

**NEWS RELEASE****Centerra Gold 2015 Second Quarter Results**

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 26 and in the Cautionary Note Regarding Forward-looking Information on page 32. It should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes for the three and months ended June 30, 2015 and associated Management's Discussion and Analysis. The condensed consolidated interim financial statements of Centerra are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All figures are in United States dollars unless otherwise stated.

To view Management's Discussion and Analysis and the Unaudited Interim Condensed Consolidated Financial Statements and Notes for the three and six months ended June 30, 2015, please visit the following link: <http://media3.marketwire.com/docs/cg0728mdafs.pdf>.

Toronto, Canada, July 28, 2015: Centerra Gold Inc. (TSX: CG) today reported net earnings of \$21.9 million or \$0.09 per common share (basic) in the second quarter of 2015, compared to a net loss of \$31.7 million or \$0.13 per common share (basic) for the same period in 2014. The increase in earnings reflects a 32% increase in gold ounces sold and lower operating costs, partially offset by lower average realized gold price¹, in the second quarter of 2015.

For the first six months of 2015, the Company recorded net earnings of \$62.6 million or \$0.26 per common share (basic), compared to a net loss of \$29.6 million or \$0.13 per common share (basic) in the comparative period of 2014. The increase in earnings reflects a 44% increase in gold ounces sold and lower operating costs, partially offset by a 7% lower average realized gold price¹ in 2015.

2015 Second Quarter Highlights

- Produced 125,088 ounces of gold in the second quarter, which includes 122,111 ounces at Kumtor and 2,977 ounces at Boroo.
- All-in sustaining costs per ounce sold¹ for the second quarter of \$937, excluding revenue-based tax in the Kyrgyz Republic and income tax.
- All-in costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic and income tax, were \$1,029 for the second quarter.
- Cash provided by operations in the second quarter totaled \$114.6 million.
- Immediately following the quarter-end, Kumtor received extensions, to year-end, of its permits for emissions into the atmosphere and waste disposal into the tailings management facility.
- On July 28, 2015, the Company announced the positive feasibility study results and the planned development of the 100% owned Öksüt Gold Project, subject to final approval of the Turkish EIA and receipt of all required permits.

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

- Converted an estimated 1.2 million ounces of gold (26.1 million tonnes at an average grade of 1.4 g/t gold using a cut-off grade of 0.3 g/t gold) of measured and indicated resources to probable reserves at the Öksüt Project.

Centerra's cash, cash equivalents and short-term investments at the end of the second quarter of 2015 increased to \$581.7 million after investing \$70.5 million in its properties and paying \$7.6 million (includes \$2.4 million transferred to restricted cash, in trust, - see "Other Corporate Developments") in dividends in the quarter compared to \$562.0 million at December 31, 2014. As at June 30, 2015, 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. The amount drawn is due to be repaid in February 2016. Centerra believes, based on its current forecast, that it has sufficient cash and short-term investments to carry out its business plan in 2015 (see "2015 Outlook").

Commentary

Ian Atkinson, President and CEO of Centerra Gold stated, "Kumtor performed well during the quarter producing 122,111 ounces of gold, keeping us on track to achieve our production and cost guidance for the year. Financially, the Company is in good shape with cash, cash equivalents and short-term investments of approximately \$582 million or \$505 million, net of debt, at June 30, 2015. During the second quarter cash provided by operations was \$114.3 million."

"At the Öksüt Project in Turkey, we are forecasting an additional \$17.7 million of spending in 2015 for detailed engineering and long lead items after the board approved the development of the Öksüt Project, subject to final approval of the Turkish EIA and receipt of all required permits based on the positive feasibility study for the project. We have revised our all-in cost guidance to reflect the added Öksüt spending."

"In the Kyrgyz Republic, on July 3, 2015, Kumtor received extensions to its permits for emissions into the atmosphere and waste disposal into the tailings management facility to the end of the year. The Company continues to work toward a resolution of all outstanding matters affecting the Kumtor Project. As we have stated previously any proposed resolution would need to be fair to all shareholders of Centerra."

"At the Trans-Canada Property, which is now called the Greenstone Gold Property, we completed the additional drilling at the Hardrock Project during the quarter and are in the process of updating the Hardrock resource estimate. Additionally, the partnership received the notice of approval of the terms of reference for the environmental assessment for the Hardrock Project from the Ontario Ministry of the Environment and Climate."

"In Mongolia, although the Gatsuurt Project was declared a mineral deposit of strategic importance by the Mongolian Parliament earlier this year, Parliament has so far declined to approve the level of state ownership in the project. The bill regarding the level of state ownership in the project was returned by Parliament to the Government for further consideration. It is our understanding that the Government intends to submit a revised proposal to Parliament later this year," Mr. Atkinson concluded.

Recent Developments

The following is a summary of recent events affecting the Company. For further information, see "Other Corporate Developments".

Kumtor Operations

- The Company continues to be in discussions with the Government of the Kyrgyz Republic relating to the possible restructuring of the Kumtor project. The Kyrgyz Republic Parliament passed a resolution on June 29, 2015 to ensure the continued operation of the Kumtor mine and to carry out an examination of the updated Kumtor technical life-of-mine plan, presented in the Kumtor Technical Report dated March 20, 2015, and its impact on the Kyrgyz Republic.
- Kumtor continues to work with the State Agency for Environmental Protection and Forestry (“SAEPF”) to obtain the necessary approvals of Kumtor’s 2015 annual mine plan. The mine plan has been approved by the Kyrgyz Republic State Agency for Geology and Mineral Resources (“SAGMR”). The failure to obtain the necessary approvals for the annual mine plan may require a suspension of the Kumtor operations.

Mongolian Operations

- In early June 2015, the Government submitted a proposal to the Mongolian Parliament proposing that the Mongolian state interest in the Gatsuurt Project be either a 34% state ownership or a special royalty to be applied to the project. On June 18, 2015, the Parliament rejected the proposal and returned it to the Government for further assessment. The Company understands that the Government intends to submit a revised proposal to Parliament later this year. The Company continues to engage in discussions with the Mongolian Government regarding the development of the Gatsuurt Project.

Corporate

- Proceedings to enforce arbitral awards against the Kyrgyz Republic continue to be heard before the Ontario courts. On June 10, 2015, a previously issued injunction issued by the Ontario court in the Stans Energy Corp. matter was dissolved on the basis that the underlying arbitral award of the Moscow Chamber of Commerce and Industry was held invalid by the Moscow court. The effect of the dissolution of the injunction is that the restrictions placed on 47 million Centerra shares held by Kyrgyzaltyn have been lifted. However, Centerra continues to be subject to an injunction in favour of Valeri Belokon, which prohibits Centerra from paying dividends to Kyrgyzaltyn on all of its Centerra shares and restricts Kyrgyzaltyn’s ability to transfer or deal with 6,500,240 Centerra shares held by Kyrgyzaltyn. In the proceedings involving Sistem Mühendislik İnşaat Ve Ticaret Anonim Sirketi (“Sistem”), in June 2015 the Ontario Court of Appeal made a finding that Sistem had not properly served the relevant documents on the Kyrgyz Republic and accordingly allowed Kyrgyzaltyn’s appeal of a lower court’s decision that the Kyrgyz Republic held an equitable interest in the Centerra shares held by Kyrgyzaltyn.

Subsequent Events

Öksüt Project

- On July 28, 2015, the Company announced the positive feasibility study results and the planned development of the 100% owned Öksüt Project subject to final approval of the Turkish EIA and receipt of all required permits. Based on the positive feasibility study, measured and indicated resource ounces have been converted to probable reserves as described in the Company’s news release of July 28, 2015 which can be found on SEDAR and the Company’s website.

Greenstone Gold Property (formerly known as Trans-Canada Property)

- Effective July 2015, Centerra and Premier Gold Mines Limited agreed to change the name of its partnership to Greenstone Gold Mines L.P. (from TCP Limited Partnership) in recognition of the location of the Hardrock Project within the Municipality of Greenstone.

Consolidated Financial and Operating Summary

<i>Unaudited (\$ millions, except as noted)</i>	Three months ended June 30,⁽⁷⁾			Six months ended June 30,⁽⁷⁾		
Financial Highlights	2015	2014	% Change	2015	2014	% Change
Revenue	\$ 146.8	\$ 119.5	23%	\$ 359.4	\$ 267.5	34%
Cost of sales	81.0	109.4	(26%)	194.9	218.5	(11%)
Standby costs	1.1	0.2	450%	3.8	0.2	1800%
Regional office administration	5.0	6.1	(18%)	10.3	11.8	(13%)
Earnings from mine operations	59.7	3.8	1471%	150.4	37.0	306%
Revenue-based taxes	19.8	14.0	41%	48.5	32.4	50%
Other operating expenses	0.8	1.8	(56%)	0.7	2.8	(75%)
Pre-development project costs	4.9	1.2	308%	8.2	2.1	290%
Exploration and business development ⁽¹⁾	2.1	4.0	(48%)	4.9	6.6	(26%)
Corporate administration	10.8	11.8	(8%)	20.1	18.3	10%
Earnings (Loss) from operations	21.3	(29.0)	(173%)	68.0	(25.2)	(370%)
Other (income) and expenses	(1.6)	0.7	(329%)	2.6	0.5	420%
Finance costs	1.1	1.2	(8%)	2.2	2.6	(15%)
Earnings (Loss) before income taxes	21.8	(31.0)	(170%)	63.2	(28.4)	(323%)
Income tax expense	(0.1)	0.7	(114%)	0.6	1.3	(54%)
Net earnings (loss)	21.9	(31.7)	(169%)	62.6	(29.6)	(311%)
Earnings (loss) per common share - \$ basic ⁽²⁾	\$ 0.09	\$ (0.13)	(169%)	\$ 0.26	\$ (0.13)	(300%)
Earnings (loss) per common share - \$ diluted ⁽²⁾	\$ 0.09	\$ (0.13)	(169%)	\$ 0.26	\$ (0.13)	(300%)
Cash provided by operations	114.6	71.4	61%	245.0	173.4	41%
Average gold spot price - \$/oz ⁽³⁾	1,192	1,288	(7%)	1,206	1,291	(7%)
Average realized gold price - \$/oz ⁽⁴⁾	1,192	1,285	(7%)	1,205	1,289	(7%)
Capital expenditures ⁽⁵⁾	86.6	111.5	(22%)	242.3	210.4	15%
Operating Highlights						
Gold produced – ounces	125,088	92,124	36%	295,771	208,794	42%
Gold sold – ounces	123,079	93,004	32%	298,311	207,497	44%
Operating costs (on a sales basis) ⁽⁶⁾	36.0	48.5	(26%)	79.4	91.0	(13%)
Adjusted operating costs ⁽⁴⁾	42.7	56.6	(25%)	94.5	105.6	(11%)
All-in Sustaining Costs ⁽⁴⁾	115.3	143.3	(19%)	241.1	270.2	(11%)
All-in Costs ⁽⁴⁾	126.7	160.2	(21%)	265.0	292.8	(9%)
All-in Costs - including taxes ⁽⁴⁾	146.6	174.2	(16%)	313.7	325.3	(4%)
Unit Costs						
Cost of sales - \$/oz sold ⁽⁴⁾	658	1,176	(44%)	653	1,053	(38%)
Adjusted operating costs - \$/oz sold⁽⁴⁾	347	608	(43%)	317	509	(38%)
All-in sustaining costs – \$/oz sold⁽⁴⁾	937	1,540	(39%)	808	1,302	(38%)
All-in costs – \$/oz sold⁽⁴⁾	1,029	1,722	(40%)	888	1,411	(37%)
All-in costs (including taxes) – \$/oz sold⁽⁴⁾	1,191	1,873	(36%)	1,052	1,567	(33%)

