centerra GOLD

NEWS RELEASE

Centerra Gold Reports Third Quarter Results

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 23 and in our Cautionary Note Regarding Forward-looking Information on page 31. It should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes for the three and nine months ended September 30, 2012 and the 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, 2011.

All figures are in United States dollars.

To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine month periods ended September 30, 2012 please visit the following link:
http://media3.marketwire.com/docs/CG2012FSMDAQ3.pdf

Toronto, Canada, November 7, 2012: Centerra Gold Inc. (TSX: CG) today reported a net loss of $46.8 million, or $0.20 per share based on revenues of $68.8 million. The third quarter loss includes $19.3 million ($0.08 per share) of abnormal mining costs, and other operating expenses of $5.2 million ($0.02 per share) for the care and maintenance of the underground development project at Kumtor. For the same period in 2011, the Company recorded net earnings of $83.7 million or $0.35 per common share based on revenues of $278.4 million reflecting significantly higher gold production and sales.

Consolidated gold production for the third quarter of 2012 totaled 42,723 ounces, as expected, at a total cash cost of $1,401 per ounce produced, reflecting the lower gold production as a result of the revised mine plan at Kumtor. In the corresponding quarter of 2011, consolidated gold production was 154,936 ounces at a total cash cost of $556 per ounce produced. (Total cash cost per ounce produced is a non-GAAP measure and is discussed under "Non-GAAP Measures".)

Third Quarter Highlights

- Revised 2012 consolidated gold production guidance to 415,000 to 425,000 ounces from 450,000 to 470,000 ounces
- Completed detailed study on expanding the Kumtor open pit
- Declared and paid a Cdn$0.04 per share quarterly dividend
- Accessed ore and restarted milling activities at Kumtor

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- Resumed heap leach operations at Boroo after receiving regulatory approval for the mine plan for the heap leach facility
- Obtained mining license for the Altan Tsagaan Ovoo (ATO) project in Eastern Mongolia

Commentary

Ian Atkinson, President and CEO of Centerra stated, "As expected our gold production for the third quarter was low. The mill at Kumtor was shut down for seven weeks during which time scheduled and unscheduled maintenance was carried out. In mid-September, mining at Kumtor reached the ore in the southwest section of the pit and the mill re-started as planned, but production since then has been less than we expected. As we transitioned between waste and ore, we encountered an irregular till/bedrock contact, which increased the amount of till waste material mined. This impacted our planned production for the fourth quarter and has resulted in our revised production guidance for the year. By the end of October we had mined through the till/ore interface and we do not expect to have a similar issue going forward. At Boroo, better gold production was achieved in the third quarter, as the higher-grade Pit 6 ore was processed. Additionally, the heap leach facility at Boroo resumed operations after receiving regulatory approval and all required permits in September."

"We are very excited about the new Kumtor life-of-mine plan (KS-13) which delivers a significant increase in reserves and extends the mine life by 5 years, adding substantially to the net present value of the Kumtor project. The increase in the open pit reserves is entirely within the Central Pit and is a result of the successful exploration drilling of the SB Zone over the last three years, which has doubled the strike length of the SB Zone and extended the SB Zone resource down dip, resulting in an expansion of resources. The expansion of the resources, in conjunction with the decision made in March of this year to unload the ice above the Southeast highwall of the Central Pit, created the opportunity to expand the Central Pit with the resulting significant increase in reserves, extension of the mine life and increase in the project NPV. The new KS-13 open pit design will consume most of the existing underground infrastructure and will therefore require an accounting charge of between approximately $175 million and $190 million, which the Company will recognize in the fourth quarter of 2012. The increase in reserves and mine life is expected to provide significant tax revenue to the Kyrgyz Republic of approximately $1.5 billion, over the life of the mine based on a gold price of $1,350 per ounce, along with significant employment, community development and other benefits."

"We are continuing to work with the State Commission in the Kyrgyz Republic as it continues to examine the Kumtor project. Initially, the commission was to have completed its work by October 1st and report back to the parliament by November 1st, but it is our understanding that completion of the report has been extended and the commission is now expected to report to the Parliament by November 15th," he concluded.

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Financial and Operating Summary

	Three Months Ended September 30			Nine Months Ended September 30		
Financial Summary	**2012**	2011	**% Change**	**2012**	2011	**% Change**
Revenue - $ millions	**68.8**	278.4	(75%)	**292.3**	772.4	(62%)
Cost of sales - $ millions (1)	**59.1**	110.5	(47%)	**222.3**	278.2	(20%)
Abnormal mining costs - $ millions	**19.3**	-	100%	**52.0**	-	100%
Other operating expenses	**5.2**	11.3	(55%)	**29.5**	11.9	148%
Net earnings (loss) - $ millions	**(46.8)**	83.7	(156%)	**(116.0)**	291.5	(140%)
Earnings (loss) per common share - $ basic and diluted	**(0.20)**	0.35	(157%)	**(0.49)**	1.23	(140%)
Cash provided by (used in) operations - $ millions	**(38.4)**	108.2	(136%)	**(73.3)**	374.6	(120%)
Capital expenditures - $ millions	**78.8**	37.2	112%	**322.8**	158.0	104%
Weighted average common shares outstanding - basic (thousands)	**236,363**	236,126	0%	**236,370**	236,009	0%
Weighted average common shares outstanding - diluted (thousands)	**236,363**	236,413	(0%)	**236,370**	236,263	0%
Operating Summary						
Gold produced – ounces	**42,723**	154,936	(72%)	**167,760**	490,818	(66%)
Gold sold – ounces	**41,251**	163,283	(75%)	**175,172**	503,554	(65%)
Average realized gold price - $/oz	**1,667**	1,705	(2%)	**1,669**	1,534	9%
Average gold spot price - $/oz	**1,652**	1,702	(3%)	**1,652**	1,535	8%
Cost of sales - $/oz sold (1)	**1,433**	677	112%	**1,269**	552	130%
Total cash cost - $/oz produced(2)	**1,401**	556	152%	**1,060**	474	124%
Total production cost - $/oz produced(2)	**1,996**	857	133%	**1,332**	649	105%

(1) Cost of sales includes depreciation, depletion and amortization (DD&A) related to operations.
(2) Total cash cost and total production cost per ounce produced are non-GAAP measures and are discussed under "Non-GAAP Measures".

Third Quarter of 2012 versus Third Quarter of 2011

Revenues for the third quarter of 2012 were $68.8 million compared to $278.4 million during the same period one year ago. Third quarter 2012 revenue reflects 75% lower sales (41,251 ounces versus 163,283 ounces) due to the mine plan revision at Kumtor, disclosed on March 27, 2012. The Company's average realized gold price in the third quarter of 2012 was $1,667 per ounce compared to $1,705 per ounce in the third quarter of 2011.

Gold production for the third quarter of 2012 was 42,723 ounces compared to 154,936 ounces in the third quarter of 2011. The decline in gold production reflects the revised Kumtor mine plan, which delayed mining activities and access to the scheduled area of the higher grade SB Zone in the southeast portion of the open pit. Gold production at Boroo increased in the third quarter 2012 due to blending Pit 6 ore and stockpiled pit and heap leach ore to achieve higher mill head grades. During the quarter, Boroo received regulatory approval for the mine plan for its heap leach facility and resumed heap leach operations.

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Centerra's total cash cost per ounce of gold produced was $1,401 in the third quarter of 2012 compared to $556 in the third quarter of 2011. The year-over-year increase in unit cash costs was primarily due to lower gold production at Kumtor as a result of lower mill throughput, lower grades and recoveries from the processing of stockpiled materials and the reduced operating levels (see "Operations Update"). (Total cash cost per ounce produced is a non-GAAP measure and is discussed under "Non-GAAP Measures" in this news release.)

The Company recorded an amount of $19.3 million of abnormal mining costs in the third quarter of 2012 resulting from the increased unloading of ice and waste material in the high movement area and the impact of the revised mine plan at its Kumtor operation. See "Operations Update – Kumtor". There were no abnormal mining costs recorded in the comparative quarter of 2011.

Other operating expenses for the third quarter of 2012 total $5.2 million and include $5.0 million for the care and maintenance of the underground development project at Kumtor. Other spending on ongoing social development programs in the various countries where the Company operates totaled $0.2 million in the third quarter of 2012, compared to $11.3 million in the same quarter of 2011, which included a $10 million contribution by Kumtor for the construction and repair of twenty-seven schools in the Kyrgyz Republic.

Exploration expenditures for the third quarter of 2012 were $9.5 million compared to $9.1 million in the third quarter of 2011 mainly reflecting increased drilling activities during the current period.

Cash used in operations, net of working capital changes, was $38.4 million compared to cash provided by operations of $108.2 million in the third quarter of 2011, primarily reflecting lower earnings at Kumtor as a result of lower sales volumes.

Capital expenditures spent and accrued of $78.8 million in the third quarter of 2012 included $14.2 million of sustaining capital and $64.6 million invested in growth capital. Kumtor spent and accrued $13.6 million on sustaining capital and $64.5 million on growth capital, mainly for the capitalization of pre-stripping activities ($48.7 million), the purchase of haul trucks and shovels ($11.1 million), underground development ($2.6 million) and other projects ($2.1 million). Boroo spent and accrued $0.5 million on sustaining capital. Capital expenditures in the comparative quarter of 2011 totaled $37.2 million, consisting of $9.9 million of sustaining capital and $27.3 million of growth capital.

