NEWS RELEASE

Centerra Gold Reports Third Quarter Results

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 20 and in the Cautionary Note Regarding Forward-looking Information on page 31. It should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes for the three and nine months ended September 30, 2014 and associated Management's Discussion and Analysis. The condensed interim financial statements of Centerra are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board and the Company's accounting policies as described in note 3 of its annual consolidated financial statements for the year ended December 31, 2013. All figures are in United States dollars unless otherwise stated.

To view Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine months ended September 30, 2014, please visit the following link:
http://media3.marketwire.com/docs/cg1029fsmda.pdf

Toronto, Canada, October 29, 2014: Centerra Gold Inc. (TSX: CG) today reported a net loss for the third quarter of 2014 of $3.2 million, or $0.01 per share (basic) which reflects lower average realized gold price[1] and fewer ounces sold during the quarter. For the same period in 2013, the Company recorded a net loss of $1.8 million or $0.01 per common share (basic).

2014 Third Quarter Highlights

- Increased Boroo's 2014 gold production guidance to 50,000 ounces and the Company is on track to achieve its revised production and cost guidance.
- Produced 110,792 ounces of gold in the quarter, including 95,265 ounces at Kumtor and 15,527 ounces at Boroo, compared to 113,840 ounces in the same period in 2013.
- All-in sustaining costs per ounce sold[1] of $1,139, which excludes revenue-based tax in the Kyrgyz Republic, compared to $1,208 in the same period in 2013.
- All-in costs per ounce sold[1], which excludes revenue-based tax in the Kyrgyz Republic and income taxes was $1,344 for the quarter the same as the third quarter of 2013.

During the third quarter of 2014, Centerra's cash, cash equivalents and short-term investments decreased by $87.8 million to $404.4 million from $492.2 million at the end of June 2014 ($501.5 million at December 31, 2013). As at September 30, 2014, the Company had drawn $76 million on its $150 million revolving credit facility with the European Bank for Reconstruction and Development (EBRD), leaving a balance of $74 million undrawn at September 30, 2014. The amount drawn is due to be repaid on February 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 2014 (see "2014 Outlook").

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

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For the first nine months of 2014, the Company recorded a net loss of $32.8 million, compared to net earnings of $51.1 million in the comparative period of 2013. The decrease in earnings reflects lower realized gold prices and sales volumes, higher depreciation, depletion and amortization (DD&A) and an inventory impairment charge at the Kumtor mine as compared to the same period in 2013.

Commentary

Ian Atkinson, President and CEO of Centerra Gold stated, "I am pleased to report that both operations performed well during the quarter, Kumtor got back into the SB Zone in September as planned and Boroo had another solid quarter. Total quarterly gold production was 110,792 ounces, which brings year-to-date gold production to 319,585 ounces. We are on track to achieve our 2014 guidance."

"On the Öksüt Project in Turkey things are proceeding well. Work on the environmental social impact assessment is progressing as planned and we had our first public meeting regarding that in early August. Additionally, we continue to work on the full feasibility study which we are targeting to complete by the end of second quarter next 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."

Recent Developments

Kumtor Operations

- 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".
- The Company is analyzing the potential impact on Kumtor's reserves of the buttress constructed to manage the movement of the Davidov Glacier. The Company is also reviewing the performance of the Kumtor block model. See "Operations Update – Kumtor Operating Results – Ongoing Technical Matters" below.

Mongolian Operations

- Discussions with the Mongolian Government regarding the Gatsuurt project continued during the third quarter, including as to possible levels of Government ownership in the project as well as the potential designation by Parliament of Gatsuurt as a strategic deposit.
- The Company expects that the Mongolian Parliament will consider the designation of Gatsuurt as a strategic deposit by the end of 2014. If Parliament ultimately approves this designation, it would have the effect of excluding Gatsuurt from the application of the Mongolian Water and Forest Law and would allow the Mongolian Government to acquire up to a 34% interest in Gatsuurt. The terms of any such participation are currently unclear and will be determined through negotiations with the Mongolian Government. See "Other Corporate Developments – Mongolia".

Corporate

- On October 10, 2014, Centerra was served with an order (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 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. We understand that the Kyrgyz Republic is appealing the Stans Arbitration Award to the Russian courts in Moscow.
- 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 Muhenkislik Insaat Sanayi Tiacaret SA 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".

Consolidated Financial and Operating Summary

Unaudited ($ millions, except as noted)	Three months ended September 30,			Nine months ended September 30,		
	2014	2013	% Change	**2014**	2013	% Change
Financial Highlights						
Revenue	$ **135.8**	155.0	(12%)	$ **403.3**	475.5	(15%)
Cost of sales	**100.7**	111.7	(10%)	**319.1**	287.5	11%
Revenue-based taxes	**16.4**	16.4	0%	**48.8**	50.7	(4%)
Exploration and business development (1)	**5.0**	7.3	(32%)	**11.7**	20.8	(44%)
Corporate administration	**5.9**	8.6	(31%)	**24.2**	22.5	8%
(Loss) Earnings from operations	**(1.0)**	2.6	(138%)	**(26.3)**	70.0	(138%)
Net (loss) earnings	**(3.2)**	(1.8)	78%	**(32.8)**	51.1	(164%)
Earnings (loss) per common share - $ basic (2)	**$ (0.01)**	(0.01)	0%	**$ (0.14)**	0.22	(164%)
Earnings (loss) per common share - $ diluted (2)	**$ (0.02)**	(0.01)	100%	**$ (0.14)**	0.20	(170%)
Cash (used in) provided by operations	**(14.0)**	(8.4)	67%	**159.4**	124.4	28%
Average gold spot price - $/oz (3)	**1,282**	1,326	(3%)	**1,288**	1,456	(12%)
Average realized gold price - $/oz(4)	**1,265**	1,337	(5%)	**1,281**	1,450	(12%)
Capital expenditures (5)	**83.1**	80.6	3%	**293.5**	289.9	1%
Operating Highlights						
Gold produced – ounces	**110,792**	113,840	(3%)	**319,585**	328,486	(3%)
Gold sold – ounces	**107,367**	115,941	(7%)	**314,864**	327,864	(4%)
Operating costs (on a sales basis) (6)	**56.2**	66.8	(16%)	**147.1**	167.1	(12%)
Adjusted operating costs (4)	**63.4**	74.9	(15%)	**169.0**	188.9	(11%)
All-in Sustaining Costs(4)	**122.2**	140.1	(13%)	**392.4**	410.2	(4%)
All-in Costs (4)	**144.2**	155.7	(7%)	**437.1**	466.6	(6%)
All-in Costs - including taxes (4)	**164.0**	176.0	(7%)	**489.2**	530.0	(8%)
Unit Costs						
Cost of sales - $/oz sold(4)	**938**	963	(3%)	**1,013**	877	16%
Adjusted operating costs - $/oz sold (4)	**590**	646	(9%)	**537**	576	(7%)
All-in sustaining costs – $/oz sold(4)	**1,139**	1,208	(6%)	**1,246**	1,251	(0%)
All-in costs – $/oz sold (4)	**1,344**	1,343	0%	**1,388**	1,423	(2%)
All-in costs (including taxes) – $/oz sold (4)	**1,527**	1,518	1%	**1,554**	1,617	(4%)

(1) Includes business development of $0.2 million and $0.3 million for the three and nine months ended September 30, 2014, respectively (nil for three and nine months ended September 30, 2013, respectively).
(2) As at September 30, 2014, the Company had 236,400,254 common shares issued and outstanding.
(3) Average for the period as reported by the London Bullion Market Association (US dollar Gold P.M. Fix Rate).
(4) Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs - including taxes ($ 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 $53.5 million and $228.5 million in the three and nine months ended September 30, 2014 respectively ($56.4 million and $207.9 million in the three and nine months ended September 30, 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.

