

centerra**GOLD**



NEWS RELEASE

Centerra Gold 2014 First Quarter Results

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 22 and in our Cautionary Note Regarding Forward-looking Information on page 28. It should be read in conjunction with the Company's unaudited interim consolidated financial statements and notes for the three-month periods ended March 31, 2014 and associated Management's Discussion and Analysis. The condensed interim financial statements of Centerra are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board and the Company's accounting policies as described in note 3 of its annual consolidated financial statements for the year ended December 31, 2013. All figures are in United States dollars unless otherwise stated.

To view Management's Discussion and Analysis and the Financial Statements and Notes for the three-months ended March 31, 2014, please visit the following link:

<http://media3.marketwire.com/docs/CG2014-Q1MDA.pdf>

Toronto, Canada, May 6, 2014: Centerra Gold Inc. (TSX: CG) today reported net earnings for the first quarter of 2014 of \$2.1 million or \$0.01 per common share (basic), compared to \$51.4 million or \$0.22 per common share (basic) in the comparative quarter of 2013. The decrease in earnings reflects lower average realized gold price¹, increased depreciation, depletion and amortization (DD&A) at Kumtor and lower ounces sold in 2014.

2014 First Quarter Highlights

- Announced positive Öksüt Preliminary Economic Assessment (PEA), executive summary available on the Company's website.
- Commenced Öksüt feasibility study.
- Produced 116,669 ounces of gold in the quarter, including 102,933 ounces at Kumtor and 13,736 ounces at Boroo, compared to 115,220 ounces in the same period in 2013.
- Cash provided by operations increased to \$101.6 million compared to \$92.0 million in the first quarter of 2013.
- All-in sustaining costs per ounce sold¹ of \$1,109, which excludes revenue-based tax in the Kyrgyz Republic, compared to \$1,068 in the same period in 2013.
- Reported all-in costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic and income taxes, for the quarter of \$1,158 compared to \$1,278 for the first quarter of 2013.
- Kyrgyz Parliament adopted a resolution on the Kumtor restructuring as described in the previously announced Heads of Agreement (HOA).

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

Commentary

Ian Atkinson, President and CEO of Centerra Gold commented, “Operationally we are on track to achieve our gold production guidance for the year. Both operations performed well during the quarter with Kumtor producing almost 103,000 ounces of gold and Boroo nearly 14,000 ounces. Financially, cash provided by operations was \$101.6 million for the first quarter and our cash, cash equivalents and short-term investments grew to over \$436 million net of debt at March 31.”

“During the quarter, the Kyrgyz Parliament adopted a resolution on the Kumtor restructuring as described in the HOA but the resolution also contained a number of recommendations that were materially inconsistent with the terms of the HOA. In mid-March, the Kyrgyz parliamentary coalition was dissolved and a new coalition and government were formed. The Company expects to continue its discussions with the Government regarding the potential restructuring transaction to resolve all outstanding concerns relating to the Kumtor Project. However, the Company continues to maintain that any agreement to resolve matters must be fair to all of Centerra’s shareholders.”

“At the Öksüt Project, we are moving ahead with a feasibility study after announcing the positive results of the PEA study. The Keltepe deposit is still open to the south in the direction of the Güneytepe deposit and we have additional exploration targets on our land package which we are going to follow-up with additional exploration and exploration drilling this year. We are targeting to achieve initial gold production in late 2016.”

Kumtor Developments

In early February 2014, the south arm of the Davidov glacier, located at the southernmost portion of the Kumtor Central Pit, advanced beyond anticipated rates. In response to the increased movement, a buttress was constructed from run of mine waste material beginning in late February. The buttress is located at the bottom of the Davidov glacier on the edge of the ultimate pit design and has, thus far, been effective to reduce the rate of movement to manageable levels. While the Company believes that the buttress is working effectively, further monitoring and study will be required and there can be no assurance that the buttress will ultimately stop or sufficiently slow down the movement of the Davidov glacier.

No additional cost was incurred to build the buttress, since run of mine waste material was used and the waste hauls were shorter. If the buttress functions as expected, it is anticipated that it will reduce the amount of ice to be mined in the future.

On February 6, 2014, the Parliament of the Kyrgyz Republic considered the non-binding Heads of Agreement between Centerra, the Government of the Kyrgyz Republic and Kyrgyzaltyn JSC (“Kyrgyzaltyn”) in connection with a potential restructuring transaction under which Kyrgyzaltyn would exchange its 32.7% equity interest in Centerra for a 50% interest in a joint venture company that would own the Kumtor Project. Following its consideration, Parliament adopted a resolution that appears to support the concept of the restructuring described in the HOA but also contains a number of recommendations that are materially inconsistent with the terms of the HOA. See “Other Corporate Developments - Kyrgyz Republic” for details.

Kumtor continues to work with the relevant Kyrgyz governmental agencies to obtain formal approval for its 2014 annual mine plan. Such agencies are required to be reasonable in their consideration of mine plan approvals under the terms of the agreements governing the Kumtor project. In addition, Kumtor has received a letter from the State Inspectorate for Environmental and Technical Safety (SIETS) which suggests that mine operations could be suspended, though no formal order to suspend operations has been received at this time. In this regard, the Company notes that successive Kyrgyz governments have emphasized the strategic

importance to the Kyrgyz Republic of the continued operation of the Kumtor mine. See “Other Corporate Developments – Kyrgyz Republic” for details.

On April 23, 2014, the Company understands that the Parliament of the Kyrgyz Republic passed a law prohibiting activities which affect glaciers in the Kyrgyz Republic (the “Glacier Law”). Centerra has not yet received the official version of the Glacier Law and notes that several of its provisions are unclear, though it appears to contain provisions for the payment of compensation for damages to glaciers, at rates to be determined by the Government. The Glacier Law must be signed by the President of the Kyrgyz Republic before it will take effect.

Consolidated Financial and Operating Highlights

	Three Months Ended March 31 ⁽⁵⁾		
	2014	2013	% Change
Financial Summary (\$ millions, except as noted)			
Revenue	\$ 148.0	\$ 192.3	(23%)
Cost of sales	109.1	91.1	20%
Regional office administration	5.7	5.6	2%
Earnings from mine operations	33.2	95.5	(65%)
Revenue-based taxes	18.4	20.8	(12%)
Other operating expenses	1.9	1.9	0%
Exploration and business development	2.6	7.2	(64%)
Corporate administration	6.5	6.7	(3%)
Earnings from operations	3.8	58.9	(94%)
Other (income) and expenses	(0.2)	1.3	(115%)
Finance costs	1.4	1.3	8%
Earnings before income taxes	2.6	56.3	(95%)
Income tax expense	0.6	4.9	(88%)
Net earnings	\$ 2.1	\$ 51.4	(96%)
Earnings per common share (basic) - \$/share	\$ 0.01	\$ 0.22	(100%)
Earnings per common share (diluted) - \$/share	-	\$ 0.21	(100%)
Weighted average common shares outstanding - basic (thousands) ⁽¹⁾	236,391	236,376	0%
Weighted average common shares outstanding - diluted (thousands) ⁽¹⁾	236,649	236,964	(0%)
Cash provided by operations	101.6	92.0	10%
Capital expenditures ⁽²⁾	98.9	103.9	(5%)
Operating Summary			
Gold produced – ounces poured	116,669	115,220	1%
Gold sold – ounces sold	114,493	118,745	(4%)
Average realized gold price - \$/oz ⁽⁴⁾	1,293	1,619	(20%)
Average gold spot price - \$/oz ⁽³⁾	1,293	1,631	(21%)
Cost of sales - \$/oz sold ⁽⁴⁾	953	767	24%
Adjusted operating costs - \$/oz sold ⁽⁴⁾	429	448	(4%)
All-in sustaining costs – \$/oz sold ⁽⁴⁾	1,109	1,068	4%
All-in costs – \$/oz sold ⁽⁴⁾	1,158	1,278	(9%)
All-in costs (including taxes) – \$/oz sold ⁽⁴⁾	1,319	1,497	(12%)

- (1) As at March 31, 2014, the Company had 236,392,976 common shares issued and outstanding.
- (2) Includes capitalized stripping of \$88.1 million in first quarter of 2014 (\$74.3 million in first quarter of 2013).
- (3) Average for the period as reported by the London Bullion Market Association (US dollar Gold P.M. Fix Rate).
- (4) Average realized gold price, cost of sales per ounce sold, adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold, all-in costs per ounce sold and all-in costs (including taxes) per ounce sold are non-GAAP measures and are discussed under “Non-GAAP Measures”.
- (5) Results may not add due to rounding.