Centerra's cash and cash equivalents and short-term investments at the end of September 2012 were $260.4 million, compared to cash and short-term investments of $568.2 million at December 31, 2011. During the third quarter of 2012, the Company drew $76 million on its $150 million revolving credit facility, leaving a balance of $74 million undrawn as of September 30, 2012.

A net loss of $46.8 million was recorded in the third quarter of 2012 compared to net earnings of $83.8 million in the same quarter of 2011. The lower earnings in the current quarter of 2012 were expected and reflect the re-focus of mining operations at Kumtor to deal with ice and waste movement. The loss per share for the third quarter of 2012 was $0.20, while earnings per share of $0.35 were recorded in the same quarter of 2011.

Summary of the First Nine Months of 2012 versus First Nine Months of 2011

- Gold production for the first nine months of 2012 was 167,760 ounces compared to 490,818 ounces in the same period of 2011. The lower production at Kumtor in 2012, due to the labour disruption in early 2012 and the revised mine plan, compares to the consistent processing of higher grade material from cut-backs 12A and 12B in the comparative period of 2011.

- Total cash cost per ounce produced was $1,060 in the first nine months of 2012 compared to $474 in the comparative period of 2011. This increase is primarily due to lower production as a result of lower grades and recoveries from the processing of stockpiled materials at Kumtor. (Total cash cost per ounce produced is a non-GAAP measure and is discussed under "Non-GAAP Measures".)

- Revenues in the first nine months of 2012 decreased to $292.3 million from $772.4 million in the same period last year mainly as a result of lower ounces sold. Ounces sold for the period totalled 175,172 compared to 503,554 in the first nine months of 2011. This was partially offset by a higher average realized gold price in the 2012 nine month period of $1,669 per ounce compared to $1,534 per ounce realized in the same period of 2011.

- Abnormal mining costs at Kumtor of $52.0 million were recorded in the first nine months of 2012 representing $15.9 million of the costs of ice and waste removal from the high movement unload zone and $36.1 million for pre-stripping activities, which are considered abnormal as the revised mine plan has deferred the ore release.

- Other operating expenses of $29.5 million in the first nine months of 2012 include $21 million contributed to a national micro-credit financing program in the Kyrgyz Republic, $5.0 million for the care and maintenance of the underground development project at Kumtor and $1.1 million for the maternity hospital project in Ulaanbaatar in Mongolia. In the same period of 2011, $11.9 million was spent, including a contribution of $10.0 million for the refurbishment of schools in the Kyrgyz Republic.

- Exploration expenditures for the first nine months of 2012 totaled $26.4 million compared to $27.9 million in the same period of 2011. In 2011, exploration expenditures reflected higher volumes of exploration drilling at Kumtor and project activity in Nevada, which has since ceased.

- Cash of $73.3 million was used in operations in the first nine months of 2012 reflecting the significantly lower earnings. In contrast, the operations generated $374.6 million of cash in the first nine months of 2011.

- Capital expenditures spent and accrued for the first nine months of 2012 totalled $322.8 million and included $32.4 million spent on sustaining capital projects and $290.4 million invested in growth projects. Expenditures in growth projects were mainly for Kumtor's capital equipment purchases ($106 million), pre-stripping activities ($143 million), underground development project ($28.5 million) and other projects ($5.3 million), while sustaining capital was $30.3 million at Kumtor and $1.8 million at Boroo.

- The net loss in the first nine months of 2012 was $116.0 million compared to net earnings of $291.5 million in the same period of 2011, reflecting the lower earnings at Kumtor from the revised production plan. The loss per share for the nine month period in 2012 was $0.49 compared to earnings per share of $1.23 in the same period of 2011.

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Operations Update

	Three Months Ended September 30			Nine Months Ended September 30		
Kumtor Operating Results	**2012**	2011	**% Change**	**2012**	2011	**% Change**
Gold sold – ounces	**26,626**	146,765	(82%)	**129,051**	457,597	(72%)
Average realized gold price – $/oz	**1,651**	1,705	(3%)	**1,671**	1,533	9%
Revenue - $ millions	**44.0**	250.3	(82%)	**215.7**	701.4	(69%)
Cost of sales - $ millions (1)	**43.2**	94.6	(54%)	**173.8**	235.8	(26%)
Cost of sales - $/oz sold (1)	**1,623**	645	152%	**1,347**	515	161%
Abnormal mining costs - $ millions	**19.3**	-	100%	**52.0**	-	100%
Tonnes mined - 000s	**35,943**	38,702	(7%)	**109,425**	113,480	(4%)
Tonnes ore mined – 000s	**399**	2,889	(86%)	**478**	4,925	(90%)
Average mining grade - g/t (2)	**2.25**	3.05	(26%)	**2.09**	3.43	(39%)
Tonnes milled - 000s	**581**	1,429	(59%)	**3,209**	4,365	(26%)
Average mill head grade - g/t (2)	**1.78**	4.01	(56%)	**1.66**	3.79	(56%)
Recovery - %	**75.1**	80.2	(6%)	**72.6**	81.8	(11%)
Gold produced – ounces	**23,786**	141,217	(83%)	**125,799**	444,460	(72%)
Total cash cost - $/oz produced (3)	**1,890**	528	258%	**1,128**	452	150%
Total production cost - $/oz produced (3)	**2,664**	845	215%	**1,407**	630	123%
Capital expenditures - $ millions	**78.1**	34.4	127%	**313.1**	152.3	106%
Boroo Operating Results						
Gold sold – ounces	**14,625**	16,518	(11%)	**46,121**	45,957	0%
Average realized gold price - $/oz	**1,698**	1,702	(0%)	**1,660**	1,545	7%
Revenue - $ millions	**24.8**	28.1	(12%)	**76.6**	71.0	8%
Cost of sales - $ millions (1)	**15.9**	15.9	0%	**48.5**	42.5	14%
Cost of sales - $/oz sold (1)	**1,089**	963	13%	**1,051**	925	14%
Total Tonnes mined - 000s	**1,821**	-	100%	**6,195**	-	100%
Average mining grade (non heap leach material) - g/t (2)	**2.05**	-	100%	**2.00**	-	100%
Tonnes mined heap leach – 000s	**121**	-	100%	**143**	-	100%
Tonnes ore mined direct mill feed -000’s	**854**	-	100%	**907**	-	100%
Tonnes ore milled - 000s	**576**	605	(5%)	**1,802**	1,711	5%
Average mill head grade - g/t (2)	**1.62**	0.95	71%	**1.07**	1.20	(11%)
Recovery - %	**60.9**	72.8	(16%)	**67.5**	67.9	(1%)
Gold produced – ounces	**18,938**	13,719	38%	**41,961**	46,358	(9%)
Total cash cost - $/oz produced (3)	**788**	771	2%	**855**	650	31%
Total production cost - $/oz produced (3)	**1,157**	901	28%	**1,109**	794	40%
Capital expenditures - $ millions (Boroo)	**0.5**	2.7	(83%)	**9.1**	5.2	74%
Capital expenditures - $ millions (Gatsuurt)	**0.1**	0.1	19%	**0.3**	0.3	3%

(1) Cost of sales includes depreciation, depletion and amortization related to operations.
(2) g/t means grams of gold per tonne.
(3) Total cash cost and total production cost per ounce produced are non-GAAP Measures and are discussed under “Non-GAAP Measures”.

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Kumtor

At the Kumtor mine in the Kyrgyz Republic, gold production was 23,786 ounces in the third quarter of 2012 compared to 141,217 ounces in the same quarter in 2011. The decrease in gold production in the third quarter of 2012 is the result of fewer tonnes milled with lower mill head grades (1.78 g/t versus 4.01 g/t) and lower recoveries (75.1% versus 80.2%). Total tonnes milled for the third quarter of 2012 were 0.58 million tonnes compared to 1.4 million tonnes in the comparative quarter of 2011, a decrease of 59%, as very little ore was mined and the majority of the mill feed processed came from stockpiles, which were depleted in the quarter. The mill was shut down for seven weeks and during the shutdown, planned and unplanned maintenance was performed across all sections of the mill.

During the third quarter, the Company continued to mine waste from cut-back 14B and continued to unload the ice and waste material from the high movement area. In mid-September ore was accessed in cutback 14B, which resulted in 0.4 million tonnes of ore at a grade of 2.25 g/t being mined during the third quarter of 2012. As ore became available, the mill restarted on September 18th.

Kumtor recorded an amount of $19.3 million of abnormal mining costs in the third quarter of 2012 resulting from the increased unloading of ice and waste material in the high movement area and the impact of the revised mine plan at its Kumtor operation. The cost of removal of the ice and waste from the high movement area during the third quarter of 2012 was $11.4 million, expensed to abnormal mining costs. Pre-stripping activities added costs totaling $7.9 million which are considered abnormal and unrelated to current production.

During the third quarter, Kumtor suspended the development work on the underground project and placed the project on care and maintenance while conducting a detailed study on the potential for expanding the limits of the ultimate pit. Other operating expenses include $5.0 million for the care and maintenance of the underground development project. Subsequent to the third quarter of 2012, a decision was made based on the positive outcome of this study and a new expanded life-of-mine plan was approved for Kumtor with reserves of approximately 10 million ounces of contained gold (see News Release dated November 7, 2012). The new life-of-mine plan expands the Kumtor mine life by 5 years and increases reserve by 58%, and still maintains the option of underground development at a later date. The expanded Kumtor open pit encompasses a significant part of the existing SB Zone underground development and results in a revaluation of the associated capital investment. A charge of between approximately $180 million and $190 million will be recorded in the fourth quarter of 2012.

