



# Q1-2016 Financial Results

Conference Call – May 4, 2016

centerra**GOLD**



TSX: CG

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# Centerra: Senior Management Participants

centerraGOLD



**SCOTT PERRY**

Chief Executive Officer

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**FRANK HERBERT**

President

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**GORDON REID**

Chief Operating Officer

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**DARREN MILLMAN**

Chief Financial Officer

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# Caution Regarding Forward-Looking Information

Information contained in this presentation 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”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule”, “understand” and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things: timing of receiving a positive environmental expertise of the Kumtor 2016 Special Mine Plan and the possibility of KGC being required to cease mining operations at Kumtor effective July 1, 2016 if such environmental expertise is not provided by SAEPF; plans to begin the development of the Öksüt Project in the second quarter of 2016 and timing for first gold production; the Company's expectations regarding the release of, and related timing of, low grade and high grade ore from cut-back 17 at the Kumtor Project; OMAS' plans to use the Öksüt Facility to fund a substantial portion of the development and construction of the Öksüt gold mine; the expected timing for the completion of the feasibility study for the Greenstone Gold Property and the filing of a NI 43-101 compliance technical report; the Company's expectations regarding additional infill, exploration, geo-technical and hydrological drilling in 2016 at the Gatsurt Project; the Company's expectations regarding negotiating a definitive development agreement with the Mongolian Government on the Gatsurt Project and obtaining all necessary approvals and permits for the development of the Gatsurt Project; statements found under the heading, “2016 Outlook”, including forecast 2016 production and unit cost estimates, the Company's plans to introduce a hedging program and supply chain management option to source lower fuel costs at the Kumtor Project, the Company's plans in 2016 for exploration expenditures, capital expenditures at its properties, corporate administrative and community investment expenditures, and DD&A expenses for 2016.

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) strategic, legal, planning and other risks, including: political risks associated with the Company's operations in the Kyrgyz Republic, Mongolia and Turkey; resource nationalism including the management of external stakeholder expectations; 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 including any unjustified civil or criminal action against the Company, its affiliates or its current or former employees; the impact of any actions taken by the Kyrgyz Republic Government and Parliament relating to the Kumtor Project Agreements which are inconsistent with the rights of Centerra and KGC under the Kumtor Project Agreements; any impact on the purported cancellation of Kumtor's land use rights at the Kumtor Project pursuant to a court claim commenced by the Kyrgyz Republic General Prosecutor's Office; the risks related to other outstanding litigation affecting the Company's operations in the Kyrgyz Republic and elsewhere; the impact of the delay by relevant government agencies to provide required approvals, expertises and permits, including the delay currently being experienced at the Kumtor Project over the Kumtor 2016 Special Mine Plan and ecological passport and the Company's ability to resolve outstanding questions and concerns raised by SAEPF in connection with its issuance of its environmental expertise of the 2016 Special Mine Plan; the terms pursuant to which the Mongolian Government will participate in, or to take a special royalty rate in, the Gatsurt 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; the ability of the Company to negotiate a successful development agreement for the Gatsurt Project; potential defects of title in the Company's properties that are not known as of the date hereof; the inability of the Company and its subsidiaries to enforce their legal rights in certain circumstances; the presence of a significant shareholder that is a state-owned company of the Kyrgyz Republic; risks related to anti-corruption legislation; risks related to the concentration of assets in Central Asia; Centerra's future exploration and development activities not being successful; Centerra not being able to replace mineral reserves; difficulties with Centerra's joint venture partners; and aboriginal claims and consultative issues relating to the Company's 50% interest in the Greenstone Gold Property; potential risks related to kidnapping or acts of terrorism; (B) risks relating to financial matters, including: 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 (C) risks related to operational matters and geotechnical issues, including: movement of the Davidov Glacier and the waste and ice movement at the Kumtor Project and the Company's continued ability to successfully manage such matters, including the continued performance of the buttress; the occurrence of further ground movements at the Kumtor Project and mechanical availability; the success of the Company's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; inherent risks associated with the use of sodium cyanide in the mining operations; 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; the risk that Centerra's workforce may be exposed to widespread epidemic; seismic activity in the vicinity of the Company's operations; long lead times required for equipment and supplies given the remote location of some of the Company's operating 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/partnerships, including the Greenstone Gold Partnership; the Company's ability to manage its projects effectively and to mitigate the potential lack of availability of contractors, budget and timing overruns and project resources. See section titled “Risk Factors” above and in the Company's most recently filed Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).

