

centerra**GOLD**



NEWS RELEASE

Centerra Gives Notice of Potential Kumtor Mine Shutdown Due to Absence of Mine Plan Approval

TORONTO, CANADA – June 2, 2014 – Centerra Gold Inc. (TSX: CG) announces that despite its efforts to obtain approval from Kyrgyz Republic authorities for the 2014 Kumtor mine plan and related permits, such approval and permits have not been issued. Therefore, absent the issuance of such approval and permits by June 13, 2014, Centerra intends to begin an orderly shutdown of operations at the Kumtor project. Prior to such date, Centerra will continue to work and cooperate with relevant authorities in an attempt to facilitate the issuance of such approval and permits.

As previously disclosed, the Company's subsidiary in the Kyrgyz Republic, Kumtor Gold Company ("KGC"), has been working since late 2013 with the relevant government agencies to obtain approval of its 2014 annual mine plan and related operating permits. Unfortunately, this year, despite repeated submissions and discussions with senior officials, such approvals and permits have not been provided. The continuing absence of such approval and permits creates significant uncertainty and risks for Centerra and its employees.

KGC has consistently operated the Kumtor project to high environmental, safety and technical standards. Throughout Kumtor's history, we have engaged constructively and in good faith with relevant authorities to obtain approval of mine plans and designs. We also note that the 2009 Restated Investment Agreement between the Kyrgyz Republic, Centerra and KGC requires that government agencies be reasonable in their review of mining plans and also provides certain assurances and guarantees to Centerra regarding the issuance of required permits.

The shutdown plan provides for the shutdown of all mine and mill operations on the close of business June 13, 2014. KGC would retain sufficient staff to provide essential environmental and safety monitoring, security and essential maintenance of the mill and mine equipment.

The impact of the potential shutdown on future operations will depend in part on the duration of the shutdown. The Company has begun an analysis of possible impacts and would expect to make a statement in this regard if the shutdown proceeds and after it has completed the necessary analysis. The Kumtor mine operation is complex and the Kumtor open pit is subject to significant geo-technical and other challenges, including in-flow of water, ice movement from the Davydov glacier toward the open pit and pit-wall instability. An extended shutdown without active monitoring and management of such challenges would likely have a material adverse impact on the Kumtor mine and the Company's operations, future cash flows, earnings, results of operations and financial condition.

Centerra notes that all disputes in relation to the Kumtor project are subject to international arbitration in accordance with the agreements governing the project.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which is not a statement of historical facts, 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 “expects”, “continue”, “may”, “will”, and similar expressions identify forward-looking information. This forward-looking information includes statements as to management’s expectations with respect to, among other things the possible shutdown of mining operations at the Kumtor project, the continuing absence of approvals for the 2014 Kumtor annual mine plan and the issuance of related permits, the timing and impact of an orderly shutdown on mining operations, retention of sufficient staff for essential environmental and safety monitoring, security and essential maintenance of the mill and mine equipment, the possible impact of a potential shutdown on future operations and Centerra’s analysis thereof, and the complexity of the Kumtor mine’s operations, including geotechnical and other challenges. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Factors that could cause actual results or events to differ materially from current expectations include, among other things, the political and regulatory risks associated with the Company’s operations in the Kyrgyz Republic, the impact of the failure of relevant Kyrgyz Government agencies to provide approvals of annual mine plans and other required permits and authorizations, risks related to environmental, safety and technical matters, the impact of the significant environmental claims made in December 2012 and February 2013 relating to the Kumtor Project, and the Company’s ability to enforce its legal rights. 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 Annual Information Form for the year ended December 31, 2013 available on SEDAR at www.sedar.com.

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 June 2, 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 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 a leading North American-based gold producer and 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 headquartered in Toronto, Ontario, Canada.

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

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