$1,033 – 1,127	$1,482 – 2,225	$1,163 –1,281

(1) Adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold, all-in costs per ounce sold, all-in costs (including taxes) per ounce sold, as well as capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under “Non-GAAP Measures”.
(2) Other costs per ounce sold include costs to place the Boroo mill on care and maintenance, global exploration expenses, business development expense and project development costs not related to current operations.
(3) Includes revenue-based tax that reflects a forecast gold price assumption of $1,175 per ounce sold.
(4) At the Boroo operation, all forecast production and sales are a result of secondary leaching and mill cleanup.

2015 Exploration Expenditures

Planned exploration expenditures for 2015 total approximately $11 million, which is $9 million lower than the 2014 forecast of $20 million. The 2015 exploration plan includes $1.3 million for further exploration work on the Öksüt property, $1.2 million in Portugal on the Lagares gold property (a joint venture with Medgold Corp.), and $8 million to fund other ongoing projects and generative exploration programs.

2015 Capital Expenditures

Centerra’s projected capital expenditures for 2015, excluding capitalized stripping, are estimated to be $76 million, including $50 million of sustaining capital[1] and $26 million of growth capital[1].

Projected capital expenditures (excluding capitalized stripping) include:

[1] Non-GAAP measure, see discussion under “Non-GAAP Measures”.

Projects	2015 Growth Capital[1] (millions of dollars)	2015 Sustaining Capital[1] (millions of dollars)
Kumtor	$26	$49
Mongolia (Boroo and Gatsuurt)	-	$1
Consolidated Total	**$26**	**$50**

Kumtor

At Kumtor, 2015 total capital expenditures, excluding capitalized stripping, are forecast to be $75 million. Spending on sustaining capital[1] of $49 million relates primarily to the major overhaul maintenance of the heavy duty mine equipment ($36 million), construction to raise the tailings dam ($7 million) and other items ($6 million).

Growth capital[1] investment at Kumtor for 2015 is forecast at $26 million and includes the relocation of certain infrastructure at Kumtor related to the KS-13 life-of-mine expansion plan amounting to $25 million and dewatering projects ($1 million).

The projected cash component of capitalized stripping costs related to the development of the open pit is expected to be $185 million of the $234 million total capitalized stripping forecast in 2015.

Mongolia (Boroo and Gatsuurt)

At Boroo, 2015 sustaining capital[1] expenditures are expected to be minimal and no growth capital[1] is forecast for Boroo or Gatsuurt. In January 2015, the Gatsuurt Project was designated as a mineral deposit of strategic importance by the Mongolian Parliament which allows the project to move forward within the application of the Water and Forest Law. The Company will continue to hold discussions with the Mongolian Government regarding the terms and conditions of participation of the Mongolian Government in the Gatsuurt Project. See “Other Corporate Developments – Mongolia”, “Risk Factors”, and “Cautionary Note Regarding Forward-Looking Information”.

2015 Öksüt Project

The Company expects to complete the feasibility study for its Öksüt property in the middle of 2015. The total planned spending in 2015 of $11 million includes work for technical studies, environmental and social impact assessment and project support (collectively, $10 million) and $1.3 million for exploration (as noted earlier).

2015 Trans-Canada Project

As announced on February 5, 2015, Centerra has acquired a 50% interest in the Trans-Canada Project from Premier Gold. The Company is currently working with Premier to close the agreement which is expected to occur around March 6, 2015. In addition, Centerra is working with Premier to establish the inaugural budget and will report on the expected expenditures in the first quarter of 2015.

2015 Corporate Administration and Community Investment

Corporate and administration expense for 2015 is forecast to be $40 million, which includes $36 million for corporate and administration costs, and $4 million for business development activities.

Total planned community investments for 2015 are forecast at $3 million for donations, and sustainable development projects in the various communities in which Centerra operates.

[1] Non-GAAP measure, see discussion under “Non-GAAP Measures”.

