

centerra**GOLD**



## NEWS RELEASE

# Centerra Gold Updates Reserves and Resources Gold Reserves Increase by 1.7 million ounces to 8.2 million Contained Ounces

*(This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 13 and in our Cautionary Note Regarding Forward-looking Information on page 16. All figures are in United States dollars.)*

**Toronto, Canada, February 7, 2011:** Centerra Gold Inc. (TSX: CG) today issued updated estimates for the Company's reserves and resources based on its successful 2010 exploration program.

### Highlights (using \$1,000/oz gold)

- A **1.7 million ounce increase** (before accounting for 2010 production) in Company-wide proven and probable open pit reserves to **8.2 million ounces** of gold
- A **739,000 ounce increase** in measured and indicated mineral resources to **4.9 million ounces** of gold (exclusive of mineral reserves, and exclusive of **3.5 million ounces** of gold in the inferred category, which includes **2.0 million ounces** of gold in high-grade underground inferred resources at Kumtor)
- New life-of-mine plan (LOM) for the open pit at Kumtor extended two years from 2019 to 2021
- Open pit production at Kumtor is projected to increase by approximately 500,000 ounces of gold in the 5-year period 2011 to 2015

At the Kumtor mine, in the Kyrgyz Republic, an estimated 1.5 million ounces of contained gold have been added to reserves, representing an increase of 28%, before accounting for 2010 production. After accounting for processing of approximately 723,000 ounces of contained gold in 2010, Kumtor's proven and probable mineral reserves total 6.3 million ounces of contained gold as of December 31, 2010. Based on these estimates, the additional reserves will extend the Kumtor open pit mine-life to 2021. Kumtor's life-of-mine plan is based only on the open pit reserves, and no provision has been made for production from the underground development activities.

In Mongolia, at the Boroo mine, after accounting for processing of approximately 162,000 ounces of contained gold in 2010, proven and probable reserves total 392,000 ounces of contained gold. At the reserve gold price assumption, the Boroo operation could potentially continue to feed the mill for over two years utilizing existing low-grade stockpiles. At the Gatsuurt project, proven and probable

reserves increased 209,000 ounces to 1.5 million ounces of contained gold, representing a 16% increase.

A gold price of \$1,000 per ounce was used for all of the updated reserve estimates, compared to \$825 per ounce as of December 31, 2009. An updated NI 43-101 technical report for Kumtor will be filed within 45 days.

Steve Lang, President and CEO of Centerra Gold said: “During 2010, our exploration program at Kumtor continued to add ounces as the SB Zone was extended to the Southwest and Northeast. At Gatsurt successful drilling on the south slope area resulted in an increase in reserves both in oxide and sulphide material.”

“Exploration at Kumtor in 2011 will be focused on extending the underground SB Zone along strike and down dip and to infill drill the inferred resource areas on both the SB and Stockwork Zones. Additional drilling is also planned on down dip extensions of the Saddle Zone in the Central Pit as well as drilling on the Northeast Prospect. An expanded surface regional exploration program will include testing targets on the Kumtor mining concession and also the Karasay and Koendy target areas.”

## **Year-end Reserves and Resources**

### **Reserves**

As of December 31, 2010, Centerra’s proven and probable reserves increased 1.7 million contained ounces (before accounting for 2010 production) to 8.2 million ounces of contained gold, compared to 7.3 million ounces as of December 31, 2009. This represents an increase of 24% before accounting for 885,000 contained ounces processed at Kumtor and Boroo during 2010. All 2010 year-end reserves were estimated using a gold price of \$1,000 per ounce compared to \$825 per ounce at December 31, 2009.

At Kumtor, before accounting for the processing of 723,000 contained ounces during 2010, proven and probable reserves increased by 1.5 million contained ounces of gold. The increase in the Central Pit open pit reserves is due to an expansion of the ultimate pit towards the southwest as a result of additional exploration drilling, and updating and optimizing the open pit to a greater depth by using a higher gold price assumption. The expansion of the open pit converted 265,000 ounces of gold of measured and indicated open pit resources to reserves as well as 773,000 ounces of gold of the high-grade SB Zone underground inferred resources to open pit reserves. The successful exploration drilling on the southwest extension of the SB Zone contributed 370,000 ounces of gold to the reserve increase. The balance of the reserve increase of 124,000 ounces of gold is a result of the lowering of the gold cut-off grade for reserves in the Central Pit from 1.0 g/t to 0.85 g/t, which is primarily a result of the increase in the gold price assumption used for reserve estimation.

The Kumtor life-of-mine plan (KS-11) has been revised and extended a further two years to 2021. Kumtor’s life-of-mine plan is based only on open pit reserves and no provision has been made for production from the underground development activities or from the open pit or underground resources. The revised life-of-mine (KS-11) shows an increase of approximately 500,000 ounces of gold production over the next five years.

At Boroo, after accounting for the processing of 162,000 contained ounces during 2010, proven and probable reserves total 392,000 contained ounces of gold. At the reserve gold price assumption, the Boroo operation could potentially continue to feed the mill for over two years utilizing existing low-grade stockpiles.

At Gatsuurt, proven and probable reserves increased by 16% or 209,000 contained ounces to 1.5 million contained ounces of gold due to the successful exploration drilling in the South Slope area which added oxide, transition and sulphide material. The increase in oxide and transition material will extend the oxide mining and processing phase of the Gatsuurt project thus delaying the immediate need for construction of the bio-oxidation facility.

## **Resources**

As of December 31, 2010, Centerra's measured and indicated resources increased by 18% or 739,000 ounces over the December 31, 2009 figures to total 4.9 million ounces of contained gold, compared to 4.1 million contained ounces as of December 31, 2009. The increase from the 2009 year-end measured and indicated resources is largely attributable to a significant increase in resources at Kumtor. The increase in resources at Kumtor is a result of successful exploration drilling in conjunction with an increase in the size of the resource shell. At Kumtor, an optimized larger pit shell (resource shell) that is considered uneconomic is used to constrain the resource estimation. This large increase in resources at Kumtor has been partially offset by the removal of the REN indicated resources from the Company's resource statement following the sale of the REN joint venture in the third quarter of 2010.