First Quarter 2014 compared to First Quarter 2013

- Gold production for the first quarter of 2014 totaled 116,669 ounces compared to 115,220 ounces in the comparative quarter. The increase in ounces poured reflects higher production at Kumtor due to drawing down in-circuit inventory, partially offset by lower production at Boroo from lower mill grades and fewer ounces under primary leach.
- All-in sustaining costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic, were \$1,109 in the first quarter of 2014 compared to \$1,068 in the comparative quarter of 2013. The increase in unit costs for the 2014 period reflects 4% lower ounces sold than the comparative period.
- All-in costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic and income taxes, for 2014 were \$1,158 compared to \$1,278 in 2013. The decrease is mainly due to lower spending on sustaining and growth capital¹ at Kumtor, lower operating costs at Boroo and lower exploration spending, partially offset by lower ounces sold and higher capitalized stripping costs at Kumtor. Excluding capitalized stripping, the cash component of capital expenditures at Kumtor decreased by \$18.8 million in the first quarter of 2014 as the mine completed its mining fleet expansion in 2013.
- Revenue for the first quarter of 2014, decreased to \$148.0 million from \$192.3 million in the comparative quarter of 2013, primarily from a 20% lower average realized gold price in the first quarter of \$1,293 per ounce compared to \$1,619 per ounce in the same quarter of 2013. Sales volumes were also slightly lower (114,493 ounces in the first quarter of 2014 compared to 118,745 ounces in the first quarter of 2013).
- Cost of sales increased to \$109.1 million in the first quarter of 2014, compared to \$91.1 million in the comparative period of 2013, mainly as a result of the higher DD&A at Kumtor. The DD&A associated with production increased to \$66.7 million in the first quarter of 2014 from \$43.8 million in the comparative quarter of 2013. The increase in DD&A resulted from processing higher cost ore from cut-back 15 compared to ore from cut-back 14B which was processed in the first quarter of 2013. Access to ore from cut-back 15 required more stripping of ice and waste thereby resulting in increased amortization of capitalized stripping as the ore was mined and stockpiled. Capitalized stripping for cut-back 15 totaled 142 million tonnes, whereas 61 million tonnes were stripped and capitalized for cut-back 14B. In addition, the expanded mobile fleet at Kumtor was fully commissioned in 2013 thereby attaching a higher equipment cost to the ore from cut-back 15.
- Exploration and business development expenditures in the first quarter of 2014 totaled \$2.6 million compared to \$7.2 million in the same period of 2013, representing mainly exploration spending in both years. The decrease in exploration spending in the first quarter of 2014 reflects that the Company's major drilling programs have not yet commenced this year and because of the cessation of all exploration activities at Kumtor in the fourth quarter of 2013. Drilling programs planned for 2014 at the Öksüt property in Turkey and the ATO property in Mongolia are expected to begin in the second quarter of 2014.
- Cash provided by operations was \$101.6 million in the first quarter of 2014 compared to \$92.0 million in the same period of 2013 as a result of lower working capital levels, partially offset by lower earnings in the first quarter of 2014. Working capital decreased in the first quarter of 2014 by \$22.3 million due to the timing of and payment for gold shipments and a reduction of gold inventory.
- Capital expenditures spent and accrued in the first quarter of 2014 were \$98.9 million, which included sustaining capital¹ of \$8.6 million, growth capital¹ of \$2.2 million and \$88.1 million of capitalized stripping costs (\$62.4 million cash). Capital expenditures in the same quarter of 2013 were \$103.9

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

million, which included \$13.3 million for sustaining capital¹ and \$16.3 million for growth capital¹ and capitalized stripping of \$74.3 million (\$53.4 million cash).

Centerra's cash, cash equivalents and short-term investments increased to \$512.2 million at the end of March 2014 from \$501.5 million at December 31, 2013. At March 31, 2014, the Company had drawn \$76 million on its \$150 million revolving credit facility with the European Bank for Reconstruction and Development (EBRD), leaving a balance of \$74 million undrawn at March 31, 2014. The amount drawn is due to be repaid on August 11, 2014 or, at the Company's discretion, repayment of the loan may be further extended until February 2015. Centerra believes, based on its current forecast, that it has sufficient cash and investments to carry out its business plan in 2014 (see "2014 Outlook").

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

Consolidated Unit Operating Costs:

<i>(unaudited - \$ millions, except as noted)</i>	Three months Ended March 31, ⁽⁴⁾		
	2014	2013	% Change
All-in Costs:			
Operating costs (on a sales basis) ⁽¹⁾	42.4	47.3	(10%)
Regional office administration	5.7	5.6	2%
Community costs related to current operations	1.0	0.4	150%
Refining fees	0.7	0.6	17%
By-product credits	(0.7)	(0.7)	(10%)
Adjusted operating costs ⁽²⁾	49.1	53.2	(8%)
Corporate general and administrative costs	6.4	6.7	(4%)
Accretion expense	0.4	0.2	100%
Capitalized stripping and ice unload - cash	62.4	53.4	17%
Capital expenditures (sustaining) ⁽²⁾	8.6	13.3	(35%)
All-in Sustaining Costs ⁽²⁾	126.9	126.8	0%
Capital expenditures (growth) ⁽²⁾	2.2	16.3	(87%)
Other costs ⁽³⁾	3.5	8.6	(59%)
All-in Costs ⁽²⁾	132.6	151.8	(13%)
Revenue-based tax and income taxes	18.4	25.9	(29%)
All-in Costs - including taxes ⁽²⁾	151.0	177.7	(15%)
Ounces sold - oz	114,493	118,746	(4%)
Adjusted Operating Costs - \$/oz sold ⁽²⁾	429	448	(4%)
All-in Sustaining Costs - \$/oz sold ⁽²⁾	1,109	1,068	4%
All-in Costs - \$/oz sold ⁽²⁾	1,158	1,278	(9%)
All-in Costs - including taxes - \$/oz sold ⁽²⁾	1,319	1,497	(12%)

⁽¹⁾ 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. Operating costs (on a sales basis) is the same as the cash component of cost of sales.

⁽²⁾ Adjusted operating costs, all-in sustaining costs, all-in costs, all-in costs – including taxes (in \$ millions and per ounce), as well as adjusted operating costs per ounce sold and capital expenditures (sustaining) and capital expenditures (growth) are non-GAAP Measures and are discussed under “Non-GAAP Measures”.

⁽³⁾ Other costs include global exploration expenses, business development expenses and project development costs not related to current operations.

⁽⁴⁾ Results may not add due to rounding.

Operations Update - Summary of Key Operating Results

	Three Months Ended March 31		
	2014	2013	% Change
Kumtor Operating Results			
Revenue - \$ millions	131.7	148.7	(11%)
Cost of sales - \$ millions ⁽¹⁾	95.1	66.3	44%
Cost of sales - \$/oz sold ⁽³⁾	933	723	29%
Tonnes mined - 000s	50,762	40,184	26%
Tonnes ore mined – 000s	143	209	(32%)
Tonnes milled - 000s	1,482	1,473	1%
Average mill head grade - g/t	2.65	2.69	(1%)
Recovery - %	76.2	74.1	3%
Gold produced – ounces	102,933	89,618	15%
Gold sold – ounces	101,915	91,617	11%
Average realized gold price ⁽³⁾ – \$/oz sold	1,292	1,623	(20%)
Adjusted operating costs ⁽³⁾ - \$/oz sold	361	398	(9%)
All-in sustaining costs ⁽³⁾ -\$/oz sold	1,058	1,111	(5%)
All-in costs ⁽³⁾ -\$/oz sold	1,077	1,329	(19%)
All-in costs including taxes ⁽³⁾ -\$/oz sold	1,257	1,556	(19%)
Capital expenditures(sustaining) ⁽³⁾ -\$ millions	8.3	11.7	(29%)
Capital expenditures (growth) ^{(2) (3)} - \$ millions	1.9	16.1	(88%)
Boroo Operating Results			
Revenue - \$ millions	16.4	43.6	(62%)
Cost of sales - \$ millions ⁽¹⁾	14.0	24.9	(44%)
Cost of sales - \$/oz sold ⁽³⁾	1,113	918	21%
Tonnes mined - 000s	-	-	
Tonnes mined heap leach - 000s	-	-	
Tonnes stacked heap leach – 000s	-	268	(100%)
Tonnes leached – 000s	613	1,803	(66%)
Tonnes milled - 000s	581	572	2%
Average mill head grade - g/t	0.66	1.54	(57%)
Recovery - %	61.3	54.0	14%
Gold produced – mill - ounces	7,013	15,230	(54%)
Gold produced – heap leach - ounces	6,723	10,372	(35%)
Gold sold – ounces	12,578	27,129	(54%)
Average realized gold price ⁽³⁾ – \$/oz sold	1,301	1,606	(19%)
Adjusted operating costs ⁽³⁾ - \$/oz sold	977	618	58%
All-in sustaining costs ⁽³⁾ -\$/oz sold	1,001	665	51%
All-in costs ⁽³⁾ -\$/oz sold	1,001	665	51%
All-in costs including taxes ⁽³⁾ -\$/oz sold	1,001	854	17%
Capital expenditures (Boroo) ⁽³⁾ -\$ millions	0.2	1.2	(86%)
Capital expenditures (Gatsurt) ⁽³⁾ -\$ millions	0.3	0.1	207%

⁽¹⁾ Cost of sales excludes regional office administration.