Total cash cost per ounce produced, a non-GAAP measure of production efficiency, was $1,890 in the third quarter of 2012 compared to $528 in the third quarter of 2011. The quarter-over-quarter increase in unit cash costs reflects lower gold production due to the lower throughput, grades and recoveries from the stockpiled material processed partially offset by a decrease in operating costs. The decrease in operating costs was not as significant as the lower volumes produced since waste stripping and administration and processing costs, that are fixed in nature, continued to be incurred. Total cash cost per ounce produced is a non-GAAP measure and is discussed under “Non-GAAP Measures”.

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Operating cash costs (see “Non-GAAP Measures”), which include costs directly related to the production of gold bullion and include mining, milling, site administration and other related costs (including refining costs and royalties) at Kumtor increased by $4.5 million before the capitalization of higher pre-stripping costs of $35.1 million (net amount of $30.6 million lower after capitalization) for the third quarter of 2012 compared to the same quarter of 2011.

Mining costs for the third quarter of 2012, before the capitalization of pre-stripping activities, were $55.5 million, an increase of $7.0 million or 14% compared to the same quarter in 2011. The increase is the result of increased consumption and cost of diesel fuel ($0.74 per litre vs. $0.67 per litre), tire and explosives and higher labor costs due to increases in the social fund payments related to the high altitude coefficient. Milling costs for the third quarter of 2012 were $13.4 million, a decrease of $3.9 million or 23% compared to the same quarter in 2011. Costs were lower due to the lower amount of material processed as a result of the seven week mill shutdown during the third quarter of 2012.

Exploration expenditures at Kumtor for the third quarter of 2012 were $3.5 million which is similar to the comparative quarter of 2011. Exploration activity focused on drilling of the SB Zone from the Central Pit, underground exploration drilling of the Southwest Extension and SB Zones from Declines #1 and #2 and drilling at Sarytor.

At Kumtor, capital expenditures, spent and accrued for, in the third quarter of 2012 were $78.1 million compared to $34.4 million in the same quarter of 2011. The third quarter expenditures consisted of $13.6 million of sustaining capital, predominantly spent on the major overhaul program for heavy duty equipment ($5.6 million), effluent treatment plant ($2.4 million), dewatering program ($2.2 million), replacement of tractor dozer ($1.4 million), tailings dam expansion ($1.4 million) and other projects ($0.6 million). Growth capital investment totaled $64.5 million which was spent on pre-stripping capitalization ($48.7 million), purchase of Hitachi shovels ($6.0 million), purchase of CAT 789 haul trucks ($5.1 million), the underground development ($2.6 million), expanded fuel farm ($0.6 million), expanded mine auxiliary equipment ($0.6 million), and other projects ($0.9 million).

Boroo/Gatsuurt

At the Boroo mine in Mongolia, gold production was 18,938 ounces in the third quarter of 2012 compared to 13,719 ounces in the third quarter of 2011. The higher gold production is the result of processing higher grade Pit 6 ore blended with stockpiled pit and heap leach material. The average mill head grade was 1.62 g/t with a recovery of 60.9% in the third quarter of 2012, compared to 0.95 g/t with a recovery of 72.8% in the same quarter of 2011. Mining activities in Pit 6 were completed in September 2012 while milling of Pit 6 ore is expected to extend to January 2013.

During the third quarter, Boroo received regulatory approval for its mine plan for the heap leach facility and shortly thereafter resumed heap leach operations. Boroo estimates that production from the heap leach will add approximately 2,000 ounces of gold per month starting in December. See “Other Corporate Developments- Mongolia”.

Total cash cost per ounce produced, a non-GAAP measure of production efficiency, was $788 in the third quarter of 2012 compared to $771 in the third quarter of 2011 due to the higher gold production which was partially offset by higher operating costs. Operating cash costs (see "Non-GAAP Measures") increased in the quarter by $4.5 million to $14.9 million primarily due to a $4.0 million increase in mining costs and a $0.2 million increase in costs related to the start-up of the heap leach operation.

During the third quarter of 2012, exploration expenditures in Mongolia increased to $2.7 million in the third quarter of 2012 from $2.4 million in the same period of 2011, mainly reflecting increased activity at the ATO property. Capital expenditures, spent and accrued, at Boroo in the third quarter of 2012 decreased to $0.5 million ($2.7 million in the same period of 2011 when $2.1 million capital was spent on tailings dam construction). Gatsuurt remains on care and maintenance and is not incurring any significant capital expenditures. See "Other Corporate Developments – Mongolia".

The Gatsuurt project remained under care and maintenance during the third quarter of 2012 due to continued delays in permitting resulting from the Water and Forest Law which prohibits mining and exploration activities in water basin and forest areas. Further development of the project is subject to receiving all required approvals and regulatory commissioning from the Mongolian Government, which would allow the Gatsuurt project to move forward.

Exploration Update

To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link:
http://file.marketwire.com/release/CG2012Q3ExplorationAll.pdf
or visit the Company's web site at: www.centerragold.com.

KYRGYZ REPUBLIC

During the third quarter of 2012, exploration drilling programs continued in the Kumtor Central Pit, in Declines 1 and 2, in the Kumtor Underground, and at the nearby Sarytor deposit.

Kumtor Pit

In the Central Pit, ten drill holes were completed and three other holes were abandoned short of their targets due to drilling difficulties. Another four holes were in progress at the end of the quarter. Drilling focused on infilling and expanding portions of the SB Zone within and below the new KS-13 pit design on Sections 10, 14, 18, 22, 26 and 42.

Hole D1651 was drilled on Section 10 to test the western limits of the SB Zone below the new KS13 pit design. The hole intersected 2.8 g/t gold over 15.0 metres.

Forty metres further east on Section 14, D1645 intersected 10.6 g/t gold over 9.5 metres (including 23.7 g/t over 3.3 metres) and 4.3 g/t gold over 59.9 metres (including 15.6 g/t over 7.5 metres) at the bottom of the new KS-13 pit design.

On Section 18, D1657 intersected 5.5 g/t gold over 43.9 metres (including 21.0 g/t over 3.0 metres), 7.2 g/t gold over 29.3 metres (including 14.9 g/t over 5.0 metres) and 3.9 g/t gold over 36.8 metres (including 13.1 g/t over 5.3 metres). A short distance away, D1663 intersected 5.9 g/t gold over 37.1 metres (including 12.2 g/t over 12.4 metres), 3.8 g/t gold over 16.7 metres and 3.6 g/t gold over 107.3 metres (including 18.6 g/t over 6.0 metres). These intercepts are located approximately 250 metres below the new KS13 pit and within the SB Zone underground inferred resource.

Forty metres further east on Section 22, D1653 intersected 7.7 g/t gold over 109.3 metres (including 20.1 g/t over 15.7 metres and 16.2 g/t over 9.0 metres). This hole is located approximately 100 meters below the new KS13 pit design and within the SB Zone underground inferred resource.

On Section 26, D1646 intersected 3.3 g/t gold over 84.3 metres, and D1656 intersected 3.8 g/t gold over 95.2 metres (including 8.1 g/t over 13.5 metres) and 7.6 g/t gold over 4.5 metres. Both holes are located within the SB Zone underground inferred resource.

Two drill holes were completed on Section 46 to test the lower eastern limits of the SB Zone resource. D1647A intersected 3.2 g/t gold over 25.0 metres, 2.8 g/t gold over 29.8 metres and 5.4 g/t gold over 23 metres. Eighty metres away, D1664 intersected 4.3 g/t gold over 35.0 metres, 5.5 g/t gold over 12.5 metres and 5.7 g/t gold over 28.9 metres. These intercepts are located east of the SB Zone underground resource in an area between the SB Zone and the lower-grade Saddle Zone.

True widths for the mineralized zones are typically from 50% to 95% of the stated intercept.

Drilling will continue in the fourth quarter of 2012 from the Central Pit to infill the SB Zone and expand the resource at depth.

Decline Exploration

Nine exploration drill holes were drilled from Decline #1 and two exploration drill holes from Decline #2 during the quarter. Two drill holes were abandoned short of their targets.

In Decline #1, underground drilling was focused on delineating the western limits of the Southwest Extension within and below the new KS-13 pit on Sections -18, -14 and -10. Drill hole D1648 intersected 6.3 g/t gold over 21.9 metres (including 12.5 g/t gold over 6.7 metres) on Section -14. Six other holes located on Sections -18, -14 and -10 intersected lower grades over narrow intervals. Also two exploration holes were completed on Section 154 in the Stockwork Zone to test for extensions to the current resource. Both holes intersected low-grades over narrow intervals.

True widths for the mineralized zones are typically from 50% to 95% of the stated intercept.

Exploration drilling will continue from Decline #1 in the fourth quarter of 2012 to infill portions of the SB Zone resource and to test for extensions at depth.

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Resource Delineation Drilling
In Decline #2, drilling crews completed a final infill hole in the Stockwork Zone on Section 126. UD1650 intersected 9.0 g/t gold over 4.2 metres.

Sarytor Area
Exploration drilled three holes at Sarytor during the quarter testing for higher grades at depth along the Kumtor ore horizon. SR-12-206 intersected 2.5 g/t gold over 24.4 metres. Another hole was abandoned before reaching its target, and the third hole returned no significant results.

No additional work is planned at Sarytor for the balance of the year.