The Company's inferred resources decreased by 34,000 contained ounces of gold year-over-year. At Kumtor, the inferred resources in the high-grade underground SB Zone decreased by 384,000 contained ounces to 1.4 million contained ounces of gold with an average grade of 15.3 g/t. This reduction is the result of the expansion of the Central Pit, which captured 773,000 ounces of contained gold that were previously classified as part of the high-grade underground SB Zone inferred resources. These inferred resources are now within the new open pit design and therefore, are included in the Kumtor Central Pit as probable reserves. This reduction in inferred resources has been partially offset by the positive exploration results, which has extended the SB Zone both to the southwest and northeast adding 389,000 contained ounces of gold to the high-grade underground SB Zone inferred resource, which remains open along strike and at depth. Inferred open pit resources increased by 322,000 contained ounces of gold in the Central Pit. In addition, drilling in 2010 at the Northeast Prospect identified new mineralization resulting in the addition of 128,000 contained ounces of gold of inferred resources.

Exploration drilling at Gatsuurt added 314,000 contained ounces of gold in inferred resources.

The increases in inferred resources at Kumtor and Gatsuurt have been partially offset by the removal of the REN inferred resources from the Company's resource statement following the sale of the REN joint venture.

**Centerra Gold Inc.**  
**2010 Year-end Reserve and Resource Summary**  
**(as of December 31, 2010)**

Reserves <sup>(1)</sup> (Tonnes and ounces in thousands) <sup>(11)(12)</sup>										
Property <sup>(3)</sup>	Proven			Probable			Total Proven and Probable Reserves			
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method <sup>(4)</sup>
Kumtor <sup>(1)(6)(13)</sup>	2,853	2.0	187	59,514	3.2	6,096	62,367	3.1	6,283	OP
Boroo <sup>(1)(8)</sup>	11,769	0.8	310	891	2.9	82	12,660	1.0	392	OP
Gatsuurt <sup>(1)(9)(15)</sup>	-	-	-	16,349	2.8	1,489	16,349	2.8	1,489	OP
<b>Total</b>	<b>14,622</b>	<b>1.1</b>	<b>497</b>	<b>76,754</b>	<b>3.1</b>	<b>7,667</b>	<b>91,376</b>	<b>2.8</b>	<b>8,164</b>	

Measured and Indicated Resources <sup>(2)</sup> (Tonnes and ounces in thousands) <sup>(11)(12)</sup>										
Property <sup>(3)</sup>	Measured			Indicated			Total Measured and Indicated Resources			
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method <sup>(4)</sup>
Kumtor <sup>(5)(6)(13)</sup>	34,979	2.1	2,411	23,579	2.3	1,723	58,558	2.2	4,134	OP
Boroo <sup>(5)(8)</sup>	452	2.2	32	4,464	1.5	210	4,916	1.5	242	OP
Gatsuurt <sup>(9)(15)</sup>	-	-	-	5,533	2.4	426	5,533	2.4	426	OP
Ulaan Bulag <sup>(10)</sup>	-	-	-	1,690	1.5	80	1,690	1.5	80	OP
<b>Total</b>	<b>35,431</b>	<b>2.1</b>	<b>2,443</b>	<b>35,266</b>	<b>2.2</b>	<b>2,439</b>	<b>70,697</b>	<b>2.1</b>	<b>4,882</b>	

Inferred Resources <sup>(2)(14)</sup> (Tonnes and ounces in thousands) <sup>(11)(12)</sup>				
Property <sup>(3)</sup>	Inferred			Mining Method <sup>(4)</sup>
	Tonnes	Grade (g/t)	Contained Gold (oz)	
Kumtor <sup>(5)(6)(13)</sup>	8,645	2.3	631	OP
Kumtor Stockwork Underground <sup>(7)</sup>	1,616	12.1	628	UG
Kumtor SB Underground <sup>(7)</sup>	2,772	15.3	1,367	UG
Kumtor NE Target <sup>(5,6)</sup>	2,319	1.7	128	OP
Boroo <sup>(5)(8)</sup>	7,323	1.0	233	OP
Gatsuurt <sup>(9)(15)</sup>	5,926	2.6	491	OP
Ulaan Bulag <sup>(10)</sup>	287	1.2	11	OP
<b>Total</b>	<b>28,888</b>	<b>3.8</b>	<b>3,489</b>	

- (1) The reserves have been estimated based on a gold price of \$1,000 per ounce.
- (2) Mineral resources are in addition to reserves. Mineral resources do not have demonstrated economic viability.
- (3) Centerra's equity interests are: Kumtor 100%, Gatsuurt 100%, Boroo 100% and Ulaan Bulag 100%.
- (4) "OP" means open pit and "UG" means underground.
- (5) Open pit resources occur outside the current ultimate pits which have been designed using a gold price of \$1,000 per ounce.
- (6) The open pit reserves and resources at Kumtor are estimated based on a cutoff grade of 0.85 gram of gold per tonne for the Central Pit and 1.0 grams of gold per tonne for the Southwest, Sarytor and Northeast deposits.
- (7) Underground resources occur below the Central pit and are estimated based on a cutoff grade of 7.0 grams of gold per tonne.
- (8) The reserves and resources at Boroo are estimated based 0.5 gram of gold per tonne cutoff grade.
- (9) The reserves and resources at Gatsuurt are estimated using either a 1.2, 1.4 or 1.5 grams of gold per tonne cutoff grade depending on ore type and process method.
- (10) The resources at Ulaan Bulag are estimated based on a cutoff grade of 0.8, 0.9 or 1.0 grams of gold per tonne depending on ore type and process method
- (11) A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.
- (12) Numbers may not add up due to rounding.
- (13) Kumtor reserves and resources include Sarytor and Southwest reserves of 14.3 million tonnes grading 2.5 g/t for 1,145,000 contained ounces, Sarytor and Southwest indicated resources of 4.8 million tonnes grading 2.1 g/t for 325,000 contained ounces and Sarytor and Southwest inferred resources of 3.7 million tonnes grading 2.5 g/t for 303,000 contained ounces.
- (14) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be upgraded to a higher category.
- (15) In July 2009, the Mongolian Parliament enacted legislation that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of mining and exploration licenses affecting such areas. The legislation exempts any "mineral deposit of strategic significance". If the legislation is not repealed or amended or if Gatsuurt is not designated as a "mineral deposit of strategic importance" that is exempt from this legislation, mineral reserves at Gatsuurt may have to be reclassified as mineral resources or eliminated entirely. See "Update on Mongolian Legislation".