⁽²⁾ Excludes capitalized stripping.

⁽³⁾ 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 average realized gold price per ounce sold and cost of sales per ounce sold, are non-GAAP measures and are discussed under “Non-GAAP Measures”.

Kumtor

At the Kumtor mine in the Kyrgyz Republic, gold production in the first quarter of 2014 was 102,933 ounces of gold compared to 89,618 ounces in the comparative quarter of 2013 as Kumtor processed ore from cut-back 15 that was mined and stockpiled during the fourth quarter of 2013. During the first quarter of 2014, Kumtor's mill head grade averaged 2.65 g/t with a recovery of 76.2%, compared with 2.69 g/t and a recovery of 74.1% for the same quarter in 2013. The increase in gold production was primarily due to drawing down the gold in-circuit inventory in the quarter.

During the first quarter of 2014, Kumtor's mining fleet focused on stripping waste to establish access to the south portion of the Kumtor pit (cut-back 16) that is expected to provide high-grade ore at the end of the third quarter of 2014. In addition, Kumtor accelerated its planned mining of waste material in cut-back 17 which was used to construct the buttress discussed earlier. The total waste and ore mined for the first quarter of 2014 was 50.8 million tonnes compared to 40.2 million tonnes in the comparative period of 2013, representing an increase of 26%. The significant increase reflects the increased mining fleet capacity at Kumtor.

All-in sustaining costs per ounce sold¹, which excludes revenue-based tax, were \$1,058 in the first quarter of 2014 compared to \$1,111 in the comparative quarter of 2013. The decrease results from lower sustaining capital¹ expenditures, higher production and sales partially offset by increased capitalized stripping in the current period.

All-in costs per ounce sold¹, which excludes revenue-based tax and income tax, for the first quarter of 2014 decreased 19% to \$1,077 compared to \$1,329 in the comparative period of 2013. The decrease in all-in costs¹ is due to an 11% increase in gold sold for the first quarter of 2014 and a \$14.2 million, or \$155 per ounce reduction in growth capital¹ expenditures (excluding capitalized stripping) as the Company received the last of the mining equipment for the expanded mining fleet at Kumtor in the comparative period of 2013.

Capital expenditures spent and accrued in the first quarter of 2014 were \$98.4 million which includes \$8.3 million of sustaining capital¹, \$1.9 million invested in growth capital¹ mainly for relocating infrastructure and \$88.1 million for capitalized stripping (\$62.4 million cash). Capital expenditures the comparative quarter of 2013 totaled \$102.2 million, consisting of \$11.7 million for sustaining capital¹ and \$16.1 million for growth capital¹ excluding \$74.3 million of capitalized stripping (\$53.4 million cash).

Boroo/Gatsuurt

At the Boroo mine in the first quarter of 2014, gold production was 13,736 ounces, compared to 25,602 ounces in the same period of 2013. The lower gold production results mainly from processing lower grade ore through the mill and having lower tonnage of ore under leach in the first quarter of 2014. The mill head grade averaged 0.66 g/t with a recovery of 61.3% in the first quarter of 2014, compared to 1.54 g/t with a recovery of 54% in the same period of 2013. Additionally, fewer ounces were poured from the heap leach operation (6,723 ounces vs. 10,372 ounces) due to having fewer tonnes placed under primary leach in the first quarter of 2014.

All-in sustaining costs per ounce sold¹ were \$1,001 in the first quarter of 2014 compared to \$665 in the comparative quarter of 2013. The increase in all-in sustaining costs¹ is primarily due to the 54% decrease in ounces sold at Boroo year-over-year, partially offset by lower adjusted operating costs¹ and lower sustaining capital¹ expenditures.

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

All-in costs per ounce sold¹, which excludes income taxes, were \$1,001 in the first quarter of 2014 compared to \$665 in the same quarter of 2013 reflecting the lower production and resulting reduction in gold sales which was partially offset by lower adjusted operating costs¹ and lower sustaining capital¹ expenditures.

During the first quarter of 2014 exploration expenditures in Mongolia decreased to \$0.4 million from \$1.0 million in the same period in 2013. At the ATO property in Mongolia the drilling program is expected to start in the second quarter of 2014.

The Gatsuurt project remained under care and maintenance in the first quarter of 2014 due to continued delays in permitting resulting from the Water and Forest Law which prohibits mining and exploration activities in water basin and forested areas. The Company continued discussions with the Mongolian Government regarding the Gatsuurt project during the first quarter. The Company expects that the Mongolian Parliament will consider the designation of Gatsuurt as a strategic deposit in the first half of 2014. If Parliament ultimately approves this designation, it would have the effect of excluding Gatsuurt from the application of the Mongolian Water and Forest Law and would allow Mongolia to acquire up to a 34% interest in Gatsuurt. The terms of such participation would be subject to further negotiations with the Government. See “Other Corporate Developments- Mongolia”.

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

Non-GAAP Measures

This news release contains the following non-GAAP financial measures: all-in sustaining costs per ounce sold, all-in costs per ounce sold, all-in costs including taxes per ounce sold, adjusted operating costs per ounce sold, 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 on the WGC website at <http://www.gold.org>.

Management believes that the use of these non-GAAP measures will assist analysts, investors and other stakeholders of the Company in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing our operating performance, our ability to generate free cash flow from current operations and to generate free cash flow on an overall Company basis, and for planning and forecasting of future periods. However, the new 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 therefore not be considered in isolation, or as a substitute for, analysis of our results as reported under GAAP.

Definitions

The following is a description of the Non-GAAP measures used in this news release. The definitions are consistent with the WGC’s Guidance Note on these non-GAAP measures:

- *Operating costs* 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, regional office administration, community costs related to current operations, refining fees and by-product credits.
- *All-in sustaining costs per ounce sold* include adjusted operating costs, the cash component of capitalized stripping costs, regional office administration costs, accretion expenses, and sustaining capital. The measure incorporates costs related to sustaining production.
- *All-in costs per ounce sold* include all-in sustaining costs and additional costs for growth capital, corporate general and administrative expenses, global exploration expenses and social development costs not related to current operations.
- *All-in cost per ounce sold* exclude the following:
 - Working capital (except for adjustments to inventory on a sales basis).
 - All financing charges (including capitalized interest).
 - Costs related to business combinations, asset acquisitions and asset disposals.
 - Other non-operating income and expenses including interest income, bank charges, and foreign exchange gains and losses.
- *All-in costs including taxes per ounce sold* measure includes revenue-based taxes at Kumtor and income taxes at Boroo.
- *Capital expenditures (Sustaining)* is a capital expenditure necessary to maintain existing levels of production. The sustaining capital expenditures maintain the existing mine fleet, mill and other facilities so that they function at levels consistent from year to year.
- *Capital expenditures (Growth)* is capital expended to expand the business or operations by increasing productive capacity beyond current levels of performance.
- *Average realized gold price* is calculated by dividing revenue derived from gold sales by the number of ounces sold.