- (1) Includes business development of \$0.8 million and \$1.9 million for the three and six months ended June 30, 2015, respectively (\$0.1 million for the three and six months ended June 30, 2014, respectively).
- (2) As at June 30, 2015, the Company had 236,554,159 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 \$66 million and \$133.5 million in the three and six months ended June 30, 2015, respectively (\$86.9 million and \$175 million in the three months and six months ended June 30, 2014, 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.
- (7) Results may not add due to rounding.

Second Quarter 2015 compared to Second Quarter 2014

- Gold production for the second quarter of 2015 totaled 125,088 ounces compared to 92,124 ounces in the comparative quarter of 2014. The increase in ounces reflects higher production at Kumtor due to higher grades, recoveries and mill throughput. Boroo's production in the second quarter of 2015 was lower than the comparable period as a result of lower production from the heap leach operation due to secondary leaching and there was no mill production.
- All-in sustaining costs per ounce sold¹, which excludes revenue-based tax and income tax, for the second quarter decreased to \$937 from \$1,540 in the comparative period of 2014. The decrease in the second quarter of 2015 results primarily from more ounces sold and lower spending on capitalized stripping and sustaining capital¹.
- All-in costs per ounce sold¹, which excludes revenue-based tax and income tax, were \$1,029 compared to \$1,722 in the comparative quarter of 2014. All-in costs per ounce sold¹ include all cash costs related to gold production, excluding revenue-based tax and income tax. The decrease reflects the additional ounces sold, lower operating costs and lower exploration costs and lower spending on growth capital¹ at Kumtor partially offset by additional spending in the second quarter of 2015 for pre-development activities at the Greenstone Gold Property and at the Öksüt Project.
- Revenue in the second quarter of 2015 increased 23% to \$146.8 million, as a result of 32% more ounces sold (123,079 ounces in the second quarter of 2015 compared to 93,004 ounces in the second quarter of 2014) partially offset by a 7% lower average realized gold price¹ (\$1,192 per ounce compared to \$1,285 per ounce in the same quarter of 2014).
- In the second quarter of 2015, ounces sold increased 32% compared to the second quarter of 2014 and cost of sales decreased by 26% to \$81 million compared to the same period of 2014. This reflects the lower costs in both the stockpiled ore and in the ore mined and processed at Kumtor from cut-back 16 in the second quarter of 2015. In particular, the cost of sales in the second quarter of 2015 benefited from cut-back 16 containing more ounces and from lower operating costs (for diesel, labour and other consumables) and reduced waste stripping as compared to cut-back 15 ore that was processed in the second quarter of 2014.

Depreciation, depletion and amortization ("DD&A") associated with production was \$45 million in the second quarter of 2015 (2014:\$60.9 million), reflecting lower capitalized stripping charges per ounce from cut-back 16 ore, partially offset by the increased ounces sold in 2015.

- Operating costs (on a sales basis) decreased by 26% to \$36.0 million in the second quarter of 2015 compared to the same period of 2014, reflecting 32% more ounces sold in the second quarter of 2015. The decrease was due to processing lower cost ounces at Kumtor which reflect a reduction in costs for diesel, labour and other consumables as well as favourable movements in the local currency as compared to the same period of 2014. Operating costs at Boroo in the second quarter of 2015 were lower in the second quarter of 2015 as compared to the same period in 2014 as milling activities ceased in late 2014. Leaching costs at Boroo were also lower as secondary leaching commenced in the third quarter of 2014 and site support costs reflected reduced personnel levels.
- During the second quarter of 2015 Boroo incurred standby costs to maintain the mill and operation on care and maintenance totaling \$1.1 million which included spending mainly on labour to maintain equipment in a ready state, as well as fixed costs for administration. There were minimal standby costs incurred in the same period of 2014.
- In the second quarter of 2015, pre-development projects costs increased by \$3.7 million to \$4.9 million compared to the comparative quarter in 2014. The increase in the second quarter of 2015 represents spending at the Greenstone Gold Property and higher spending at the Öksüt Project.

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

- Exploration expenditures in the second quarter totaled \$1.3 million compared to \$3.9 million in the same period of 2014. The decrease in the second quarter reflects reduced spending on the Company's projects in Turkey and Mongolia and the closure of its regional offices in China and Russia.
- Other income of \$1.6 million was received in the second quarter of 2015, including \$1.4 million in settlement proceeds from an insurance claim on the ball mill gear failure at Kumtor that occurred in 2008.
- Corporate administration costs decreased to \$10.8 million in the second quarter of 2015 from \$11.8 million in the same period of 2014. The decrease was primarily due to the impact of currency movements and lower general spending.
- Cash provided by operations increased by \$43.2 million to \$114.6 million in the second quarter of 2015 compared to \$71.4 million in the same period of 2014. The increase is a result of the lower costs and more ounces sold.
- Total capital expenditures in the second quarter of 2015 were \$86.6 million, which included sustaining capital¹ of \$12.0 million, growth capital¹ of \$4.3 million, \$4.3 million of Greenstone Gold Property pre-development costs and \$66.0 million of capitalized stripping costs (\$49.5 million cash). Capital expenditures in the same quarter of 2014 were \$111.5 million, which included \$12.9 million for sustaining capital¹ and \$11.6 million for growth capital¹ and capitalized stripping of \$86.9 million (\$61.5 million cash). Capital expenditures were 22% lower in the second quarter of 2015 as a result of lower capitalized stripping at Kumtor (a decrease of 24%), lower sustaining capital¹ (a decrease of 8%) and lower growth capital¹ (a decrease of 62%) partially offset by Greenstone Gold Property costs.

First Half 2015 compared to First Half 2014

- Gold production for the first six months of 2015 totaled 295,771 ounces compared to 208,794 ounces in the comparative period of 2014. The increase in production is primarily due to higher mill head grades and higher recoveries at Kumtor.
- All-in sustaining costs per ounce sold¹, which excludes revenue-based tax and income tax, for the first six months decreased to \$808 from \$1,302 in the comparative period of 2014. The decrease in the first six months of 2015 reflects 44% more ounces sold, lower operating costs in 2015 mainly for diesel, labour and consumables and lower spending on capitalized stripping partially offset by higher spending on sustaining capital¹ as compared to the first six months of 2014.
- All-in costs per ounce sold¹, which excludes revenue-based tax and income tax, for the first six months were \$888 compared to \$1,411 in the comparative period of 2014. The decrease reflects the additional ounces sold, the lower operating costs, lower exploration costs and lower spending for growth capital¹ at Kumtor. These costs were partially offset by higher spending on pre-development activities at the Greenstone Gold Property which was acquired in March 2015 and the Öksüt Project in the first half of 2015.
- Revenue in the first six months of 2015 increased 34% to \$359.4 million, as a result of 44% more ounces sold (298,311 ounces compared to 207,497 ounces in the first six months of 2014) partially offset by a 7% lower average realized gold price¹ (\$1,205 per ounce compared to \$1,289 per ounce in the same period of 2014).
- In the first six months of 2015, cost of sales decreased by 11% to \$194.9 million due primarily to lower operating costs and lower DD&A associated with the cut-back 16 ore processed and sold in the first six months of 2015. The cost of sales in the first six months of 2015 benefited from cut-back 16 containing more ounces and having lower operating costs (for diesel, labour and other consumables) and reduced waste stripping as compared to cut-back 15 ore that was processed in the first six months of 2014.

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

DD&A associated with production decreased to \$115.5 million in the first six months of 2015 from \$127.5 million in the comparative period of 2014, reflecting lower capitalized stripping charges per ounce from cut-back 16 ore, partially offset by the increased ounces sold in 2015.