## Reconciliation of Gold Reserves and Resources (in thousands of ounces of contained gold) <sup>(8) (9)</sup>

	December 31 2009 <sup>(1) (4)</sup>	Jan-1 to Dec-31 2010 Throughput <sup>(2)</sup>	2010 Addition (Deletion) <sup>(3)</sup>	December 31 2010
<b>Reserves – Proven and Probable</b>				
Kumtor <sup>(5)</sup>	5,474	723	1,532	6,283
Boroo	567	162	(13)	392
Gatsuurt <sup>(7) (12)</sup>	1,280	0	209	1,489
<b>Total Proven and Probable Reserves</b>	<b>7,321</b>	<b>885</b>	<b>1,728</b>	<b>8,164</b>
<b>Resources – Measured and Indicated</b>				
Kumtor <sup>(6)</sup>	2,201	0	1,933	4,134
Boroo	242	0	0	242
Gatsuurt <sup>(7) (12)</sup>	480	0	(54)	426
REN <sup>(11)</sup>	1,220	0	(1,220)	0
Ulaan Bulag	0	0	80	80
<b>Total Measured &amp; Indicated Resources</b>	<b>4,143</b>	<b>0</b>	<b>739</b>	<b>4,882</b>
<b>Resources – Inferred <sup>(10)</sup></b>				
Kumtor <sup>(6)</sup>	309	0	322	631
Kumtor Stockwork Underground	621	0	7	628
Kumtor SB Underground	1,751	0	(384)	1,367
Kumtor NE Area	0	0	128	128
Boroo	233	0	0	233
Gatsuurt <sup>(7) (12)</sup>	177	0	314	491
REN <sup>(11)</sup>	432	0	(432)	0
Ulaan Bulag	0	0	11	11
<b>Total Inferred Resources</b>	<b>3,523</b>	<b>0</b>	<b>(34)</b>	<b>3,489</b>

- (1) Reserves and resources as reported in Centerra's Annual Information Form filed in March 2010.
- (2) Corresponds to mill feed at Kumtor and Boroo and material stacked on the heap leach pad at Boroo.
- (3) Changes in reserves or resources, as applicable, are attributed to information provided by drilling and subsequent reclassification of reserves or resources, an increase in the gold price, changes in pit designs, reconciliation between the mill and the resource model, and changes to operating costs.
- (4) Centerra's equity interests as at December 31, 2009, were as follows: Kumtor 100%, Gatsuurt 100%, Boroo 100%, Ulaan Bulag 100% and REN 64%.
- (5) Kumtor reserves include the Central Pit and the Southwest and Sarytor Deposits.
- (6) Kumtor open pit resources include the Central Pit and the Southwest Deposit and Sarytor Deposit.
- (7) Gatsuurt reserves and resources include the Central Zone and Main Zone deposits.
- (8) Centerra reports reserves and resources separately. The amount of reported resources does not include those amounts identified as reserves.
- (9) Numbers may not add up due to rounding.
- (10) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be upgraded to a higher category.
- (11) Centerra sold its interest in the REN joint venture in 2010.
- (12) In July 2009, the Mongolian Parliament enacted legislation that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of mining and exploration licenses affecting such areas. The legislation exempts any "mineral deposit of strategic significance". If the legislation is not repealed or amended or if Gatsuurt is not designated as a "mineral deposit of strategic importance" that is exempt from this legislation, mineral reserves at Gatsuurt may have to be reclassified as mineral resources or eliminated entirely. See "Update on Mongolian Legislation".

## Kumtor Life-of-Mine Plan

The Kumtor life-of-mine plan is based only on open pit reserves and has no provision for production from the underground mining activities.