Adjusted Operating Cost per Ounce Sold, All-in Sustaining Costs per Ounce Sold and All-in Costs per Ounce Sold (including and excluding taxes) are non-GAAP measures and can be reconciled as follows:

1) By operation

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended March 31,	
	2014	2013
<u>Kumtor:</u>		
Cost of sales, as reported	\$ 95.1	\$ 66.3
Less: Non-cash component	63.5	34.1
Cost of sales, cash component	\$ 31.6	\$ 32.1
Adjust for: Regional office administration	4.4	4.1
Refining fees	0.6	0.5
By-product credits	(0.6)	(0.6)
Community costs related to current operations	0.8	0.4
Adjusted Operating Costs	\$ 36.8	\$ 36.5
Accretion expense	0.3	0.2
Capitalized stripping and ice unload	62.4	53.4
Capital expenditures (sustaining)	8.3	11.7
All-in Sustaining Costs	\$ 107.8	\$ 101.8
Capital expenditures (growth)	1.9	16.1
Exploration expense	(0.0)	2.4
Other project costs not related to current operations	-	1.4
All-in Costs	\$ 109.7	\$ 121.7
Revenue-based taxes	18.4	20.8
All-in Costs (including taxes)	\$ 128.1	\$ 142.6
Ounces sold (000)	101.9	91.6
Adjusted Operating Costs per ounce sold	\$ 361	\$ 398
All-in Sustaining Costs per ounce sold	\$ 1,058	\$ 1,111
All-in Costs per ounce sold	\$ 1,077	\$ 1,329
All-in Costs (including taxes) per ounce sold	\$ 1,257	\$ 1,556
<u>Boroo:</u>		
Cost of sales, as reported	\$ 14.0	\$ 24.9
Less: Non-cash component	3.1	9.7
Cost of sales, cash component	\$ 10.9	\$ 15.2
Adjust for: Regional office administration	1.3	1.5
Refining fees	0.1	0.1
By-product credits	(0.1)	(0.1)
Community costs related to current operations	0.1	0.0
Adjusted Operating Costs	\$ 12.3	\$ 16.8
Accretion expense	0.1	0.1
Capitalized stripping	-	-
Capital expenditures (sustaining)	0.2	1.2
All-in Sustaining Costs	\$ 12.6	\$ 18.0
Capital expenditures (growth)	-	-
Exploration expense	-	-
Other project costs not related to current operations	-	-
All-in Costs	\$ 12.6	\$ 18.0
Income taxes	-	5.1
All-in Costs (including taxes)	\$ 12.6	\$ 23.2
Ounces sold (000)	12.6	27.1
Adjusted Operating Costs per ounce sold	\$ 977	\$ 617
All-in Sustaining Costs per ounce sold	\$ 1,001	\$ 665
All-in Costs per ounce sold	\$ 1,001	\$ 665
All-in Costs (including taxes) per ounce sold	\$ 1,001	\$ 854

2) Consolidated

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended	
	2014	2013
Centerra:		
Cost of sales, as reported	\$ 109.1	\$ 91.1
Less: Non-cash component	66.7	43.8
Cost of sales, cash component	\$ 42.4	\$ 47.3
Adjust for:		
Regional office administration	5.7	5.6
Mine stand-by costs	-	-
Refining fees	0.7	0.6
By-product credits	(0.7)	(0.7)
Community costs related to current operations	1.0	0.4
Adjusted Operating Costs	\$ 49.1	\$ 53.2
Corporate general and administrative costs	6.4	6.7
Accretion expense	0.4	0.2
Capitalized stripping and ice unload	62.4	53.4
Capital expenditures (sustaining)	8.6	13.3
All-in Sustaining Costs	\$ 126.9	\$ 126.8
Capital expenditures (growth)	2.2	16.2
Exploration and business development	2.5	7.1
Other project costs not related to current operations	0.9	1.6
All-in Costs	\$ 132.6	\$ 151.8
Revenue-based taxes and income taxes	18.4	25.9
All-in Costs (including taxes)	\$ 151.0	\$ 177.7
Ounces sold (000)	114.5	118.7
Adjusted Operating Costs per ounce sold	\$ 429	\$ 448
All-in Sustaining Costs per ounce sold	\$ 1,109	\$ 1,068
All-in Costs per ounce sold	\$ 1,158	\$ 1,278
All-in Costs (including taxes) per ounce sold	\$ 1,319	\$ 1,496

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

First Quarter – 2014 (Unaudited)	Kumtor	Boroo	All other	Consolidated
(\$ millions)				
Capitalized stripping – cash	62.4	-	-	62.4
Sustaining capital - cash	8.3	0.2	0.1	8.6
Growth capital - cash	1.9	-	0.3	2.2
Net increase in accruals included in additions to PP&E	(0.5)	-	-	(0.5)
Total - Additions to PP&E	72.1	0.2	0.4	72.7⁽¹⁾
First Quarter – 2013 (Unaudited)	Kumtor	Boroo	All other	Consolidated
(\$ millions)				
Capitalized stripping – cash	53.4	-	-	53.4
Sustaining capital – cash	11.7	1.2	0.4	13.3
Growth capital - cash	16.1	-	0.1	16.2
Net increase in accruals included in additions to PP&E	(9.2)	-	-	(9.2)
Total - Additions to PP&E	72.0	1.2	0.5	73.7⁽¹⁾

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

Exploration Update

Turkey

Öksüt Project

During the first quarter, the Company completed a PEA study on its 100% owned Öksüt project in south-central Turkey (previously announced on February 19, 2014). The executive summary of the PEA has been posted on the Company’s website. The PEA study envisions a conventional open pit and heap leach facility with the mining of two open pits completed by a local mining contractor. The heap leach pad design is based on an expected 34 million tonnes of material to be stacked at a maximum rate of 11,000 tonnes per day. Using a gold price of \$1,300 per ounce and a discount rate of 8%, the Öksüt open pit life-of-mine outlined in the PEA has an estimated project NPV (after tax) of approximately \$117 million and a project internal rate of return of 19% after accounting for all operating costs and capital expenditures related to the open pit operation as well as required tax and royalty payments. Additional exploration costs going forward have not been included in the analysis. The Company has commenced a feasibility study for the Öksüt project.

In the quarter, the Company received permits to enable it to commence additional drilling on its land package. Drilling is expected to commence in the second quarter. The Keltepe deposit is open to the south in the direction of the Güneytepe deposit and additional exploration targets on the Company’s land package have been identified which are expected to be drilled in 2014.

Qualified Person & QA/QC

The scientific and technical information in this news release, including the production estimates were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Gordon Reid, Professional Engineer and Centerra's Vice-President and Chief Operating Officer, who is the qualified person for the purpose of NI 43-101. Mr. Reid will supervise the preparation, review, verification and compilation of such information as the qualified person following the departure of Mr. Dan Redmond from the Company and until Mr. Redmond's replacement develops sufficient knowledge and familiarity with the Company's projects to take on such responsibility

Other Corporate Developments

The following is a summary of corporate developments with respect to matters affecting the Company and its subsidiaries in the Kyrgyz Republic and Mongolia. For a more complete discussion of these matters impacting Kumtor, and for outstanding matters in Mongolia and at the corporate level, see the Company's 2013 Annual Information Form which is available on SEDAR at www.sedar.com.

Readers are cautioned that there are a number of legal, regulatory and political matters that are currently affecting the Company and that the following brief description is only a summary of the current status of such matters. For more complete background and information on these matters, including with respect to the Kyrgyz Parliamentary and State Commissions and their reports, Kyrgyz Parliamentary resolutions, discussions with the Government of the Kyrgyz Republic in relation to the Memorandum of Understanding and the Heads of Agreement relating to the proposed restructuring of the Kumtor Project, various environmental and other claims made by Kyrgyz state agencies and the draft Kyrgyz Law on Denunciation of the Agreement on New Terms for the Kumtor Project, please refer to the description contained in the 2013 Annual Information Form.

Kyrgyz Republic

Negotiations between Kyrgyz Republic and Centerra

Following discussions with representatives of the Kyrgyz Government in the third quarter of 2013, Centerra announced on September 9, 2013 that it had entered into a non-binding memorandum of understanding ("MOU") with the Government of the Kyrgyz Republic in connection with a potential restructuring transaction under which Kyrgyzaltyn would exchange its 32.7% equity interest in Centerra for an interest of equivalent value in a joint venture company that would own the Kumtor Project. The Kyrgyz Parliament considered the MOU on October 23, 2013 and passed a decree rejecting the MOU and ordering the Government to continue negotiations with Centerra to improve the Kyrgyz Republic's position. After further discussions with the Government, Centerra announced on December 23, 2013 that it had entered into a non-binding heads of agreement ("HOA") which superseded the terms of the MOU but retained most of its material terms. After making some non-material amendments, the parties re-signed the HOA on January 18, 2014.