- Operating costs (on a sales basis)¹ decreased by 13% or \$11.5 million to \$79.4 million in the first six months of 2015 compared to the same period of 2014, reflecting 44% more ounces sold and lower operating costs for fuel, labour and consumables, as well as beneficial currency movements in the Kyrgyz Som.
- During the first six months of 2015 Boroo incurred standby costs to place and maintain the mill and operation on care and maintenance totaling \$3.8 million which included spending mainly on labour to clean the circuits and maintain equipment in a ready state, as well as fixed costs for administration. There was \$0.2 million of standby costs incurred in the same period of 2014.
- In the first six month of 2015, pre-development projects costs increased by \$6.1 million to \$8.2 million compared to the same period in 2014. The increase represents spending at the Greenstone Gold Property and higher spending at the Company's Öksüt Project.
- Exploration expenditures in the first six months totaled \$3 million compared to \$6.5 million in the same period of 2014. The decrease in the first six months reflects reduced spending on the Company's projects in Turkey and Mongolia and the closure of its regional offices in China and Russia.
- Business development spending in the first six months of 2015 totaled \$1.9 million, representing consulting and legal charges in connection with the acquisition of the Company's 50% interest in Greenstone Partnership. There was minimal spending on business development activities in the same period of 2014.
- Corporate administration costs increased to \$20.1 million from \$18.3 million in the first six months of 2014 due primarily to higher legal and consulting costs related to on-going negotiations with the Kyrgyz government and higher share-based compensation resulting from the revaluation of the underlying share-based awards held by employees issued under the Company's share-based plans. The share-based compensation charge in the first six months of 2015 was \$7.4 million, compared to \$6.8 million in the same period in 2014.
- Cash provided by operating activities increased by \$71.6 million to \$245.0 million in the first six months of 2015 compared to \$173.4 million in the same period of 2014. The increase mainly reflects the higher earnings in 2015.
- Total capital expenditures in the first six months of 2015 were \$242.3 million, which included sustaining capital¹ of \$24.7 million, growth capital¹ of \$10.8 million, \$73.3 million of Greenstone Gold Property acquisition costs, including pre-development costs of \$5.9 million and \$133.5 million of capitalized stripping costs (\$101.2 million cash) at Kumtor. Capital expenditures in the same period of 2014 were \$210.4 million, which included \$21.6 million for sustaining capital¹ and \$13.8 million for growth capital¹ and capitalized stripping of \$175.0 million (\$123.9 million cash). Total capital expenditures were 15% higher for the first six months of 2015 as a result of the Greenstone Gold Property acquisition costs and higher sustaining capital¹ (an increase of 14%) partially offset by lower capitalized stripping at Kumtor (a decrease of 24%) and lower growth capital¹ (a decrease of 21%).

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

Second Quarter Operations Update

Kumtor Mine

Kumtor Operating Results	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Change	2015	2014	% Change
<i>Unaudited (\$ millions, except as noted)</i>						
Revenue	141.6	99.8	42%	346.6	231.4	50%
Cost of sales-cash	32.8	36.0	(9%)	70.7	67.6	5%
Cost of sales-non-cash	43.5	56.9	(24%)	112.3	120.5	(7%)
Cost of sales-total	76.3	92.9	(18%)	183.0	188.0	(3%)
Cost of sales - \$/oz sold ⁽¹⁾	642	1,195	(46%)	635	1,047	(39%)
Tonnes mined - 000s	40,434	49,527	(18%)	82,165	100,289	(18%)
Tonnes ore mined – 000s	168	460	(63%)	1,506	602	150%
Average mining grade - g/t	1.50	1.40	7%	3.10	1.41	120%
Tonnes milled - 000s	1,554	1,430	9%	2,729	2,912	(6%)
Average mill head grade - g/t	3.26	2.35	39%	4.06	2.50	62%
Recovery - %	77.5%	73.2%	6%	79.4%	74.8%	6%
Mining costs - total (\$/t mined material)	1.27	1.36	(7%)	1.27	1.28	(1%)
Milling costs (\$/t milled material)	10.50	11.80	(11%)	11.86	11.45	4%
Gold produced – ounces	122,111	77,860	57%	286,383	180,793	58%
Gold sold – ounces	118,789	77,743	53%	287,974	179,658	60%
Average realized gold price - \$/oz ⁽¹⁾	1,192	1,284	(7%)	1,204	1,288	(7%)
Capital expenditures (sustaining) ⁽¹⁾	11.8	12.9	(9%)	24.3	21.2	15%
Capital expenditures (growth) ⁽¹⁾	3.9	11.4	(66%)	10.3	13.4	(23%)
Capital expenditures (stripping) ⁽¹⁾	66.0	86.9	(24%)	133.5	175.0	(24%)
Capital expenditures (total)	81.7	111.2	(27%)	168.1	209.6	(20%)
Operating costs (on a sales basis) ⁽²⁾	32.7	36.0	(9%)	70.7	67.6	5%
Adjusted operating costs ⁽¹⁾	37.6	42.8	(12%)	80.5	79.6	1%
All-in Sustaining Costs ⁽¹⁾	99.1	117.5	(16%)	206.5	225.3	(8%)
All-in Costs ⁽¹⁾	103.0	128.9	(20%)	216.8	238.6	(9%)
All-in Costs - including taxes ⁽¹⁾	122.8	142.9	(14%)	265.3	271.0	(2%)
Adjusted operating costs - \$/oz sold ⁽¹⁾	317	551	(43%)	280	443	(37%)
All-in sustaining costs – \$/oz sold ⁽¹⁾	835	1,511	(45%)	717	1,254	(43%)
All-in costs – \$/oz sold ⁽¹⁾	868	1,658	(48%)	753	1,328	(43%)
All-in costs (including taxes) – \$/oz sold ⁽¹⁾	1,035	1,838	(44%)	922	1,508	(39%)

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

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

At the Kumtor mine in the Kyrgyz Republic, mining activities in the second quarter of 2015 focused on development and waste stripping from cut-back 17. Total waste rock and ore mined during the second quarter of 2015 was 40.4 million tonnes compared to 49.5 million tonnes in the comparative period of 2014, representing a decrease of 18%, primarily due to a 25% increase in average haulage distance when compared to the same period of 2014. Other negative factors impacting mining included unfavourable weather conditions, as the mine experienced increased precipitation; higher temperatures than normal which had an adverse impact on pit productivity; a decrease in haul truck availability of 4% compared to the same period in

2014 and inconsistent broken ore due to the reduced mechanical availability of the blast hole drills during the second quarter compared to the same period of 2014. During the second quarter of 2015, Kumtor mined approximately 0.2 million tonnes of ore at an average grade of 1.50 g/t, compared to 0.5 million tonnes of ore mined at an average grade of 1.40 g/t in the second quarter of 2014.

Gold production for the second quarter of 2015 was 122,111 ounces compared to 77,860 ounces in the comparative quarter of 2014. The increase in ounces poured during 2015 was due to processing higher grade mill feed and achieving higher recoveries than in the comparative quarter. During the quarter, Kumtor's mill processed a blend of the higher grade ore mined during the first quarter and the stockpiled ore mined from cut-back 16 during the fourth quarter of 2014. Approximately 1.6 million tonnes were processed in the second quarter of 2015, which was 9% more than the comparative quarter of 2014 due to higher mill availability and higher hourly throughput. Kumtor's average mill head grade was 3.26 g/t with a recovery of 77.5% in the quarter, compared to 2.35 g/t with a recovery of 73.2% for the same period of 2014.

Operating costs (on a sales basis), excluding capitalized stripping, decreased 9% to \$32.7 million during the second quarter of 2015 predominately due to lower diesel costs, labour and from the favourable movements in exchange rates.

Mining costs, including capitalized stripping costs, totaled \$51.2 million for the second quarter of 2015, which was \$13.3 million lower than the comparative quarter of 2014. The decreased costs for the period include lower diesel costs of (\$7.5 million) due to lower global fuel prices (on average 55.6 cents per litre compared to 68.9 cents per litre), blasting costs (\$2.5 million) due to lower blasted tonnages and the implementation of an improved wider drill pattern on waste material, lower labour costs (\$2.0 million) due to a favourable currency exchange movement on local salaries and reduced employee headcount and lower tires costs (\$1.8 million) due to lower tire consumption on the CAT789 trucks. An extension of tire wear life resulted from improved road conditions in the main pit, and an improved tire replacement program.

Milling costs were \$16.3 million in the second quarter of 2015 compared to \$16.9 million in the same period of 2014. Milling costs in the second quarter of 2015 were lower than the comparative period, due to lower costs for replacement of mill liners (\$0.9 million) and lower maintenance costs (\$0.5 million) partially offset by higher electricity costs (\$0.5 million) due to an increase in price by the provider.

Site support costs were \$12.0 million in the second quarter of 2015 compared to \$15.3 million in the same period of 2014. Site support costs decreased primarily due to lower labour costs (\$1.3 million) resulting from a favourable currency exchange movement with a weakening of the Som against the US dollar and reduced employee support staff, and decreased insurance premiums (\$0.8 million).

DD&A associated with production decreased to \$43.5 million in the second quarter of 2015 from \$56.9 million in the comparative period of 2014. The comparative period reflects a higher depreciation charge on cut-back 15 ore as more waste material was stripped and fewer ounces were mined as compared to cut-back 16.

All-in sustaining costs per ounce sold¹, which excludes revenue-based tax, for the second quarter of 2015 decreased 45% to \$835 compared to \$1,511 in the comparative period of 2014. The decrease results primarily from higher ounces sold, lower operating costs, and lower capitalized stripping costs due to lower waste tonnes mined.

All-in costs per ounce sold¹, which excludes revenue-based tax, for the second quarter of 2015 was \$868 compared to \$1,658 in the comparative period of 2014, representing a decrease of 48%. The decrease is mainly due to the reductions described above and a reduction in growth capital¹ spending for the infrastructure relocation at Kumtor as the Company completed the new camp facilities in June 2015.

Capital expenditures in the second quarter of 2015 totaled \$81.7 million which includes \$11.8 million of sustaining capital¹ mainly on equipment rebuilds and overhauls, \$3.9 million invested in growth capital¹ and \$66.0 million for capitalized stripping (\$49.5 million cash). Capital expenditures the comparative quarter of 2014 totaled \$111.3 million, consisting of \$13.0 million for sustaining capital¹, \$11.4 million for growth capital¹ and \$86.9 million of capitalized stripping (\$61.5 million cash).

Mongolia (Boroo/Gatsuurt)

At the Boroo mine, located in Mongolia, gold production in the second quarter of 2015 was 2,977 ounces as compared to 14,265 ounces of gold in the same period of 2014. The lower gold production in the second quarter of 2015 reflects no mill processing activities, as Boroo milled the last of its stockpiled ore in December 2014. Fewer ounces were poured from the heap leach operation as a result of secondary leaching, compared to primary leaching in the comparative quarter of 2014. The Company anticipates completing all leaching activities at Boroo by the first quarter of 2016.

Operating costs (on a sales basis) decreased by \$9.3 million to \$3.2 million in the second quarter of 2015, as a result of lower activity at the project.

All-in sustaining costs per ounce sold¹ and all-in costs per ounce sold¹ which excludes income tax, increased in the second quarter of 2015 to \$1,214 from \$915 in the same quarter of 2014. The increase is primarily due to a 72% decrease in ounces sold, partially offset by lower adjusted operating costs and lower sustaining capital¹ spending.

