

centerra**GOLD**



NEWS RELEASE

CENTERRA GOLD REPORTS ON WASTE DUMP MOVEMENT AT KUMTOR PROJECT

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 2 under the heading, “Cautionary Note Regarding Forward-looking Information”.

Toronto, Canada, May 3, 2013: Centerra Gold Inc. (TSX: CG) reports that a large section of Kumtor’s principal waste-rock dump, the Davidov Valley Waste-rock Dump, is experiencing a greater than anticipated rate of movement. Beginning in mid-March, the rate of movement of the waste-rock dump increased beyond the anticipated rate, requiring acceleration to the planned relocation of certain mine infrastructure. Employees in the affected buildings have been moved to temporary work locations until new facilities are constructed.

The movement of the Davidov Valley Waste-rock Dump is described in the Kumtor Technical Report (December 20, 2012) and in the life-of-mine plan. As indicated in the report, the waste-rock dump movement required the relocation of certain mine infrastructure including workshops, administrative facilities and electrical substations. The Company has expedited the relocation of the infrastructure to ensure continued safe operations and planned gold production to date has not been affected.

As a result of this increase in movement, the Company has discontinued deposition of waste-rock on the affected portion of the Davidov Valley Waste-rock Dump. In the short-term, the Company is placing waste-rock on permitted sites currently unaffected by the movement. An alternative long-term waste-rock dumping plan is being finalized. The Company is working with the Kyrgyz regulatory authorities and external engineering advisors to expedite approval of such a plan. Based on discussions with the authorities to date, the Company believes that such approvals are likely to be forthcoming.

The Government has established a special commission to visit the Kumtor mine site and inspect the waste-rock dump movement. The Company is fully cooperating with the commission.

While the Company expects that it will be able to develop alternative plans that will permit the mine to continue planned operations and that such alternative plans will receive prompt regulatory approval from the Kyrgyz authorities, the Company cannot give assurances in this regard. In the event that an alternative plan cannot be developed or approved promptly the Company would expect a negative impact on its mine operations, production and financial results.

Cautionary Note Regarding Forward-looking Information

This news release and the documents referred to herein contain statements which are not statements of current or historical facts and are “forward-looking information” within the meaning of applicable 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. Wherever possible, words such as “believe”, “expect”, “plan”, “continue”, “may”, “will”, “strategy” and other similar expressions have been used to identify forward-looking information.

These forward-looking statements relate to, among other things, the Company’s ability to continue managing the movement in the waste-rock dump to ensure continued safe operations at the Kumtor project with no significant impact on production, the timing for and successful relocation of the infrastructure, the successful implementation of the short-term waste-rock dumping plan, the prompt development and receipt of regulatory approvals for an alternative long-term waste-rock dumping plan and its implementation, and the outcome of the special commission on the waste-dump movement having no significant impact on the Company’s operations.

Although the forward-looking information in this news release reflects Centerra’s current beliefs as of the date of this news release based on information currently available to management and based upon what management believes to be reasonable assumptions, Centerra cannot be certain that actual results, performance, achievements, prospects and opportunities, either expressed or implied will be consistent with such forward-looking information. 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.

Other factors that could cause actual results or events to differ materially from current expectations include, among other things: the Company obtaining all necessary permits and approvals to carry out its short-term and long-term plans to manage the waste-rock dump movement, including for the relocation of infrastructure; the outcome of the special commission formed to inspect the waste-rock dump movement; political and regulatory risks including the on-going discussions between the Company and Kyrgyz Republic Government officials regarding outstanding matters in the Kyrgyz Republic and the resolution of environmental claims received in December 2012 and February 2013; the Company’s ability to enforce its legal rights; the sensitivity of Centerra’s business to the volatility of gold and base metal prices; risks associated with having a significant shareholder, and risks relating to Centerra directors having conflicts of interests. There may be other factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. See “Risk Factors” in the Company’s 2012 Annual Information Form available on SEDAR at www.sedar.com.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially from the results, performance or

achievements that are or may be expressed or implied by such forward-looking statements contained in this news release. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of May 3, 2013. Centerra assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

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

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

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