2015 Depreciation, Depletion and Amortization
Consolidated depreciation, depletion and amortization (DD&A) expense included in costs of sales expense for 2015 is forecasted to be between $208 million and $220 million, including between $204 and $216 million at Kumtor and $3 million at Boroo.

(In millions)	**2015 DD&A Forecast (Unaudited)**	**2014 DD&A Actual**
Kumtor		
Mine equipment	$ 64	$ 95
Less DD&A capitalized to stripping costs(1)	(49)	(74)
Capital stripping costs amortized	94 - 104	246
Other mining assets	5	3
Mill assets	8 - 9	7
Administration assets and other	11	11
Inventory adjustment (non-cash depreciation)	68 - 69	(18)
Subtotal for Kumtor	**$ 204 - 216**	**$ 270**
Boroo		
Mine and mill assets	$ 1	$ 5
Administration assets and other	1	5
Inventory adjustment (non-cash depreciation)	1	3
Subtotal for Boroo	**$ 3**	**$ 13**
Subtotal for Other	**$ 1**	**-**
Consolidated Total	**$ 208 - 220**	**$ 283**

(1) Use of the Company's mining fleet for stripping activities results in a portion of the depreciation related to the mine fleet to be allocated to capitalized stripping costs. In 2014, $74 million of depreciation costs was allocated to capitalized stripping costs.

Kumtor
At Kumtor, DD&A expense included in costs of sales expense for 2014 was $270 million which is $5 million lower than the guidance for 2014 provided in the Company's news release of February 19, 2014. The decrease in the DD&A expense reflects higher than forecasted levels of gold stockpile inventory at the end of 2014. Advanced development of cut-back 16 in 2014 led to higher amortization of capitalized stripping costs for that cut-back in 2014. At the same time, higher than forecasted levels of gold stockpile inventory as a result of more ore coming from cut-back 16 than planned, resulted in more DD&A costs being charged to closing gold stockpile inventory.

The forecast for 2015 DD&A to be expensed as part of costs of sales is between $204 and $216 million. The amortization of capitalized stripping costs is the largest component of depreciation expense in 2015 totaling $143 million. Capitalized stripping costs include mining operating costs such as labour, diesel and maintenance costs, as well as the depreciation expense for the mine equipment used in the stripping campaign. The capitalized stripping costs are amortized over the ounces contained in the ore body exposed by the stripping campaign.

The mine equipment assets are depreciated on a straight-line basis over their estimated useful lives. The total mine equipment depreciation for 2015 is forecasted at $64 million reflecting reduced depreciation on aging

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mining equipment. The depreciation related to mine equipment engaged in a stripping campaign and capitalized as stripping costs is forecasted to be $49 million in 2015.

Boroo

At Boroo, DD&A expense included in costs of sales expense for 2014 was $13 million which is $2 million lower than the guidance for 2014 provided in the Company's news release of February 19, 2014. The decrease in the DD&A expense is mainly due to higher than forecasted estimated levels of gold inventory in the heap leach facility at the end of 2014.

The forecast for Boroo's 2015 DD&A expensed as part of costs of sales is approximately $3 million, compared to $13 million in 2014. The decrease in 2015 reflects the winding down of Boroo's operations in 2015.

2015 Taxes

Pursuant to the Restated Investment Agreement, Kumtor's operations are not subject to corporate income taxes. The agreement replaced the prior tax regime applicable to the Kumtor Project with a simplified tax regime effective January 1, 2008. This simplified regime, which assesses tax at 13% on gross revenue (plus 1% for the Issyk-Kul Oblast Development Fund) effective January 2009, was approved and enacted by the Parliament of the Kyrgyz Republic on April 30, 2009.