Regional Exploration
As reported last quarter, the Licensing Commission of the Agency for Subsoil and Natural Resources took no action on Kumtor Gold Company's application for renewal of the Karasay and Koendy licenses. As a result no exploration activity took place on these licenses and no work is planned for the balance of the year.

Mongolia
ATO Project
Centerra Gold Mongolia was granted a mining license for the ATO project in late-August. Exploration drilling resumed at ATO in the third quarter of 2012 testing the periphery of the ATO pipe-like ore bodies and several geochemical and geophysical targets. Several new zones of mineralization have been identified and are being tested further with additional holes. Drilling will continue in the fourth quarter with two diamond drill rigs and an RC rig, which will test areas of cover north and south of the current resource.

Russia
Kara Beldyr Joint Venture
During the third quarter of 2012, 2,710 metres of diamond drilling was completed in sixteen holes. Twelve holes were drilled at Camp Zone, and four holes were completed to test the Banny exploration target located between the Camp and Gord Zones. Better results include a number of intercepts from the Camp Zone:

KB138	2.8 g/t gold over 10.9 metres (including 10.4 g/t over 1 metre and 9.1 g/t over 1 metre)
	7.4 g/t gold over 6.3metres (including 17.9 g/t over 1 metre and 13.2 g/t gold over 1 metre)
KB139	1.8 g/t gold over 8.0 metres (including 8.3 g/t gold over 1 metre)
KB142	3.4 g/t gold over 15.5 metres (including 13.1 g/t over 1 metre and 11.9 g/t over 1 metre)
	1.5 g/t gold over 10.7 metres (including 12.9 g/t over 1 metre)
KB144	3.7 g/t gold over 14.2 metres (including 16.4 g/t over 2 metre)

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The gold zones at Camp Zone are located along the intersection of steeply-dipping, dike-filled faults with a gently west-dipping contact between marble and overlying conglomeratic rocks. Better grades are developed in silicified and quartz-veined conglomerate at or near the contact.

True widths for the mineralized zones are from 25% to 95% of the stated intercept.

Step out drilling will continue at Camp Zone during the fourth quarter of 2012. Drilling is also planned for several other exploration prospects on the Kara Beldyr property.

Turkey

Stratex JV - Öksüt Project

During the third quarter of 2012, 6,697 metres of diamond drilling was completed in 17 holes at the Ortacam North deposit. Complete assay results were received for twelve holes. Better results include:

ODD58	1.6 g/t gold over 144.1 metres
ODD59	0.5 g/t gold over 125.7 metres
ODD60	0.7 g/t gold over 88.2 metres and 0.8 g/t gold over 80.5 metres
ODD61	1.0 g/t gold over 106.3 metres
ODD62	0.7 g/t gold over 131.6 metres
ODD65	0.5 g/t gold over 199.0 metres

These holes are 100-metre step outs to the east, north and south of the 2011 drilling at Ortacam North. The deposit now measures 500 by 200+ metres in plan and, locally, extends some 300 metres below surface. The majority of the drill holes are oxidized over their entire length with the exception of holes ODD58 and 59, which intersect the oxide/sulphide boundary at a vertical depth of approximately 300 metres. All drill holes have intersected multiple zones of brecciation that are altered to quart-kaolinite, quart-alunite or massive and vuggy quartz. The deposit remains open to the south and east.

True widths for the mineralized zones are from 50% to 95% of the stated intercept.

Drilling will continue in the fourth quarter of 2012 with five rigs at Ortacam North in an effort to infill the core of the deposit to 50-metre spacing and to continue step-out drilling where the deposit remains open. Geophysical surveys are also planned.

To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link:
http://file.marketwire.com/release/CG2012Q3ExplorationAll.pdf
or visit the Company's web site at: www.centerragold.com.

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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, Mongolia and Canada.

Kyrgyz Republic

Parliamentary Commission Report and the State Commission Investigation into Compliance with Operational and Environmental laws and Community Standards

The Parliamentary Commission Report and Allegations of Non-Compliance at Kumtor

On February 15, 2012, the Kyrgyz Republic Parliament (the "Parliament") established an interim Parliamentary Commission (the "Parliamentary Commission") to inspect and review (i) Kumtor's compliance with relevant Kyrgyz operational and environmental laws and regulations and community standards, and (ii) the State's regulation over Kumtor's activities. The Parliamentary Commission report (the "Parliamentary Report") was issued on June 18, 2012, and made numerous assertions regarding the operation of the Kumtor project, including:

(a) challenging the legal validity and propriety of the project agreements that currently and have historically governed the Kumtor project;

(b) non-compliance by the Kumtor project with Kyrgyz environmental laws and other laws and regulations, including specifically with respect to the tailings facility, the Davidov glacier and the Sarychat-Ertash State Reserve which is in the vicinity of the Kumtor mine. The Parliamentary Commission allege that the violations have resulted in substantial monetary damages; and

(c) inefficient or improper management of the Kumtor mine, including in relation to customs practices, tax and social fund payments, operational decisions, procurement practices and mill efficiencies (gold recoveries), the latter of which, according to the Parliamentary Report results in very substantial losses.

For a further discussion on the findings of the Parliamentary Report, see pages 13 to 17 in the Company's news release dated August 1, 2012.

The Parliamentary Commission proposed to Parliament a form of decree (the "Draft Decree") which, among other things, called for the cancellation of the current Kumtor project agreements, and the creation of a new state-owned Kyrgyz Republic entity to assume control over the Kumtor mine. If the Draft Decree had been approved and given full effect by the Government, the results would have, in substance, resulted in the nationalization of the Kumtor project.

When the Parliament met in late June 2012 to consider the Parliamentary Report, it voted against the Draft Decree and instead elected to adopt an alternative resolution ("Resolution 2117-V") that took note of the Parliamentary Report and declared the current Kumtor project agreements to be contradictory to the interests of the Kyrgyz Republic. The resolution passed by Parliament (i) called for the formation of a State Commission to "assess the environmental, industrial and social damage" caused by the Kumtor project and to initiate the renegotiation of the current project agreements, "in order to protect economic and environmental interests"; (ii) called for the cancellation of various

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government decrees and orders, including Government Decree #168 dated March 25, 2010 regarding the allocation of lands to Kumtor (surface rights in respect of the Kumtor concession area); and (iii) recommended to the State Agency for Geology and Mineral Resources to cancel certain licenses granted to Kumtor, including the exploration license for the Koendy licensed area.

Formation of State Commission and its Investigation and the Interagency Commissions formed by the Prime Minister

In response to Resolution 2117-V, the Government established a State Commission (the “State Commission”) for the purpose of reviewing the Parliamentary Report. In particular, the State Commission was tasked with inspecting and reviewing Kumtor’s compliance with Kyrgyz operational and environmental laws and regulations and community standards. The State Commission is comprised of three working groups with responsibility for environmental and mining matters, legal matters (including a review of all prior and current agreements relating to the Kumtor project), and socio-economic matters (including a review of financial, taxation, procurement and employment related matters). Since its formation on July 3, 2012, the State Commission’s working groups have visited the Kumtor mine site and made numerous requests for information and documents on a wide variety of matters. The State Commission was provided with an extension until mid-November 2012 to complete its review and produce a report.

On July 13, 2012, the Kyrgyz Republic Prime Minister issued orders to establish two interagency commissions to facilitate the activity of the State Commission. According to the Government orders, one interagency commission is to review Kumtor’s compliance with Kyrgyz legal requirements in general, and one is tasked with reviewing Kumtor’s compliance with legal requirements with respect to natural resources, environmental and operation-related matters.

Revocation of Kumtor’s Land Use Certificate:

As contemplated in Resolution 2117-V, the Government cancelled, on July 5, 2012, Government Decree #168. Government Decree #168 provided Kumtor with land use (surface) rights over the Kumtor concession area for the duration of the Restated Concession Agreement. Correspondingly, the related land use certificate issued by the local land office was also cancelled. Based on advice from Kyrgyz legal counsel, the Company believes that the purported cancellation of land rights is in violation of the Kyrgyz Republic Land Code because such legislation provides that land rights can only be terminated by court decision and on the listed grounds set out in the Land Code.

Kumtor wrote to the Government of the Kyrgyz Republic in the third quarter of 2012 requesting the issuance of a new certificate in light of the rights and obligations under the Restated Investment Agreement dated June 6, 2009 between Centerra, Kumtor and the Government of the Kyrgyz Republic. Pursuant to the Restated Investment Agreement, Kumtor is guaranteed all necessary access to the Kumtor concession area, including all necessary surface lands as is necessary or desirable for the operation of the Kumtor project. The agreement also provides for the payment of quarterly land use and access fees. The Restated Investment Agreement also provides that the Government shall use its best efforts to reserve or cancel any action that conflicts with Kumtor’s rights under the Restated Investment Agreement. To the extent that Kumtor’s land use rights are considered invalid (which the Company does not accept), the Company would seek to enforce its rights under the Restated Investment Agreement to obtain the rights otherwise guaranteed to it.

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Environmental Review of Kumtor's Karasay and Koendy Exploration Licenses:
Kumtor received notice on June 15, 2012, that the renewal applications for its exploration licenses for the Koendy license area and the Karasay license area would be reviewed by the Kyrgyz Republic Environmental and Forestry Agencies for possible impacts on the nearby Sarychat-Ertash State Reserve. Kumtor had been conducting exploration on these two license areas since 2010 and has expended more than $1 million developing exploration targets on both licenses. Exploration work has been suspended on these licenses and will not resume until such reviews have been completed and the licenses renewed. It is unlikely that any exploration work will be performed on these licenses in 2012.