During the second quarter of 2015, Boroo was cash positive.

Although the Gatsuurt Project was designated as a mineral deposit of strategic importance by the Mongolian Parliament, the project remained under care and maintenance in the second quarter of 2015. In early June 2015, the Government submitted a proposal to Parliament proposing that the Mongolian state interest in the Gatsuurt Project be either a 34% state ownership or a special royalty to be applied to the project. On June 18, 2015, the Parliament rejected the proposal and returned it to the Government for further assessment. The Company understands that the Government intends to submit a revised proposal to Parliament later this year. The Company continues to engage in discussions with the Government. Further development of the project is also subject to, among other things, finalizing a deposit development agreement, and receiving all required approvals and regulatory commissioning from the Mongolian Government. See “Other Corporate Developments – Mongolia”.

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

Boroo Operating Results	Three months ended June 30,			Six months ended June 30,		
<i>Unaudited (\$ millions, except as noted)</i>	2015	2014	% Change	2015	2014	% Change
Revenue	5.2	19.7	(74%)	12.8	36.1	(65%)
Cost of sales-cash	3.2	12.5	(74%)	8.8	23.4	(62%)
Cost of sales-non-cash	1.5	4.0	(63%)	3.1	7.1	(56%)
Cost of sales-total	4.7	16.5	(72%)	11.9	30.5	(61%)
Cost of sales - \$/oz sold ⁽¹⁾	1,104	1,081	2%	1,157	1,096	6%
Tonnes milled - 000s	-	425	(100%)	-	1,007	(100%)
Average mill head grade - g/t	-	0.67	(100%)	-	0.66	(100%)
Recovery - %	-	61.3%	(100%)	-	61.3%	(100%)
Milling costs (\$/t milled material)	-	10.90	(100%)	-	11.07	(100%)
Gold produced – ounces	2,977	14,265	(79%)	9,388	28,001	(66%)
Gold sold – ounces	4,290	15,261	(72%)	10,337	27,839	(63%)
Average realized gold price - \$/oz ⁽¹⁾	1,203	1,290	(7%)	1,239	1,295	(4%)
Capital expenditures - sustaining (Boroo) ⁽¹⁾	-	0.1	(100%)	0.1	0.3	(67%)
Capital expenditures - growth (Gatsuurt) ⁽¹⁾	0.4	0.2	100%	0.5	0.4	25%
Operating costs (on a sales basis) ⁽²⁾	3.2	12.5	(74%)	8.8	23.4	(63%)
Adjusted operating costs ⁽¹⁾	5.0	13.7	(64%)	13.9	26.0	(47%)
All-in Sustaining Costs ⁽¹⁾	5.2	14.0	(63%)	14.3	26.6	(46%)
All-in Costs ⁽¹⁾	5.2	14.0	(63%)	14.3	26.6	(46%)
All-in Costs - including taxes ⁽¹⁾	5.3	14.0	(62%)	14.5	26.6	(46%)
Adjusted operating costs - \$/oz sold⁽¹⁾	1,168	901	30%	1,342	935	44%
All-in sustaining costs – \$/oz sold⁽¹⁾	1,214	915	33%	1,382	954	45%
All-in costs – \$/oz sold⁽¹⁾	1,214	915	33%	1,382	954	45%
All-in costs (including taxes) – \$/oz sold⁽¹⁾	1,231	915	35%	1,399	954	47%

⁽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.

Öksüt Project Development

At the Öksüt Project in Turkey, the Company spent \$1.8 million and \$3.6 million during the three and six months ended June 30, 2015, respectively (\$1.2 million and \$2.1 million in the three and six months ended June 30, 2014) on development activities to progress the environmental impact assessment (EIA) and complete the project’s feasibility study.

The environmental impact assessment process continues on schedule with formal EIA approval from the Turkish regulatory authorities is expected in late third quarter or early fourth quarter 2015. Receipt of permits is contingent on the approval of the EIA and applications for all required permits will follow immediately upon approval of the EIA. The Company has a strong local presence in Turkey through its subsidiary Öksüt Madencilik (OMAS) and believes it has good relationships with the local population and local and regional governments.

On July 28, 2015, the Company announced a positive feasibility study and the planned development of the Öksüt Project, subject to final approval of the Turkish EIA and receipt of all required permits, see news release dated July 28, 2015. The Company expects to begin development of the Öksüt Project in the first quarter of 2016 with first gold production anticipated in the second quarter of 2017. Detailed engineering and the ordering of long lead items is expected to commence in the second half of 2015. Pre-production expenditures and construction capital are estimated to be \$221 million including \$25 million in contingency.

The Öksüt Project is expected to process 26.1 million tonnes of ore at an average grade of 1.4 g/t gold over eight years producing 895,000 ounces of gold at an average all-in-sustaining cost per ounce sold¹ of \$490. The life-of-mine strip ratio is expected to be 2:1. Mining is planned to be conducted by a local contractor using a conventional truck and shovel fleet utilizing small, selective, loading equipment and 36 tonne trucks. The ore will be crushed to 38 mm through two stages of crushing and be placed on the heap leach pad at a rate of 11,000 tonnes per day. Life-of mine gold recovery is expected to be 77%.

Greenstone Gold Property Development (formerly Trans-Canada Property)

On July 20, 2015, the Board of the general managing partnership (TCP GP Corporation) approved a name change of the partnership and itself to Greenstone Gold Mines LP and Greenstone Gold Mines GP Inc., respectively (collectively to be referred to as Greenstone Gold Mines (GGM)). This name change was in recognition of the location of the Hardrock Project within the Municipality of Greenstone and in recognition of the support being received from that community and the surrounding First Nations communities.

In the second quarter of 2015, the Company spent \$6.5 million (\$9.5 million in the first six months of 2015) on development activities. Work progressed on all fronts with significant advancement being made towards completing the feasibility study on the Hardrock Project by late fourth quarter 2015 or early first quarter 2016. During the second quarter of 2015, GGM received the Provincial Terms of Reference for the Environmental Assessment (EA), with two amendments, and discussions were initiated with Long Lake #58 First Nation on the development of an Impact Benefit Agreement (IBA).

The resource block model for the Hardrock Project is currently being updated and a new resource estimate is expected in the third quarter of 2015.

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

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

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 non-GAAP measures commonly used. 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, but excludes 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.
- *Pre-tax cash flows* are net cash flows generated by the project excluding cash taxes and government refunds.
- *Free cash flows* are defined as cash flows generated by operating activities less capital expenditure.
- *Cumulative free cash flows* are a summation of free cash flows over the life of a project.

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

(1) By operation

Kumtor

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended June 30, ⁽¹⁾		Six months ended June 30, ⁽¹⁾	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 76.3	\$ 92.9	\$ 183.0	\$ 188.1
Less: Non-cash component	43.6	56.9	112.3	120.5
Cost of sales, cash component	\$ 32.7	\$ 36.0	\$ 70.7	\$ 67.6
Adjust for:				
Regional office administration	4.1	5.0	8.4	9.4
Refining fees	0.7	0.5	1.7	1.0
By-product credits	(0.5)	(0.4)	(1.5)	(1.0)
Community costs related to current operations	0.6	1.8	1.2	2.6
Adjusted Operating Costs	\$ 37.6	\$ 42.8	\$ 80.5	\$ 79.6
Accretion expense	0.2	0.3	0.5	0.6
Capitalized stripping and ice unload	49.5	61.5	101.2	123.9
Capital expenditures (sustaining)	11.8	12.9	24.3	21.2
All-in Sustaining Costs	\$ 99.1	\$ 117.5	\$ 206.5	\$ 225.3
Capital expenditures (growth)	3.9	11.4	10.3	13.3
Exploration	-	-	-	(0.1)
All-in Costs	\$ 103.0	\$ 128.9	\$ 216.8	\$ 238.6
Revenue-based taxes and income taxes	19.8	14.0	48.5	32.4
All-in Costs (including taxes)	\$ 122.8	\$ 142.9	\$ 265.3	\$ 271.0
Ounces sold (000)	119	78	288	180
Adjusted Operating Costs per ounce sold	\$ 317	\$ 551	\$ 280	\$ 443
All-in Sustaining Costs per ounce sold	\$ 835	\$ 1,511	\$ 717	\$ 1,254
All-in Costs per ounce sold	\$ 868	\$ 1,658	\$ 753	\$ 1,328
All-in Costs (including taxes) per ounce sold	\$ 1,035	\$ 1,838	\$ 922	\$ 1,508

(1) Results may not add due to rounding

Boroo

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended June 30, ⁽¹⁾		Six months ended June 30, ⁽¹⁾	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 4.7	\$ 16.5	\$ 11.9	\$ 30.5
Less: Non-cash component	1.5	4.0	3.1	7.1
Cost of sales, cash component	\$ 3.2	\$ 12.5	\$ 8.8	\$ 23.4
Adjust for:				
Regional office administration	0.9	1.1	1.9	2.4
Mine stand-by costs	0.8	0.2	3.1	0.2
Refining fees	-	-	-	0.1
By-product credits	-	-	-	(0.1)
Community costs related to current operations	0.1	(0.1)	0.2	0.1
Adjusted Operating Costs	\$ 5.0	\$ 13.7	\$ 14.0	\$ 26.1
Accretion expense	0.2	0.1	0.3	0.2
Capital expenditures (sustaining)	-	0.1	0.1	0.3
All-in Sustaining Costs	\$ 5.2	\$ 13.9	\$ 14.4	\$ 26.6
All-in Costs	\$ 5.2	\$ 13.9	\$ 14.4	\$ 26.6
Income taxes (cash)	0.1	-	0.2	-
All-in Costs (including taxes)	\$ 5.3	\$ 13.9	\$ 14.6	\$ 26.6
Ounces sold (000)	4.3	15.3	10.3	27.8
Adjusted Operating Costs per ounce sold	\$ 1,168	\$ 901	\$ 1,342	\$ 935
All-in Sustaining Costs per ounce sold	\$ 1,214	\$ 915	\$ 1,382	\$ 954
All-in Costs per ounce sold	\$ 1,214	\$ 915	\$ 1,382	\$ 954
All-in Costs (including taxes) per ounce sold	\$ 1,231	\$ 915	\$ 1,399	\$ 954