The corporate income tax rate for Centerra's Mongolian subsidiary, Boroo Gold LLC, is 25% for taxable income over 3 billion Mongolian tugriks (approximately $1.6 million at the December 31, 2014 foreign exchange rate) with a tax rate of 10% for taxable income up to that amount. Royalties payable to the Mongolian Government vary between 5% and 10% based on the price of gold, to a maximum of 10% for gold prices at or above $1,300 an ounce and are currently set at a fixed 2.5% for gold sold to the Bank of Mongolia. Since January 2014, Boroo has been paying a royalty rate of 2.5% as all of its gold has been sold to the Bank of Mongolia during that time.

Sensitivities

Centerra's revenues, earnings and cash flows for 2015 are sensitive to changes in certain variables. The Company has estimated the impact of any such changes on revenues, net earnings and cash from operations.

	Change	**Impact on** *($ millions)*			
		Costs	**Revenues**	**Cash flow**	**Earnings before income tax**
Gold Price	**$50/oz**	3.3 - 3.7	24.0 - 26.7	20.7 - 23.0	20.7 - 23.0
Diesel Fuel	**10%**	2.6	-	9.4	2.6
Kyrgyz som[(1)]	**1 som**	1.9	-	2.2	1.9
Mongolian tugrik[(1)]	**25 tugrik**	0.2	-	0.2	0.2
Canadian dollar[(1)]	**10 cents**	3.6	-	3.6	3.6

(1) appreciation of currency against the US dollar will result in higher costs and lower cash flow and earnings, depreciation of currency against the US dollar results in decreased costs and increased cash flow and earnings

Material Assumptions and Risks

Material assumptions or factors used to forecast production and costs for 2015 include the following:

- a gold price of $1,175 per ounce,
- exchange rates:
  - $1USD:$1.10 CAD
  - $1USD:58.0 Kyrgyz som
  - $1USD:1,815 Mongolian tugriks
  - $1USD:0.77 Euro
- diesel fuel price assumption:
  - $0.70/litre at Kumtor
  - $1.10/litre at Boroo

The assumed diesel price of $0.70/litre at Kumtor assumes that no Russian export duty will be paid on the fuel exports from Russia to the Kyrgyz Republic. Diesel fuel is sourced from separate Russian suppliers for both sites and only loosely correlates with world oil prices. The diesel fuel price assumptions were made when the price of oil was approximately $77 per barrel.

Other material assumptions were used in forecasting production and costs for 2015. These material assumptions include the following:

- That current discussions between the Government of the Kyrgyz Republic and Centerra regarding a potential restructuring of the Kumtor Project will result in a mutually satisfactory solution to the outstanding matters affecting the Kumtor Project, which is fair to all of Centerra's shareholders, and that such proposal will receive all necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law.
- All mine plans and related permits and authorizations at Kumtor receive timely approval from all relevant governmental agencies.
- The buttress constructed at the bottom of the Davidov glacier continues to function as planned.
- Any recurrence of political or civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine and/or power to the mine site.
- Any actions taken by the Kyrgyz Republic Parliament and Government do not have a material impact on operations or financial results. This includes any action being taken by the Parliament or Government to cancel the agreements governing the Kumtor Project, or taking any actions which would be inconsistent with the rights of Centerra and Kumtor Gold Company (KGC) under the project agreements.
- The previously disclosed environmental claims received from the Kyrgyz regulatory authorities in the aggregate amount of approximately $470 million (at the then current exchange rates) and the claims of the Kyrgyz Republic's General Prosecutor's Office purporting to invalidate land use rights and/or seize land at Kumtor and to unwind the $200 million inter-company dividend declared and paid by KGC to Centerra in December 2013, and any further claims, whether alleging environmental allegations or otherwise, are resolved without material impact on Centerra's operations or financial results.
- The movement in the Central Valley Waste Dump at Kumtor, referred to in the 2013 Annual Information Form, does not accelerate and will be managed to ensure continued safe operations, without impact to gold production, including the successful demolition of buildings and relocation of certain other infrastructure as planned.
- Grades and recoveries at Kumtor will remain consistent with the 2015 production plan to achieve the forecast gold production.