### Kumtor Life-of-Mine Plan, Mine and Mill Production Forecast

(thousands of tonnes of ore and waste and ounces of gold)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
<b>Mining Central Pit</b>													
Ore	Tonnes	6,060	7,254	5,105	11,246	1,387	14,195	-	-	-	-	-	45,247
Grade	Au (g/t)	3.8	4.2	4.9	2.8	1.9	2.9	-	-	-	-	-	3.4 <sup>(2)</sup>
Waste	Tonnes	165,565	185,508	186,520	180,379	152,714	105,618	-	-	-	-	-	976,304
Strip Ratio		27.3	25.6	36.5	16.0	110.1	7.4	-	-	-	-	-	21.6 <sup>(2)</sup>
<b>Mining Sarytor Pit</b>													
Ore	Tonnes	-	-	-	-	2,424	-	6,633	-	-	-	-	9,057
Grade	Au (g/t)	-	-	-	-	3.6	-	2.2	-	-	-	-	2.6 <sup>(2)</sup>
Waste	Tonnes	-	-	-	-	35,100	46,883	74,421	-	-	-	-	156,404
Strip Ratio		-	-	-	-	14.5	No ore	11.2	-	-	-	-	17.3 <sup>(2)</sup>
<b>Mining Southwest Pit</b>													
Ore	Tonnes	-	-	-	-	-	-	-	950	4,260	-	-	5,210
Grade	Au (g/t)	-	-	-	-	-	-	-	3.0	2.3	-	-	2.4 <sup>(2)</sup>
Waste	Tonnes	-	-	-	-	-	-	10,196	46,500	26,296	-	-	82,993
Strip Ratio		-	-	-	-	-	-	No ore	49.0	6.2	-	-	15.9 <sup>(2)</sup>
<b>Total Mining</b>													
Ore	Tonnes	6,060	7,254	5,105	11,246	3,811	14,195	6,633	950	4,260	-	-	59,514
Grade	Au (g/t)	3.9	4.7	5.1	3.1	3.0	3.3	2.2	3.0	2.3	-	-	3.2
Waste	Tonnes	165,565	185,508	186,520	180,379	187,814	152,501	84,617	46,500	26,296	-	-	1,215,700
Strip Ratio		27.3	25.6	36.5	16.0	49.3	10.7	12.8	49.0	6.2	-	-	20.4
<b>Stockpile Closing Inventory</b>													
Ore Tonnes	2,853 <sup>(1)</sup>	3,249	4,724	3,939	9,256	7,175	15,463	16,206	11,369	9,739	3,829	0	
Au (g/t)	2.0 <sup>(1)</sup>	2.5	3.1	3.8	2.5	1.6	1.9	1.4	1.1	1.0	0.9	0	
Contained Gold Oz	187 <sup>(1)</sup>	260	465	484	750	370	946	747	415	327	116	0	
<b>Milling</b>													
Ore Tonnes Processed	Tonnes	5,664	5,779	5,891	5,929	5,891	5,907	5,891	5,786	5,891	5,910	3,829	62,367
Feed Grade	Au (g/t)	3.7	4.2	4.1	3.9	3.9	3.9	3.5	2.3	2.1	1.1	0.9	3.1 <sup>(2)</sup>
Feed Contained Gold	Au (oz)	671	779	784	752	747	743	657	425	398	211	116	6,283
Plant Recovery	%	84.9	82.5	83.1	84.9	80.4	83.9	75.3	74.6	69.6	55.4	50.1	79.4 <sup>(2)</sup>
<b>Recovered Gold</b>	<b>Au (oz)</b>	<b>570</b>	<b>642</b>	<b>651</b>	<b>638</b>	<b>600</b>	<b>624</b>	<b>495</b>	<b>317</b>	<b>277</b>	<b>117</b>	<b>58</b>	<b>4,990</b>

(1) Closing Ore Stockpile Inventory at December 31, 2010.

(2) Weighted Average.

## Kumtor Operating and Capital Costs, 2011 – 2021

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
<b>Production</b>													
Mining Operating Cost <sup>(1)</sup>	(tonnes x 1000)	128,057	88,591	103,521	113,547	98,273	109,567	58,977	31,089	30,556	-	-	762,178
Mining Capital Pre-Stripping <sup>(2)</sup>	(tonnes x 1000)	43,568	104,171	88,104	78,078	93,352	57,129	32,273	16,361	-	-	-	513,036
Mining Total <sup>(3)</sup>	(tonnes x 1000)	171,625	192,762	191,625	191,625	191,625	166,696	91,250	47,450	30,556	-	-	1,275,214
Milling	(tonnes x 1000)	5,664	5,779	5,891	5,929	5,891	5,907	5,891	5,786	5,891	5,910	3,829	62,367
Gold Produced	(oz x 1000)	570	642	651	638	600	624	495	317	277	117	58	4,990
<b>Costs</b>													
Mining (Charged as Operating Cost) <sup>(1)</sup>	(\$ x 1000)	134,654	69,599	94,476	101,461	85,363	117,920	52,156	30,298	27,708	-	-	713,634
Milling	(\$ x 1000)	58,266	58,266	58,266	58,266	62,184	58,724	64,287	59,610	64,524	58,266	35,751	636,410
Administration	(\$ x 1000)	56,457	56,566	56,566	56,566	56,566	54,271	52,176	50,127	48,127	42,510	20,287	550,219
Refining and Management Fees	(\$ x 1000)	2,566	2,892	2,928	2,874	2,703	2,807	2,228	1,428	1,245	526	262	22,458
Open Pit Operating Cost Total	(\$ x 1000)	251,943	187,323	212,236	219,167	206,815	233,722	170,847	141,462	141,604	101,302	56,300	1,922,721
Cash Cost per Ounce of Gold <sup>(4) (5)</sup>	(\$/oz)	442	292	326	343	344	375	345	446	512	867	966	385
<b>Unit Costs</b>													
Operating Cost Mining <sup>(1)</sup>	(\$/t mined)	1.05	0.79	0.91	0.89	0.87	1.08	0.88	0.97	0.91	-	-	0.94
Capital Pre-Stripping Waste <sup>(2)</sup>	(\$/t mined)	1.06	1.28	0.94	0.88	0.87	0.87	0.92	0.88	-	-	-	0.99
Milling	(\$/t milled)	10.29	10.08	9.89	9.83	10.56	9.94	10.91	10.30	10.95	9.86	9.34	10.20
Administration	(\$/t milled)	9.97	9.79	9.60	9.54	9.60	9.19	8.86	8.66	8.17	7.19	5.30	8.82
Total Operating Cost per Tonne Milled	(\$/t milled)	44.48	32.41	36.03	36.97	35.11	39.57	29.00	24.45	24.04	17.14	14.70	30.83
<b>Capital and Other</b>													
New Revenue Based Taxes <sup>(5)</sup>	(\$ x 1000)	79,810	89,940	91,073	89,384	84,065	87,305	69,298	44,404	38,739	16,358	8,160	698,536
Capitalized Pre-Stripping <sup>(2)</sup>	(\$ x 1000)	46,182	133,352	82,582	68,346	81,142	49,861	29,544	14,439	-	-	-	505,449
Open Pit Sustaining Capital	(\$ x 1000)	35,860	96,960	28,850	19,895	10,550	12,984	16,850	7,540	12,540	2,150	-	244,179
Open Pit Expansion Capital	(\$ x 1000)	54,658	18,060	49,990	15,100	5,500	3,750	1,750	12,500	-	-	-	161,308
<b>Total Capital and Other</b>	(\$ x 1000)	<b>216,510</b>	<b>338,312</b>	<b>252,496</b>	<b>192,725</b>	<b>181,257</b>	<b>153,900</b>	<b>117,442</b>	<b>78,883</b>	<b>51,279</b>	<b>18,508</b>	<b>8,160</b>	<b>1,609,471</b>

(1) Mining tonnage, total cost and unit cost charged as operating costs and used in cash cost per ounce calculation.