On February 6, 2014, after their review of the HOA, the Kyrgyz Parliament adopted a resolution which appears to support the concept of the restructuring described in the HOA but also contains a number of recommendations that are materially inconsistent with the terms of the HOA. Among other things, the resolution calls for further audits of the Kumtor operation and for the Government and the General Prosecutor's Office to continue pursuing claims for environmental and economic damages, which the Company disputes.

On March 18, 2014, the Prime Minister of the Kyrgyz Republic resigned following the collapse of Parliament's ruling coalition. Subsequently, new coalition has been formed and the former First Vice Prime Minister Djoomart Otorbaev has been appointed as Prime Minister.

Centerra expects to continue its discussions with the Government regarding a potential restructuring transaction to resolve all outstanding concerns relating to the Kumtor Project. However, it maintains that any agreement to resolve matters must be fair to all of Centerra's shareholders. Any definitive agreement for a potential restructuring remains subject to required approvals in the Kyrgyz Republic, including the Government and Parliament of the Kyrgyz Republic, Centerra Special Committee and Board approval, as well as compliance with all applicable legal and regulatory requirements and approvals, including an independent formal valuation and shareholder approval.

While Centerra expects to continue discussions with the Government, there can be no assurance that any transaction will be consummated or that Centerra will be able to successfully resolve any of the matters currently affecting the Kumtor Project. The inability to successfully resolve matters, including obtaining all necessary approvals, and/or further actions of the Kyrgyz Republic Government and/or Parliament, could have a material adverse impact on Centerra's future cash flows, earnings, results of operations and financial conditions.

Kyrgyz Republic Glacier Law

Centerra understands that, on April 23, 2014 the Parliament of the Kyrgyz Republic passed a law prohibiting activities which affect glaciers in the Kyrgyz Republic (the "Glacier Law"). The Glacier Law must be signed by the President of the Kyrgyz Republic before it will take effect.

Centerra has not yet received the official version of the Glacier Law and notes that several of its provisions are unclear. The Glacier Law also contains provisions for the payment of compensation for damages to glaciers, at rates to be determined by the Kyrgyz Government. Nevertheless, Centerra believes that the stabilization and non-discrimination provisions contained in the agreements governing the Kumtor project (the "Kumtor Project Agreements") and the law of the Kyrgyz Republic which implemented the Kumtor Project Agreements support the view that the Glacier Law would not apply to Kumtor mining operations. In addition, Centerra believes that any disagreement in relation to the application of the Glacier Law to Kumtor would be subject to the dispute resolution (international arbitration) provisions of the Kumtor Project Agreements.

Limited measures to manage glaciers and ice have been a feature of mining operations at Kumtor from the beginning of the project in 1994 and have been the subject of frequent Kyrgyz regulatory oversight and approval as well as review by international technical and environmental experts, including experts retained by the European Bank for Reconstruction and Development in connection with the extension of a credit facility to Centerra. Such mining measures are necessary to ensure that mine operations can be carried on safely in the open pit. The continuation of mining at Kumtor depends on Centerra's ability to carry on such activities throughout the life of the mine.

In view of the strategic importance of the Kumtor project to the Kyrgyz Republic, Centerra believes that the Glacier Law is unlikely to be enforced in a manner that would require the project to suspend mining activities. Centerra also notes that in all its dealings with successive governments of the Kyrgyz Republic, such governments have consistently and emphatically stressed the strategic importance of Kumtor to the Kyrgyz Republic and that mining operations at the project continue uninterrupted, notwithstanding any disagreements that may arise between Centerra and the government regarding the project. Centerra also notes that the

President of the Kyrgyz Republic has the discretion to reject the Glacier Law and return it to Parliament for further consideration.

Kyrgyz Permitting and Regulatory Matters

In the normal course of operations at Kumtor, KGC prepares annual mine plans for the project which are considered and approved by, among others, the State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic (“SAEPF”) and the State Agency for Geology and Mineral Resources. In previous years, annual mine plans for the Kumtor project were approved by such authorities in the first quarter of the year to which they related (for example, the 2013 annual mine plan was approved in the first quarter of 2013).

This year, however, the Company has not yet received formal approval of the proposed 2014 annual mine plan for the Kumtor project despite working with the relevant authorities since the beginning of 2014 to satisfy their requests and concerns. In this regard, Centerra has received communications from representatives of the Kyrgyz Government, including the State Inspectorate Office for Environmental and Technical Safety (“SIETS”) expressing concern about the status of such permits, the mining of ice and building of the buttress at Kumtor. SEITS has also suggested that mine operations could be suspended though no formal order or deadline to suspend mine operations has been communicated to KGC.

Centerra has responded to such letters by urging the Government to provide KGC with all approvals which are necessary for the operation of the Kumtor project, including approval of the 2014 annual mine plan. The Company has also explained that: (i) the 2009 Restated Investment Agreement requires the relevant Government authorities to be reasonable in their consideration of such approvals; (ii) the mining of ice has been a constant feature of the Kumtor project since its inception; and (iii) that the continued mining of ice is critical to ensuring efficient and stable mine operations.

Centerra has also indicated that KGC has not received notice from any governmental authority ordering or threatening to order it to suspend operations. Furthermore, successive Kyrgyz governments have consistently emphasized the strategic importance to the Kyrgyz Republic of continued operation of the Kumtor mine. The Restated Investment Agreement requires that any order of suspension be stayed pending the outcome of the dispute resolution provisions of the Restated Investment Agreement, unless necessary to prevent imminent harm to human health and safety or imminent material harm to the environment.

The Company understands that the Kyrgyz Republic General Prosecutor’s Office announced that it had begun an investigation into the declaration and payment of an inter-corporate dividend by KGC to Centerra in December 2013. At the request of the General Prosecutor’s Office, Centerra provided a legal analysis, including the opinion of local Kyrgyz counsel, confirming the legality of the dividend. The Company also confirmed that the dividend would have no impact on the valuation underlying the HOA.

While Centerra and KGC expect to continue discussions with the Government and the relevant Kyrgyz authorities in relation to the approval of the 2014 annual mine plan and other related permits, there can be no assurance that any such approvals will be received or that the relevant Kyrgyz authorities will not order a suspension of mining operations. The inability to successfully resolve matters, including obtaining all necessary approvals, and/or further actions of the Kyrgyz Republic Government and/or Parliament, could have a material adverse impact on Centerra’s future cash flows, earnings, results of operations and financial conditions.

Environmental Claims

As previously disclosed, on June 7, 2013 Kumtor received four claims filed by SIETS with the Bishkek Inter-district court. The SIETS environmental claims sought to enforce the previously disclosed environmental claims issued by SIETS in December 2012, seeking compensation in the aggregate amount of \$150 million in relation to (i) placement of waste rock on glaciers; (ii) unpaid use of water from Petrov Lake; (iii) unaccounted industrial and household waste; and (iv) damages caused to land resources (top soil). Each of these claims was dismissed by the Bishkek Inter-District Court and, on appeal, by the Bishkek City Court, on the basis that the arbitration clause in the Restated Investment Agreement requires that all such disputes be resolved through international arbitration. Each of these decisions has been appealed by SEITS to the Kyrgyz Republic Supreme Court.

In addition to the original four claims of SIETS discussed above, SIETS has filed the following additional claims against KOC: (i) on October 12, 2013, a claim in the amount of approximately \$485,000 for damages caused to land resources due to disturbance of land at the Kumtor project (similar to the claim in (iv) above but involving a different area of the Kumtor concession); and (ii) on January 21, 2014, a claim for approximately \$8.5 million for lost agricultural production and lost profits from 1994 to 2042. Kumtor has responded in writing to SIETS disputing both of these additional claims.

The previously disclosed claim commenced by SAEPF for the aggregate amount of approximately \$315 million is currently subject to appeal on a preliminary motion in the Bishkek City Court.

On October 11, 2013, Centerra received a statement of claim from the Green Party of Kyrgyzstan in the Bishkek Inter-District Court which seeks damages of approximately \$9 billion for alleged environmental damages arising from the Kumtor operations since 1996. The claimant, Green Party, requests that the damage be paid by Kumtor to the Issyk-Kul Nature Protection and Forestry Development Fund, a Kyrgyz state fund. The claim by the Green Party relates to allegations substantially similar to the claims raised by SIETS and SAEPF. On February 14, 2014, the Green Party withdrew their claim from the Bishkek Inter-District Court. However, the Green Party and/or certain individuals from the village of Saruu have attempted to re-file the same claim in the Jety-Oguz District Court though the court has returned their claim due to lack of jurisdiction.