(1) Results may not add due to rounding

2) Consolidated

Centerra

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended June 30, ⁽¹⁾		Six months ended June 30, ⁽¹⁾	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 81.0	\$ 109.4	\$ 194.9	\$ 218.5
Less: Non-cash component	45.0	60.9	115.5	127.6
Cost of sales, cash component	\$ 36.0	\$ 48.5	\$ 79.4	\$ 90.9
Adjust for:				
Regional office administration	5.0	6.1	10.3	11.8
Mine stand-by costs	0.8	0.2	3.1	0.2
Refining fees	0.7	0.5	1.8	1.1
By-product credits	(0.6)	(0.4)	(1.5)	(1.1)
Community costs related to current operations	0.7	1.7	1.4	2.7
Adjusted Operating Costs	\$ 42.7	\$ 56.6	\$ 94.5	\$ 105.6
Corporate general administrative costs	10.7	11.7	20.0	18.2
Accretion expense	0.4	0.4	0.8	0.8
Capitalized stripping and ice unload	49.5	61.5	101.2	123.9
Capital expenditures (sustaining)	12.0	13.0	24.7	21.6
All-in Sustaining Costs	\$ 115.3	\$ 143.3	\$ 241.1	\$ 270.2
Capital expenditures (growth)	4.3	11.6	10.8	13.8
Exploration and business development	2.1	4.0	4.9	6.6
Other project costs not related to current operations	4.9	1.3	8.2	2.2
All-in Costs	\$ 126.7	\$ 160.2	\$ 265.0	\$ 292.8
Revenue-based taxes and income taxes (cash)	19.9	14.0	48.7	32.4
All-in Costs (including taxes)	\$ 146.6	\$ 174.2	\$ 313.7	\$ 325.3
Ounces sold (000)	123.1	93.0	298.3	207.5
Adjusted Operating Costs per ounce sold	\$ 347	\$ 608	\$ 317	\$ 509
All-in Sustaining Costs per ounce sold	\$ 938	\$ 1,540	\$ 808	\$ 1,302
All-in Costs per ounce sold	\$ 1,030	\$ 1,722	\$ 888	\$ 1,411
All-in Costs (including taxes) per ounce sold	\$ 1,191	\$ 1,873	\$ 1,052	\$ 1,567

(1) Results may not add due to rounding

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

Three months ended June 30,	Kumtor	Boroo	All other	Consolidated
(\$ millions) <i>(Unaudited)</i>				
2015				
Capitalized stripping – cash	49.5	-	-	49.5
Sustaining capital - cash	11.8	-	0.2	12.0
Growth capital - cash	3.9	-	0.5	4.4
Greenstone Gold Property pre-development capital - cash	-	-	4.3	4.3
Net increase in accruals included in additions to PP&E	0.3	-	-	0.3
Total - Additions to PP&E	65.5	-	5.0	70.5⁽¹⁾
2014				
Capitalized stripping – cash	61.5	-	-	61.5
Sustaining capital – cash	12.9	0.1	-	13.0
Growth capital - cash	11.4	-	0.2	11.6
Net decrease in accruals included in additions to PP&E	(2.8)	-	-	(2.8)
Total - Additions to PP&E	83.0	0.1	0.2	83.3⁽¹⁾

Six months ended June 30,	Kumtor	Boroo	All other	Consolidated
(\$ millions) <i>(Unaudited)</i>				
2015				
Capitalized stripping – cash	101.2	-	-	101.2
Sustaining capital - cash	24.3	0.1	0.3	24.7
Growth capital - cash	10.3	-	0.4	10.7
Greenstone Gold Property pre-development capital - cash	-	-	5.9	5.9
Net increase in accruals included in additions to PP&E	0.1	-	-	0.1
Total - Additions to PP&E	135.9	0.1	6.6	142.6⁽¹⁾
2014				
Capitalized stripping – cash	123.9	-	-	123.9
Sustaining capital – cash	21.2	0.3	0.1	21.6
Growth capital - cash	13.3	-	0.5	13.8
Net decrease in accruals included in additions to PP&E	(3.2)	-	-	(3.2)
Total - Additions to PP&E	155.2	0.3	0.6	156.1⁽¹⁾

⁽¹⁾ As reported in the Company’s Consolidated Statement of Cash Flows as “Investing Activities – Additions to property, plant & equipment”.

Second Quarter Exploration Update

Turkey

Öksüt Project

Diamond drilling resumed on the Öksüt property in late-June. The first phase of this year's planned drill program consists of eleven drill holes for approximately 2,000 metres. Three holes are planned to test the northern margin of the Güneytepe Deposit to expand it a further 30 metres to the north. Two drill holes are planned to test the gap between the Güneytepe and Keltepe resource bodies and the remaining six holes are planned to test the Boztepe West gold target which lies approximately 1,500 metres west of the Keltepe Deposit. Other targets may be tested following the completion of the initial program, but this will be dependent on the receipt of the necessary drill permits.

Portugal

Lagares Gold Property

Centerra is currently earning an interest in the Lagares Gold Property which is located 30 kilometres east of the city of Porto in northern Portugal by funding a diamond drilling program. Centerra holds an option to earn a 70% interest in the four concession property from Medgold Resources Corp. The current program is to drill approximately 3,000 metres, with roughly half the drilling planned for the Castromil gold prospect and the other half to test the Serra da Quinta prospect which is located 300 metres southeast of Castromil. Drilling commenced at the end of March and by the end of the second quarter 13 drill holes had been completed for a total of 1,306 metres. Twelve drill holes tested a 500 metre section of the approximately 700 metre long Castromil mineralized zone. Some of the better assay results received to date include:

- MLG-001: 10.90 metres @ 2.32 g/t gold from surface.
- MLG-003: 19.95 metres @ 3.17 g/t gold from surface.
- MLL-004: 17.49 metres @ 4.45 g/t gold from 10 metres from surface.

** The above mineralized intercepts were calculated using a cut-off grade of 0.2 g/t Au and a maximum internal dilution interval of 3.0 metres. Drill collar locations and drill results tables are available at the following link <http://media3.marketwire.com/docs/cg0728Exploration.pdf>.*

One drill hole was completed in the quarter on the Serra da Quinta target, which is a zone of gold mineralization that follows the same intrusive contact as does the mineralization at Castromil. Fifteen drill holes are planned to test the mineralization at the Serra da Quinta target. Currently, two drills are operating, testing the prospect's approximately 700 metres of strike length.

Canada

Hardrock Gold Project

In the second quarter, GGM, Centerra's 50/50 joint venture partnership with Premier Gold, completed a diamond drilling program at the Hardrock Gold Project located in the Geraldton-Beardmore Greenstone Belt approximately 250 kilometres northeast of Thunder Bay, Ontario. The drill program was designed to test specific portions of the resource block model. At the end of quarter, a total of 16,902 metres of in-fill drilling had been completed in 62 drill holes at the Hardrock Project. Assays have now been received for all 62 drill holes and have been incorporated into the Hardrock drill hole database. Results for the 11 holes not previously released in the June 25, 2015 joint Centerra – Premier Gold news release are now available at the following link <http://media3.marketwire.com/docs/cg0728Exploration.pdf>. Overall, the drill program

was successful in continuing to identify gold mineralization within the current optimized pit boundary. The resource block model for the Hardrock Project is currently being updated and a new resource estimate is expected in the third quarter of 2015.

Along with the in-fill drill program additional exploration work was initiated on the Greenstone Gold Property during the quarter which involved the compilation of historical exploration data to define new drill targets on the Hardrock, Brookbank and Viper claim blocks.

A listing of the drill results, drill hole locations and plan map for the Hardrock Project have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and are available at the companies' web sites.

Qualified Person & QA/QC

Exploration information and related scientific and technical information in this news release regarding the Öksüt Project and the Lagares Project were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 (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 Australasian Institute of Mining and Metallurgy (AusIMM), 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.

Exploration information and related scientific and technical information in this news release regarding the Hardrock Deposit were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI-43-101 and were prepared, reviewed, verified and compiled by the geological staff of Greenstone Gold Mines GP Inc., the managing partner of the Limited Partnership which is a 50/50 partnership between Centerra and Premier, under the supervision of Dyane Marielle Duquette, Member of the Association of Professional Geoscientists of Ontario (APGO) and the Ordre des Géologues du Québec (OGQ), Greenstone Gold Mines GP Inc.'s Director of Geology, who is the qualified person for the purpose of NI 43-101. The qualified person has verified the data disclosed, including sampling, analytical, and test data underlying the drill results. 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. A description of the quality assurance-quality control protocols is discussed in the Trans-Canada Property (now called the Greenstone Gold Property) Technical Report dated March 20, 2015.

All production information and other scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 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. 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.

Other Corporate Developments

The following is a summary of corporate developments with respect to matters affecting the Company and its subsidiaries. Readers are cautioned that there are a number of legal and regulatory matters that are currently

affecting the Company and that the following is only a brief summary of such matters. For a more complete discussion of these matters, see the Company's most recently filed Annual Information Form (the "2014 Annual Information Form") and other subsequently filed public disclosure documents, all of which are available on SEDAR at www.sedar.com.

Kyrgyz Republic

Negotiations between Kyrgyz Republic and Centerra

The Company continues to be in discussions with the Kyrgyz Government to resolve all outstanding matters affecting the Kumtor Project, including, among other things: (i) claims made by the General Prosecutor relating to a \$200 million inter-corporate dividend declared and paid by KGC to Centerra in December 2013; (ii) claims made by the General Prosecutor seeking to invalidate Kumtor's land use certificate and to seize certain lands within the Kumtor concession area; and (iii) significant environmental claims made by various Kyrgyz state agencies alleging environmental offenses and other matters totalling approximately \$476 million (at applicable exchange rates when the claims were commenced).