Third Quarter 2014 compared to Third Quarter 2013

- Gold production for the third quarter of 2014 totaled 110,792 ounces compared to 113,840 ounces in the comparative quarter of 2013. The decrease in ounces poured reflects lower production at Boroo due to the processing of lower grade ore and fewer ounces recovered from heap leach which is now under secondary leaching. Production was 6% higher at Kumtor in the third quarter of 2014 as compared to the third quarter of 2013 as cracking in the ring gear of the Kumtor mill resulted in reduced mill throughput.

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- All-in sustaining costs per ounce sold[1], which excludes revenue-based tax and income tax, for the third quarter decreased to $1,139 from $1,208 in the comparative period of 2013. The decrease results primarily from lower spending in the third quarter of 2014 on sustaining[1] capital and capitalized stripping, lower royalties paid by Boroo and a higher charge for the build-up of inventory, partially offset by fewer ounces sold.
- All-in costs per ounce sold[1], for the third quarter of 2014, was $1,344, and includes all cash costs related to gold production, excluding revenue-based tax and income tax. This is unchanged from the all-in costs per ounce sold[1] reported in the third quarter of 2013.
- Revenue for the third quarter of 2014, decreased to $135.8 million from $155.0 million in the comparative quarter of 2013, primarily from a 5% lower average realized gold price in the third quarter of $1,265 per ounce compared to $1,337 per ounce in the same quarter of 2013. Sales volumes were also 5% lower (107,367 ounces in the third quarter of 2014 compared to 115,941 ounces in the third quarter of 2013).
- Cost of sales decreased by 10% to $100.7 million compared to the same period of 2013 due primarily to fewer ounces sold and a reduction in the inventory impairment charge at Kumtor. DD&A associated with production was $44.5 million in the third quarter of 2014, similar to the same period of 2013. Kumtor lowered its inventory impairment to $12.2 million at September 30, 2014, a reduction of $2.4 million in the third quarter of 2014, as it started mining and processing ore from cut-back 16 beginning in early September which resulted in a reduction to the average operating cost per ounce in inventory.
- Operating costs (on a sales basis) decreased by $10.6 million to $56.2 million in the third quarter compared to the third quarter of 2013, reflecting lower milling, leaching and site support costs and a higher charge for a build-up of inventory at both sites. In particular, $5.2 million of operating costs were charged to inventory in the third quarter of 2014 reflecting increased mining levels at Kumtor. 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 third quarter totaled $4.8 million compared to $7.3 million in the same period of 2013. The decrease in the third quarter reflects the cessation of all exploration activities at Kumtor and reduced spending at the Company's Öksüt project in Turkey, as the project is transitioning to the pre-development stage.
- Corporate administration costs decreased to $5.9 million in the third quarter from $8.6 million in the third quarter of 2013 due to a decrease in share-based compensation resulting from the revaluation at September 30, 2014 of the awards issued under the Company's share-based plans. The Company's share price decreased by 25% during the third quarter of 2014 as compared to an increase in share price of 45% during the same quarter of 2013. Share-based compensation was a credit of $0.2 million in the third quarter of 2014, compared to a charge of $1.9 million in the same period in 2013.
- The $1.7 million decrease in income tax expense is due to lower taxable income at Boroo. As Boroo is forecasting taxable earnings for 2014, based on its local Tugrik results and tax positions, an income tax expense was recorded in the third quarter 2014. Kumtor pays taxes based on revenue (not taxable income), while losses incurred by Centerra's other entities are not tax effected.
- Cash used in operations was $14.0 million in the third quarter of 2014 compared to $8.4 million in the same period of 2013 as a result of lower earnings and higher working capital levels.
- Capital expenditures in the third quarter of 2014 were $83.1 million, which included sustaining capital[1] of $14.2 million, growth capital[1] of $15.4 million and $53.5 million of capitalized stripping costs ($38.5 million cash). Capital expenditures in the same quarter of 2013 were $80.5 million, which included $16.0 million for sustaining capital[1] and $8.1 million for growth capital[1] and capitalized stripping of $56.4 million ($40.7 million cash).

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

First Nine Months 2014 compared to First Nine Months 2013

- Gold production for the first nine months totaled 319,585 ounces compared to 328,486 ounces in the comparative period of 2013. The decrease in ounces poured is due to lower production at Boroo due primarily to lower mill grades processed and fewer ounces under primary leach, partially offset by higher gold production at Kumtor due to processing more tonnes of ore with higher recoveries.
- All-in sustaining costs per ounce sold[1], which excludes revenue-based tax and income tax, for the first nine months of 2014, remained relatively unchanged at $1,246 compared to $1,251 in the same period of 2013.
- All-in costs per ounce sold[1], which excludes revenue-based tax at Kumtor and income tax, was $1,388, compared to $1,423 per ounce sold in the first nine months of 2013. The decrease is primarily due to lower spending on sustaining and growth capital[1] and lower exploration spending, partially offset by fewer ounces sold and higher capitalized stripping costs at Kumtor.
- Revenue for the first nine months of 2014, decreased to $403.3 million from $475.5 million in the comparative period of 2013, primarily from a 12% lower average realized gold price of $1,281 per ounce compared to $1,450 per ounce in the first nine months of 2013. Sales volumes were also 4% lower (314,864 ounces compared to 327,864 ounces in the first nine months of 2013).
- Cost of sales increased by 11% to $319.1 million due primarily to higher DD&A and an inventory impairment charge of $12.2 million at Kumtor. DD&A associated with production increased to $172.0 million in the first nine months of 2014 from $120.4 million in the comparative period of 2013. The increase in DD&A resulted from processing higher cost ore from cut-back 15 compared to ore from cut-back 14B which was processed in the third quarter of 2013. Access to ore from cut-back 15 required more stripping of ice and waste thereby resulting in increased amortization of capitalized stripping costs as the ore was mined and stockpiled. Operating costs were capitalized for the stripping of 142 million tonnes of ice and waste for cut-back 15, whereas 61 million tonnes were stripped and capitalized for cut-back 14B. In addition, the expanded mobile fleet at Kumtor was fully commissioned in 2013 which resulted in a higher equipment cost to the ore from cut-back 15.
- Operating costs (on a sales basis) decreased by $20.0 million to $147.1 million in the first nine months compared to the same period of 2013, as a result of higher stripping capitalization at Kumtor 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 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 the first nine months of 2014.
- Exploration expenditures totaled $11.3 million compared to $20.8 million in the same period of 2013. The decrease in the first nine months of 2014 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 increased to $24.2 million from $22.5 million in the first nine months of 2013 due primarily to an increase in share-based compensation of approximately $4.5 million, partially offset by a decrease in expenditures. The increase in share-based compensation reflects the movement in the Company’s share price.
- The $8.3 million reduction in income tax expense in the first nine months of 2014 is due to lower taxable income at Boroo. Boroo is forecasting taxable earnings for 2014, based on its local Tugrik results and tax positions.
- Cash provided by operations increased by $35.0 million to $159.4 million in the first nine months of 2014 mainly from lower levels of working capital partially offset by lower earnings.
- Capital expenditures in the first nine months of 2014 were $293.5 million, which included sustaining capital[1] of $35.8 million, growth capital[1] of $29.2 million and $228.5 million of capitalized stripping

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

costs ($162.4 million cash). Capital expenditures in the same period of 2013 were $289.9 million, which included $48.1 million for sustaining capital[1] and $33.9 million for growth capital[1] and capitalized stripping of $207.9 million ($150.7 million cash).