Kyrgyz Republic Social Fund Dispute:
In early August 2012, Centerra was informed that the Kyrgyz Republic courts accepted a claim commenced by the Kyrgyz Republic Social Fund to invalidate documentary acts (assessments) issued by the Social Fund with respect to Kumtor for the years 2004 to 2009. Kumtor has engaged external legal counsel to assist in the matter. Preliminary motions regarding jurisdictional matters were argued on August 28, 2012, and subsequently determined in favour of Kumtor. The Social Fund has appealed the decision.

In addition to the above court claim commenced by the Social Fund, the Company has also received notices from the Social Fund in July 2012 alleging (i) the illegality of an August 23, 1994 agreement between the Kyrgyz Social Fund and Kumtor Operating Company, which if found invalid, could require Kumtor to pay Social Fund contributions for all expatriate employees for the period from February 15, 1993 to present, and (ii) that Kumtor should make Social Fund contributions on high altitude premiums paid to all Kumtor employees before 2010.

For a further discussion of the Social Fund court claim, and the dispute for the 2010 taxation year regarding the payment of Social Fund contributions on the high altitude coefficient, please see page 16 in the Company News Release dated August 1, 2012, and pages 5 to 6 of the Company's most recently filed Annual Information Form.

Conclusion
Centerra believes that the findings of the Parliamentary Commission set out in the Parliamentary Commission Report are without merit. Nevertheless, Centerra and Kumtor have been cooperating with the State Commission and the interagency commissions to assist their reviews. With respect to the State Commission's mandate to renegotiate the current project agreements, the Company notes that such agreements were approved by all relevant Kyrgyz governmental authorities in 2009, including the Kyrgyz Parliament and the Constitutional Court. Accordingly, the Company believes these agreements are legally valid and enforceable obligations. In addition, concurrently with entering into the Restated Project Agreements, Centerra, KGC, the Kyrgyz Republic and others entered into a Release Agreement dated June 6, 2009, whereby, subject to certain exceptions which the Company believes are not applicable in the circumstances, the Kyrgyz Republic released Centerra and KGC from any and all claims, and damages with respect of any matter (including any tax or fiscal matters) arising or existing prior to the date of such release agreement, whether such matters were known or unknown at such time, and the Kyrgyz Republic agreed not to commence

any actions or assert any demands for such actions or demands so released. The Restated Project Agreement also provide for any disputes regarding the Restated Project Agreements, the Release Agreement, and the Kumtor project to be resolved by international arbitration.

There are risks associated with the Parliamentary Commission Report, the State Commission, the interagency commissions, and the other related matters which could have an adverse impact on Centerra's future cash flows, earnings, results of operations, financial condition, or business prospects. See "Risk Factors", "Outlook for 2012 – Material Assumptions & Risks" and "Caution Regarding Forward-Looking Information".

Mongolia

Boroo Heap Leach License:

On September 19, 2012, Centerra announced that it received its heap leach permit for the Boroo mine and subsequently commenced operations at the mine.

Gatsuurt and the Impact of the Mongolian Water and Forest Law:

Further to information disclosed in the Company's most recently filed Annual Information Form, the Mongolian Parliament enacted in July 2009 the Mongolian Law to Prohibit Mineral Exploration and Mining Operations at River Headwaters, Protected Zones of Water Reservoirs and Forested Areas (the "Water and Forest Law") which prohibits mineral prospecting, exploration and mining in water basins and forestry areas in Mongolia. The law provides for a specific exemption for "mineral deposits of strategic importance", which exempts the Boroo hard rock deposit from the application of the law. Centerra's Gatsuurt licenses are currently not exempt. Under the Mineral Laws of Mongolia, Parliament on its own initiative or, on the recommendation of the Mongolian Government, may designate a mineral deposit as strategic. Such designation could result in Mongolia receiving up to a 34% interest in the applicable project.

Amendments to the Water and Forest Law were proposed a group of Parliamentarians in 2011 to reduce its impact on environmentally-sound mining operations. The Company understands that as drafted, such amendments would allow the Gatsuurt project to proceed.

Centerra is reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the Water and Forest Law having a limited impact on the Company's Mongolian activities. There can be no assurance, however, that this will be the case. 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 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 the associated investment in Gatsuurt and Boroo.

As at September 30, 2012, the Company had net assets recorded amounting to approximately $36 million related to the investment in Gatsuurt and approximately $29 million remaining capitalized for the Boroo mill facility and other surface structures which are expected to be utilized for the processing of ore from Gatsuurt. Although the Company expects to exploit the Gatsuurt deposit, should this not be the case, the Company would be required to write-off these amounts. A revocation of the Company's mineral licenses, including the Gatsuurt mineral license, or the reclassification of mineral reserves or the write-off of assets could have an adverse impact on Centerra's future cash flows, earnings, results of operations or financial condition. For a further discussion relating to the Water and Forest Law, please see the Company's most recently filed Annual Information Form.

Corporate

Enforcement Notice by Sistem:

As previously disclosed, in March 2011, Centerra was served by a Turkish company, Sistem Muhenkislik Insaat Sanayi Ticaret SA ("Sistem"), with a notice of enforcement to seize any shares and dividends in Centerra held in the name of the Kyrgyz Republic, followed by a notice of garnishment in April 2011 for any debts owed by Centerra to the Kyrgyz Republic. These notices were served by Sistem as part of the enforcement proceedings brought by Sistem in the Ontario Superior Court to collect approximately US$11 million with additional interest, owed to Sistem by the Kyrgyz Republic in accordance with a judgment of the Ontario Superior Court enforcing an international arbitration award against the Kyrgyz Republic. In these Ontario proceedings, Sistem alleges that the shares in Centerra owned by Kyrgyzaltyn JSC ("Kyrgyzaltyn"), and any dividends paid in respect of those shares, are in fact legally and beneficially owned by the Kyrgyz Republic and are therefore subject to execution to pay the judgment.

Based on legal advice received, Centerra disputes those allegations and maintains that Kyrgyzaltyn alone is the legal and beneficial owner of the shares and any dividends in respect of those shares, based on the applicable legal principles and the binding agreements with Kyrgyzaltyn. As a result, and notwithstanding such notices of enforcement and garnishment, Centerra paid its May 18, 2011 dividend of approximately C$31 million and its May 31, 2012 dividend of approximately C$3 million to Kyrgyzaltyn. Sistem is continuing with its claim regarding the Centerra shares owned by Kyrgyzaltyn. If this claim is successful in the Ontario court proceedings, Sistem may have a right to execute its judgment against those shares and may assert a claim against Centerra in respect of the payment of the dividends to Kyrgyzaltyn. However, Centerra believes it has a strong defence to that claim based on the facts and the law.

In April 2012, a motion was heard in the Ontario Superior Court to set aside the Ontario judgment enforcing the arbitration award on the basis that the court did not have jurisdiction to entertain the application or in the alternative that there is a foreign court which is a more convenient forum to hear and decide the issues of legal and beneficial ownership of the shares as between Kyrgyzaltyn and the Kyrgyz Republic. The motion was brought by Kyrgyzaltyn and was ultimately dismissed. Centerra understands that Kyrgyzaltyn is appealing the matter. Centerra is not a party to the Ontario court proceedings and has no standing to make arguments in respect thereof.

Pursuant to a Ontario court decision dated September 5, 2012 (the "Court Order"), Centerra is required to hold in trust to the credit of the Sistem court proceeding, (i) Kyrgyzaltyn's portion of the Centerra dividend paid on August 30, 2012, net of withholding taxes; and (ii) Kyrgyzaltyn's portion of future dividends, which together with item (i) should not exceed C$11.2 million. As of

September 30, 2012, the Company is holding in trust $2.9 million (net of withholding taxes of $0.2 million), which is Kyrgyzaltyn's portion of the Centerra dividend paid on August 30, 2012. The Court Order is in effect for a period of 90 days from issuance but can be extended by Sistem. Centerra understands that Sistem has brought a motion to extend the Court Order until the final resolution of the court proceedings. The Court Order also places certain restrictions on 4 million of the Centerra shares held by Kyrgyzaltyn, including restrictions on the transfer or encumbrance of such shares. The Centerra shares pledged by Kyrgyzaltyn to Kumtor Gold Company and Kumtor Operating Company as security for payments due from Kyrgyzaltyn under the Restated Gold and Silver Sale Agreement dated as of June 6, 2009 are not subject to the Court Order restrictions.

For a full discussion of risk factors that can have a material effect on the profitability, future cash flow, earnings, results of operations, stated mineral reserves and financial condition of the Company, please see "Risk Factors" in the Company's most recently filed Annual Information Form available on SEDAR at www.sedar.com and see also the discussion below under the heading "Cautionary Note Regarding Forward-looking Information".

Outlook for 2012

Production

Centerra's 2012 consolidated gold production is forecast has been revised to 415,000 to 425,000 ounces. Also revised is the total cash cost in 2012 which is now expected to be $600 to $620 per ounce produced. The Company's prior guidance in the news release of August 1, 2012 was 450,000 to 470,000 ounces at a cash cost of $590 to $615 per ounce produced.