The Company continues to have discussions with the Kyrgyz Government regarding the non-binding Heads of Agreement dated January 18, 2014 with the Government of the Kyrgyz Republic and Kyrgyzaltyn, which contemplates the restructuring of Kyrgyzaltyn's interest in Centerra and the ownership of the Kumtor Project. Centerra notes that any proposed resolution would need to be fair to all shareholders of Centerra and to receive all necessary legal and regulatory approvals under Kyrgyz Republic and Canadian laws. Currently, in connection with an arbitration award of approximately \$16.5 million held by Valeri Belokon ("Belokon"), 6,500,240 shares of Centerra held by Kyrgyzaltyn (out of 77,401,766 shares owned by Kyrgyzaltyn) are subject to an Ontario court order (injunction) which places restrictions on Kyrgyzaltyn's ability to transfer, and its ability to exercise its rights as a registered shareholder of Centerra in a manner that is inconsistent with or would undermine the terms of the applicable court order. The completion of any transaction pursuant to the Heads of Agreement is subject to the resolution of the Belokon claim against the Kyrgyz Republic or the dissolution of the injunction granted by the Ontario court in respect thereof. Further details regarding the court order can be found below under "- Corporate - Ontario Court Proceedings Involving the Kyrgyz Republic and Kyrgyzaltyn".

Kyrgyz Permitting and Regulatory Matters

In the normal course of operations at Kumtor, KGC prepares annual mine plans and other documents for approval for the Kumtor Project which are considered and approved by, among others, the State Agency for Environmental and Forestry under the Government of the Kyrgyz Republic ("SAEPF") and the State Agency for Geology and Mineral Resources ("SAGMR").

KGC has received approval from SAGMR for its 2015 annual mine plan.

SAEPF continues to review the 2015 annual mine plan and, according to Kyrgyz Republic regulations, has until September 3, 2015 to complete its review. SAEPF has expressed concern that the mine plan is inconsistent with the Kyrgyz Republic Water Code. Centerra and KGC dispute SAEPF's interpretation and do not believe that the Water Code applies to the Kumtor operations. The Kyrgyz Republic Parliament considered draft amendments to the Water Code in June/July 2015 and such amendments received second reading. The Company understands that further consideration of the amendments by Parliament will occur in September. Kumtor will continue to work with the SAEPF to obtain the necessary annual mine plan approval. There can be no assurances that the annual mine plan approval will be received.

Furthermore, should Kumtor be prohibited from moving ice (as a result of the Water Code), the entire December 31, 2014 mineral reserves at Kumtor, and Kumtor's current life-of-mine plan would be at risk, leading to an early closure of the operation. Centerra believes that any disagreement in relation to the application of the Water Code to Kumtor would be subject international arbitration under the 2009 agreements governing the Kumtor Project (the "Kumtor Project Agreements").

Eurasian Economic Union

The recent accession of the Kyrgyz Republic into the Eurasian Economic Union (EEU) is expected to result in changes to the application of certain customs, tax and other laws in the Kyrgyz Republic. The Company believes that the 2009 Kumtor Project Agreements protect Kumtor from any adverse changes to such laws because the provisions of the 2009 Kumtor Project Agreements govern in the event of conflict with future changes to Kyrgyz laws or treaty provisions. However, there is a potential for inconsistency between the 2009 Kumtor Project Agreement and the provisions of certain Kyrgyz customs, tax and other laws as a result the Kyrgyz Republic's accession to the EEU and there can be no assurance that Kyrgyz authorities will not seek to enforce such laws on the activities of the Kumtor Project.

The Company has benefited from a close and constructive dialogue with Kyrgyz authorities during project operations and remains committed to working with them to resolve these issues in accordance with the Kumtor Project Agreements, which provide for all disputes to be resolved by international arbitration, if necessary. However, there are no assurances that the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project. 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

Following the designation of the Company's Gatsuurt Project as a mineral deposit of strategic importance by the Mongolian Parliament, the Company has been in discussions with the Government of Mongolia and its working groups to determine the economic terms of the future development of the Gatsuurt Project. Such terms are subject to continued discussions between the Company and the Mongolian Government and may include up to a 34% Mongolian ownership in the project or a special royalty in lieu of such ownership. The Company expects that Parliament will consider a proposal for the level of state ownership in or special royalty on the project this year.

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

Corporate

Ontario Court Proceedings Involving the Kyrgyz Republic and Kyrgyzaltyn

Starting in 2011, there have been three Ontario court cases commenced by different plaintiffs against the Kyrgyz Republic and Kyrgyzaltyn, each seeking to enforce in Ontario international arbitral awards against the

Kyrgyz Republic. None of such disputes relates directly to Centerra or the Kumtor project. In each of these cases, the plaintiffs have argued that the Kyrgyz Republic has an interest in the shares of Centerra held by Kyrgyzaltyn, a state controlled entity, and therefore the plaintiff can seize such number of Centerra shares and/or such amount of dividends as necessary to satisfy their respective arbitral awards against the Kyrgyz Republic. The three plaintiffs and the amount of their arbitral awards are as follows: (i) Sistem Mühendislik İnşaat Ve Ticaret Anonim Sirketi (“Sistem”) commenced its claim in Ontario in March 2011 to enforce an arbitral award in the amount of approximately \$9 million; (ii) Stans Energy Corp. (“Stans”) commenced its claim in Ontario in October 2014 to enforce its arbitral award for approximately \$118 million; and (iii) Valeri Belokon (“Belokon”) commenced his claim in Ontario in February 2015 to enforce his arbitral award for approximately \$16.5 million.

In the Sistem case, on June 19, 2015 the Ontario Court of Appeal made a finding that the Kyrgyz Republic was not properly served in the previous proceedings and, accordingly, allowed Kyrgyzaltyn’s appeal of a previous court’s decision which determined that the Kyrgyz Republic had an equitable interest in the shares of Centerra held by Kyrgyzaltyn. The Company understands that Sistem plans to continue its enforcement proceedings in Ontario, which may involve the re-filing of the enforcement proceeding and / or an appeal of the Court of Appeal’s decision.

On June 10, 2015, the Ontario Superior Court of Justice Divisional Court issued its decision in the case involving Stans. The effect of this decision was to cancel a previously issued court order (injunction) which (among other things) restricted Kyrgyzaltyn’s ability to deal with 47 million Centerra shares and prevented the payment of dividends on all Centerra shares held by Kyrgyzaltyn. The court made its decision based on the existence of new evidence put forward by Kyrgyzaltyn, in particular the Moscow State Court decision dated May 15, 2015 which determined that the Moscow Chamber of Commerce and Industry (“MCCI”), the arbitral body which granted the Stan’s arbitral award for \$118 million, did not have jurisdiction to make an award. The Company understands that Stan’s request to appeal this decision was denied, and it intends to begin other legal proceedings to have the MCCI arbitral award recognized in Ontario despite the Moscow State Court decision, and to begin a new arbitration against the Kyrgyz Republic.

In the Belokon proceedings, the court order issued in February 2015 continues to be in effect. This order restricts Kyrgyzaltyn’s ability to deal with 6,500,240 Centerra shares held by Kyrgyzaltyn and restricts Centerra’s ability to pay dividends to Kyrgyzaltyn. Centerra currently holds approximately \$16.1 million in dividends in trust for these court proceedings against Kyrgyzaltyn.

2015 Outlook

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

Centerra’s 2015 guidance for production, exploration, corporate administration, community costs and DD&A is unchanged from the previous guidance disclosed in the Company’s news release of April 30, 2015. Centerra’s 2015 guidance for capital expenditures has been revised to reflect additional capital requirements for the Öksüt and Gatsuurt projects as well as updated capital expenditures forecast for Kumtor.

Centerra's 2015 forecast for unit costs per ounce sold has been revised to reflect the revised capital expenditures guidance:

	2015 Production Forecast (ounces of gold)	2015 All-in Sustaining Costs¹ (\$ per ounce sold)	2015 All-in Costs¹ (\$ per ounce sold)
Kumtor	470,000 – 520,000	\$784 – \$868	\$829 – \$918
Boroo	10,000 – 15,000	\$1,144 – \$1,717	\$1,495 – \$2,244
Consolidated	480,000 – 535,000	\$865 – \$959	\$1,038 – \$1,153

2015 All-in Unit Costs

Centerra's forecast for 2015 all-in sustaining costs per ounce sold¹, all-in costs per ounce sold¹ and all-in costs (including taxes) per ounce sold¹ have been revised to reflect the revised capital expenditures guidance as follows:

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

	Kumtor	Boroo⁽⁴⁾	Consolidated
Ounces sold forecast	470,000-520,000	10,000 - 15,000	480,000-535,000
US \$ / gold ounces sold			
Operating Costs	368 – 408	364 – 546	368 – 411
Changes in inventories	(45) – (50)	465 – 697	(31) – (34)
Operating Costs (on a sales basis)	\$323 – 358	\$829 – 1,243	\$337 – 377
Regional office administration	37 – 41	241 – 362	43 – 48
Social Development costs	5 – 6	24 – 36	6
Refining costs and by-product credits	1	(2)	1
Sub-Total (Adjusted Operating Costs)⁽¹⁾	\$366 – 406	\$1,092 – 1,639	\$387 – 432
Corporate general & administrative costs	-	-	69 – 77
Accretion expense	2 – 3	32 – 48	3 – 4
Capitalized stripping costs – cash	311 – 344	-	303 – 333
Capital expenditures (sustaining) ⁽¹⁾	105 – 115	20 – 30	103 – 113
All-in Sustaining Costs⁽¹⁾	\$784 – 868	\$1,144 – 1,717	\$865 – 959
Capital expenditures (growth) ⁽¹⁾	45 – 50	-	46 – 52
Other costs ⁽²⁾	-	351 – 527	39 – 43
Greenstone Gold Property ⁽⁵⁾	-	-	41 – 46
Öksüt Project ⁽⁶⁾	-	-	47 – 53
All-in Costs	\$829 – 918	\$1,495 – 2,244	\$1,038 – 1,153
Revenue-based tax and income taxes ⁽³⁾	168	-	163 – 165
All-in Costs (including taxes)⁽¹⁾	\$997 – 1,086	\$1,495 – 2,244	\$1,201 – 1,318

- (1) Adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold, all-in costs per ounce sold, all-in costs (including taxes) per ounce sold, as well as capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under “Non-GAAP Measures”.
- (2) Other costs per ounce sold include costs to place the Boroo mill on care and maintenance, global exploration expenses and business development expense.
- (3) Includes revenue-based tax that reflects a forecast gold price assumption of \$1,200 per ounce sold for the second half of 2015.
- (4) At the Boroo operation, all forecast production and sales are a result of secondary leaching and mill cleanup.
- (5) All-in costs include both expensed and capitalized spending by Centerra for the Greenstone Gold Property.
- (6) All-in costs include both expensed and capitalized spending by Centerra for the Öksüt Project.