(2) Mining tonnage, total cost and unit costs charged as capital cost pre-stripping and excluded in cash cost per ounce calculation.

(3) Total Mining tonnage = mining operating cost tonnage (1) plus mining capitalized pre-stripping (2).

(4) Cash cost per ounce is a non GAAP measure and does not include revenue-based taxes. For a complete description refer to Company's MDA for the period September 30, 2010.

(5) As defined by the April 2009 Investment Agreement and calculated using \$1,000 per ounce gold price.

The Kumtor life-of-mine plan (KS-11) has been revised and extended to 2021 as a result of the exploration drilling, higher gold price assumption and lower gold cut-off grade, which allowed for an expanded Central Pit.

## **Pit Expansion**

- A net increase of approximately 500,000 ounces of gold production, increasing gold production by 20% for the 2011 to 2015 period, to average 620,000 ounces per year over the five-year period.
- Overall peak annual mining rate is reduced 4% compared to the forecast peak annual mining rate in the 2009 NI 43-101 technical report. Mining production rates will increase from current rates of 430,000 tonnes of ore and waste per day to a peak level of 526,000 tonnes of ore and waste per day, which is maintained for four years.
- The Central Pit will be increased by 30% (by tonnes) with expansion of the mining limits in the southwest wall of the SB Zone.
- With the expanded pit, a larger component of stripping will be capitalized in accordance with the Company's accounting policies.
- The revised life-of-mine plan increases both sustaining capital to replace older, less efficient mining equipment, and expansion capital for increased mining fleet capacity, resulting in an increase in both sustaining and expansion capital with a corresponding decrease in operating costs.
- The ultimate pit bottom in the SB Zone will now be at the 3,618 metre elevation compared to the prior mine plan of 3,642 metre elevation. The ultimate pit bottom of the Stockwork Zone section of the pit will remain at the 3,722 metre elevation.
- Pre-stripping of the Sarytor Pit will now begin in 2015 and mining of the current Sarytor open pit reserves will be completed in 2017.
- Pre-stripping of the Southwest Pit will begin in 2017 and mining of the current Southwest open pit reserves will be completed in 2019.
- New LOM plan is based only on open pit reserves; no provision has been made for production from the underground development activities or from the open pit or underground resources.

## **Impact on Underground**

- Converted 773,000 contained ounces shallow high-grade underground inferred resources to open pit probable reserves, which brings the gold production forward to maximize cash flow.
- Reorienting underground access, Decline 1 for the SB Zone, resulting in a 9 to 12 month delay to access the SB Zone for delineation drilling from late 2011 to late 2012.
- Impact on underground will be more fully discussed in the NI 43-101 Technical Report.

The southwest extension of the SB Zone, which has been outlined by exploration drilling in 2009 and 2010, now falls within the expanded open pit. Therefore, Decline 1 has been reoriented to provide access to the main section of the high-grade underground portion of the SB Zone. The Company estimates that this redesign of the decline will delay access to the SB Zone by up to 12 months. The new decline design will give better access to explore the untested section of the down dip sector of the Kumtor structure.

To view an updated Kumtor Long Section, showing the changes in the open pit design, please visit the following link: <http://media3.marketwire.com/docs/cgkumtor207.pdf>

## Exploration Update

*To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link: <http://media3.marketwire.com/docs/cgkumtor207.pdf> or visit the Company's web site at: [www.centerragold.com](http://www.centerragold.com).*

### Kyrgyz Republic

During the fourth quarter of 2010, exploration drilling programs continued in the Kumtor Central Pit and from the underground in Declines 1 and 2. Regional exploration drilling continued on the Kumtor concession area at the Northeast area, Muzdusuu, Southwest and Sarytor areas.

### Kumtor Pit

In the fourth quarter of 2010, the drilling program focused on testing the extent and grade of mineralization within, below and along strike of the SB Zone in the Central Pit. Ten drill holes were completed during the quarter and a further three holes were in progress at quarter-end.

Drilling in the fourth quarter to test the Southwest Extension of the SB Zone returned significant results. Holes D1460 and D1475, both drilled on section -14, returned significant intercepts within and immediately below the expanded pit design. Hole D1460 intersected 4.1 g/t Au over 55.4 metres, including 8.1 g/t Au over 5.7 metres and 9.1 g/t Au over 8.0 metres at the 3,600 metre elevation. Hole D1475 intersected high-grade mineralization including 12.4 g/t Au over 33.6 metres, including 18.3 g/t Au over 4.4 metres and 22.6 g/t Au over 9.2 metres at the 3,700 metre elevation, 50 metres above the expanded pit design.

Holes D1461 and D1466 were drilled on section -22 and both returned significant intercepts within the expanded pit design. Hole D1461 intersected 11.0 g/t Au over 9.0 metres including 14.7 g/t Au over 6.6 metres, 11.9 g/t Au over 11.2 metres including 24.7 g/t Au over 5.9 metres and 4.8 g/t Au over 8.2 metres at the 3,650 metre elevation. Hole D1466 intersected 2.9 g/t Au over 10.8 metres, 3.3 g/t Au over 23.2 metres and 2.9 g/t Au over 9.7 metres at the 3,600 metre elevation.

Hole D1467, drilled on section -18, intersected moderate to high-grade mineralization including 30.7 g/t Au over 3.8 metres and 5.3 g/t Au over 47.2 metres including 13.6 g/t Au over 9.0 metres and 3.2 g/t Au over 4.7 metres at the 3,650 metre elevation.