The Kumtor mine is expected to produce 350,000 to 360,000 ounces of gold in 2012 while total cash cost for 2012 is expected to be $570 to $590 per ounce produced. Both production and cash cost guidance have been revised from the previous guidance of 390,000 to 410,000 ounces and cash costs of $550 to $585 per ounce produced, respectively. During October, the mine encountered an irregular till/bedrock contact while transitioning between waste and ore. This irregularity resulted in greater than expected amounts of till waste material and less than expected amounts of ore at the till/bedrock contact in the top benches for the southwest section of the SB Zone. By the end of October, Kumtor had mined through the till/ore interface and is now mining in bedrock where historical reconciliations of production against forecast have been good. As a result, Centerra does not expect to have a similar issue going forward.

As a result of the decision to expand the Kumtor open pit and extend the mine life (see news release of November 7, 2012, "5 year extension of Kumtor Life-of-Mine"), Kumtor's gold production forecast for 2013 and 2014 has been revised to 600,000 ounces and 660,000 ounces poured, respectively.

Kumtor's collective bargaining agreement expires at the end of 2012. A work stoppage at any time during the fourth quarter would have a significant impact on Kumtor achieving its targeted production. Additionally, achieving the targeted production is dependent on the Company satisfactorily managing the unloading of ice and waste in the southeast portion of the pit. See "Material Assumptions & Risks" and "Caution Regarding Forward-looking Information".

The reduced guidance for Kumtor is partially offset by an increase in production guidance for the Boroo mine, which is expected to produce approximately 65,000 ounces, 5,000 ounces higher than the previous guidance of 60,000 ounces. Boroo's total cash cost is expected to be $800 per ounce produced in 2012. Both the production and cash cost outlook have been revised from the previous guidance of production of approximately 60,000 ounces and cash cost of $810 per ounce produced disclosed in the Company's news release of August 1, 2012. The revised production and cash cost guidance reflects higher production from the mill as a result of higher head-grade in the mill feed and as well as additional production expected in the fourth quarter of 2012 from the heap leach facility.

Boroo completed mining of Pit 6 ore at the end of the third quarter. During the fourth quarter the Boroo mill is expected to process the ore stockpiles generated from Pit 6 with an average grade of 2.4 g/t.

During the third quarter Boroo received all required permits and regulatory approval for its mine plan for the heap leach facility. The heap leach operation has been re-commissioned and heap leach operations have resumed

The 2012 forecast assumes no production from the Gatsuurt project due to uncertainties with permitting. See also "Other Corporate Developments" and other material assumptions set out below.

Centerra's Production and Unit Cost –2012 Forecast as follows:

	Production *Ounces of gold*	**Total Cash Cost**[(1)] *$ per ounce produced*
Kumtor	350,000 – 360,000	$570 – $590
Boroo	approximately 65,000	approximately $800
Consolidated	415,000 – 425,000	$600 – $620

(1) Total cash cost per ounce produced is a non-GAAP measure. See "Non-GAAP Measures".

2012 Exploration Expenditures

Exploration expenditures of $45 million are planned for 2012, which is unchanged from the previous guidance. The 2012 exploration budget includes programs of surface and underground drilling at the Kumtor mine site, where expenditures are expected to be about $13 million for the year. In Mongolia, planned exploration expenditures have increased to $11 million to fund exploration and advanced project studies on the ATO project and to advance exploration on other projects along the Onon Trend in eastern Mongolia.

Expenditures for the Kara Beldyr and Dvoinoy projects in Russia are expected to total approximately $6 million. In Turkey, expenditures are expected to be approximately $8 million, as drilling accelerates on the Öksüt Joint Venture in the latter half of the year. Exploration is underway on the Laogouxi joint venture project in China, and the China exploration program is expected to total $1.0 million for the year. Approximately $3 million is allocated to generative programs in Central Asia, Russia, China, Turkey and new regions to increase the Company's pipeline of exploration projects.

2012 Capital Expenditures

The capital expenditures for 2012 are estimated to be $392 million, including $45 million of sustaining capital and $347 million of growth capital, which is $8 million higher than from the previous guidance provided in the Company's news release of August 1, 2012 and reflects higher sustaining capital spending at the Kumtor mine.

Projects	**2012 Growth Capital** ($ millions)	**2012 Sustaining Capital** ($ millions)
Kumtor mine	$338	$41
Mongolia	$9	$3
Corporate	-	$1
Consolidated Total	$347	$45

Kumtor

At Kumtor, 2012 total capital expenditures are forecast to be $379 million including $41 million of sustaining capital, which is $9 million higher than the previous estimate disclosed the Company's news release of August 1, 2012. The increased estimate reflects higher costs of the major overhaul maintenance of the heavy duty mine equipment ($7 million) and higher cost of effluent treatment plant relocation ($2 million). The largest sustaining capital spending will be the major overhaul maintenance of the heavy duty mine equipment ($18 million), expenditures for dewatering and infrastructure ($8 million), effluent treatment plant relocation ($7 million), tailings dam construction works ($4 million) and for equipment replacement and other items ($4 million).

Growth capital investment at Kumtor for 2012 is forecast at $338 million, which is unchanged from the previous estimate. The Company decreased its capital spending on the underground development project by $21 million and has increased the capital spending allocated for purchase of new mining equipment by the same amount to increase mining capacity for the next year.

Mongolia (Boroo & Gatsuurt)

At Boroo, 2012 sustaining capital expenditures are expected to be about $3 million primarily for component change-outs and mill maintenance. Growth capital is forecast at $9 million, which is $1 million lower than the previous estimate disclosed the Company's news release of August 1, 2012 and reflects lower capitalized pre-stripping costs of Pit 6 at Boroo. No capital for the development of Gatsuurt has been forecast and capital will only be invested following successful regulatory commissioning of the Gatsuurt oxide project. The engineering and construction of the bio-oxidation facility to be located at the Boroo mill, which is needed to treat Gatsuurt sulphide ores, will also be restarted only after the approval to begin mining at Gatsuurt has been received from the Government of Mongolia.

2012 Corporate Administration and Community Investment
Corporate and administration expenses for 2012 are forecast at $28 million, which is $4 million lower than the previous guidance reflecting a reduction in stock-based compensation expense.

Total community investments for 2012 are forecast at $28 million, which is unchanged from the previous guidance provided in the Company's news release of August 1, 2012. This investment includes $5 million for donations and sustainable development projects in the various communities Centerra operates in and $23 million for strategic community investment projects, including the Company’s funding in the second quarter of 2012 of $21 million to the micro-credit financing program in the Kyrgyz Republic. Note that these costs are not included in cash cost per ounce. Centerra has a history of investing in various community sustainable development and strategic investment projects in the countries and communities where it operates. For example in 2010, Boroo contributed $6.4 million towards the construction of a new maternity hospital in Ulaanbaatar and in 2011 Kumtor contributed $10 million for the construction and repair of 27 schools in the Kyrgyz Republic.

Taxes
Pursuant to the Restated Investment Agreement, Kumtor’s operations are not subject to corporate income taxes. The Agreement replaced the prior tax regime applicable to the Kumtor project with a simplified tax regime effective January 1, 2008. This simplified regime, which assesses tax at 13% on gross revenue (plus 1% for the Issyk-Kul Oblast Development Fund effective January 2009), was approved and enacted by the Parliament of the Kyrgyz Republic on April 30, 2009.

The corporate income tax rate for Centerra’s Mongolian subsidiary, Boroo Gold Company, is 25% for taxable income over 3 billion Mongolian tugriks (approximately $2.2 million at the September 30, 2012 end-of-day foreign exchange rate) with a tax rate of 10% for taxable income up to that amount. These tax rates will continue to apply until the termination of the Boroo Stability Agreement in July 2013, after which Boroo’s operations will be subject to prevailing taxes and royalty fees.

Production, cost and capital forecasts for 2012 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 “Caution Regarding Forward-Looking Information” and under the heading “Risk Factors” in the Company’s 2011 Annual Information Form.

Sensitivities

Centerra's revenues, earnings and cash flows for the last three months of 2012 are sensitive to changes in certain variables. The Company has estimated the impact of changes in these variables on revenues, net earnings and cash flow from operations as follows:

	Change	**Impact on** *($ millions)*			
		Costs	**Revenues**	**Cash flow**	**Earnings before Income tax**
Gold Price	**$50/oz**	1.6	12.4	10.8	10.8
Diesel Fuel(1)	**10%**	2.7	-	2.7	2.7
Kyrgyz som	**1 som per USD**	0.5	-	0.5	0.5
Mongolian tugrik	**25 tugrik per USD**	0.1	-	0.1	0.1
Canadian dollar	**10 cents per USD**	0.8	-	0.8	0.8

(1) a 10% change in diesel fuel price equals $11/oz produced

Material Assumptions & Risks

Material assumptions or factors used to forecast production and costs for the fourth quarter of 2012 include the following:

- a gold price of $1,650 per ounce,
- exchange rates:
  - $1USD:$0.97 CAD
  - $1USD:47.0 Kyrgyz som
  - $1USD:1,350 Mongolian tugriks
  - $1USD:0.73 Euro
- diesel fuel price assumption:
  - $0.85/litre at Kumtor
  - $1.09/litre at Boroo

The assumed diesel price of $0.85/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 $92 per barrel.