2015 Greenstone Gold Property

Centerra acquired a 50% interest in the Greenstone Gold Property from Premier on March 9, 2015. In partnership with Premier, Centerra revised its estimate for 2015 expenditures in connection with the project to approximately \$22 million (\$20.3 million in the prior guidance).

Centerra has agreed to fund exploration work and project development work including completion of the feasibility study (via capital contributions) to the partnership in the aggregate amount of C\$185 million, which obligation is subject to certain feasibility study results and project advancement criteria. The forecasted spending for 2015 will be fully funded by Centerra with 50% of spending accounted for as pre-development project spending or exploration and expensed through Centerra's income statement and remaining 50% of spending accounted for as an acquisition cost of the Greenstone Gold Property capitalized on Centerra's balance sheet.

2015 Öksüt Project

The feasibility study on the Company's Öksüt Project was approved on July 28, 2015. The planned spending in 2015 for technical studies, environmental and social impact assessment, and project support are expected to be approximately \$7.9 million (lower than the previous estimate of \$10 million). In addition, the Company expects to spend \$17.7 million on detailed engineering and down-payments on long lead items in the second half of 2015. The Company's forecast for spending \$1.3 million for exploration at the Öksüt property is unchanged from the prior guidance.

2015 Capital Expenditures

Centerra's projected capital expenditures for 2015, excluding capitalized stripping, are estimated to be \$97 million (\$76 million in the prior guidance), including \$55 million (\$50 million in the prior guidance) of sustaining capital¹ and \$42 million (\$26 million in the prior guidance) of growth capital¹.

Projected capital expenditures (excluding capitalized stripping) include:

Projects	2015 Growth Capital¹ (millions of dollars)	2015 Sustaining Capital¹ (millions of dollars)
Kumtor	\$23	\$54
Mongolia (Gatsuurt and Boroo)	\$1	-
Öksüt	\$18	-
Corporate and other	-	\$1
Consolidated Total	\$42	\$55

Kumtor

At Kumtor, 2015 total capital expenditures, excluding capitalized stripping, are forecast to be \$77 million (\$75 million in the prior guidance). Forecast for sustaining capital¹ has increased to \$54 million from \$49 million in the prior guidance due to an unbudgeted purchase of a replacement production drill (\$2 million), installation of a fiber optic cable to the mine site (\$1 million), higher costs on the major overhaul maintenance of the heavy duty mine equipment (\$1 million), and other items (\$1 million).

Growth capital¹ investment at Kumtor for 2015 has been reduced to \$23 million (\$26 million in the prior guidance) reflecting lower relocation costs of certain infrastructure at Kumtor contemplated in the previous life-of-mine.

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

The projected cash component of capitalized stripping costs related to the development of the open pit is expected to decrease to \$162 million from \$185 million (in the prior guidance) reflecting lower labour and diesel costs. Total capitalized stripping, including DD&A, is forecasted at \$212 million (\$234 million in the prior guidance) in 2015.

Mongolia (Boroo and Gatsuurt)

At Boroo, 2015 sustaining capital¹ expenditures are expected to be minimal with no growth capital¹ anticipated. In January 2015, Gatsuurt was designated as a mineral deposit of strategic importance by the Mongolian Parliament which allows the project to move forward within the application of the Mongolian Water and Forest Law. The Company is continuing holding discussions with the Mongolian Government regarding the terms and conditions of participation of the Mongolian Government in the Gatsuurt Project. See “Other Corporate Developments – Mongolia”, “Risk Factors”, and “Cautionary Note Regarding Forward-Looking Information”. The Company is forecasting to spend \$1 million for additional work on an environmental and social impact assessment and on personnel costs to transfer key Boroo staff members to the Gatsuurt Project.

Öksüt Project

As noted above, the Company expects to spend \$17.7 million on detailed engineering, and down-payments on long lead items in the second half of 2015.

Sensitivities

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

	Change	Impact on (\$ millions)			
		Costs	Revenues	Cash flow	Earnings before income tax
Gold Price	\$50/oz	1.3 – 1.6	9.3 – 11.8	8.0 – 10.2	8.0 – 10.2
Diesel Fuel	10%	3.0	-	4.2	3.0
Kyrgyz som ⁽¹⁾	1 som	1.0	-	1.4	1.0
Mongolian tugrik ⁽¹⁾	25 tugrik	0.1	-	0.1	0.1
Canadian dollar ⁽¹⁾	10 cents	2.0	-	2.0	2.0

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

Material Assumptions and Risks

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

- a gold price of \$1,200 per ounce (unchanged from the prior guidance),

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

- exchange rates:
 - \$1USD:\$1.25 CAD
 - \$1USD:60.0 Kyrgyz som
 - \$1USD:1,900 Mongolian tugriks
 - \$1USD:0.95 Euro
- diesel fuel price assumption (unchanged):
 - \$0.62/litre at Kumtor
 - \$1.10/litre at Boroo

The assumed diesel price of \$0.62/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 \$60 per barrel.

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

- That current discussions between the Government of the Kyrgyz Republic and Centerra regarding the resolution of all outstanding matters affecting the Kumtor mine are satisfactory to Centerra, fair to all of Centerra's shareholders, and that any such resolution 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.
- The pit walls at Kumtor remain stable.
- The new resource block model for the Kumtor central pit reconciles as expected against production.
- Any recurrence of political or civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine and/or power to the mine site.
- Any actions taken by the Kyrgyz Republic Parliament and Government do not have a material impact on operations or financial results. This includes any action being taken by the Parliament or Government to cancel the Kumtor Project Agreements, or taking any actions which are not consistent with the rights of Centerra and Kumtor Gold Company (KGC) under the Kumtor Project Agreements.
- The previously disclosed environmental claims received from the Kyrgyz regulatory authorities in the aggregate amount of approximately \$476 million (at the then current exchange rates) and the claims of the Kyrgyz Republic's General Prosecutor's Office purporting to invalidate land use rights and/or seize land at Kumtor and to unwind the \$200 million inter-company dividend declared and paid by KGC to Centerra in December 2013, and any further claims, whether alleging environmental allegations or otherwise, are resolved without material impact on Centerra's operations or financial results.
- The accession of the Kyrgyz Republic into the Eurasian Economic Union and / or any sanctions imposed on Russian entities do not have a negative effect on the costs or availability of inputs or equipment to the Kumtor Project.
- The movement in the Central Valley Waste Dump at Kumtor, referred to in the 2013 Annual Information Form, does not accelerate and will be managed to ensure continued safe operations, without impact to gold production, including the successful demolition of buildings and relocation of certain other infrastructure as planned.
- Grades and recoveries at Kumtor will remain consistent with the 2015 production plan to achieve the forecast gold production.

- 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 mill continues to operate as expected.
- The “strategic deposit” designation of the Gatsuurt deposit will not materially change the capital forecasts for 2015.
- Special royalty, if approved, will not materially affect the business model for developing Gatsuurt.
- Prices of key consumables, costs of power and water usage fees are not significantly higher than prices assumed in planning.
- No unplanned delays in or interruption of scheduled production from our mines, including due to civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks.
- All necessary permits, licenses and approvals are received in a timely manner.

The Company cannot give any assurances in this regard.

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

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

	June 30, 2015	December 31, 2014
(Expressed in Thousands of United States Dollars)		
Assets		
Current assets		
Cash and cash equivalents	\$ 250,135	\$ 300,514
Short-term investments	331,544	261,503
Amounts receivable	24,118	66,214
Inventories	344,954	408,050
Prepaid expenses	8,384	12,888
	<u>959,135</u>	<u>1,049,169</u>
Property, plant and equipment	674,178	524,699
Goodwill	18,705	18,705
Restricted cash	16,339	12,437
Other assets	23,737	23,723
Long-term inventories	-	349
	<u>732,959</u>	<u>579,913</u>
Total assets	\$ 1,692,094	\$ 1,629,082
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 71,728	\$ 45,883
Short-term debt	76,000	76,000
Revenue-based taxes payable	8,469	24,605
Taxes payable	1,001	1,515
Current portion of provision for reclamation	2,070	2,598
	<u>159,268</u>	<u>150,601</u>
Dividend payable to related party	16,106	12,254
Provision for reclamation	66,031	65,318
Deferred income tax liability	2,639	2,266
	<u>84,776</u>	<u>79,838</u>
Total liabilities	244,044	230,439
Shareholders' equity		
Share capital	661,513	660,554
Contributed surplus	23,517	22,556
Accumulated other comprehensive income	18	-
Retained earnings	763,002	715,533
	<u>1,448,050</u>	<u>1,398,643</u>
Total liabilities and shareholders' equity	\$ 1,692,094	\$ 1,629,082

Centerra Gold Inc.