The results from these five holes have been used in the expanded pit design and the associated increase in reserves and resources.

During the fourth quarter, drilling to test the northeast strike extension of the SB Zone returned intercepts of moderate to high-grade mineralization. Hole D1469, drilled on section 46, intersected 3.2 g/t Au over 37.6 metres including 7.5 g/t Au over 5.7 metres; and 4.6 g/t Au over 24.5 metres including 14.7 g/t Au over 5.0 metres. Hole D1479, drilled on section 42, intersected 16.3 g/t Au over 3.9 metres and 7.1 g/t Au over 35.7 metres including 27.4 g/t Au over 3.2 metres. Hole D1481, drilled on section 58, intersected 4.4 g/t Au over 38.9 metres including 14.5 g/t Au over 4.1 metres; and 4.3 g/t Au over 17.1 metres including 9.4 g/t Au over 6.0 metres. Hole D1482, drilled on section 50, intersected 3.7 g/t Au over 13.0 metres and 7.9 g/t Au over 4.5 metres. Hole D1487, drilled on section 46, intersected 4.6 g/t Au over 24.8 metres and 3.9 g/t Au over 15.5 metres.

These holes have extended the SB Zone a further 100 metres along strike and down dip at the 3,300 metre elevation. Further drilling to test the strike and down dip extension of the SB Zone to the northeast is planned in the first quarter of 2011.

True widths for the mineralized zones are typically from 70% to 95% of the stated intercept.

### **Decline Exploration**

Three underground exploration holes were completed during the fourth quarter, and one hole is in progress. Drill hole, UD1450, was drilled on section -90 in Decline 1 to test for mineralization on the Kumtor structure below the Davidoff glacier. No significant mineralization was intersected.

Two holes were completed on section 114 in Decline 2 Stockwork Drive to test for extensions of the Stockwork Zone immediately below the design pit. Hole UD1468 intersected 5.1 g/t Au over 6.5 metres and UD1484A intersected 1.9 g/t Au over 11.8 metres, 3.5 g/t Au over 2.7 metres and 3.5 g/t Au over 12.0 metres.

Drilling will continue from both declines in the first quarter of 2011 as drill bays become available.

True widths for the mineralized zones are typically from 40% to 95% of the stated intercept.

### **Regional Exploration**

Regional exploration drilling continued in the fourth quarter of 2010 at Northeast, Muzdusuu, Southwest and Sarytor areas.

### **Northeast Area**

The drill program in the fourth quarter was as a 40 to 80 metre spaced infill program to confirm the extent of the mineralization within the 100-200 metres of surface over the known 800 metre strike extent of mineralization at the Northeast Prospect.

Some of the better intercepts are; hole DN1463 5.2 g/t Au over 5.1 metres, hole DN1464 2.4 g/t Au over 21.4 metres including 1.5 g/t Au over 10.3 metres and 1.4 g/t Au over 7.7 metres, hole DN1472 2.0 g/t Au over 10 metres, hole DN1478 2.8 g/t Au over 7.2 metres and hole DN1483 3.2 g/t Au over 4.7 metres.

True widths for the mineralized zones are typically from 70% to 95% of the stated intercept.

### **Southwest Area**

Two drill holes were completed during the fourth quarter and one hole is in progress at the end of the quarter. The wide spaced drilling was designed to test for zones of high-grade mineralization below the planned open pit. The holes intersected zones of moderate to strong alteration with low to moderate grade mineralization.

### **Sarytor Area**

One hole was completed at Sarytor during the fourth quarter. Hole SR-10-196A was drilled to test for high-grade mineralization on the structure below the planned Sarytor open pit returning an intercept of 1.1 g/t Au over 7.7 metres.

### **Muzdusuu Area**

One hole was completed in the fourth quarter. Hole DM1476 was drilled to test for structurally bounded blocks of carbonate rocks which are considered as prospective settings for mineralization in the footwall of the Kumtor Fault. The hole intercepted the carbonate rocks which returned assays of 6.4 g/t Au over 2.9 metres.

A complete listing of the drill results and supporting maps for the Kumtor pit have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the company's web site at: [www.centerragold.com](http://www.centerragold.com)

## **MONGOLIA**

### **Gatsuurt**

During the fourth quarter of 2010, exploration drilling continued at Gatsuurt with 18 holes completed. Exploration was focused on the Central Zone on the SS-01 and SS-02 targets and on the GT-60 target which is located approximately 150 metres to the northeast of the Central Pit on the Sujigtei fault.

During the fourth quarter eight holes were completed on the SS-01 target to infill gaps in the 30 by 30 metre grid and define the eastern margin of the zone. The drilling indicates that mineralization is decreasing to the east, however, holes GT-505 on section 3 and GT-506 on section 6 intersected significant mineralization to the east of an interpreted fault indicating the SS-01 target is still open to the south and southeast. Hole GT-505 returned best intersections, including 4.2 g/t Au over 19.1 metres, 3.0 g/t Au over 13.6 metres, and 3.3 g/t Au over 7.3 metres including 8.1 g/t Au over 1.5 metres.

True widths for the mineralized zones are typically from 60% to 90% of the stated intercept.

A complete listing of the drill results and supporting maps for the Gatsurt Project have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the Company's web site at: [www.centerragold.com](http://www.centerragold.com).

### **Ulaan Bulag Prospect**

During the fourth quarter, a further 26 holes were completed to test the western part of the Nuga Zone at the Ulaan Bulag prospect south of the Boroo mine. The results continue to be encouraging and indicate that the western continuation of the Nuga Zone has potential to host additional mineralization that is similar to the eastern zone.

Drilling indicates that the Ulaan Bulag gold mineralization is similar to the Boroo deposit with the mineralization being primarily confined to the gently dipping Ulaan Bulag fault. Gold mineralization has been outlined over a strike length of approximately 600 metres with widths from 100 to 150 metres. The combined thickness of gold mineralization ranges from a few metres up to 50+ metres. Results from this work have been used to develop an indicated and inferred resource that has been included in the 2010 year-end reserve and resource update.