As previously disclosed, Kumtor believes the claims are exaggerated and without merit. The Kumtor Project has been the subject of systematic audits and investigations over the years by Kyrgyz and international experts, including by an independent internationally recognized expert who carried out a due diligence review of Kumtor's performance on environmental matters at the request of Centerra's Safety, Health and Environmental Committee of the Board of Directors. The report of this expert released in October 2012 can be found on the Kumtor website at <http://www.kumtor.kg/en/> under the "Environment" section.

Land Use Claim

On November 11, 2013, the Company received a claim from the Kyrgyz Republic General Prosecutor's Office requesting the Inter-District Court of the Issyk-Kul Province to invalidate the Company's land use certificate and seize certain lands within Kumtor's concession area.

As previously noted, the Company believes that the invalidation of the land use certificate and purported seizure of land is in violation of the Kyrgyz Republic Land Code as well as the Restated Investment Agreement, which provides that the Kumtor project is guaranteed all necessary access to the Kumtor concession area, including all surface lands as are necessary or desirable for the operation of the Kumtor project.

There can be no assurance that the Company will be able to successfully resolve any of the matters discussed above. The inability to successfully resolve matters could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial conditions.

Management Assessment

There are several important outstanding issues affecting the Kumtor Project, which require consultation and co-operation between the Company and Kyrgyz regulatory authorities. The Company has benefited from a close and constructive dialogue with Kyrgyz authorities during project operations and remains committed to working with them to resolve these issues in accordance with the agreements governing the Kumtor project (the "Kumtor Project Agreements"), which provide for all disputes to be resolved by international arbitration, if necessary. However, there are no assurances that the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project. There are also no assurances that continued discussions between the Kyrgyz Government and Centerra will result in a mutually acceptable solution regarding the Kumtor project that any agreed upon proposal for restructuring would receive the necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law and that the Kyrgyz Republic Government and/or Parliament will not take actions that are inconsistent with the Government's obligations under the Kumtor Project Agreements, including adopting a law "denouncing" or purporting to cancel or invalidate the Kumtor Project Agreements or laws enacted in relation thereto. The inability to successfully resolve all such matters would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. See "Caution Regarding Forward-looking Information".

Mongolia

Gatsuurt

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

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

There can be no assurance, however, that the Water and Forest Law will not have a material impact on Centerra's Mongolian operations. Unless the Water and Forest Law is repealed or amended such that the law no longer applies to the Gatsuurt project or Gatsuurt is designated by the Parliament of Mongolia as a "mineral deposit of strategic importance" that is exempt from the Water and Forest Law, mineral reserves at Gatsuurt may have to be reclassified as mineral resources or eliminated entirely and the Company may be required to write-off approximately \$37 million related to the investment in Gatsuurt and approximately \$39 million of costs that remain capitalized for the Boroo mill facility and other surface structures. These amounts represent the capitalized costs at March 31, 2014 associated with its investment in Gatsuurt and Boroo (where Gatsuurt ore is planned to be milled).

Corporate

Enforcement Notice by Sistem

In March 2011, a Turkish company, Sistem Muhenkislik Insaat Sanayi Ticaret SA (“Sistem”) initiated a claim in an Ontario court which alleged that the shares in Centerra owned by Kyrgyzaltyn are, in fact, legally and beneficially owned by the Kyrgyz Republic. On April 15, 2014, the Ontario Superior Court of Justice found in favour of Sistem, ruling that the shares of Centerra owned by Kyrgyzaltyn could be seized to satisfy an arbitration award against the Kyrgyz Republic.

Pursuant to a separate court order issued by the Ontario Superior Court of Justice (as amended from time to time, and most recently amended on June 5, 2013) (the “Court Order”), Centerra is holding in trust (for the credit of the Sistem court proceedings) dividends otherwise payable to Kyrgyzaltyn. Effective as of June 6, 2013, when a dividend was paid by Centerra, the maximum amount to be held in trust, as set out in the Court Order (Cdn\$11.3 million), has been reached. As of March 31, 2014, Centerra holds in trust, for the benefit of the Sistem court proceeding, approximately Cdn\$11.4 million, including interest earned.

2014 Outlook

Kumtor’s forecasted 2014 production and costs discussed in this news release are provided on a 100% basis and the forecast does not make any assumptions regarding possible changes in the structure and management of the Kumtor Project, including the level of ownership resulting from ongoing discussions with the Government of the Kyrgyz Republic and Kyrgyzaltyn JSC, Centerra’s largest shareholder. See “Material Assumption and Risks” for other material assumptions or factors used to forecast production and costs for 2014.

Centerra’s 2014 production guidance, exploration expenditures, capital expenditures, corporate administration and community costs and DD&A are unchanged from the previous guidance disclosed in the Company’s news release of February 19, 2014, while unit costs have been revised from the previous guidance to reflect the updated forecast for operating costs at Boroo:

	2014 Production Forecast (ounces of gold)	2014 Adjusted Operating Costs¹ (\$ per ounce sold)	2014 All-in Costs¹ (\$ per ounce sold)
Kumtor	550,000 – 600,000	\$373 – \$407	\$833 – \$909
Boroo	Approx. 45,000	\$1,280	\$1,308
Consolidated	595,000 – 645,000	\$434 – \$471	\$971 – \$1,053

Gold Production

Centerra’s 2014 consolidated gold production is expected to be 595,000 to 645,000 ounces, which is unchanged from the previous guidance disclosed in the Company’s news release of February 19, 2014. Over 50% of gold production at Kumtor is expected during the fourth quarter when mining will reach the high-grade section of the SB Zone.

The 2014 forecast assumes no mining activities at Boroo or Gatsuurt, and no gold production from Gatsuurt.

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

All-in Unit Costs:

Centerra's 2014 all-in sustaining costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic, and all-in costs per ounce sold¹, which excludes revenue-based tax in the Kyrgyz Republic and income taxes, have been revised to reflect updated estimates for operating costs at Boroo. Unit operating costs for Kumtor have not been changed. The updated unit costs are forecast as follows:

	Kumtor	Boroo	Consolidated
Ounces sold forecast	550,000-600,000	Approximately 45,000	595,000-645,000
US \$ / gold ounces sold			
Operating costs ¹	\$358 – 390	\$839	\$389 – 422
Changes in inventories	(29) – (30)	298 ⁴	(3) – (4)
Operating Costs (on a sales basis)¹	\$329 – 360	\$1,137	\$386 – 418
Regional office administration	32 – 35	131	37 – 40
Community costs related to current operations	13 – 13	13	12 – 14
Refining costs and by-product credits	(1) – (1)	(1)	(1) – (1)
Sub-Total (Adjusted Operating Costs)¹	\$373 – 407	\$1,280	\$434 – 471
Corporate general & administrative costs	–	–	57– 62
Accretion expense	1 – 1	11	3 – 3
Capitalized stripping costs – cash	319 – 348	–	296 – 321
Capital expenditures (sustaining) ¹	69 – 76	17	67 – 72
All-in Sustaining Costs¹	\$762 – 832	\$1,308	\$857 – 929
Capital expenditures (growth) ¹	71 – 77	–	66 – 72
Other costs ²	–	–	48 – 52
All-in Costs¹	\$833 – 909	\$1,308	\$971 –1,053
Revenue-based tax and income taxes ³	\$175 – 191	-	\$163 – 176
All-in Costs including Taxes^{1,3}	\$1,008 –1,100	\$1,308	\$1,134 –1,229

Changes to 2014 Unit Cost Guidance

The unit costs for Boroo have been revised mainly to reflect lower operating costs and a lower adjustment for changes in inventory. The revised outlook of \$839 of operating cost per ounce sold¹ (\$956 per ounce sold in the previous guidance) reflects lower royalties, electricity, national labour, reagents and consumables costs. The forecasted royalty expense has been decreased due to a reduced royalty rate of 2.5% (9% rate assumed in the previous forecast) in connection with commencing sales of gold to the Bank of Mongolia in 2014. The lower electricity, national labour, reagents and consumables costs reflect a depreciation of the Mongolian tugrik as well as lower consumption of electricity, reagents and consumables. The revised adjustment for

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

² Other costs per ounce sold include global exploration expenses, business development expenses, and project development costs not related to current operations.

³ Includes revenue-based tax that reflects a forecast gold price assumption of \$1,285 per ounce sold (\$1,250 per ounce sold assumed in the previous forecast).

⁴ The Boroo operation is nearing the end of its mine life. All forecast production and sales are a result of drawing down the existing stockpiles and assume no mining activities.

changes in inventory of \$298 per ounce sold (\$438 per ounce sold in the previous guidance) reflects the impact of the updated inventory balances and lower operating costs charged to inventory.