Furthermore, market price fluctuations in gold, as well as increased capital or production costs or reduced recovery rates may render mineral 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. 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 May 4, 2016. 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. Except as otherwise noted herein, Gordon Reid, Professional Engineer and Centerra's Vice President and Chief Operating Officer, has reviewed and approved the scientific and technical information contained in this presentation. Mr. Reid is a Qualified Person within the meaning of NI 43-101. For more information, please refer to the Company's 2015 AIF and the technical reports referenced therein, which are available on SEDAR. All figures are in United States dollars unless otherwise stated.



**Q1 Financial Results – May 4, 2016**  
**Scott Perry - Chief Executive Officer**

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# Q1 Corporate Update

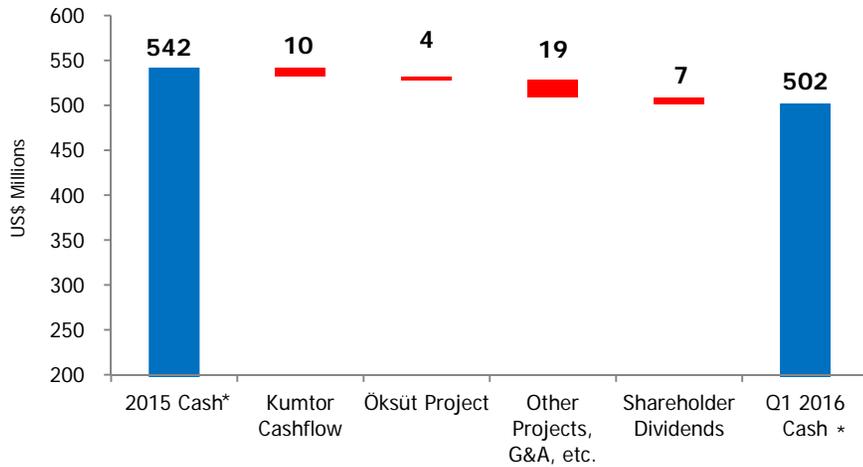
➤	<b>Safety – Kumtor Fatality</b>
➤	<b>Strong Gold Production of 86,444 Ounces at Kumtor</b>
➤	<b>Competitive All-In Sustaining Cost<sup>1</sup> of US\$1,015 Per Ounce, US\$916 Per Ounce at Kumtor</b>
➤	<b>Kumtor Q1 gold sales delayed (cash flow impact of approximately US\$35 Million)</b>
➤	<b>Net Earnings of US\$18.1 Million (\$0.08 Cents Per Share, basic)</b>
➤	<b>Cash Flow From Operations of US\$9.4 Million (\$0.04 Cents Per Share, basic)</b>
➤	<b>Peer Leading Net Cash<sup>2</sup> Position of US\$426 Million</b>
➤	<b>US\$150 Million Project Financing Facility Established For Öksüt</b>
➤	<b>Investment Development Agreement Negotiations In-Progress On Gatsuurt</b>
➤	<b>Corporate Office Restructuring – Manpower Reduction of Approx. 20%</b>

1. All-in sustaining costs per ounce sold is a non-GAAP measure and is discussed under “Non-GAAP Measures” in the Company’s MD&A dated May 3, 2016.