Operations Update

Kumtor Operating Results

Unaudited ($ millions, except as noted)	**Three months ended September 30,**			**Nine months ended September 30,**		
	2014	**2013**	**% Change**	**2014**	**2013**	**% Change**
Revenue	**117.0**	116.8	0%	**348.4**	362.0	(4%)
Cost of sales-cash	**43.8**	48.3	(9%)	**111.4**	120.9	(8%)
Cost of sales-non-cash	**41.1**	37.7	9%	**161.5**	97.1	66%
Cost of sales-total	**84.9**	86.0	(1%)	**272.9**	218.0	25%
Cost of sales - $/oz sold(1)	**916**	991	(8%)	**1,002**	877	14%
Tonnes mined - 000s	**48,649**	41,741	17%	**148,938**	129,827	15%
Tonnes ore mined – 000s	**1,422**	2,087	(32%)	**2,025**	3,095	(35%)
Average mining grade - g/t	**3.49**	2.78	26%	**2.87**	2.53	13%
Tonnes milled - 000s	**1,426**	1,312	9%	**4,338**	4,136	5%
Average mill head grade - g/t	**3.05**	3.04	0%	**2.68**	2.63	2%
Recovery - %	**72.7%**	76.4%	(5%)	**74.0%**	73.6%	1%
Mining costs - total ($/t mined material)	**0.55**	0.60	(8%)	**0.21**	0.31	(32%)
Milling costs ($/t milled material)	**12.98**	14.75	(12%)	**11.95**	12.22	(2%)
Gold produced – ounces	**95,265**	90,289	6%	**276,058**	252,272	9%
Gold sold – ounces	**92,645**	86,699	7%	**272,303**	248,635	10%
Average realized gold price - $/oz(1)	**1,263**	1,347	(6%)	**1,279**	1,456	(12%)
Capital expenditures (sustaining)(1)	**14.2**	13.3	7%	**35.3**	40.1	(12%)
Capital expenditures (growth)(1)	**15.2**	7.9	92%	**28.6**	33.4	(14%)
Capital expenditures (stripping)(1)	**53.5**	56.4	(5%)	**228.5**	207.8	10%
Operating costs (on a sales basis) (2)	**43.8**	48.3	(9%)	**111.4**	121.0	(8%)
Adjusted operating costs (1)	**49.8**	55.4	(10%)	**129.5**	138.2	(6%)
All-in Sustaining Costs (1)	**102.7**	109.6	(6%)	**328.0**	330.0	(1%)
All-in Costs(1)	**117.9**	118.4	(0%)	**356.6**	370.0	(4%)
All-in Costs - including taxes(1)	**134.3**	134.8	(0%)	**405.4**	420.0	(3%)
Adjusted operating costs - $/oz sold (1)	**539**	639	(16%)	**476**	556	(15%)
All-in sustaining costs – $/oz sold (1)	**1,110**	1,264	(12%)	**1,205**	1,327	(9%)
All-in costs – $/oz sold (1)	**1,274**	1,366	(7%)	**1,310**	1,488	(12%)
All-in costs (including taxes) – $/oz sold (1)	**1,451**	1,555	(7%)	**1,489**	1,689	(12%)

(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.

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

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At the Kumtor mine in the Kyrgyz Republic, mining activities in the third quarter of 2014 continued to focus on cut-back 16. The mining fleet obtained access to and commenced mining ore from cut-back 16 in early September. As such, Kumtor has ceased capitalizing waste stripping costs associated with cut-back 16 and expects to mine higher grade ore during the fourth quarter of 2014. During the third quarter of 2014, Kumtor mined 1.4 million tonnes of ore at an average grade of 3.49 g/t from cut-back 16, compared to 2.1 million tonnes of ore mined at an average grade of 2.78 g/t in the third quarter of 2013.

Gold production for the third quarter of 2014 increased to 95,265 ounces compared to 90,289 ounces in the comparative quarter of 2013 due to higher throughput achieved by the mill partially offset by lower recoveries from processing higher carbonaceous material in the current period. Kumtor's mill processed approximately 1.4 million tonnes for the third quarter of 2014, which was 9% higher than the comparative quarter of 2013 when the mill experienced issues with cracking in the ring gear and was not operating at full capacity.

The total waste and ore mined was 48.6 million tonnes compared to 41.7 million tonnes in the comparative period of 2013, representing an increase of 17% as Kumtor mined proportionately less ice in the third quarter of 2014.

Mining costs, including capitalized stripping costs, totaled $65.2 million for the third quarter of 2014, which is consistent with the comparative quarter.

Operating costs (on a sales basis), excluding capitalized stripping, decreased 9% to $43.8 million during the third quarter of 2014 reflecting a higher charge for the build-up of inventory.

DD&A associated with production increased to $41.1 million in the third quarter of 2014 from $37.7 million in the comparative period of 2013. The increase in DD&A resulted from processing higher cost ore from cut-back 15 compared to ore from cut-back 14B which was processed in the comparative period of 2013. Access to ore from cut-back 15 required more stripping of ice and waste thereby resulting in increased amortization of capitalized stripping costs as the ore was mined and stockpiled.

All-in sustaining costs per ounce sold[1], which excludes revenue-based tax, for the third quarter of 2014 decreased 12% to $1,110 compared to $1,264 in the comparative period of 2013. The decrease results primarily from higher ounces sold and a higher charge for the build-up of inventory.

All-in costs per ounce sold[1], which excludes revenue-based tax, for the third quarter of 2014 was $1,274 compared to $1,366 in the comparative period of 2013, representing a decrease of 7%. The decrease is mainly due to more gold sold, partially offset by an increase in growth capital spending for the infrastructure relocation at Kumtor.

Capital expenditures in the third quarter of 2014 were $82.9 million which includes $14.2 million of sustaining capital[1], $15.2 million invested in growth capital[1] mainly on infrastructure relocation and equipment purchases and $53.5 million for capitalized stripping ($38.5 million cash). Capital expenditures the comparative quarter of 2013 totaled $77.6 million, consisting of $13.3 million for sustaining capital[1] and $7.9 million for growth capital[1] excluding $56.4 million of capitalized stripping ($40.7 million cash).

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

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. However, the Company is studying whether it will be necessary to reduce the width of the ultimate cut-back for the SB Zone, due to the positioning of the buttress, which could reduce the reserves accessible from that cut-back. Though further study is required, the Company believes that some contained ounces are likely to be downgraded from reserves to resources; however the Company does not expect that such downgrade would have a material effect on Kumtor's total reserves. The Company expects to provide an update on the impact of the buttress on Kumtor's reserves in its annual reserve statement in February 2015.

As previously reflected in its news release of February 5, 2014, the Company experienced a negative production reconciliation at the Kumtor mine in 2013, resulting in contained ounces mined being lower than predicted by the current Kumtor resource model. Though the model has historically been an accurate predictor of Kumtor's production, the Company has retained AMEC Americas Limited ("AMEC") to assist it in a review of the model to determine if any adjustments to the model are required.

In addition, the Company has undertaken metallurgical studies to evaluate the significance, if any, of lower than expected metallurgical recoveries experienced in 2013.

The Company expects to complete its review of each of these matters in the first quarter of 2015 and will disclose the results, if material, when they are available. These reviews carried out by AMEC and the Company may result in adjustments to, among other things, expected grades and/or expected metallurgical recoveries, which may negatively impact the Company's reserves and resources estimates at the Kumtor mine. Any such changes may have a material adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

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. See "Other Corporate Developments – Kyrgyz Republic".