Öksüt Project

The Company completed a preliminary economic assessment in the first quarter of 2014 and has commenced a feasibility study for its Öksüt property. The total planned spending in 2014 of approximately \$10 million includes work for technical studies, environmental and social impact assessment and project support (collectively, \$6.4 million) and \$3.5 million for exploration activities.

Taxes

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

Production, cost and capital forecasts for 2014 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” and under the heading “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2013.

Sensitivities:

Centerra’s revenues, earnings and cash flows for the remaining nine month of 2014 are sensitive to changes in certain variables and 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	3.9	26.6	22.7	22.7
Diesel Fuel ⁽¹⁾	10%	7.8	-	7.8	7.8
Kyrgyz som ⁽²⁾	1 som	1.4	-	1.4	1.4
Mongolian tugrik ⁽²⁾	25 tugrik	0.2	-	0.2	0.2
Canadian dollar ⁽²⁾	10 cents	2.1	-	2.1	2.1

⁽¹⁾ a 10% change in diesel fuel price equals \$15/oz produced

⁽²⁾ appreciation of currency against the US dollar will result in higher costs and lower cash flow and earnings, depreciation of currency against the US dollar results in decreased costs and increased cash flow and earnings

Material Assumptions and Risks:

Material assumptions or factors used to forecast production and costs for the remaining nine months of 2014 include the following:

- a gold price of \$1,285 per ounce,
- exchange rates:
 - \$1USD:\$1.08 CAD
 - \$1USD:50.0 Kyrgyz som
 - \$1USD:1,700 Mongolian tugriks
 - \$1USD:0.75 Euro

- diesel fuel price assumption:
 - \$0.72/litre at Kumtor
 - \$1.22/litre at Boroo

The assumed diesel price of \$0.72/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 \$107 per barrel.

Other material assumptions were used in forecasting production and costs for 2014. The Company cannot give any assurances in this regard. These material assumptions include the following:

- That current discussions between the Government of the Kyrgyz Republic and Centerra regarding a potential restructuring of the Kumtor Project will result in a mutually satisfactory solution to the outstanding matters affecting the Kumtor project, which is fair to all of Centerra's shareholders, and that such proposal will receive all necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law.
- All mine plans and related permits and authorizations at Kumtor receive timely approval from all relevant governmental agencies.
- The buttress constructed at the bottom of the Davidov glacier successfully stops or slows the movement of the Davidov glacier.
- The Glacier Law will not affect mining or other operations at the Kumtor project.
- Any recurrence of political or civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine and/or power to the mine site.
- The activities of the Kyrgyz Republic Parliament and Government, referred to in the 2013 Annual Information Form do not have a material impact on operations or financial results. This includes any action being taken by the Parliament or Government to cancel the current project agreements governing the Kumtor Project, or taking any actions which would be inconsistent with the rights of Centerra, Kumtor Gold Company and Kumtor Operating Company under the project agreements governing the Kumtor project.
- The previously disclosed environmental claims received from the Kyrgyz regulatory authorities in the aggregate amount of approximately \$476 million, the claim received from the Kyrgyz Green Party for \$9 billion and the claim of the Kyrgyz Republic's General Prosecutor's Office purporting to invalidate land use rights and/or seize land at Kumtor, and any further claims, whether alleging environmental allegations or otherwise, are resolved without material impact on Centerra's operations or financial results.
- The movement in the Central Valley Waste Dump at Kumtor, referred to in the 2013 Annual Information Form, does not accelerate and will be managed to ensure continued safe operations, without impact to gold production, including the successful demolition of buildings and relocation of certain other infrastructure as planned.
- Grades and recoveries at Kumtor will remain consistent with the 2014 production plan to achieve the forecast gold production.
- The Company is able to manage the risks associated with the increased height of the pit walls at Kumtor.
- The dewatering program at Kumtor continues to produce the expected results and the water management system works as planned.
- The Kumtor ball mill and the rotated ring gear or replacement ring gear continue to operate as expected.

- The successful negotiation of new collective agreements at both Kumtor which expires on December 31, 2014, and Boroo, which expires on June 30, 2014, without any labour actions/strikes and without significantly increasing labour costs.
- Prices of key consumables, costs of power and water usage fees are not significantly higher than prices assumed in planning.
- No unplanned delays in or interruption of scheduled production from our mines, including due to civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks.
- All necessary permits, licenses and approvals are received in a timely manner.

Production and cost forecasts and capital estimates are forward-looking information and are based on key assumptions and subject to material risk factors. If any event arising from these risks occurs, the Company's business, prospects, financial condition and results of operations and cash flows could be adversely affected. Additional risks and uncertainties not currently known to the Company, or that are currently deemed immaterial, may also materially and adversely affect the Company's business operations, prospects, financial condition, results of operations or cash flows and the market price of Centerra's shares. See the section entitled "Cautionary Note Regarding Forward-Looking Information" in this news release and also the Risk Factors listed in the Company's 2013 Annual Information Form, available on SEDAR at www.sedar.com.

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

	March 31, 2014	December 31, 2013
(Expressed in Thousands of United States Dollars)		
Assets		
Current assets		
Cash and cash equivalents	\$ 209,744	\$ 343,108
Short-term investments	302,501	158,358
Amounts receivable	38,196	78,707
Inventories	310,871	373,289
Prepaid expenses	14,436	29,191
	<u>875,748</u>	<u>982,653</u>
Property, plant and equipment	607,349	539,070
Goodwill	129,705	129,705
Restricted cash	10,342	10,731
Other assets	28,827	20,276
Long-term inventories	4,150	5,229
	<u>780,373</u>	<u>705,011</u>
Total assets	\$ 1,656,121	\$ 1,687,664
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 27,530	\$ 32,109
Short-term debt	75,855	75,582
Revenue-based taxes payable	8,123	30,742
Taxes payable	1,050	2,108
Current portion of provision for reclamation	1,909	1,194
	<u>114,467</u>	<u>141,735</u>
Dividend payable	10,225	10,636
Provision for reclamation	60,017	58,826
Deferred income tax liability	2,821	2,157
	<u>73,063</u>	<u>71,619</u>
Total liabilities	187,530	213,354
Shareholders' equity		
Share capital	660,500	660,486
Contributed surplus	20,697	20,087
Retained earnings	787,394	793,737
	<u>1,468,591</u>	<u>1,474,310</u>
Total liabilities and shareholders' equity	\$ 1,656,121	\$ 1,687,664

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

Three Months ended
March 31,
2014 2013

(Expressed in Thousands of United States Dollars)
(except per share amounts)

Revenue from Gold Sales	\$ 148,021	\$ 192,251
Cost of sales	109,114	91,149
Regional office administration	5,689	5,621
Earnings from mine operations	33,218	95,481
Revenue-based taxes	18,432	20,818
Other operating expenses	1,895	1,946
Exploration and business development	2,572	7,170
Corporate administration	6,523	6,743
Earnings from operations	3,796	58,804
Other (income) and expenses	(210)	1,280
Finance costs	1,393	1,256
Earnings before income taxes	2,613	56,268
Income tax expense	552	4,916
Net Earnings and comprehensive income	\$ 2,061	\$ 51,352
Basic earnings per common share	\$ 0.01	\$ 0.22
Diluted earnings per common share	\$ -	\$ 0.21

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

Three Months ended
March 31,
2014 **2013**

(Expressed in Thousands of United States Dollars)

Operating activities

Net earnings	\$	2,061	\$	51,352
Items not requiring (providing) cash:				
Depreciation, depletion and amortization		66,771		43,900
Finance costs		1,393		1,256
Loss on disposal of equipment		96		9
Share-based compensation expense		610		751
Change in long-term inventory		1,079		952
Change in provision		-		(67)
Income tax expense		552		4,916
Other operating items		484		(101)
		73,046		102,968
Change in operating working capital		22,315		(7,219)
Prepaid revenue-based taxes utilized		7,267		2,768
Income taxes paid		(1,077)		(6,479)
Cash provided by operations		101,551		92,038

Investing activities

Additions to property, plant and equipment		(72,726)		(73,673)
Net purchase of short-term investments		(144,143)		(68,343)
Purchase of interest in Öksüt Gold Project- net of cash acquired		-		(19,742)
Decrease (increase) in restricted cash		389		(2,756)
Increase in long-term other assets		(8,551)		(217)
Proceeds from disposition of fixed assets		3		27
Cash used in investing		(225,028)		(164,704)