2. Includes cash, cash equivalents and short-term investments, net of external debt.

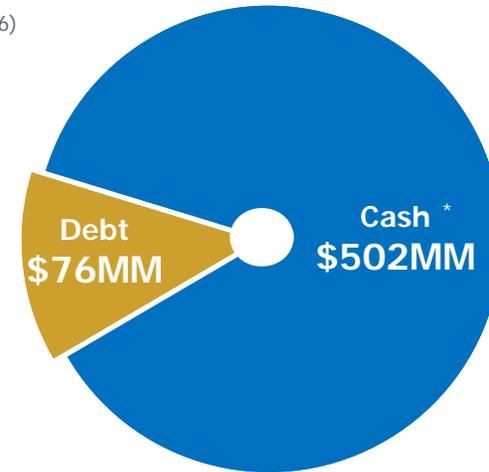
# Q1 Corporate Update

## Internally Funded Business (US\$)

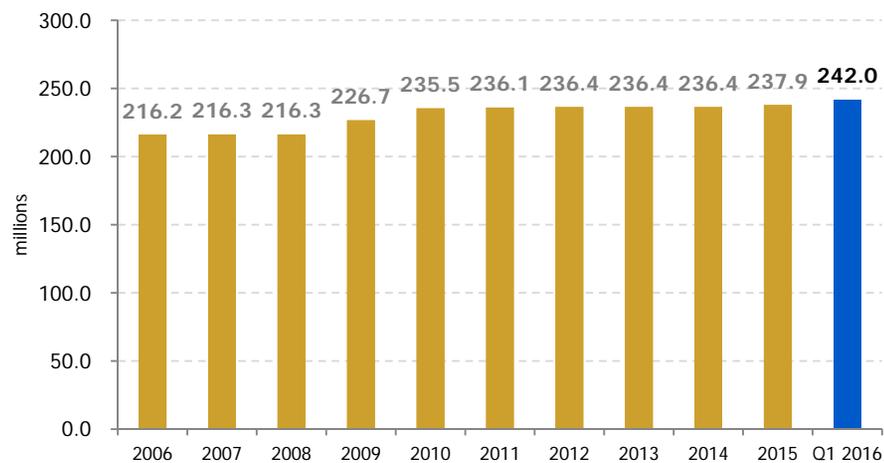


## Strong Balance Sheet (US\$)

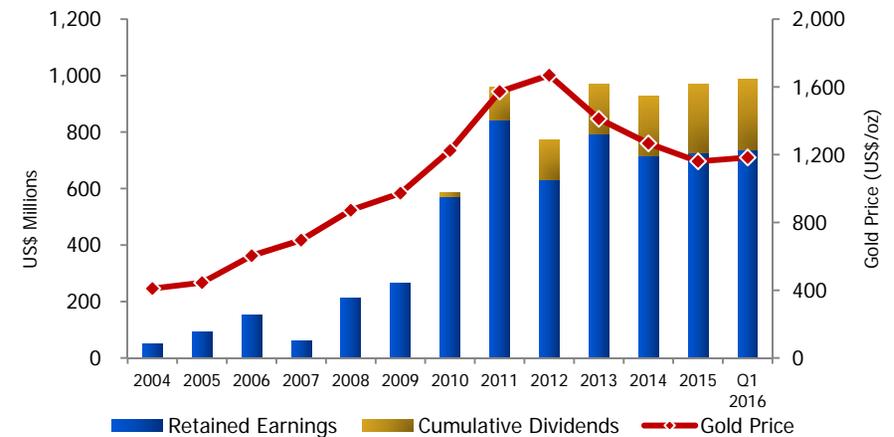
(as of Mar. 31, 2016)



## Stable Share Count



## Retained Earnings Profile (US\$)



\* Includes cash, cash equivalents, and short-term investments.



# Q1 Financial Results – May 4, 2016

Gordon Reid - Chief Operating Officer

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# Q1 Operating Highlights



<i>(US\$'s in thousands, except ounces and all-in sustaining costs per ounce sold<sup>4</sup>)</i>	Q1 2016	Q1 2015
Gold ounces produced	<b>86,444</b>	170,683
Gold ounces sold <sup>(1)</sup>	<b>61,744</b>	175,232
Kumtor All-in Sustaining Costs per ounce sold <sup>(4)</sup>	<b>\$916</b>	\$634
Consolidated All-in Sustaining Costs per ounce sold <sup>(1),(2),(4)</sup>	<b>\$1,015</b>	\$718
Revenue from mining operations <sup>(3)</sup>	<b>\$73,221</b>	\$212,638

1. 2016 numbers for gold ounces sold excludes any sales from the Boroo mine.
2. For the three months ended March 31, 2016 all-in sustaining cost per ounce excludes Boroo costs.
3. For the three months ended March 31, 2016 consolidated revenue excludes any revenue from Boroo.
4. All-in sustaining costs per ounce sold is a non-GAAP measure and is discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.



