

centerra**GOLD**



NEWS RELEASE

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CENTERRA GOLD INC. ANNOUNCES C\$170 MILLION BOUGHT DEAL FINANCING

Toronto, Canada, July 5, 2016: Centerra Gold Inc. (TSX:CG) (“Centerra” or the “Company”) has announced today that it has entered into an agreement with BMO Capital Markets, Credit Suisse Securities Canada and Scotiabank (the “Underwriters”), under which the Underwriters have agreed to purchase on bought deal basis 23,130,000 subscription receipts (the “Subscription Receipts”), at a price of C\$7.35 per Subscription Receipt for gross proceeds to the Company of approximately C\$170 million (the “Offering”).

The net proceeds of the Offering will be used to partially fund the redemption of the secured and unsecured notes of Thompson Creek Metals Company Inc. (“Thompson Creek”) in connection with the Company’s concurrently announced acquisition of all of the issued and outstanding common shares of Thompson Creek (the “Transaction”). Upon completion of the Transaction, existing Centerra and Thompson Creek shareholders are expected to own approximately 92% and 8% of the pro forma company, respectively, on a fully-diluted in-the-money basis, after giving effect to the Offering. The Company expects the Transaction to close in the fall of 2016.

Each Subscription Receipt represents the right of the holder to receive, upon closing of the Transaction, without payment of additional consideration or further action, one common share of the Company (a “Common Share”) plus an amount equal to the amount per Common Share of any cash dividends for which a record date has occurred on or after the closing of the Offering and before the date on which Common Shares underlying the Subscription Receipts are issued or deemed to be issued, net of applicable withholding taxes, if any.

The Company has also granted the Underwriters an option, exercisable until the earlier to occur of (i) the 30th day following the closing of the Offering and (ii) the date the Transaction is terminated in accordance with its terms, to purchase at the offering price up to an additional 15% of the Offering to cover over-allotments, if any. The Offering is expected to close on or about July 20, 2016 and is subject to Centerra receiving all necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

The Subscription Receipts will be offered by way of a short form prospectus in all of the provinces and territories of Canada, except Quebec, and may also be offered by way of private placement in the United States. The terms of the Offering will be more fully described in the short form prospectus.

The securities offered will be offered, and sold, to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act (and, if investors are resident in a member state of the European Economic Area), in accordance with the Prospectus Directive. The securities offered have not been, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a

transaction not subject to, the registration requirements of the Securities Act and applicable state laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

About Centerra Gold Inc.

Centerra is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, North America 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 headquartered in Toronto, Ontario, Canada.

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CAUTIONARY STATEMENT:

This news release may contain "forward-looking information" or "forward-looking statements" as defined in applicable Canadian securities legislation. All statements other than statements of historical fact included in this news release, including, without limitation, statements regarding the use of proceeds of the financing, timing and completion of the financing and the acquisition of Thompson Creek, and future plans and objectives of Centerra, constitute forward-looking information that involve various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions that general industry and economic conditions will remain consistent with historical experience and management's expectations; that the estimation of mineral reserves and mineral resources will prove accurate; that the Company will be able to obtain any additional financing on satisfactory terms; that contracts, laws, rules and regulations will be fairly and impartially observed and enforced; that the market prices for relevant commodities will remain at levels that justify development and/or operation of the Company's projects; that the Company will be able to obtain, maintain, renew or extend any required permits; that nationalization, war, civil strife and/or insurrection will not impact the Company's current or future exploration, development plans and mining activities; and that Centerra will be able to consummate the acquisition of Thompson Creek. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information.

Important factors that could cause actual results to differ materially from Centerra's expectations include, among other things, the risk that the financing or the acquisition of Thompson Creek are not completed on the anticipated schedules or at all, as well as general market conditions, including economic, commodity price and interest rate dynamics. For additional information with respect to risk factors applicable to Centerra, reference should be made to Centerra's continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, Centerra's Annual Information Form. The forward-looking information contained in this news release is made as of the date of this news release.