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- The Company is able to manage the risks associated with the increased height of the pit walls at Kumtor.
- The dewatering program at Kumtor continues to produce the expected results and the water management system works as planned.
- The Kumtor ball mill and the rotated ring gear or replacement ring gear continue to operate as expected.
- The “strategic deposit” designation of the Gatsuurt deposit will not materially change the capital forecasts for 2015.
- Prices of key consumables, costs of power and water usage fees are not significantly higher than prices assumed in planning.
- No unplanned delays in or interruption of scheduled production from our mines, including due to civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks.
- All necessary permits, licenses and approvals are received in a timely manner.

The Company cannot give any assurances in this regard.

Production, cost and capital forecasts for 2015 are forward-looking information and are based on key assumptions and subject to material risk factors that could cause actual results to differ materially and which are discussed herein under the headings “Material Assumptions & Risks” and “Cautionary Note Regarding Forward-Looking Information” and under the heading “Risk Factors” in the Company’s 2014 MD&A and in the Company’s Annual Information Form for the year ended December 31, 2013.

Centerra Gold Inc.
Condensed Consolidated Statements of Financial Position
(Unaudited)

	December 31, 2014	December 31, 2013
(Expressed in Thousands of United States Dollars)		
Assets		
Current assets		
Cash and cash equivalents	**$ 300,514**	$ 343,108
Short-term investments	**261,503**	158,358
Amounts receivable	**66,214**	78,707
Inventories	**408,050**	373,289
Prepaid expenses	**12,888**	29,191
	1,049,169	982,653
Property, plant and equipment	**524,699**	539,070
Goodwill	**18,705**	129,705
Restricted cash	**12,437**	10,731
Other assets	**23,723**	20,276
Long-term inventories	**349**	5,229
	579,913	705,011
Total assets	**$ 1,629,082**	$ 1,687,664
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 45,883**	$ 32,109
Short-term debt	**76,000**	75,582
Revenue-based taxes payable	**24,605**	30,742
Taxes payable	**1,515**	2,108
Current portion of provision for reclamation	**2,598**	1,194
	150,601	141,735
Dividend payable	**12,254**	10,636
Provision for reclamation	**65,318**	58,826
Deferred income tax liability	**2,266**	2,157
	79,838	71,619
Total liabilities	**230,439**	213,354
Shareholders' equity		
Share capital	**660,554**	660,486
Contributed surplus	**22,556**	20,087
Retained earnings	**715,533**	793,737
	1,398,643	1,474,310
Total liabilities and shareholders' equity	**$ 1,629,082**	$ 1,687,664

Centerra Gold Inc.
Condensed Consolidated Statements of (Loss) Earnings and Comprehensive (Loss) Income

(Unaudited)	Three months ended December 31,		Twelve months ended December 31,	
	2014	**2013**	**2014**	**2013**
(Expressed in Thousands of United States Dollars) **(except per share amounts)**				
Revenue from gold sales	**$ 360,073**	$ 468,918	**$ 763,345**	$ 944,373
Cost of sales	**183,459**	271,782	**502,577**	559,236
Mine standby costs	**2,168**	-	**2,385**	-
Regional office administration	**7,611**	6,148	**25,189**	23,746
Earnings from mine operations	**166,835**	190,988	**233,194**	361,391
Revenue-based taxes	**48,466**	62,852	**97,243**	113,532
Other operating expenses	**1,882**	1,884	**9,854**	8,259
Impairment of goodwill	**111,000**	-	**111,000**	-
Exploration and business development	**4,095**	8,789	**15,724**	29,572
Corporate administration	**10,527**	8,105	**34,759**	30,642
(Loss) earnings from operations	**(9,135)**	109,358	**(35,386)**	179,386
Other (income) expenses	**2,292**	517	**1,184**	3,568
Finance costs	**1,145**	1,244	**4,962**	4,989
(Loss) earnings before income taxes	**(12,572)**	107,597	**(41,532)**	170,829
Income tax expense	**(1,258)**	1,044	**2,577**	13,153
Net (loss) earnings and comprehensive (loss) income	**$ (11,314)**	$ 106,553	**$ (44,109)**	$ 157,676
Basic (loss) earnings per common share	**$ (0.05)**	$ 0.45	**$ (0.19)**	$ 0.67
Diluted (loss) earnings per common share	**$ (0.05)**	$ 0.44	**$ (0.19)**	$ 0.64