Other important assumptions include the following:

- any recurrence of political and civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine,
- the activities of the Parliamentary Committee and State Commission and any actions taken by the Government thereon, referred to under the heading "Other Corporate Developments – Kyrgyz Republic - Kyrgyz Republic Parliamentary Commission Report and State Commission" do not have an impact on operations. No assurances can be given by the Company in this regard,

- the Government of the Kyrgyz Republic taking no action in connection with the matters referred to under the heading "Other Corporate Developments – Kyrgyz Republic - Kyrgyz Republic Parliamentary Commission Report and State Commission" that has an impact on operations or financial results. No assurances can be given by the Company in this regard,
- grades and recoveries at Kumtor will remain consistent with the life-of-mine 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 design of the new and expanded waste dumps at Kumtor adequately address the risks associated with size and stability,
- the dewatering program at Kumtor continues to produce the expected results and the water management system works as planned,
- the Company is able to satisfactorily manage the ice movement and to unload the ice and waste in the southeast portion of the pit,
- no labour related disruptions occur at any of the Company's operations, in particular at the Kumtor mine where the collective agreement is scheduled to expire on December 31, 2012,
- 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,
- no further suspension of Boroo's operating licenses, and
- 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, results of operations or cash flows and the market price of Centerra's shares 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 "Risk Factors" in the Company's most recently filed Annual Information Form (the "2011 Annual Information Form"), available on SEDAR at www.sedar.com and see also the discussion below under the heading "Caution Regarding Forward-looking Information".

Centerra has assessed the cost (premium) and benefits (including the amount of coverage) of continuing its political risk insurance in relation to the Kumtor project and has concluded that continued coverage is no longer justified. As a result, Centerra has decided not to pursue the renewal of such insurance. Centerra's prior coverage expired on November 5, 2012. Therefore, any losses Centerra may suffer with respect to its foreign investments, including in the Kyrgyz Republic, would not be covered by insurance and such losses could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Non-GAAP Measures

This news release presents information about total cash cost of production of an ounce of gold and total production cost per ounce of gold for the operating properties of Centerra. Except as otherwise

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noted, total cash cost per ounce produced is calculated by dividing total operating cash costs by gold ounces produced for the relevant period. Total production cost per ounce produced includes total cash cost plus depreciation, depletion and amortization divided by gold ounces produced for the relevant period. Cost of sales per ounce sold is calculated by dividing cost of sales by gold ounces sold for the relevant period. Total cash cost and total production cost per ounce produced, as well as cost of sales per ounce sold, are non-GAAP measures.

Total cash costs include mine operating costs such as mining, processing, administration, royalties and production taxes (except at Kumtor where revenue-based taxes and production taxes are excluded), but exclude amortization, reclamation costs, financing costs, capital development, community investment and exploration costs. In addition, ice and waste removal costs in the unload zones at Kumtor and certain amounts of stock-based compensation have been excluded from total cash costs. Total production costs includes total cash cost plus depreciation, depletion and amortization. Total cash cost per ounce produced, total production cost per ounce produced and cost of sales per ounce sold have been included because certain investors use this information to assess performance and also to determine the ability of Centerra to generate cash flow for use in investing and other activities. The inclusion of total cash cost per ounce produced and total production cost per ounce produced may enable investors to better understand year-over-year changes in production costs, which in turn affect profitability and cash flow.

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TOTAL CASH COST & TOTAL PRODUCTION COST RECONCILIATION (unaudited) ($ millions, unless otherwise specified)	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Centerra:				
Cost of sales, as reported	**$ 59.1**	$ 110.5	**$ 222.3**	$ 278.2
Less: Non-cash component	**13.5**	28.0	**51.0**	68.1
Cost of sales - Cash component	**$ 45.6**	$ 82.5	**$ 171.3**	$ 210.1
Adjust for: Refining fees & by-product credits	**(0.1)**	(0.8)	**(0.4)**	(3.0)
Regional Office administration	**5.2**	4.9	**15.4**	15.4
Mine standby costs	**-**	-	**4.6**	0.2
Non-operating costs	**7.3**	(8.4)	**17.5**	(14.2)
Inventory movement	**1.8**	6.9	**(30.4)**	22.6
Total operating cash cost - 100%	**$ 59.8**	$ 85.1	**$ 178.0**	$ 231.1
Depreciation, Depletion, Amortization and Accretion	**33.0**	24.0	**51.4**	68.8
Inventory movement - non-cash	**(7.7)**	22.6	**(5.7)**	17.0
Total production cost - 100%	**$ 85.2**	$ 131.7	**$ 223.8**	$ 316.9
Ounces poured - 100% (000)	**42.7**	154.9	**167.8**	490.9
Total cash cost per ounce	**$ 1,401**	$ 549	**$ 1,060**	$ 471
Total production cost per ounce	**$ 1,996**	$ 850	**$ 1,332**	$ 646
Kumtor:				
Cost of sales, as reported	**$ 43.2**	$ 94.6	**$ 173.8**	$ 235.8
Less: Non-cash component	**8.6**	25.1	**41.0**	59.2
Cost of sales - Cash component	**$ 34.6**	$ 69.5	**$ 132.8**	$ 176.6
Adjust for: Refining fees & by-product credits	**(0.1)**	(0.8)	**(0.4)**	(3.0)
Regional Office administration	**3.9**	3.5	**11.4**	11.3
Mine standby costs	**-**	-	**4.6**	-
Non-operating costs	**7.3**	(8.4)	**17.5**	(14.2)
Inventory movement	**(0.8)**	10.7	**(23.9)**	30.2
Total operating cash cost - 100%	**$ 44.9**	$ 74.5	**$ 142.0**	$ 200.9
Depreciation, Depletion, Amortization and Accretion	**$ 28.1**	$ 21.0	**$ 41.3**	$ 59.7
Inventory movement - non-cash	**$ (9.7)**	$ 23.8	**$ (6.1)**	$ 19.5
Total production cost - 100%	**$ 63.3**	$ 119.3	**$ 177.1**	$ 280.1
Ounces poured - 100% (000)	**23.8**	141.2	**125.8**	444.5
Total cash cost per ounce	**$ 1,890**	$ 528	**$ 1,128**	$ 452
Total production cost per ounce	**$ 2,664**	$ 850	**$ 1,407**	$ 632
Boroo:				
Cost of sales (cash), as reported	**$ 15.9**	$ 15.9	**$ 48.5**	$ 42.4
Less: Non-cash component	**4.9**	2.9	**10.0**	8.9
Cost of sales - Cash component	**$ 11.0**	$ 13.0	**$ 38.5**	$ 33.5
Adjust for: Refining fees & by-product credits		-		-
Regional Office administration	**1.3**	1.4	**4.0**	4.1
Mine standby costs	**-**	-	**-**	0.2
Non-operating costs	**-**	-	**-**	-
Inventory movement	**2.6**	(3.8)	**(6.5)**	(7.6)
Total operating cash cost - 100%	**$ 14.9**	$ 10.6	**$ 36.0**	$ 30.2
Depreciation, Depletion, Amortization and Accretion	**$ 4.9**	$ 3.0	**10.2**	9.1
Inventory movement - non-cash	**$ 2.1**	$ (1.2)	**$ 0.5**	$ (2.5)
Total production cost - 100%	**$ 21.9**	$ 12.4	**$ 46.6**	$ 36.8
Ounces poured - 100% (000)	**18.9**	13.7	**42.0**	46.4
Total cash cost per ounce	**$ 787**	$ 798	**$ 855**	$ 664
Total production cost per ounce	**$ 1,157**	$ 927	**$ 1,109**	$ 807

Centerra Gold Inc.
Condensed Consolidated Statements of Financial Position

(Unaudited)		**September 30, 2012**		December 31, 2011
(Expressed in Thousands of United States Dollars)				
Assets				
Current assets				
Cash and cash equivalents	**$**	**258,408**	$	195,539
Short-term investments		**1,999**		372,667
Current portion of restricted cash		**-**		179
Amounts receivable		**27,370**		56,749
Inventories		**241,686**		279,944
Prepaid expenses		**52,031**		26,836
		581,494		931,914
Property, plant and equipment		**824,372**		590,151
Goodwill		**129,705**		129,705
Restricted cash		**2,991**		-
Long-term receivables and other		**37,678**		24,674
Long-term inventories		**10,534**		12,174
		1,005,280		756,704
Total assets	**$**	**1,586,774**	$	1,688,618
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**34,300**	$	76,385
Short-term debt		**76,000**		-
Revenue-based taxes payable		**3,898**		15,178
Taxes payable		**4,509**		1,074
Current portion of provision		**4,867**		1,848
		123,574		94,485
Dividend payable		**2,982**		-
Provision		**51,510**		53,777
Deferred income tax liability		**3,064**		1,897
		57,556		55,674
Shareholders' equity				
Share capital		**660,420**		660,117
Contributed surplus		**35,538**		33,994
Retained earnings		**709,686**		844,348
		1,405,644		1,538,459
Total liabilities and shareholders' equity	**$**	**1,586,774**	$	1,688,618

Commitments and contingencies (note 15)

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
(Expressed in Thousands of United States Dollars,) **(except per share amounts)**				
Revenue from Gold Sales	**$ 68,786**	$ 278,395	**$ 292,276**	$ 772,382
Cost of sales	**59,143**	110,507	**222,271**	278,212
Abnormal mining costs	**19,276**	-	**52,027**	-
Mine standby costs	**-**	48	**4,585**	212
Regional office administration	**5,276**	4,882	**15,402**	15,392
Earnings (loss) from mine operations	**(14,909)**	162,958	**(2,009)**	478,566
Revenue based taxes	**6,153**	35,039	**30,199**	98,193
Other operating expenses	**5,158**	11,343	**29,487**	11,878
Exploration and business development	**9,465**	11,862	**26,981**	31,825
Corporate administration	**7,787**	14,388	**18,252**	34,623
Earnings (loss) from operations	**(43,472)**	90,326	**(106,928)**	302,047
Other (income) and expenses	**(107)**	2,641	**(77)**	321
Finance costs	**1,056**	1,414	**2,716**	3,024
Earnings (loss) before income taxes	**(44,421)**	86,271	**(109,567)**	298,702
Income tax expense	**2,343**	2,545	**6,445**	7,236
Net Earnings (loss) and comprehensive income (loss)	**$ (46,764)**	$ 83,726	**$ (116,012)**	$ 291,466
Basic and diluted earnings (loss) per common share	**$ (0.20)**	$ 0.35	**$ (0.49)**	$ 1.23