Boroo/Gatsuurt

Boroo Operating Results

Unaudited ($ millions, except as noted)	**Three months ended September 30,**			**Nine months ended September 30,**		
	2014	2013	% Change	**2014**	2013	% Change
Revenue	**18.8**	38.2	(51%)	**54.9**	113.5	(52%)
Cost of sales-cash	**12.3**	18.5	(34%)	**35.7**	46.2	(23%)
Cost of sales-non-cash	**3.5**	7.2	(51%)	**10.5**	23.3	(55%)
Cost of sales-total	**15.8**	25.7	(39%)	**46.2**	69.5	(34%)
Cost of sales - $/oz sold[(1)]	**1,071**	880	22%	**1,087**	878	24%
Tonnes milled - 000s	**611**	604	1%	**1,617**	1,800	(10%)
Average mill head grade - g/t	**0.66**	1.04	(37%)	**0.66**	1.23	(46%)
Recovery - %	**61.1%**	58.5%	4%	**61.2%**	57.5%	6%
Milling costs ($/t milled material)	**9.42**	9.59	(2%)	**10.45**	9.42	11%
Gold produced – ounces	**15,527**	23,550	(34%)	**43,527**	76,214	(43%)
Gold sold – ounces	**14,722**	29,242	(50%)	**42,562**	79,229	(46%)
Average realized gold price - $/oz[(1)]	**1,278**	1,306	(2%)	**1,289**	1,432	(10%)
Capital expenditures (sustaining)[(1)]	**-**	2.7	(100%)	**0.3**	7.5	(96%)
Operating costs (on a sales basis) [(2)]	**12.4**	18.5	(33%)	**35.7**	46.2	(23%)
Adjusted operating costs [(1)]	**13.6**	19.5	(30%)	**39.6**	50.7	(22%)
All-in Sustaining Costs [(1)]	**13.7**	22.1	(38%)	**40.3**	58.0	(31%)
All-in Costs[(1)]	**13.7**	22.1	(38%)	**40.3**	58.0	(31%)
All-in Costs - including taxes[(1)]	**17.0**	26.0	(35%)	**43.6**	70.7	(38%)
Adjusted operating costs - $/oz sold [(1)]	**916**	670	37%	**929**	640	45%
All-in sustaining costs – $/oz sold [(1)]	**924**	758	22%	**944**	732	29%
All-in costs – $/oz sold [(1)]	**924**	758	22%	**944**	732	29%
All-in costs (including taxes) – $/oz sold [(1)]	**1,148**	892	29%	**1,022**	892	15%

(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 15,527 ounces of gold in the third quarter of 2014 as compared to 23,550 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 stockpiles are being depleted. The stockpiles are expected to be fully depleted in December 2014. 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 averaging 0.52 g/t in the third quarter of 2014, compared to 0.75 g/t from primary leaching in the third quarter of 2013.

Mill grades averaged 0.66 g/t with a recovery of 61.1% in the third quarter of 2014, compared to 1.04 g/t with a recovery of 58.5% in the third quarter of 2013.

Operating costs (on a sales basis) in the third quarter of 2014 were $12.4 million, compared to $18.5 million in the third 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 third quarter of 2014 increased 22% to $924 from $758 in the comparative period of 2013. The increase results primarily from 50% lower ounces sold in the third quarter of 2014, 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 22% to $924 for the third quarter of 2014 compared to $758 for the same period of 2013. The increase in all-in costs[1] is primarily due to a 50% fewer ounces sold year-over-year, partially offset by lower operating costs[1] and royalties and lower sustaining capital[1] spending.

During the quarter, the Company and Boroo's trade union signed a new 2-year collective agreement which will expire on June 30, 2016.

The Gatsuurt project remained under care and maintenance in the third quarter of 2014 due to continued delays in permitting resulting from the Water and Forest Law which prohibits mining and exploration activities in water basin and forested areas.

During the third 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.

Exploration Update

To view the graphics, maps/drill sections and complete drill results discussed in this news release, visit the following link: http://media3.marketwire.com/docs/cg1029gr1.pdf or visit the Company's web site at: www.centerragold.com.

Turkey

Öksüt

During the third quarter of 2014 a total of 33 diamond drill holes, totaling 8,128 metres, were completed to further explore and in-fill drill the Keltepe and Güneytepe deposits and the Keltepe NW prospect area. Year to date, 10,766 metres in exploration diamond drill holes have been completed, 1,211 metres in seven PQ holes drilled for metallurgical samples, and 1,608 metres in eight drill holes that were drilled to collect geo-technical information which is being used in the ongoing feasibility study.

A focus of this year's drilling campaign was to test for an extension of the Keltepe deposit to the south and for gold mineralization in the area between the Keltepe and Güneytepe deposits. Seven drill holes were drilled during the quarter along the projected southern limits of the Keltepe open-pit as it was planned in the February-2014 preliminary economic assessment (PEA). Intersections of oxidized gold mineralization obtained in holes ODD0204 and ODD0205, which were drilled in the second quarter, and in hole ODD217 do confirm that the Keltepe gold mineralization extends about 100 metres further south than was previously known.

A total of nine in-fill holes were drilled into the Keltepe and Güneytepe deposits to improve our confidence in the gold resource estimate. Interpreted geology and assay results obtained from these drill holes have confirmed the continuity and grade of mineralization in the tested parts of the deposits where resources were previously identified in the resource block model completed for the PEA.

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

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Some highlights of the 2014 drilling program include:

- ODD0205 (Keltepe extension): 1.75 g/t Au over 26.0 metres
- ODD0217 (Keltepe extension): 1.16 g/t Au over 21.1 metres
- ODD0238 (Keltepe in-fill): 4.73 g/t Au over 21.8 metres
- ODD0216 (Güneytepe in-fill): 1.52 g/t Au over 28.5 metres

True widths of the mineralized zones are from 60 to 90% of the stated interval length.

A complete listing of the drill results and supporting maps for the Öksüt project 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.

To view the graphics, maps/drill sections and complete drill results discussed in this news release, visit the following link: http://media3.marketwire.com/docs/cg1029gr1.pdf or visit the Company's web site at: www.centerragold.com.

Qualified Person & QA/QC

Exploration information and related scientific and technical information in this news release regarding the Öksüt project were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Malcolm Stallman, Member of the Australian Institute of Geoscientists (AIG), Centerra's Regional Exploration Manager – Western Asia and Eastern Europe, who is the qualified person for the purpose of NI 43-101. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the exploration drilling programs are done consistent with industry standards and independent certified assay labs are used.

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. Mr. Reid will supervise the preparation, review, verification and compilation of such information as the qualified person following the departure of Mr. Dan Redmond from the Company and until Mr. Redmond's replacement develops sufficient knowledge and familiarity with the Company's projects to take on such responsibility.

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 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

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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 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.

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.

Dividend Claim

On May 23, 2014, the Kyrgyz Republic General Prosecutor's Office ("GPO") filed a civil claim in Kyrgyz court against KGC which seeks to unwind a $200 million inter-corporate dividend declared and paid by KGC to Centerra in December 2013. KGC is a wholly-owned subsidiary of Centerra and the dividend was paid in the normal course of business. The GPO alleges that the dividend was contrary to the procedural requirements of Kyrgyz corporate law. Centerra and KGC dispute such allegations and believe that the dividend complied with the agreements governing the Kumtor Project and all applicable Kyrgyz laws. Centerra also stated that the dividend does not have an impact on the valuation which underlies the restructuring contemplated by the HOA. Accordingly, KGC has contested claims made by the GPO in the Kyrgyz courts. These include challenges to, among other things, the jurisdiction of the Kyrgyz courts to hear the claim due to the arbitration provisions of the Restated Investment Agreement which requires all such disputes to be resolved through international arbitration.