## **RUSSIA**

### **Kara Beldyr JV**

During the fourth quarter of 2010, 22 diamond drill holes were completed at the Gord Zone on the Kara Beldyr project. Assay results have been received for 14 holes and the remaining assays are pending. Previous drilling at the Gord Zone has outlined a zone of sulphide hosted gold mineralization over a strike length of 750 metres to a depth of greater than 250 metres with an average width of 25 metres and the mineralization is open to depth. During the quarter drilling on a 50 X 50 metre grid was initiated to evaluate the resource potential of the prospect.

The preliminary results have confirmed the main geological features previously identified including the major fault and the alteration zones in both the foot and hanging walls. Visible gold was recorded in 50% of the drill holes which is more than in the initial drilling. Drilling will continue in the first quarter of 2011.

A complete listing of the drill results and supporting maps for the Kara Beldyr Project have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the Company's web site at: [www.centerragold.com](http://www.centerragold.com).

***To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link: <http://media3.marketwire.com/docs/cgkumtor207.pdf> or visit the Company's web site at: [www.centerragold.com](http://www.centerragold.com).***

## Major Assumptions

The following material assumptions have been used in the life-of-mine plans, estimates of operating and capital costs and reserve and resource estimates:

- a gold price of \$1,000 per ounce,
- exchange rates:
  - o \$1USD:\$1.03 CAD
  - o \$1USD:48.50 Kyrgyz Som
  - o \$1USD:1,250 Mongolian Tugrik
  - o \$1USD:0.74 Euro
- diesel fuel price assumption:
  - o \$0.78/litre at Kumtor
  - o \$0.94/litre at Boroo

The assumed diesel price of \$0.78/litre at Kumtor includes a customs export duty imposed by the Russian authorities on the diesel fuel exported to the Kyrgyz Republic. Russia imposed a customs duty of approximately \$194 per tonne on gasoline and diesel fuel exports to the Kyrgyz Republic that went into effect on April 1, 2010. The customs export duty for 2011 is assumed to be at approximately \$0.18/litre or \$212.77 per tonne of diesel fuel; however, there have been public statements made by Kyrgyz authorities that it could be revoked retroactive to January 1, 2011. Should the Russian authorities revoke the customs export duty, Kumtor's cash costs are expected to decrease by approximately \$17 million annually.

Diesel fuel is sourced from separate Russian suppliers for Kumtor and Boroo and only loosely correlates with world oil prices. The diesel fuel price assumptions were made when the price of oil was approximately \$84 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,
- grades and recoveries at Kumtor will remain consistent with the life-of-mine plan to achieve the forecast gold production,
- the dewatering program at Kumtor continues to produce the expected results and the water management system works as planned,
- the remedial plan to deal with the Kumtor waste and ice movement is successful ( see "Kumtor Mine - Remedial Plan to Manage the High Movement Area" in the Company's December 7, 2009 news release),
- no unplanned delays in or interruption of scheduled production from our mines, including due to civil unrest, natural phenomena, labour, regulatory or political disputes, equipment breakdown or other developmental and operational risks,

- certain issues at Boroo raised by the General Department of Specialized Inspection ("SSIA") concerning state alluvial reserves, the production and sale of gold from the Boroo heap leach facility and other matters will be resolved through negotiation without material adverse impact on the Company, see "Other Corporate Developments, Mongolia, Mongolian Regulatory Matters" in the Company's MDA for the period ended September 30, 2010,
- no further suspension of Boroo's operating licenses, and
- all necessary permits, licences and approvals are received in a timely manner.

## Update on Mongolian Legislation

In July 2009, the Mongolian Parliament enacted legislation (the "**Water and Forest Law**") that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of mining and exploration licenses affecting such areas.

The legislation provides a specific exemption for "mineral deposits of strategic importance". Accordingly, Centerra's main Boroo mining licenses are not subject to the law, as they have been designated as "mineral deposits of strategic importance". Centerra's Gatsuurt licenses and its other exploration license holdings in Mongolia, however, are currently not exempt. Under the Minerals Law of Mongolia, Parliament on its own initiative or on the recommendation of the Government, may designate a mineral deposit as strategic. Such a designation could result in Mongolia receiving up to a 34% interest in the deposit. In April 2010, the Company received a letter from Mongolia's Ministry of Mineral Resources and Energy ("**MMRE**") indicating that the Gatsuurt licenses are within the area designated on a preliminary basis where minerals mining is prohibited under the Water and Forest Law.

In November 2010, Mongolia's cabinet announced its intention to initiate the revocation of 1,782 mineral licenses under the Water and Forest Law on a staged basis, beginning with the revocation of 254 alluvial gold mining licenses. The Company has four licenses on the list of alluvial gold mining licenses that may be revoked. None of these licenses are material to the Company. In particular, Centerra's principal Gatsuurt hardrock mining licenses are not on the list of alluvial licenses to be revoked.

The Mongolian Government has announced that it is considering taking the following actions as the next stages of its implementation of the Water and Forest Law:

- preparing and submitting to the cabinet a proposal to designate as "strategic" those deposits, development of which would contribute to regional social and economic development and, at the same time, require significant amounts of compensation;
- revoking all licenses for non-gold mining operations which utilize surface water;
- revoking all 460 gold exploration licenses and providing compensation ;

- revoking all 931 non-gold exploration licenses and providing compensation;
- revoking and providing compensation to all remaining affected mining licenses.

Of the Company's 55 mineral licenses, 36 licenses (including the Gatsuurt hard rock licenses) are included in the 1,782 licenses referred to in the cabinet announcement as subject to staged revocation.

The Company understands that Mongolia's cabinet expects that the Water and Forest Law will take until approximately November 2012 to fully implement. According to statements by officials, the Government estimates that the total compensation due to mining companies for the revocation of their licenses will amount to approximately US\$4 billion, which is about equal to Mongolia's annual gross domestic product.