# Q1 Financial Results – May 4, 2016

Darren Millman - Chief Financial Officer

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# Q1 Financial Highlights<sup>1</sup>

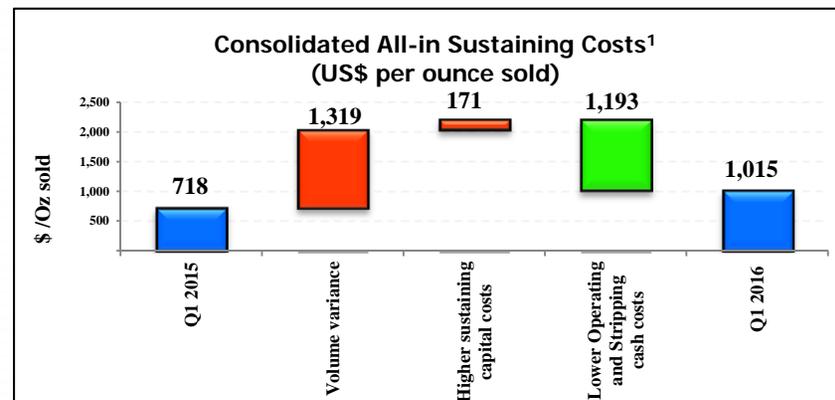
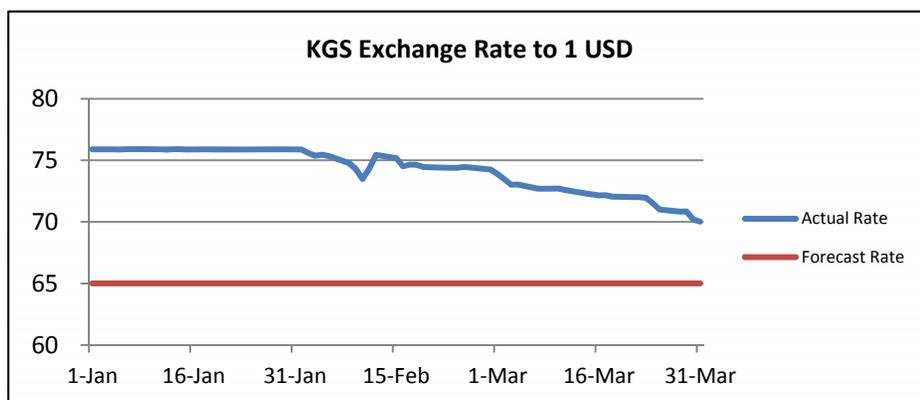


<i>(in thousands, except ounces, per share amounts, and average realized price<sup>3</sup>)</i>	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
Revenue from mining operations <sup>(2)</sup>	<b>\$73,221</b>	\$212,638
Total gold ounces sold <sup>(3)</sup>	<b>61,744</b>	175,232
Total gold ounces produced	<b>86,444</b>	170,683
Operating cash flow	<b>\$9,427</b>	\$131,471
Operating cash flow per share, basic	<b>\$0.04</b>	\$0.56
Net earnings	<b>\$18,058</b>	\$40,677
Earnings per share, basic	<b>\$0.08</b>	\$0.17
Average realized gold price per ounce <sup>(4)</sup>	<b>\$1,186</b>	\$1,213

1. U.S. dollars
2. For the three months ended March 31, 2016 consolidated revenue excludes any revenue from Boroo.
3. 2016 numbers for gold ounces sold exclude any sales from the Boroo mine.
4. Average realized gold price per ounce is a non-GAAP measure and is discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.

# Other Financial Highlights

✓	US\$150 Million Project Financing Facility Established For Öksüt
✓	New US\$150 Million Corporate Facility with EBRD (5 year term)
✓	Elimination of Teck royalty on Öksüt Project with issuance of CG shares
✓	Corporate Office Restructuring executed / Cost Reduction programs ongoing
✓	Key costs representing approx. 40% operating costs trending below guidance (Diesel & FX)
✓	On-track to meet guidance



<sup>1</sup> All-in sustaining costs per ounce sold is a non-GAAP measure and is discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.