Financing activities

Dividends paid		(8,404)		(6,349)
Payment of interest and other borrowing costs		(1,483)		(1,499)
Cash used in financing		(9,887)		(7,848)

Decrease in cash during the period		(133,364)		(80,514)
Cash and cash equivalents at beginning of the period		343,108		334,115
Cash and cash equivalents at end of the period	\$	209,744	\$	253,601

Cash and cash equivalents consist of:

Cash	\$	66,660	\$	91,076
Cash equivalents		143,084		162,525
	\$	209,744	\$	253,601

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	Retained Earnings	Total
Balance at January 1, 2013	236,376,011	\$ 660,420	\$ 36,243	\$ 672,430	\$ 1,369,093
Share-based compensation expense	-	-	751	-	751
Adjustment for acquisition of 30% minority interest	-	-	(18,986)	-	(18,986)
Dividend declared	-	-	-	(9,218)	(9,218)
Net earnings for the period	-	-	-	51,352	51,352
Balance at March 31, 2013	236,376,011	\$ 660,420	\$ 18,008	\$ 714,564	\$ 1,392,992
Balance at January 1, 2014	236,390,219	\$ 660,486	\$ 20,087	\$ 793,737	\$ 1,474,310
Share-based compensation expense	-	-	610	-	610
Shares issued on redemption of restricted share units	2,757	14	-	-	14
Dividend declared	-	-	-	(8,404)	(8,404)
Net earnings for the period	-	-	-	2,061	2,061
Balance at March 31, 2014	236,392,976	\$ 660,500	\$ 20,697	\$ 787,394	\$ 1,468,591

Cautionary Note Regarding Forward-looking Information

Information contained in this news release and the documents incorporated by reference herein, contain statements which are not current statements or historical facts and may be “forward looking information” for the purposes of Canadian securities laws. Such forward looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, general economic indicators affecting the price of gold and gold production, interest rates, and exchange rates, the Company’s plans for future borrowing under its revolving credit facility the successful resolution of outstanding matters in the Kyrgyz Republic to the benefit of all shareholders including matters relating to the State Commission report, government resolutions and decrees, discussions with the Kyrgyz Government on the Kumtor Project Agreements and a possible restructuring of the Kumtor project into a joint venture pursuant to the terms of the HOA, the resolution of environmental claims received by Kumtor from SIETS and SAEPF in December 2012 and February 2013, the possible effect of the Glacier Law on mining or other operations at the Kumtor project, the legal effect of the Glacier Law and the likelihood of its enforcement by Kyrgyz authorities, the draft Kyrgyz law on denunciation, the claim of the Kyrgyz General Prosecutor’s Office’s purporting to invalidate Kumtor’s land use certificate and to seize certain lands within the Kumtor concession area, discussions with various Kyrgyz state agencies regarding the approval for Kumtor’s 2014 annual mine plan and investigations of the Kyrgyz General Prosecutor’s Office into an inter-corporate dividend declared and paid by KGC to Centerra having no material impact on Kumtor operations, the Company’s ability to manage the increased rate of movement of the Davidov Waste-rock Dump (Central Valley Waste Dump), the activities of a special commission formed to inspect the increased movement of the Davidov Waste-rock Dump, statements regarding the Company’s ability to successfully the movement of the Davidov Glacier, the construction of a buttress at the bottom of the Davidov

Glacier and the effectiveness of the buttress, and the Company's ability to successfully demolish certain buildings and relocate other infrastructure at Kumtor, and to maintain the availability of the Kumtor mobile fleet, the Company's ability to mine high grade ore in the SB Zone at Kumtor, statements regarding the Company's future production in 2013, including estimates of cash operating costs, all-in sustaining costs per ounce sold all in costs per ounce sold, all in costs per ounce sold (including taxes), capital expenditures (sustaining) and capital expenditures (growth), exploration and drilling plans and expenditures and the success thereof, capital expenditures, mining plans at Kumtor; and processing activities at Boroo; statements regarding having sufficient cash and investments to carry out the Company's business plans for 2014; the outcome of discussions with the Mongolian government on the potential development of the Company's Gatsuurt deposit, the impact of the Water and Forest Law on the Company's Mongolian activities; the Company's ability to carry out a feasibility study on the Öksüt project; the Company's business and political environment and business prospects; and the timing and development of new deposits.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking information. Factors that could cause actual results or events to differ materially from current expectations include, among other things: (A) political and regulatory risks, including the political risks associated with the Company's principal operations in the Kyrgyz Republic and Mongolia, resource nationalism, the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates, the impact of any actions taken by the Government and Parliament relating to the Kumtor Project Agreement, any impact on the purported cancellation of Kumtor's land use rights at the Kumtor Project, the impact of the failure of relevant Kyrgyz Government agencies to provide approvals of annual mine plans and other required permits and authorizations, the effect of the Water and Forest Law on the Company's operations in Mongolia, the impact of continued scrutiny from Mongolian regulatory authorities on the Company's Boroo project, the impact of changes to, or the increased enforcement of, environmental laws and regulations relating to the Company's operations, the Company's ability to successfully negotiate an investment agreement for the Gatsuurt project to complete the development of the mine and the Company's ability to obtain all necessary permits and commissions needed to commence mining activity at the Gatsuurt project; the ability of the Company to obtain, in a timely manner, all required permits and other authorizations to carry out its feasibility and other studies at the Öksüt project and related drilling and operational activities; (B) risks related to operational matters and geotechnical issues, including the movement of the Davidov Glacier and the Davidov Waste-rock Dump (Central Valley Waste Dump), the waste and ice movement at the Kumtor Project and the Company's continued ability to successfully manage such matters, including by the building of a buttress at the bottom of the Davidov Glacier, the occurrence of further ground movements at the Kumtor Project, the timing of the infrastructure move potentially impacting the maintenance of the mobile fleet and its availability, the success of the Company's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities, the adequacy of the Company's insurance to mitigate operational risks, mechanical breakdowns, the Company's ability to obtain the necessary permits and authorizations to (among other things) raise the tailings dam at the Kumtor Project to the required height, the Company's ability to replace its mineral reserves, the occurrence of any labour unrest or disturbance and the ability of the Company to successfully re-negotiate collective agreements when required, seismic activity in the vicinity of the Company's operations in the Kyrgyz Republic and Mongolia, long lead times required for equipment and supplies given the remote location of the Company's properties, reliance on a limited number of suppliers for certain consumables, equipment and components, illegal mining on the Company's Mongolian properties, the Company's ability to accurately predict decommissioning and reclamation costs, the Company's ability to attract and retain qualified personnel, competition for mineral acquisition opportunities, and risks associated with the conduct of joint ventures; (C) risks relating to financial matters

including the sensitivity of the Company's business to the volatility of gold prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Company's revolving credit facility which may, among other things, restrict the Company from pursuing certain business activities, the Company's ability to obtain future financing, the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (D) risks related to environmental and safety matters, including the ability to continue obtaining necessary operating and environmental permits, licenses and approvals, the impact of the significant environmental claims made in December 2012 and February 2013 relating to the Kumtor Project, inherent risks associated with using sodium cyanide in the mining operations; legal and other factors such as litigation, defects in title in connection with the Company's properties, the Company's ability to enforce its legal rights, risks associated with having a significant shareholder, and possible director conflicts of interest. There may be other factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. See "Risk Factors" in the Company's 2013 Annual Information Form available on SEDAR at www.sedar.com.

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

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations 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 May 6, 2014. Centerra assumes no obligation to update or revise forward looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

Centerra Gold Inc. is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other markets worldwide. Centerra is the largest

Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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

Conference Call

Centerra invites you to join its 2014 first quarter conference call on Wednesday May 7, 2014 at 11:00AM Eastern Time. The call is open to all investors and the media. To join the call, please dial toll-free in North America (800) 659-2953 or International participants dial +1 (303) 223-4360. Alternatively, an audio feed of the conference call is being webcast by Thomson Reuters and can be accessed live on the Company's website at: www.centerragold.com. An audio recording of the call will be available on Centerra's website www.centerragold.com shortly after the call and via telephone until midnight on Wednesday May 14, 2013 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21712324.

For more information:

John W. Pearson
Vice President, Investor Relations
(416) 204-1241
john.pearson@centerragold.com

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

To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three months-ended March 31, 2014, please visit the following link:

<http://media3.marketwire.com/docs/CG2014-Q1MDA.pdf>

- end -