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

	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
(Expressed in Thousands of United States Dollars)				
Operating activities				
Net (loss) earnings	**$ (46,764)**	$ 83,726	**$ (116,012)**	$ 291,466
Items not requiring (providing) cash:				
Depreciation, depletion and amortization	**17,800**	28,095	**60,831**	68,474
Finance costs	**1,056**	1,414	**2,716**	3,024
Loss on disposal of equipment	**61**	813	**471**	922
Share-based compensation expense	**478**	475	**1,631**	1,276
Change in long-term inventory	**1,641**	(248)	**1,641**	703
Change in provision	**(213)**	6,697	**737**	12,481
Income tax expense	**2,343**	2,545	**6,445**	7,236
Other operating items	**60**	(2,433)	**(545)**	(2,182)
	(23,538)	121,084	**(42,085)**	383,400
Change in operating working capital	**(13,347)**	(6,378)	**658**	(3,513)
Revenue-based taxes advanced	**-**		**(30,155)**	-
Income taxes paid	**(1,545)**	(6,094)	**(1,886)**	(5,202)
Cash provided by (used in) operations	**(38,430)**	108,612	**(73,468)**	374,685
Investing activities				
Additions to property, plant and equipment	**(64,851)**	(35,180)	**(283,061)**	(145,322)
Redemption (purchase) of short-term investments	**28,234**	(57,364)	**370,668**	(183,418)
Increase in restricted cash	**(2,633)**	-	**(2,812)**	(597)
Increase in long-term other assets	**(314)**	(2,099)	**(7,822)**	(7,452)
Proceeds from disposition of fixed assets	**-**	8	**47**	8
Cash provided by (used in) investing	**(39,564)**	(94,635)	**77,020**	(336,781)
Financing activities				
Dividends paid	**(6,429)**	-	**(15,667)**	(99,322)
Payment of borrowing costs	**(601)**	(335)	**(1,185)**	(650)
Proceeds from short term debt	**76,000**	-	**76,000**	-
Proceeds from common shares issued for cash	**21**	1,679	**169**	3,027
Cash provided by (used in) financing	**68,991**	1,344	**59,317**	(96,945)
(Decrease) increase in cash during the period	**(9,003)**	15,321	**62,869**	(59,041)
Cash and cash equivalents at beginning of the period	**267,411**	256,375	**195,539**	330,737
Cash and cash equivalents at end of the period	**$ 258,408**	$ 271,696	**$ 258,408**	$ 271,696
Cash and cash equivalents consist of:				
Cash	**$ 59,750**	$ 86,748	**$ 59,750**	$ 86,748
Cash equivalents	**198,658**	184,948	**198,658**	184,948
	$ 258,408	$ 271,696	**$ 258,408**	$ 271,696

Centerra Gold Inc.
Condensed Consolidated 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, 2011	235,869,397	$ 655,178	$ 33,827	$ 572,792	$ 1,261,797
Share-based compensation expense	-	-	1,276	-	1,276
Shares issued on exercise of stock options	438,136	4,478	(1,451)	-	3,027
Dividend declared	-	-	-	(99,322)	(99,322)
Net earnings for the period	-	-	-	291,466	291,466
Balance at September 30, 2011	236,307,533	$ 659,656	$ 33,652	$ 764,936	$ 1,458,244
Balance at January 1, 2012	236,339,041	$ 660,117	$ 33,994	$ 844,348	$ 1,538,459
Share-based compensation expense	-	-	1,631	-	1,631
Shares issued on exercise of stock options	30,752	235	(87)	-	148
Shares issued on redemption of restricted share units	6,218	68	-	-	68
Dividend declared	-	-	-	(18,650)	(18,650)
Net loss for the period	-	-	-	(116,012)	(116,012)
Balance at September 30, 2012	**236,376,011**	$ **660,420**	$ **35,538**	$ **709,686**	$ **1,405,644**

Qualified Person & QA/QC

The exploration information and related scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of David Groves, Certified Professional Geologist, Centerra's Vice-President, Global Exploration, who is the qualified person for the purpose of NI 43-101. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the exploration drilling programs are done consistent with industry standards and independent certified assay labs are used with the exception of the Kumtor project as described in its technical report.

The production information and related scientific and technical information in this news release, including statements regarding the larger open pit at Kumtor were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101 and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Dan Redmond, Ontario Professional Geoscientist, Centerra's Director, Technical Services – Mining, who is the qualified person for the purpose of NI 43-101.

The Kumtor deposit is described in Centerra's 2011 Annual Information Form and a technical report dated March 22, 2011 prepared in accordance with NI 43-101. An updated technical report reflecting the new life-of-mine plan for Kumtor will be filed on SEDAR at www.sedar.com before December 21, 2012. The technical report describes the exploration history, geology and style of gold mineralization at the Kumtor deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Kumtor site are described in the technical report.

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, the statements made under the heading, "Outlook for 2012"; the Company's expectations regarding future production, cash cost per ounce produced, including expected recoveries; 2012 exploration expenditures; 2012 capital expenditures; Centerra's statements regarding future growth, results of operations, future production and sales, operating capital expenditures, and performance; the Company's ability to successfully manage the ice and waste movement at Kumtor; the outcome of the review by the State Commission and interagency commissions on Kumtor's compliance with Kyrgyz operational and environmental laws and regulations and community standards, and other matters raised by the Parliamentary

Commission Report, including without limitation, the resolution of temporary land-use matters affecting the Kumtor project; the resolution of the claim commenced by the Kyrgyz Republic Social Fund regarding re-opening completed assessments for the years 2004-2009; expected trends in the gold market, including with respect to costs of gold production; exploration plans for 2012 and the success thereof; the receipt of permitting and regulatory approvals at the Company's Gatsuurt development property; the impact of the Water and Forest Law on the Company's Mongolian activities; anticipated delays and approvals and regulatory commissioning of the Company's Gatsuurt development property as a result of the Water and Forest Law; 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. Material assumptions used to forecast production and costs include those described under the heading "Outlook for 2012". Factors that could cause actual results or events to differ materially from current expectations include, among other things: the sensitivity of the Company's business to the volatility of gold prices; the political risks associated with the Company's principal operations in the Kyrgyz Republic and Mongolia; 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 effect of the Water and Forest Law on the Company's operations in Mongolia; ground movements at the Kumtor project; waste and ice movement at the Kumtor project; the success of the Company's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; competition for mineral acquisition opportunities; the adequacy of the Company's insurance to mitigate operational risks; the effect of the 2006 Mongolian Minerals Law on the Company's Mongolian operations; the effect of the November 2010 amendments to the 2006 Mongolian Minerals Law on the royalties payable in connection with the Company's Mongolian operations; 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 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, including specifically the Kumtor collective agreement that expires at the end of 2012; litigation; 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; environmental, health and safety risks; defects in title in connection with the Company's properties; the impact of restrictive covenants in the Company's revolving credit facility; 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 regulatory commissions needed to commence mining activity at the Gatsuurt project; 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; illegal mining on the Company's Mongolian properties; the Company's ability to enforce its legal rights; the Company's ability to accurately predict decommissioning and reclamation costs; 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 attract and retain qualified personnel; 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; risks associated with the conduct of joint ventures; 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 2011 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.

Reserve and resource figures are estimates and Centerra can provide no assurances that the indicated levels of gold will be produced or that Centerra will receive the gold price assumed in determining its reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Centerra believes that these reserve and resource estimates are well established and the best estimates of Centerra's management, by their nature reserve and resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable.

Centerra has not adjusted resource figures in consideration of these risks and, therefore, Centerra can give no assurances that any resource estimate will ultimately be reclassified as proven and probable reserves or incorporated into future production guidance. If Centerra's reserve or resource estimates or production guidance for its gold properties are inaccurate or are reduced in the future, this could have an adverse impact on the market price of Centerra's shares, Centerra's future cash flows, earnings, results of operations and financial condition. Centerra estimates the future mine life of its operations and provides production guidance in respect of its mining operations. Centerra can give no assurance that mine life estimates will be achieved or that actual production will not differ materially from its guidance. Failure to achieve estimates or production guidance could have an adverse impact on the market price of Centerra's shares, Centerra's future cash flows, earnings, results of operations and financial condition.

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. Interred resources are too speculative geologically to have economic considerations applied to them

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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 November 7, 2012. 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 emerging 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.

Conference Call

Centerra invites you to join its 2012 third quarter conference call on Thursday, November 8, 2012 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) 624-1279 or International participants dial +1 (303) 223-2683. Alternatively, an audio feed web cast will be available on www.centerragold.com. A recording of the call will be available on www.centerragold.com shortly after the call and via telephone until midnight on Thursday November 15, 2012 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21606487.

For more information:

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

To view Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine month periods ended September 30, 2012, please visit the following link:
http://media3.marketwire.com/docs/CG2012FSMDAQ3.pdf

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