On October 10, 2014, the Bishkek Inter-District Court granted a petition of the GPO to suspend these proceedings until completion of the criminal proceedings against Mr. Japarov (described below).

Japarov Criminal Proceeding

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 over $450 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 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 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 agreements governing the Kumtor Project (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

Centerra continues to be in discussions with the Mongolian Government regarding the development of the Gatsuurt property. Centerra remains reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the Mongolian Water and Forest Law having a limited impact on the Gatsuurt project, in particular, and other of the Company's Mongolian activities, including the ATO deposit. As previously disclosed, the Mongolian Water and Forest Law prohibits mineral prospecting, exploration and mining in water basins and forestry areas in Mongolia.

During meetings with representatives of the Mongolian Government earlier in 2014, Centerra was advised that the Mongolian Government has developed a list of deposits, which includes Gatsuurt, which was submitted to the Mongolian Parliament for consideration as "strategic deposits". Centerra expects that Parliament and/or any relevant committees of Parliament will consider this matter further in the fourth quarter of 2014. If the Mongolian Parliament ultimately approves this designation, it would have the effect of excluding the Gatsuurt deposit from the application of the Mongolian Water and Forest Law and would allow the Government of Mongolia to acquire up to a 34% interest in Gatsuurt. The terms of any such participation are currently unclear and will be determined through negotiations with the Mongolian Government.

There can be no assurance, however, that the Water and Forest Law will not have a material impact on Centerra's Mongolian operations. Unless the Water and Forest Law is repealed or amended such that the law no longer applies to the Gatsuurt project or Gatsuurt is designated by the Parliament of Mongolia as a "mineral deposit of strategic importance" that is exempt from the Water and Forest Law, mineral reserves at Gatsuurt may have to be reclassified as mineral resources and the Company may be required to write-off approximately $37.5 million related to the investment in Gatsuurt and approximately $38.7 million of costs that remain capitalized for the Boroo mill facility and other surface structures. These amounts represent the capitalized costs at September 30, 2014 associated with its investment in Gatsuurt and Boroo (where Gatsuurt ore is planned to be milled).

Corporate

Enforcement Notice by Sistem

In March 2011, a Turkish company, Sistem Muhenkislik Insaat Sanayi Ticaret SA ("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. 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 an arbitration award against the Kyrgyz Republic. Kyrgyzaltyn has appealed this ruling to the Ontario Court of Appeal and a hearing in this matter has been set for the fourth quarter of 2014 (the "Sistem Appeal").

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 in relation to the Stans Application (as defined below) was made that appears to restrict Centerra from paying such monies to Kyrgyzaltyn. Centerra has advised Kyrgyzaltyn that it will continue holding such funds in trust until clarity on this matter is obtained from the courts. See "Enforcement Notice by Stans" below.

Enforcement Notice by Stans

On October 10, 2014, Centerra was served with an 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") out 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. We understand that the Kyrgyz Republic is appealing the Stans Arbitration Award to Russian courts in Moscow

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 Muhenkislik Insaat Sanayi Tiacaret SA matter, which found that the Kyrgyz Republic had a beneficial interest in the Centerra shares held by Kyrgyzaltyn.

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.

2014 Outlook

Kumtor's forecast for 2014 production and costs discussed in this news release 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 the level of ownership resulting from ongoing discussions with the Government of the Kyrgyz Republic and Kyrgyzaltyn, Centerra's largest shareholder. See "Material

Assumption and Risks" for other material assumptions or factors used to forecast production and costs for 2014.

Centerra's 2014 guidance for exploration, Öksüt project development costs, corporate administration and DD&A is unchanged from the previous guidance disclosed in the Company's news release of January 13, 2014, as updated on May 6, 2014 and July 29, 2014.

Centerra's 2014 guidance for production, unit costs, capital spending and community costs has been revised from the previous guidance. The revisions to the forecast are explained in more detail below.

	2014 Production Forecast (ounces of gold)	**2014 Adjusted Operating Costs**[1] ($ per ounce sold)	**2014 All-in Costs**[1] ($ per ounce sold)
Kumtor	550,000 – 600,000	$345 – $375	$835 – $910
Boroo	Approx. 50,000	$1,030	$1,050
Consolidated	**600,000 – 650,000**	**$397 – $430**	**$955 – $1,035**

Gold Production

Centerra's 2014 guidance for consolidated gold production has been revised to a range between 600,000 and 650,000 ounces, which is higher from the previous guidance of 595,000 to 645,000 ounces disclosed in the Company's news release of July 29, 2014 reflecting higher gold production expected to be achieved at the Boroo mine.

Centerra estimates that the Kumtor mine will produce between 550,000 and 600,000 ounces in 2014 which is unchanged from the previous guidance. Over 50% of gold production at Kumtor is expected during the fourth quarter creating a potential variability to Kumtor's 2014 production guidance. Ore production in the fourth quarter is planned to come from the high-grade SB Zone ore. The high-grade ore exposed by the cut-back 16 in the SB Zone was accessed as planned during the third quarter of 2014 and mining at Kumtor is currently estimated to be on track to meet the 2014 production guidance.

At the Boroo mine, gold production is forecast to increase to approximately 50,000 ounces from the previous guidance of approximately 45,000 ounces. The new production guidance reflects increased production achieved at the Boroo mine due to higher than expected recoveries in the first nine months of the current year from both the mill and heap leach operations. The forecasted annual production at Boroo includes approximately 25,000 ounces from heap leaching and 25,000 ounces from the mill. The Boroo mill is expected to process ore stockpiles during the last quarter of the year with an average grade of 0.66 g/t. The 2014 forecast assumes no mining activities at Boroo or Gatsuurt, and no gold production from Gatsuurt.

All-in Unit Costs

Centerra's 2014 guidance for all-in sustaining costs per ounce sold[1], which excludes revenue-based tax in the Kyrgyz Republic, has been revised to $830 - $897 from $857 - $929. Similarly the guidance for all-in costs per ounce sold[1], which excludes revenue-based tax in the Kyrgyz Republic and income taxes at Boroo, has been revised to $955 - $1,035 from the previous guidance of $971 - $1,053 as disclosed in the Company's news release of July 29, 2014. The reduction in the guidance reflects the increased production forecasted at Boroo and an updated forecast for operating and capital costs at Kumtor and Boroo. The forecast for

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

operating costs has been reduced due to lower labour, power, tire, diesel fuel, and explosives costs. Labour and power costs are paid in local currency and the recent strengthening of the US dollar against the Kyrgyz Som and the Mongolian Tugrik have had a positive impact on costs. The forecast for tire, diesel fuel, and explosives costs have been reduced due to lower unit costs and less consumption. The forecast for capital costs has been increased for additional capital expenditures at Kumtor and Gatsuurt.