The Water and Forest Law has attracted opposition from Mongolia's alluvial miners, the Mongolian National Mining Association and other groups. The Company also understands that a group of parliamentarians intends to propose amendments to the Water and Forest Law to reduce its impact on environmentally-sound mining operations.

While the Company has continued to receive permits and approvals in connection with the road construction to Gatsuurt and for construction of surface facilities at the project, in November 2010, the Company received a letter from the MMRE indicating that operations at the Gatsuurt project cannot be commenced while the implementation of the Water and Forest Law is being resolved. Accordingly, it is anticipated that further approvals and regulatory commissioning of Gatsuurt will be delayed as a result of the Water and Forest Law.

Centerra is reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the Water and Forests 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 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. A revocation of the Company's mineral licenses, including the Gatsuurt mineral license, could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

### **New Graduated Royalty Fee**

In November 2010, the Mongolian Parliament enacted a graduated royalty tax that will apply to all mining projects as of January 1, 2011, including the Gatsuurt project when commissioned and the Ulaan Bulag Prospect. This graduated royalty replaces the previous flat 5% royalty fee on gold. Pursuant to the graduated royalty fee, the royalty rate is tied to the price of gold such that there is a 1% increase in the royalty fee for every US\$100 increase in the price of gold per ounce above a certain price. In the case of gold, there is a basic 5% royalty fee that applies while gold is less than US\$900 per ounce. At US\$900 per ounce the royalty fee increases to 6%, at US\$1,000 per ounce

the royalty is 7%, at US\$1,100 the royalty is 8%, and at US\$1,200 the royalty is 9%. The highest royalty fee rate is reached at 10% at US\$1,300 per ounce and above. For example an ounce of gold sold at \$1,000 per ounce would be subject to a royalty of 7% or \$70. The graduated royalty is effective as of January 1, 2011. The Company believes that the graduated royalty will not impact the Boroo mine due to the protection afforded by the Boroo Investment Agreement.

### **Qualified Person**

The reserves and resources estimates and other scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and were reviewed, verified and compiled by Centerra’s geological and mining staff under the supervision of Ian Atkinson, Certified Professional Geologist, Centerra’s Senior Vice-President, Global Exploration, who is the qualified person for the purpose of NI 43-101.

The Kumtor deposit is described in a technical report dated December 16, 2009 prepared in accordance with NI 43-101. The technical report has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). 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. An updated NI 43-101 technical report is being prepared and will be completed and filed on SEDAR in mid-March.

The Boroo deposit is described in a technical report dated December 17, 2009 prepared in accordance with NI 43-101, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The technical report describes the exploration history, geology and style of gold mineralization at the Boroo deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Boroo site are the same as, or similar to, those described in the technical report.

The Gatsuert deposit is described in the Company’s most recently filed AIF and in a technical report dated May 9, 2006 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical report describes the exploration history, geology and style of gold mineralization at the Gatsuert deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Gatsuert project are the same as, or similar to, those described in the technical report or AIF.

### **Cautionary Note Regarding Forward-looking Information**

This news release and the documents referred to herein contain statements which are not statements of current or historical facts and are “forward-looking information” within the meaning of applicable Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Wherever possible, words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”,

“forecast”, “projections”, “estimate”, “may”, “will”, “schedule”, “potential”, “strategy” and other similar expressions have been used to identify forward-looking information. These forward-looking statements relate to, among other things, Centerra’s expectations regarding future growth, results of operations (including, without limitation, future production and sales, and operating and capital expenditures), performance (both operational and financial), business and political environment and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

Although the forward-looking information in this news release reflects Centerra’s current beliefs as of the date of this news release based on information currently available to management and based upon what management believes to be reasonable assumptions, Centerra cannot be certain that actual results, performance, achievements, prospects and opportunities, either expressed or implied will be consistent with such forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks relating to the recent political and civil unrest in the Kyrgyz Republic, risks related to the creep of ice and waste movement into the Kumtor open-pit, the resolution of issues at the Boroo mine raised by the Mongolian SSIA concerning alluvial reserves and matters relating to the suspension of the Boroo licenses in June 2009, the potential impact of Mongolian legislation prohibiting mineral activity in water basins and forest areas on the Gatsuurt project, the threatened termination of the stability agreement with the Mongolian Government in relation to the Boroo mine, the receipt of a final permit to operate the heap leach operation at the Boroo mine, fluctuations in gold prices, replacement of mineral reserves, reduction in reserves related to geotechnical risks, ground movements, political risk, nationalization risk, changes in laws and regulations, political civil unrest, labour unrest, legal compliance costs, reserve and resource estimates, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, costs associated with reclamation and decommissioning, defects in title, seismic activity, cost and availability of labour, material and supplies, increases in production and capital costs, permitting and construction to raise the tailings dam height and increase the capacity of the existing Kumtor tailing dam, the ability to renew and obtain licenses, permits and other rights, illegal mining, enforcement of legal rights, decommissioning and reclamation cost estimates, future financing and personnel and the receipt of all permitting and commissioning requirements for the Gatsuurt mine. In addition, material assumptions used to forecast production and costs include those described above under the heading “Major Assumptions”. 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 most recently filed AIF and Annual Management’s Discussion and Analysis available on SEDAR at [www.sedar.com](http://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.

Centerra's mineral reserve and mineral 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 mineral 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 mineral reserve and mineral resource estimates are well established and the best estimates of Centerra's management, by their nature mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable. If Centerra's reserve or reserve estimates for its properties are inaccurate or are reduced in the future, this could have an adverse impact on Centerra's future cash flows, earnings, results or operations and financial condition.

Centerra estimates the future mine life of its operations. Centerra can give no assurance that mine life estimates will be achieved. Failure to achieve these estimates could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in this news release. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of February 7, 2011. Centerra assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

### **About Centerra**

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

Additional information on Centerra is available on the Company's website at [www.centerragold.com](http://www.centerragold.com) and at SEDAR at [www.sedar.com](http://www.sedar.com).

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