Condensed Consolidated Interim Statements of Earnings (Loss) and Comprehensive Income (Loss)
(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2015	2014	2015	2014
(Expressed in Thousands of United States Dollars)				
(except per share amounts)				
Revenue from Gold Sales	\$ 146,754	\$ 119,473	\$ 359,392	\$ 267,494
Cost of sales	80,966	109,355	194,909	218,469
Standby costs	1,117	184	3,821	184
Regional office administration	5,026	6,106	10,302	11,795
Earnings from mine operations	59,645	3,828	150,360	37,046
Revenue-based taxes	19,823	13,970	48,522	32,402
Other operating expenses	777	1,808	663	2,865
Pre-development project costs	4,888	1,236	8,170	2,074
Exploration and business development	2,105	4,034	4,869	6,606
Corporate administration	10,790	11,818	20,155	18,341
Earnings (loss) from operations	21,262	(29,038)	67,981	(25,242)
Other expenses (income)	(1,651)	687	2,594	477
Finance costs	1,086	1,243	2,233	2,636
Earnings (loss) before income taxes	21,827	(30,968)	63,154	(28,355)
Income tax expense (recovery)	(95)	725	555	1,277
Net Earnings (loss)	\$ 21,922	\$ (31,693)	\$ 62,599	\$ (29,632)
Other Comprehensive Income				
Items that May be Subsequently Reclassified to Earnings:				
Exchange differences on translation of foreign operation	4	-	18	-
Other Comprehensive Income	4	-	18	-
Total Comprehensive Income (Loss)	\$ 21,926	\$ (31,693)	\$ 62,617	\$ (29,632)
Basic earnings (loss) per common share	\$ 0.09	\$ (0.13)	\$ 0.26	\$ (0.13)
Diluted earnings (loss) per common share	\$ 0.09	\$ (0.13)	\$ 0.26	\$ (0.13)

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

Three months ended **Six months ended**
June 30, **June 30,**
2015 **2014** **2015** **2014**

(Expressed in Thousands of United States Dollars)

Operating activities

Net earnings (loss)	\$	21,922	\$	(31,693)	\$	62,599	\$	(29,632)
Items not requiring (providing) cash:								
Depreciation, depletion and amortization		44,820		60,943		115,784		127,714
Finance costs		1,086		1,243		2,233		2,636
Loss on disposal of equipment		447		446		494		542
Share-based compensation expense		675		650		1,302		1,260
Change in long-term inventory		494		1,910		349		2,989
Income tax expense (recovery)		(95)		725		555		1,277
Other operating items		(1,039)		(1,489)		(1,336)		(590)
		68,310		32,735		181,980		106,196
Change in operating working capital		46,188		39,096		63,447		68,678
Income taxes (paid) recovered		64		(435)		(445)		(1,512)
Cash provided by operations		114,562		71,396		244,982		173,362

Investing activities

Additions to property, plant and equipment		(70,461)		(83,331)		(142,627)		(156,057)
Net (purchase) redemption of short-term investments		(53,793)		123,009		(70,041)		(21,134)
Purchase of interest in Greenstone Partnership ^(a)		-		-		(67,423)		-
Increase in restricted cash		(2,601)		(25)		(3,902)		(51)
(Increase) decrease in long-term other assets		1,023		594		(14)		(7,957)
Proceeds from disposition of fixed assets		-		-		-		3
Cash used in investing		(125,832)		40,247		(284,007)		(185,196)

Financing activities

Dividends paid		(5,209)		(8,642)		(10,426)		(17,046)
Payment of interest and other borrowing costs		-		-		(1,509)		(1,483)
Proceeds from common shares issued for cash		312		-		581		-
Cash used in financing		(4,897)		(8,642)		(11,354)		(18,529)
(Decrease) increase in cash during the period		(16,167)		103,001		(50,379)		(30,363)
Cash and cash equivalents at beginning of the period		266,302		209,744		300,514		343,108
Cash and cash equivalents at end of the period		\$ 250,135		\$ 312,745		\$ 250,135		\$ 312,745

Cash and cash equivalents consist of:

Cash	\$	97,439	\$	77,949	\$	97,439	\$	77,949
Cash equivalents		152,696		234,796		152,696		234,796
	\$	250,135	\$	312,745	\$	250,135	\$	312,745

(a)- Formerly TCP Partnership

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

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

	Number of Common Shares	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 2014	236,390,219	\$ 660,486	\$ 20,087	\$ -	\$ 793,737	\$ 1,474,310
Share-based compensation expense	-	-	1,260	-	-	1,260
Shares issued on redemption of restricted share units	6,602	31	-	-	-	31
Dividend declared	-	-	-	-	(17,046)	(17,046)
Net loss for the period	-	-	-	-	(29,632)	(29,632)
Balance at June 30, 2014	236,396,821	\$ 660,517	\$ 21,347	\$ -	\$ 747,059	\$ 1,428,923
Balance at January 1, 2015	236,403,958	\$ 660,554	\$ 22,556	\$ -	\$ 715,533	\$ 1,398,643
Share-based compensation expense	-	-	1,302	-	-	1,302
Shares issued on exercise of stock options	143,424	922	(341)	-	-	581
Shares issued on redemption of restricted share units	6,777	37	-	-	-	37
Dividend declared	-	-	-	-	(15,130)	(15,130)
Foreign currency translation	-	-	-	18	-	18
Net earnings for the period	-	-	-	-	62,599	62,599
Balance at June 30, 2015	236,554,159	\$ 661,513	\$ 23,517	\$ 18	\$ 763,002	\$ 1,448,050

To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and six months ended June 30, 2015, please visit the following link:

<http://media3.marketwire.com/docs/cg0728mdafs.pdf>

The Unaudited Condensed Consolidated Interim Financial Statements and Notes for the three and six months ended June 30, 2015 and Management's Discussion and Analysis for the three and six months ended June 30, 2015 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.

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: expectations regarding the Company’s cash and short-term investments and its 2015 business plans; expectations relating to the Company’s production and costs for 2015; matters relating to the Öksüt Project including progress and expected completion of the environmental impact assessment and feasibility study, applications for and receipt of permits, production and processing parameters and estimates, and engineering and the ordering of long lead time items; the successful resolution of outstanding matters in the Kyrgyz Republic to the benefit of all shareholders, including discussions relating to the Heads of Agreement signed on January 18, 2014; further consideration by Mongolian Parliament (and the timing thereof) of the nature and extent of Mongolia’s participation in the Gatsuurt Project; the Company’s intentions to continue working with SAEPF to obtain the necessary expertise necessary for the operation of the Kumtor mine; statements regarding the obtaining of approvals to start mining the Sarytor deposit at Kumtor; the intention of third parties, such as Sistem, Stans, or Belokon to initiate or continue legal proceedings; the Company’s plans in 2015 for exploration and expenditures for the Greenstone Gold Property, including the updating of the resource block model and revisions to the resource estimate for the Hardrock deposit, the Öksüt Project and the Lagares exploration property in Portugal; further consideration by the Kyrgyz Parliament of amendments to the 2005 Water Code and the potential effect on the Kumtor Project of Kumtor being prevented from moving ice; the effect on Kumtor of the accession of the Kyrgyz Republic to the EEU; and estimates for production and costs on the Company’s properties.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking information. Factors that could cause actual results or events to differ materially from current expectations include, among other things: (A) strategic, legal, planning and other risks, including: political risks associated with the Company’s operations in the Kyrgyz Republic, Mongolia and Turkey; resource nationalism including the management of external stakeholder expectations; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates including any unjustified civil or criminal action against the Company, its affiliates or its current or former employees; the impact of any actions taken by the Kyrgyz Republic Government and Parliament relating to the Kumtor Project Agreements which are inconsistent with the rights of Centerra and KGC under the Kumtor Project Agreements; any impact on the purported cancellation of Kumtor’s land use rights at the Kumtor Project pursuant to a court claim commenced by the Kyrgyz Republic GPO; the risks related to other outstanding litigation affecting the Company’s operations in the Kyrgyz Republic and elsewhere; the impact of the delay by relevant government agencies to provide required approvals and permits, including the delay currently being experienced at the Kumtor Project over the Kumtor 2015 life of mine plan and ecological passport; the rights of the Mongolian Government to take an interest in the Gatsuurt Project as a result of the deposit being declared a strategic deposit, and the terms of any such participation, or to take a special royalty rate which has yet to be defined; the impact of changes to, the increased enforcement of, environmental laws and regulations relating to the Company’s operations; the impact of any sanctions imposed by Canada, the United States or other jurisdictions against various Russian individuals and entities; the ability of the Company to negotiate a successful deposit development agreement for Gatsuurt; potential defects of title in the Company’s properties that are not known as of the date hereof; the inability of the Company and its subsidiaries to enforce their legal rights in certain circumstances; the presence of a significant shareholder that is a state-owned company of the Kyrgyz Republic; risks related to anti-corruption legislation; risks related to the concentration of assets in Central Asia; Centerra’s future exploration and development activities not being successful; Centerra not being able to replace mineral reserves; difficulties with Centerra’s joint venture partners; and aboriginal claims and consultative issues relating to the Company’s 50% interest in the Greenstone Gold Property; potential risks related to kidnapping or acts of terrorism; (B) risks relating to financial matters, including: sensitivity of the Company’s business to the volatility of gold prices, the imprecision of the Company’s mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company’s production and cost estimates, the impact of restrictive covenants in the Company’s revolving credit facility which may, among other things, restrict the Company from pursuing certain business activities, the Company’s ability to obtain future financing, the impact of

global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (C) risks related to operational matters and geotechnical issues, including: movement of the Davidov Glacier and the waste and ice movement at the Kumtor Project and the Company's continued ability to successfully manage such matters, including the continued performance of the buttress; the occurrence of further ground movements at the Kumtor Project and mechanical availability; the success of the Company's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; inherent risks associated with the use of sodium cyanide in the mining operations; the adequacy of the Company's insurance to mitigate operational risks; mechanical breakdowns; the Company's ability to obtain the necessary permits and authorizations to (among other things) raise the tailings dam at the Kumtor Project to the required height; the Company's ability to replace its mineral reserves; the occurrence of any labour unrest or disturbance and the ability of the Company to successfully re-negotiate collective agreements when required; the risk that Centerra's workforce may be exposed to widespread epidemic; seismic activity in the vicinity of the Company's operations in the Kyrgyz Republic and Mongolia; long lead times required for equipment and supplies given the remote location of some of the Company's operating properties; reliance on a limited number of suppliers for certain consumables, equipment and components; illegal mining on the Company's Mongolian properties; the Company's ability to accurately predict decommissioning and reclamation costs; the Company's ability to attract and retain qualified personnel; competition for mineral acquisition opportunities; and risks associated with the conduct of joint ventures/partnerships, including the Greenstone Gold Partnership; the Company's ability to manage its projects effectively and to mitigate the potential lack of availability of contractors, budget and timing overruns and project resources. See "Risk Factors" in the Company's 2014 Annual Information Form available on SEDAR at www.sedar.com.

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

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

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward looking information. Forward-looking information is as of July 28, 2015. Centerra assumes no obligation to update or revise forward looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

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

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

Conference Call

Centerra invites you to join its 2015 second quarter conference call on Wednesday, July 29, 2015 at 11:00AM Eastern Time. The call is open to all investors and the media. To join the call, please dial Toll-Free in North America (800) 268-5851 or International callers dial +1 (303) 223-2680. Alternatively, an audio feed web cast will be broadcast live by Thomson Reuters and can be accessed at Centerra Gold's website at www.centerragold.com. A recording of the call will be available on www.centerragold.com shortly after the call and via telephone until midnight on Wednesday, August 5, 2015 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21770467.

For more information:

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

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