# Q1 Financial Results – May 4, 2016

Scott Perry - Chief Executive Officer

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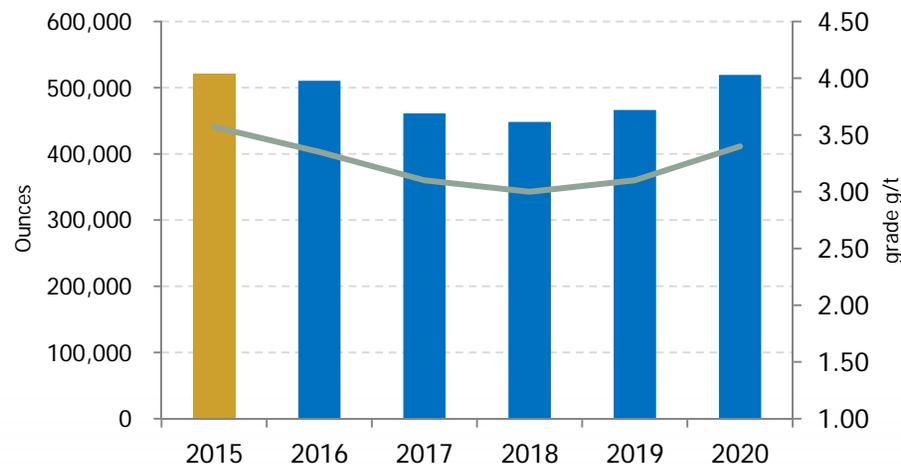
# Centerra: Built For Success



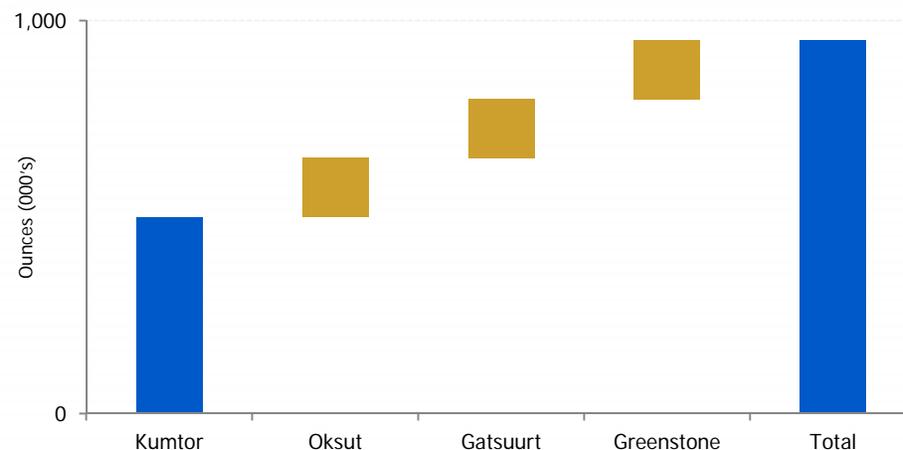
## Q1 Corporate Highlights

✓	Internationally Diversified Gold Producer
✓	Up to 530kozpa at AISC <sup>1</sup> of up to \$877 to \$968 per ounce
✓	Significant operational cash flow profile
✓	Internally funded, late-stage development pipeline
✓	Projects drive 100% increase in gold production by 2020
✓	Peer Leading Net Cash Position of US\$426MM <sup>2</sup>
✓	Trading at a discount to peers
✓	Quarterly Dividend Distributions (2.3% Yield <sup>3</sup> )
✓	Positive Retained Earnings of US\$739MM <sup>2</sup>

## Kumtor Five Year Gold Production Profile



## Profitably Growing to 1Moz's Per Annum



1. 2016e AISC: Consolidated Centerra: \$877 to 968 per ounce; Kumtor mine \$817 to 902 per ounce. All-in sustaining costs per ounce sold is a non-GAAP measure and is discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.  
 2. As at March 31, 2016, Net Cash includes cash, cash equivalents, short-term investments, net of external debt.  
 3. As of May 2, 2016.



# Q1 Financial Results – May 4, 2016

## Question & Answer Session

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Appendix

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# 2016 Guidance



	2016 Gold Production	2016 All-in Sustaining Costs <sup>1</sup>
	(ounces)	(per ounce sold)
<b>Kumtor Mine</b>	480,000 – 530,000	\$817 – \$902
<b>Centerra</b>	<b>480,000 – 530,000</b>	<b>\$877-\$968</b>

Projects	2016 Sustaining Capital <sup>1</sup>	2016 Growth Capital <sup>1</sup>
	(millions)	(millions)
<b>Kumtor Mine</b>	\$84	\$26
<b>Öksüt Project</b>	-	\$157
<b>Greenstone Property</b>	-	\$1 <sup>2</sup>
<b>Corporate and other</b>	\$1	-
<b>Consolidated Total</b>	<b>\$85</b>	<b>\$184</b>

<sup>1</sup> Non-GAAP measure discussed under “Non-GAAP Measures” in the Company’s MD&A dated May 3, 2016.