Centerra Gold Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Expressed in Thousands of United States Dollars)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Operating activities				
Net (loss) earnings	**$ (11,314)**	$ 106,553	**$ (44,109)**	$ 157,676
Items not requiring (providing) cash:				
Depreciation, depletion and amortization	**111,992**	188,787	**284,281**	309,389
Finance costs	**1,145**	1,244	**4,962**	4,989
Loss on disposal of equipment	**596**	557	**1,138**	2,818
Compensation expense on stock options	**599**	588	**2,469**	2,830
Impairment of goodwill	**111,000**	-	**111,000**	-
Income tax expense	**(1,258)**	1,044	**2,577**	13,153
Other operating items	**(1,122)**	572	**(1,565)**	15
	211,638	299,345	**360,753**	490,870
Change in operating working capital	**5,024**	46,386	**4,370**	(15,463)
Change in long-term inventory	**542**	1,413	**4,880**	4,865
Change in provision	**-**	(386)	**-**	(613)
Prepaid revenue-based taxes utilized	**78**	16,078	**10,000**	20,000
Income taxes paid	**(271)**	(3,290)	**(3,608)**	(15,746)
Cash provided by operations	**217,011**	359,546	**376,395**	483,913
Investing activities				
Additions to property, plant and equipment	**(53,034)**	(85,956)	**(276,285)**	(308,682)
Net purchase of short-term investments	**(25,823)**	(120,566)	**(103,145)**	(110,374)
Purchase of interest in Öksüt Gold Project- net of cash acquired	**-**	-	**-**	(19,742)
Decrease (increase) in restricted cash	**(2,182)**	299	**(1,706)**	(4,644)
Decrease (increase) in long-term other assets	**1,577**	892	**(3,447)**	2,222
Proceeds from disposition of equipment	**-**	24	**3**	205
Cash used in investing	**(79,462)**	(205,307)	**(384,580)**	(441,015)
Financing activities				
Dividends paid	**(5,750)**	(8,706)	**(31,499)**	(31,085)
Payment of interest and borrowing costs	**-**	(1,412)	**(2,910)**	(2,820)
Cash used in financing	**(5,750)**	(10,118)	**(34,409)**	(33,905)
Decrease in cash during the period	**131,799**	144,121	**(42,594)**	8,993
Cash and cash equivalents at beginning of the period	**168,715**	198,987	**343,108**	334,115
Cash and cash equivalents at end of the period	**$ 300,514**	$ 343,108	**$ 300,514**	$ 343,108
Cash and cash equivalents consist of:				
Cash	**$ 85,097**	$ 57,087	**$ 85,097**	$ 57,087
Cash equivalents	**215,417**	286,021	**215,417**	286,021
	$ 300,514	$ 343,108	**$ 300,514**	$ 343,108

Centerra Gold Inc.
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

(Expressed in Thousands of United States Dollars, except share information)

	Number of Common Shares	Share Capital Amount	Contributed Surplus	Retained Earnings	Total
Balance at January 1, 2013	236,376,011 $	660,420 $	36,243 $	672,430 $	1,369,093
Compensation expense on stock options	-	-	2,830	-	2,830
Adjustment for acquisition of 30% non-controlling interest	-	-	(18,986)	-	(18,986)
Shares issued on redemption of restricted share units	14,208	66	-	-	66
Dividend declared	-	-	-	(36,369)	(36,369)
Net earnings for the period	-	-	-	157,676	157,676
Balance at December 31, 2013	236,390,219 $	660,486 $	20,087 $	793,737 $	1,474,310
Balance at January 1, 2014	**236,390,219 $**	**660,486 $**	**20,087 $**	**793,737 $**	**1,474,310**
Compensation expense on stock options	**-**	**-**	**2,469**	**-**	**2,469**
Shares issued on redemption of restricted share units	**13,739**	**68**	**-**	**-**	**68**
Dividend declared	**-**	**-**	**-**	**(34,095)**	**(34,095)**
Net loss for the period	**-**	**-**	**-**	**(44,109)**	**(44,109)**
Balance at December 31, 2014	**236,403,958** $	**660,554** $	**22,556** $	**715,533** $	**1,398,643**