The revised estimates for revenue-based tax at Kumtor and current income tax at Boroo reflect an estimated gold price of $1,225 per ounce for the last quarter of 2014, which is lower than the gold price assumption of $1,250 per ounce used in the previous guidance. Based on the revised estimates, the Company is forecasting all-in sustaining unit costs per ounce sold[1] and all-in costs per ounce sold[1] as follows:

	Kumtor	**Boroo[(4)]**	**Consolidated**
Ounces sold forecast	550,000-600,000	Approximately 50,000	600,000-650,000
US $ / gold ounces sold			
Operating Costs (on a sales basis)	**$304 – 332**	**$915**	**$351 – 380**
Regional office administration	32 - 34	104	37 – 40
Social Development Costs	9	11	9 - 10
Sub-Total (Adjusted Operating Costs) [(1)]	**$345 – 375**	**$1,030**	**$397 – 430**
Corporate general & administrative costs	-	-	55– 59
Accretion expense	2	10	3
Capitalized stripping costs – cash	325 – 355	-	300 – 325
Capital expenditures (sustaining)[(1)]	78 – 85	10	75 – 80
All-in Sustaining Costs [(1)]	**$750 – 817**	**$1,050**	**$830 – 897**
Capital expenditures (growth) [(1)]	85 – 93	-	80 - 85
Other costs [(2)]	-	-	45 – 53
All-in Costs	**$835 – 910**	**$1,050**	**$955 – 1,035**
Revenue-based tax and income taxes [(3)]	$175 – 190	55	$165 – 180
All-in Costs (including taxes) [(1)]	$1,010 – 1,100	$1,105	$1,120 –1,215

(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 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 $1,225 per ounce sold for the fourth quarter of 2014.
(4) The Boroo operation is nearing the end of its mine life. All forecast production and sales are a result of drawing down the existing stockpiles and assume no mining activities.

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2014 Capital Expenditures

Centerra's projected capital expenditures for 2014, excluding capitalized stripping, have been revised to $101 million from the previous guidance of $86 million, including $48 million of sustaining capital[1] and $53 million of growth capital[1]. The distribution of the capital between the projects has been revised as described below.

Projected capital expenditures (excluding capitalized stripping) include:

Projects	**2014 Growth Capital[1]** (millions of dollars)	**2014 Sustaining Capital[1]** (millions of dollars)
Kumtor	$52	$47
Mongolia (Boroo and Gatsuurt)	$1	$1
Consolidated Total	**$53**	**$48**

Kumtor

At Kumtor, 2014 total capital expenditures, excluding capitalized stripping, are forecast to be $99 million ($85 million in the previous guidance) including $47 million of sustaining capital[1] ($42 million in the previous guidance). Spending on sustaining capital[1] relates primarily to the major overhaul maintenance of the heavy duty mine equipment ($37 million), purchase of replacement mining equipment and ball mill girth gear ($5 million), tailings dam construction raise ($3 million) and other items ($2 million). The higher forecast for sustaining capital[1] is due to increased overhaul and repair costs for the Liebherr shovels, CAT 789 and CAT 785 trucks (increased to $37 million from $32 million in the previous guidance).

Growth capital[1] investment at Kumtor for 2014 is forecast at $52 million ($43 million in the previous guidance) and includes the relocation of certain infrastructure at Kumtor related to the KS-13 life-of-mine expansion plan amounting to $39 million, dewatering projects ($6 million), and the purchase of new mining equipment ($7 million). The increase in the forecast for growth capital[1] at Kumtor is due to higher costs related to the infrastructure relocation projects (increased to $39 million from $32 million in the previous guidance), and higher costs for the dewatering project (increased to $6 million from $4 million in the previous guidance).

The cash component of capitalized stripping costs related to the development of the open pit is expected to be $195 million in 2014 ($191 million in the previous guidance). The forecast for the cash component of capitalized stripping costs is higher due to the accelerated development of cut-back 17 as a result of higher equipment availability.

Mongolia (Boroo and Gatsuurt)

At Boroo, 2014 sustaining capital[1] expenditures are expected to be $1 million (unchanged from the previous guidance) primarily for maintenance rebuilds and overhauls.

The forecasted growth capital[1] for the Gatsuurt deposit has increased to $1 million related to environmental studies, technical and legal work related to the project.

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

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2014 Social Development

Total planned social development expenditures for 2014 have been revised to $6 million ($8 million in the previous guidance) due to reduced planned spending.

Royalties

Since January 2014, Boroo has been paying a royalty rate of 2.5% for gold sold to the Bank of Mongolia (reduced from 9% using current gold prices for gold not sold to the Bank of Mongolia).

Sensitivities

Centerra's revenues, earnings and cash flows for the last three months of 2014 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**	2.4	16.7	14.3	14.3
Diesel Fuel(1)	**10%**	2.9	-	2.9	2.9
Kyrgyz som(2)	**1 som**	0.5	-	0.5	0.5
Mongolian tugrik(2)	**25 tugrik**	0.1	-	0.1	0.1
Canadian dollar(2)	**10 cents**	0.6	-	0.6	0.6

(1) a 10% change in diesel fuel price equals $9/oz produced

(2) 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 the fourth quarter of 2014 include the following:

- a gold price of $1,225 per ounce,
- exchange rates:
    - $1USD:$1.10 CAD
    - $1USD:54.0 Kyrgyz som
    - $1USD:1,800 Mongolian tugriks
    - $1USD:0.75 Euro
- diesel fuel price assumption:
    - $0.81/litre at Kumtor
    - $1.22/litre at Boroo

The assumed diesel price of $0.81/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 $95 per barrel.

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Other material assumptions were used in forecasting production and costs for 2014. 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.
- The activities of the Kyrgyz Republic Parliament and Government, referred to in the 2013 Annual Information Form 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, Kumtor Gold Company and Kumtor Operating Company under the project agreements.
- The previously disclosed environmental claims received from the Kyrgyz regulatory authorities in the aggregate amount of approximately $476 million 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 2014 production plan to achieve the forecast gold production.
- 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 successful negotiation of a new collective agreement at Kumtor which expires on December 31, 2014, without any labour actions/strikes and without significantly increasing labour costs.
- 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.

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

(Expressed in Thousands of United States Dollars)	**September 30, 2014**	**December 31, 2013**
Assets		
Current assets		
Cash and cash equivalents	**$ 168,715**	$ 343,108
Short-term investments	**235,680**	158,358
Amounts receivable	**55,460**	78,707
Inventories	**273,199**	373,289
Prepaid expenses	**23,793**	29,191
	756,847	982,653
Property, plant and equipment	**701,514**	539,070
Goodwill	**129,705**	129,705
Restricted cash	**10,255**	10,731
Other assets	**25,300**	20,276
Long-term inventories	**891**	5,229
	867,665	705,011
Total assets	**$ 1,624,512**	$ 1,687,664
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 41,708**	$ 32,109
Short-term debt	**76,000**	75,582
Revenue-based taxes payable	**11,633**	30,742
Taxes payable	**2,676**	2,108
Current portion of provision for reclamation	**2,506**	1,194
	134,523	141,735
Dividend payable	**10,090**	10,636
Provision for reclamation	**59,397**	58,826
Deferred income tax liability	**2,816**	2,157
	72,303	71,619
Total liabilities	**206,826**	213,354
Shareholders' equity		
Share capital	**660,536**	660,486
Contributed surplus	**21,957**	20,087
Retained earnings	**735,193**	793,737
	1,417,686	1,474,310
Total liabilities and shareholders' equity	**$ 1,624,512**	$ 1,687,664