<sup>2</sup> Greenstone growth capital excludes \$4.9 million representing capitalized amount for Premier’s 50% share of the development expenditures related to the Greenstone Gold Property and funded by Centerra.

# 2016 Guidance: All-in Costs per ounce sold<sup>1</sup>

<i>(\$ per ounce sold)</i>	<b>Kumtor</b>	<b>Centerra</b>
Operating costs	\$400-442	\$400-442
Changes in inventories	<u>(8)-(9)</u>	<u>(8)-(9)</u>
<b>Operating costs</b>	<b>\$392-433</b>	<b>\$392-433</b>
<b>Adjusted operating costs<sup>(1)</sup></b>	<b>\$426-471</b>	<b>\$426-471</b>
Capitalized stripping costs - cash	230-254	230-254
Capital expenditures (sustaining) <sup>(1)</sup>	158-174	161-177
Accretion expense (reclamation)	3	4
Corporate general & admin costs	<u>-</u>	<u>56-62</u>
<b>All-in sustaining costs<sup>(1)</sup></b>	<b>\$817-902</b>	<b>\$877-968</b>
Capital expenditures (growth) <sup>(1)</sup>	49-54	49-54
Other costs <sup>(2)</sup>	<u>-</u>	<u>39-44</u>
<b>All-in costs (excluding development projects)<sup>(1,3)</sup></b>	<b>\$866-956</b>	<b>\$965-1,066</b>
Revenue-based tax <sup>(4)</sup>	<u>168</u>	<u>168</u>
<b>All-in costs excluding development projects including taxes<sup>(1,3,4)</sup></b>	<b>\$1,034-1,124</b>	<b>\$1,133-1,234</b>

<sup>1</sup> Non-GAAP measure discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.

<sup>2</sup> Other costs include \$14-\$16 of Boroo costs for maintaining the mill on care and maintenance and ongoing closure costs, net of gold sales, and global exploration expenses, business development expenses and other costs not related to current operations.

<sup>3</sup> Excludes Öksüt, Gatsuurt and Greenstone development projects.

<sup>4</sup> Includes revenue-based tax that reflects actual realized gold price of \$1,186 per ounce sold for January – March period and a revised forecast gold price assumption of \$1,200 per ounce sold for April – December period.

# 2016 Guidance: Sensitivities



	Change	Impact on (\$ millions)				Impact on (\$ per ounce sold)
		Costs	Revenues	Cash flow	Earnings	AISC <sup>(2)</sup>
Gold Price	\$50/oz	2.9 – 3.3	20.9 - 23.4	18.0 - 20.2	18.0 - 20.2	6.0 - 6.2
Diesel Fuel	10%	1.7	-	4.2	1.1	3.2 - 3.5
Kyrgyz som <sup>(1)</sup>	1 som	0.7	-	1.1	0.7	1.3 - 1.5
Canadian dollar <sup>(1)</sup>	10 cents	2.1	-	2.1	2.1	4.0 - 4.4

<sup>1</sup> appreciation of currency against the U.S. dollar will result in higher costs and lower cash flow and earnings, depreciation of currency against the U.S. dollar results in decreased costs and increased cash flow and earnings

<sup>2</sup> All-in sustaining costs per ounce sold ("AISC") is a non-GAAP measure discussed under "Non-GAAP Measures" in the Company's MD&A dated May 3, 2016.

## Material Assumptions and Risks

Material assumptions or factors used to forecast production and costs for the remaining nine months of 2016 include the following:

- a gold price of \$1,200 per ounce (from \$1,125 per ounce in the previous guidance),
- exchange rates (unchanged):
  - \$1USD:\$1.34 CAD
  - \$1USD:65.0 Kyrgyz som
  - \$1USD:0.95 Euro
- diesel fuel price assumption (unchanged): \$0.55/litre at Kumtor



May 2016

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