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To view the 2014 Management's Discussion and Analysis and the Audited Financial Statements and Notes for the year ended December 31, 2014, please visit the following link:
http://media3.marketwire.com/docs/CG2014-YEMDA.pdf

The 2014 Audited Financial Statements and Notes and Management's Discussion and Analysis for the year-ended December 31, 2014 have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and are available at the Company's web site at: www.centerragold.com

Qualified Person & QA/QC

The production information and related scientific and technical information in this news release, including the production estimates were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Gordon Reid, Professional Engineer and Centerra's Vice-President and Chief Operating Officer, who is the qualified person for the purpose of NI 43-101.

Caution Regarding Forward-Looking Information

Information contained in this news release which are not statements of historical facts, and the documents incorporated by reference herein, may be "forward-looking information" for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, the successful and timely closing of the transaction contemplated with Premier Gold Mines Limited to develop in partnership the Trans-Canada project; the general economic indicators for 2015, including the Company’s expectations for gold in 2015; the Company’s ability to fund all planned capital and operating expenditures in 2015 through operating cash flow; timing for filing of an updated Kumtor technical report; the continuation of gold production from the heap leach operations at Boroo into 2015; expectations that the Boroo mill will be shut down by the end of February 2015 and thereafter put into stand-by awaiting the finalization of agreements and permits with the Mongolian Government for the development of the Gatsuurt project; the Company’s plans to keep future gold production unhedged; the successful resolution of any of the items discussed under the heading, “Other Corporate Developments”, including without limitation, the successful resolution of outstanding matters in the Kyrgyz Republic to the benefit of all shareholders including matters relating to the State Commission report, government resolutions and decrees, discussions with the Kyrgyz Government on the Kumtor Project Agreements and a possible restructuring of the Kumtor Project into a joint venture pursuant to the terms of the HOA, the potential effects of the Stans Application and the Stans Order on the proposed restructuring of the Kumtor Project in accordance with the HOA, the claims of the Kyrgyz General Prosecutor’s Office’s purporting to invalidate Kumtor’s land use certificate and to seize certain lands within the Kumtor concession area, and to unwind an inter-corporate dividend declared and paid by KGC to Centerra, the timely receipt of all approvals and consents required for the continued operation of the Kumtor mine, and continued discussions with the Mongolian Government regarding the level of ownership in the Gatsuurt project (up to 34%) and the terms and conditions of such participation; all disclosure under the heading, “2015 Outlook” including planned production in 2015 and expected costs; 2015 exploration expenditures; 2015 capital expenditures; 2015 corporate administration and community investments; and planned activities at the Öksüt project including expectations regarding planned expenditures and completing a feasibility study by the middle of 2015.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking information. Factors that could cause actual results or events to differ materially from current expectations include, among other things: (A) political and regulatory risks, including the political risks associated with the Company’s principal operations in the Kyrgyz Republic and Mongolia, resource nationalism, the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates, the impact of any actions taken by the Government and Parliament relating to the Kumtor Project Agreement, any impact on the purported cancellation of Kumtor’s land use rights at the Kumtor Project, the impact of the failure of relevant Kyrgyz Government agencies to provide approvals required permits and authorizations, the impact of the Stans Application and the Stans Order on the ability of Stans to seize Centerra shares held by Kyrgyzaltyn and the ability of the Company to complete the proposed restructuring of the Kumtor Project in accordance with the HOA, the effect of the Water and Forest Law on the Company’s operations in Mongolia, the impact of continued scrutiny from Mongolian regulatory authorities on the Company’s Boroo project, the impact of changes to, the increased enforcement of, environmental laws and regulations relating to the Company’s operations; the impact of any sanctions imposed by Canada, the United States or other jurisdictions against various Russian individuals and entities; (B) risks related to operational matters and geotechnical issues, including the movement of the Davidov Glacier and the Davidov Waste-rock Dump (Central Valley Waste Dump), the waste and ice movement at the Kumtor Project and the Company’s continued ability to successfully manage such matters, including by the building of a buttress at the bottom of the Davidov Glacier, the occurrence of further ground movements at the Kumtor Project, the timing of the infrastructure move potentially impacting the maintenance of the mobile fleet and its availability, the success of the Company’s future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities, the adequacy of the Company’s insurance to mitigate operational risks, mechanical breakdowns, the Company’s ability to obtain the necessary permits and authorizations to (among other things) raise the tailings dam at the Kumtor Project to the required height, the Company's ability to replace its mineral reserves, the occurrence of any labour unrest or disturbance and the ability of the Company to successfully re-negotiate collective agreements when required, seismic activity in the vicinity of the Company's operations in the Kyrgyz Republic and Mongolia, long lead times required for equipment and supplies given the remote location of the Company's properties, reliance on a limited number of suppliers for certain consumables, equipment and components, illegal mining on the Company's Mongolian properties, the Company's ability to accurately predict decommissioning and reclamation costs, the Company's ability to attract and retain qualified personnel, competition for mineral acquisition opportunities, and risks associated with the conduct of joint ventures; (C) risks relating to financial matters including the sensitivity of the Company's business to the volatility of gold prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Company's revolving credit facility which may, among other things, restrict the Company from pursuing certain business activities, the Company's ability to obtain future financing, the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (D) risks related to environmental and safety matters, including the ability to continue obtaining necessary operating and environmental permits, licenses and approvals, the impact of the significant environmental claims made since 2012 relating to the Kumtor Project, inherent risks associated with using sodium cyanide in the mining operations; legal and other factors such as litigation, defects in title in connection with the Company's properties, the Company's ability to enforce its legal rights, risks associated with having a significant shareholder, and possible director conflicts of interest. There may be other factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. See "Risk Factors" in the Company's 2013 Annual Information Form available on SEDAR at www.sedar.com.