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

(Unaudited)	**Three months ended September 30,**		**Nine months ended September 30,**	
	2014	**2013**	**2014**	**2013**
(Expressed in Thousands of United States Dollars)				
(except per share amounts)				
Revenue from gold sales	**$ 135,778**	$ 154,975	**$ 403,272**	$ 475,455
Cost of sales	**100,649**	111,681	**319,118**	287,456
Mine standby costs	**32**	-	**216**	-
Regional office administration	**5,783**	6,108	**17,578**	17,598
Earnings from mine operations	**29,314**	37,186	**66,360**	170,401
Revenue-based taxes	**16,375**	16,352	**48,777**	50,680
Other operating expenses	**3,034**	2,279	**7,973**	6,375
Exploration and business development	**5,023**	7,354	**11,629**	20,783
Corporate administration	**5,892**	8,590	**24,232**	22,536
(Loss) earnings from operations	**(1,010)**	2,611	**(26,251)**	70,027
Other (income) expenses	**(1,585)**	(1,072)	**(1,108)**	3,050
Finance costs	**1,181**	1,245	**3,817**	3,745
(Loss) earnings before income taxes	**(606)**	2,438	**(28,960)**	63,232
Income tax expense	**2,558**	4,219	**3,835**	12,109
Net (loss) earnings and comprehensive (loss) income	**$ (3,164)**	$ (1,781)	**$ (32,795)**	$ 51,123
Basic (loss) earnings per common share	**$ (0.01)**	$ (0.01)	**$ (0.14)**	$ 0.22
Diluted (loss) earnings per common share	**$ (0.02)**	$ (0.01)	**$ (0.14)**	$ 0.20

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

(Expressed in Thousands of United States Dollars)	**Three months ended September 30, 2014**	**Three months ended September 30, 2013**	**Nine months ended September 30, 2014**	**Nine months ended September 30, 2013**
Operating activities				
Net (loss) earnings	**$ (3,164)**	$ (1,781)	**$ (32,795)**	$ 51,123
Items not requiring (providing) cash:				
Depreciation, depletion and amortization	**44,575**	44,988	**172,289**	120,602
Finance costs	**1,181**	1,245	**3,817**	3,745
Loss on disposal of equipment	**-**	109	**542**	2,261
Compensation expense on stock options	**610**	679	**1,870**	2,242
Income tax expense	**2,558**	4,219	**3,835**	12,109
Other operating items	**150**	(386)	**(443)**	(557)
	45,910	49,073	**149,115**	191,525
Change in operating working capital	**(59,487)**	(55,354)	**(654)**	(61,849)
Change in long-term inventory	**1,349**	(980)	**4,338**	3,452
Change in provision	**-**	(78)	**-**	(227)
Prepaid revenue-based taxes utilized	**77**	77	**9,922**	3,922
Income taxes paid	**(1,825)**	(1,217)	**(3,337)**	(12,456)
Cash (used in) provided by operations	**(13,976)**	(8,479)	**159,384**	124,367
Investing activities				
Additions to property, plant and equipment	**(67,194)**	(62,807)	**(223,251)**	(222,726)
Net (purchase) redemption of short-term investments	**(56,188)**	(29,795)	**(77,322)**	10,192
Purchase of interest in Öksüt Gold Project- net of cash acquired	**-**	-	**-**	(19,742)
Decrease (increase) in restricted cash	**527**	(103)	**476**	(4,943)
Decrease (increase) in long-term other assets	**2,933**	1,664	**(5,024)**	1,330
Proceeds from disposition of equipment	**-**	154	**3**	181
Cash used in investing	**(119,922)**	(90,887)	**(305,118)**	(235,708)
Financing activities				
Dividends paid	**(8,703)**	(9,283)	**(25,749)**	(22,379)
Payment of interest and other borrowing costs	**(1,427)**	-	**(2,910)**	(1,408)
Cash used in financing	**(10,130)**	(9,283)	**(28,659)**	(23,787)
Decrease in cash during the period	**(144,028)**	(108,649)	**(174,393)**	(135,128)
Cash and cash equivalents at beginning of the period	**312,743**	307,636	**343,108**	334,115
Cash and cash equivalents at end of the period	**$ 168,715**	$ 198,987	**$ 168,715**	$ 198,987
Cash and cash equivalents consist of:				
Cash	**$ 76,434**	$ 70,501	**$ 76,434**	$ 70,501
Cash equivalents	**92,281**	128,486	**92,281**	128,486
	$ 168,715	$ 198,987	**$ 168,715**	$ 198,987

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	-	-	2,242	-	2,242
Adjustment for acquisition of 30% non-controlling interest	-	-	(18,986)	-	(18,986)
Shares issued on redemption of restricted share units	11,849	49	-	-	49
Dividend declared	-	-	-	(27,389)	(27,389)
Net earnings for the period	-	-	-	51,123	51,123
Balance at September 30, 2013	236,387,860	$ 660,469	$ 19,499	$ 696,164	$ 1,376,132
Balance at January 1, 2014	**236,390,219**	**$ 660,486**	**$ 20,087**	**$ 793,737**	**$ 1,474,310**
Compensation expense on stock options	**-**	**-**	**1,870**	**-**	**1,870**
Shares issued on redemption of restricted share units	**10,035**	**50**	**-**	**-**	**50**
Dividend declared	**-**	**-**	**-**	**(25,749)**	**(25,749)**
Net loss for the period	**-**	**-**	**-**	**(32,795)**	**(32,795)**
Balance at September 30, 2014	**236,400,254**	$ **660,536**	$ **21,957**	$ **735,193**	$ **1,417,686**

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.

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

<u>Kumtor</u>

(unaudited) **($ millions, unless otherwise specified)**	Three months ended September 30,[(1)] 2014	2013	Nine months ended September 30,[(1)] 2014	2013
Cost of sales, as reported	$ **84.9**	$ 86.0	$ **272.9**	$ 218.0
Less: Non-cash component	**41.1**	37.7	**161.5**	97.0
Cost of sales, cash component	$ **43.8**	$ 48.3	$ **111.4**	$ 121.0
Adjust for:				
Regional office administration	**4.7**	4.8	**14.1**	13.3
Refining fees	**0.6**	0.5	**1.6**	1.5
By-product credits	**(0.6)**	(0.6)	**(1.6)**	(1.8)
Community costs related to current operations	**1.3**	2.4	**4.0**	4.3
Adjusted Operating Costs	**$ 49.8**	**$** 55.4	**$ 129.5**	**$** 138.3
Accretion expense	**0.3**	0.2	**0.9**	0.5
Capitalized stripping and ice unload	**38.5**	40.7	**162.4**	150.7
Capital expenditures (sustaining)	**14.1**	13.3	**35.3**	40.1
All-in Sustaining Costs	**$ 102.7**	**$** 109.6	**$ 328.1**	**$** 329.6
Capital expenditures (growth)	**15.2**	7.9	**28.6**	33.4
Exploration	**-**	0.9	**(0.1)**	5.3
Other project costs not related to current operations	**-**	-	**-**	1.4
All-in Costs	**$ 117.9**	**$** 118.4	**$ 356.6**	**$** 369.7
Revenue-based taxes	**16.4**	16.4	**48.8**	50.7
All-in Costs (including taxes)	**$ 134.3**	**$** 134.8	**$ 405.4**	**$** 420.4
Ounces sold (000)	**93**	87	**272**	249
Adjusted Operating Costs per ounce sold	**$ 539**	**$** 638	**$ 476**	**$** 556
All-in Sustaining Costs per ounce sold	**$ 1,110**	**$** 1,263	**$ 1,205**	**$** 1,325
All-in Costs per ounce sold	**$ 1,274**	**$** 1,364	**$ 1,310**	**$** 1,486
All-in Costs (including taxes) per ounce sold	**$ 1,451**	**$** 1,552	**$ 1,489**	**$** 1,690