Furthermore, market price fluctuations in gold, as well as increased capital or production costs or reduced recovery rates may render ore reserves containing lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. Economic and technological factors which may change over time always influence the evaluation of reserves or resources. Centerra has not adjusted mineral resource figures in consideration of these risks and, therefore, Centerra can give no assurances that any mineral resource estimate will ultimately be reclassified as proven and probable reserves.

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources of any category can be upgraded to mineral reserves through continued exploration.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference.

Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward looking information. Forward-looking information is as of February 19, 2015. Centerra assumes no obligation to update or revise forward looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

Centerra Gold Inc. is a North-American based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, Canada and other markets worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

Additional information on Centerra is available on the Company's website at www.centerragold.com and at SEDAR at www.sedar.com.

Conference Call

Centerra invites you to join its 2014 fourth quarter, year-end conference call on Friday, February 20, 2015 at 11:00AM Eastern Time. The call is open to all investors and the media. To join the call, please dial Toll-Free in North America (800) 954-1053 or International callers dial +1 (212) 231-2910. Alternatively, an audio feed web cast will be broadcast live by Thomson Reuters and can be accessed at Centerra Gold's website at www.centerragold.com . A recording of the call will be available on www.centerragold.com shortly after the call and via telephone until midnight on Friday, February 27, 2015 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21759156.

For more information:

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Additional information on Centerra is available on the Company's web site at www.centerragold.com and at SEDAR at www.sedar.com.

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