(1) Result may not add due to rounding

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Boroo

(unaudited)	Three months ended September 30,[1]		Nine months ended September 30,[1]	
($ millions, unless otherwise specified)	2014	2013	2014	2013
Cost of sales, as reported	$ **15.8**	$ 25.7	$ **46.3**	$ 69.6
Less: Non-cash component	**3.4**	7.2	**10.6**	23.4
Cost of sales, cash component	$ **12.4**	$ 18.5	$ **35.7**	$ 46.2
Adjust for:				
Regional office administration	**1.1**	1.3	**3.5**	4.3
Mine stand-by costs	**-**	-	**0.2**	-
Refining fees	**-**	0.1	**0.1**	0.3
By-product credits	**-**	(0.2)	**(0.1)**	(0.4)
Community costs related to current operations	**0.1**	(0.2)	**0.2**	0.3
Adjusted Operating Costs	$ **13.6**	$ 19.5	$ **39.6**	$ 50.7
Accretion expense	**0.1**	0.1	**0.4**	0.2
Capital expenditures (sustaining)	**-**	2.5	**0.3**	7.1
All-in Sustaining Costs	$ **13.7**	$ 22.1	$ **40.3**	$ 58.0
All-in Costs	$ **13.7**	$ 22.1	$ **40.3**	$ 58.0
Income taxes	**3.3**	3.9	**3.3**	12.7
All-in Costs (including taxes)	$ **17.0**	$ 26.0	$ **43.6**	$ 70.7
Ounces sold (000)	**14.7**	29.2	**42.6**	79.2
Adjusted Operating Costs per ounce sold	$ **916**	$ 670	$ **929**	$ 640
All-in Sustaining Costs per ounce sold	$ **924**	$ 758	$ **944**	$ 732
All-in Costs per ounce sold	$ **924**	$ 758	$ **944**	$ 732
All-in Costs (including taxes) per ounce sold	$ **1,148**	$ 892	$ **1,022**	$ 892

(1) Result may not add due to rounding

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2) Consolidated

Centerra

(unaudited)	Three months ended September 30,(1)		Nine months ended September 30,(1)	
($ millions, unless otherwise specified)	**2014**	**2013**	**2014**	**2013**
Cost of sales, as reported	$ **100.7**	$ 111.7	$ **319.1**	$ 287.5
Less: Non-cash component	**44.5**	44.9	**172.0**	120.4
Cost of sales, cash component	$ **56.2**	$ 66.8	$ **147.1**	$ 167.1
Adjust for:				
Regional office administration	**5.8**	6.1	**17.6**	17.6
Mine stand-by costs	**-**	-	**0.2**	-
Refining fees	**0.6**	0.6	**1.7**	1.7
By-product credits	**(0.6)**	(0.8)	**(1.7)**	(2.2)
Community costs related to current operations	**1.4**	2.2	**4.1**	4.7
Adjusted Operating Costs	$ **63.4**	$ 74.9	$ **169.0**	$ 188.9
Corporate general administrative costs	**5.8**	8.5	**24.0**	22.3
Accretion expense	**0.4**	0.2	**1.2**	0.7
Capitalized stripping and ice unload	**38.5**	40.7	**162.4**	150.7
Capital expenditures (sustaining)	**14.2**	15.8	**35.8**	47.6
All-in Sustaining Costs	$ **122.3**	$ 140.1	$ **392.4**	$ 410.2
Capital expenditures (growth)	**15.4**	8.1	**29.2**	33.9
Exploration and business development	**5.0**	7.4	**11.6**	20.8
Other project costs not related to current operations	**1.6**	0.1	**3.9**	1.7
All-in Costs	$ **144.3**	$ 155.7	$ **437.1**	$ 466.6
Revenue-based taxes and income taxes	**19.7**	20.3	**52.1**	63.4
All-in Costs (including taxes)	$ **164.0**	$ 176.0	$ **489.2**	$ 530.0
Ounces sold (000)	**107.4**	115.9	**314.9**	327.9
Adjusted Operating Costs per ounce sold	$ **590**	$ 647	$ **537**	$ 576
All-in Sustaining Costs per ounce sold	$ **1,139**	$ 1,209	$ **1,246**	$ 1,251
All-in Costs per ounce sold	$ **1,344**	$ 1,343	$ **1,388**	$ 1,423
All-in Costs (including taxes) per ounce sold	$ **1,527**	$ 1,518	$ **1,554**	$ 1,617

(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:

Three months ended September 30,	**Kumtor**	**Boroo**	**All other**	**Consolidated**
($ millions) ***(Unaudited)*** **2014**				
Capitalized stripping –cash	**38.5**	**-**	**-**	**38.5**
Sustaining capital - cash	**14.1**	**-**	**0.1**	**14.2**
Growth capital - cash	**15.2**	**-**	**0.2**	**15.4**
Net increase in accruals included in additions to PP&E	**(0.9)**	**-**	**-**	**(0.9)**
Total - Additions to PP&E	**65.0**	**-**	**0.2**	**67.2** [(1)]
2013				
Capitalized stripping – cash	40.7	-	-	40.7
Sustaining capital – cash	13.3	2.5	-	15.8
Growth capital - cash	7.9	-	0.2	8.1
Net decrease in accruals included in additions to PP&E	(1.8)	-	-	(1.8)
Total - Additions to PP&E	60.1	2.5	0.2	62.8 [(1)]

Nine months ended September 30,	**Kumtor**	**Boroo**	**All other**	**Consolidated**
($ millions) ***(Unaudited)*** **2014**				
Capitalized stripping –cash	**162.4**	**-**	**-**	**162.4**
Sustaining capital - cash	**35.3**	**0.3**	**0.2**	**35.8**
Growth capital - cash	**28.6**	**-**	**0.6**	**29.2**
Net increase in accruals included in additions to PP&E	**(4.1)**	**-**	**-**	**(4.1)**
Total - Additions to PP&E	**222.2**	**0.3**	**0.8**	**223.3** [(1)]
2013				
Capitalized stripping – cash	150.7	-	-	150.7
Sustaining capital – cash	40.1	7.1	0.4	47.6
Growth capital - cash	33.4	-	0.5	33.9
Net increase in accruals included in additions to PP&E	(9.5)	-	-	(9.5)
Total - Additions to PP&E	214.7	7.1	0.9	222.7 [(1)]

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

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, general economic indicators affecting the price of gold and gold production, interest rates, and exchange rates, 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, statements regarding the Company’s ability to successfully manage the movement of the Davidov Glacier and the increased rate of movement of the Davidov Waste-rock Dump (Central Valley Waste Dump), the construction of a buttress at the bottom of the Davidov Glacier and the monitoring and effectiveness of the buttress, and the Company’s ability to successfully demolish certain buildings and relocate other infrastructure at Kumtor, the Company’s ability to mine high grade ore in the SB Zone at Kumtor, statements regarding the Company’s future production in 2014, including estimates of cash operating costs, all-in sustaining costs per ounce sold[1], all in costs per ounce sold[1], all in costs per ounce sold (including taxes)[1], capital expenditures (sustaining)[1] and capital expenditures (growth)[1], mining plans at Kumtor; processing activities at Boroo and royalties and taxes to be paid by Boroo; the outcome of discussions with the Mongolian government on the potential development of the Company’s Gatsuurt deposit, and the impact of the Water and Forest Law on the Company’s Mongolian activities; and the Company’s expectations regarding the completion of a feasibility study on the Öksüt Project.

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,

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

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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 in December 2012 and February 2013 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

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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 October 29, 2014. 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 gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union 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.

Third Quarter Conference Call

Centerra invites you to join its 2014 third quarter conference call on Thursday October 30, 2014 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) 675-6207 or International participants dial +1 (416) 359-3130. Alternatively, an audio feed of the conference call is being webcast by Thomson Reuters and can be accessed live on the Company's website at: www.centerragold.com. An audio recording of the call will be available on Centerra's website www.centerragold.com shortly after the call and via telephone until midnight on Thursday November 6, 2014 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21732257.

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.

To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine months ended September 30, 2014, please visit the following link:
http://media3.marketwire.com/docs/cg1029fsmda.pdf

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