

centerra**GOLD**



## NEWS RELEASE

### Centerra Gold Announces EBRD joining Öksüt Credit Facility

**Toronto, Canada, August 12, 2016:** Centerra Gold Inc. (TSX: CG) is pleased to announce that the European Bank for Reconstruction and Development ("EBRD") joins UniCredit Bank AG ("UniCredit") in the US\$150 million project financing term loan facility for the Öksüt Project in Turkey (the "Facility"). EBRD will enter the Facility investing US\$75 million and represents EBRD's first mining investment in Turkey

The Facility was initially fully underwritten and signed by UniCredit on April 5, 2016 and will be used to finance a substantial portion of the construction, development and operation of the Öksüt gold project and its related infrastructure in the Kayseri region of central Turkey. Recently the Company obtained its Forestry Usage Permit, one part of the overall land use permit. The Pastureland Permit, to complete the land use permitting, is currently in-process. The Company is working with the relevant agencies to obtain the Pastureland Permit which is expected shortly and will complete the land use permitting. All conditions on the Facility are expected to be met by the end of the third quarter of 2016.

Scott Perry, Chief Executive Officer of Centerra Gold stated, "We are pleased to have, in addition to UniCredit, EBRD as a strategic partner and have them enter the Öksüt financing facility. Centerra has a long standing relationship with EBRD dating back to the Company's initial public offering with EBRD providing support and financing for the Company. We value our ongoing relationship with EBRD and are grateful for their commitment and support to help finance development in the regions where we both operate."

Riccardo Puliti, Managing Director, Head of Energy and Natural Resources at EBRD remarked, "We are pleased to support the entrance in the Turkish market of an experienced operator like Centerra. The overall aim of this operation is to create sustainable development in the mining sector while enhancing social inclusion and transparency."

Highlights of the Öksüt feasibility study and life-of-mine plan (LOM)<sup>(1)</sup> include:

- Average annual gold production of 155,000 ounces in the first four years.
- Life-of-mine gold production of 895,000 ounces.
- All-in sustaining cost<sup>(2)</sup> of US\$490 per ounce.
- All-in cost including taxes<sup>(2)</sup> of US\$777 per ounce for the project.
- Payback of the US\$221 million construction capital and pre-production expenditures is expected to be 2.5 years after production begins.
- After-tax net present value (NPV) of US\$242 million using an 8% discount rate and the project has a 42.5% project internal rate of return (IRR).

(1) Öksüt feasibility study and life-of-mine plan assume a gold price of US\$1,250 per ounce.

(2) Non-GAAP measure. See description of "Non-GAAP Measures" in the Company's Management Discussion & Analysis (MD&A) filed on SEDAR.

The feasibility study and life-of-mine plan are subject to a number of key assumptions, parameters and methods used to estimate mineral resources and reserves, as well as the technical, regulatory, legal, political,

environmental and others risks are described in the Technical Report on the Öksüt Gold Project, Turkey prepared for Centerra Gold Inc. dated September 3, 2015, effective date June 30, 2015, which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Qualified Person & QA/QC**

The feasibility study and life-of-mine plan were undertaken by Centerra staff with the assistance of several external consultants. Reserve and resource estimates, life-of-mine plan 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 Gordon Reid, Professional Engineer and Centerra’s Vice-President and Chief Operating Officer, who is the qualified person for the purpose of NI 43-101. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the exploration drilling programs on the Öksüt Project have been done consistent with industry standards and independent certified assay labs have been used. Available quality control data indicates that the gold assay data used for resource estimation are reliable.

The Öksüt deposit is described in Centerra’s 2015 Annual Information Form and in a technical report dated September 3, 2015 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 Öksüt deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Öksüt site are the same as, or similar to, those described in the technical report.

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

Information contained in this news release and the documents referred to herein which are not statements of historical facts, 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”, “envision”, “target”, “intends”, “estimate”, “may”, “will”, and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, OMAS’s intended use of the Facility, the Company’s expectations to develop the Öksüt mine and the related timing for such development and construction, mineral reserve and resource estimates, grades and recoveries, development plans and mining methods, commencement of mining and production, receipt of government approvals and licenses, future exploration and drilling plans, life-of-mine operating costs, capital estimates, future cash flow estimates, financial forecasts including net present value and internal rate of return estimates, tax and royalty rates.

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. There may be factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. These factors include: (A) regulatory, legal, planning and other risks, including political risks associated with the Company’s operations in Turkey; resource nationalism including the management of external stakeholder expectations; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates including any unjustified civil or criminal action against the Company, its affiliates or its current or former employees; the impact of changes to, the increased enforcement of, environmental laws and regulations relating to the Company’s operations; potential defects of title in the Company’s properties that are not known as of the date

hereof; the inability of the Company and its subsidiaries to enforce their legal rights in certain circumstances; potential risks related to kidnapping or acts of terrorism; (B) risks relating to financial matters, including: sensitivity of the Company's business to the volatility of gold prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Facility on the Company's operations, 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, Öksüt Madencilik Sanayi ve Ticaret A.S.'s ("OMAS") ability to make payments including any payments of principal and interest on the Facility depends on the cash flow of OMAS; and (C) risks related to operational matters and geotechnical issues; the success of the Company's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; inherent risks associated with the use of sodium cyanide in the mining operations; the adequacy of the Company's insurance to mitigate operational risks; mechanical breakdowns; the occurrence of any labour unrest or disturbance; the risk that Centerra's workforce may be exposed to widespread epidemic; seismic activity in the vicinity of the Company's operations; reliance on a limited number of suppliers for certain consumables, equipment and components; the Company's ability to accurately predict decommissioning and reclamation costs, including closure costs to cap waste rock and heap leach dumps; the Company's ability to attract and retain qualified personnel; the Company's ability to manage its projects effectively and to mitigate the potential lack of availability of contractors, budget and timing overruns and project resources, potential delays in the issuance of permits, particularly for state pastureland which covers part of the Öksüt Project area and on which the two open pits and part of the waste dump are located; potential opposition to the Öksüt Project by local communities or civil groups related to concerns over water usage in competition with agriculture, water quality, environmental impact from cyanide use in gold leaching, visual impacts, acoustic impacts, ambient air impacts or failure of the company to agree to local demands; potential material increases in project development or operation costs due to increases in key consumables, inflation, imposed demands for infrastructure development or regulatory changes; the planning, design and costing of the key project infrastructure such as power, water and access. See also "Risks that can affect our business" in the Company's most recently filed Annual Information Form, available on SEDAR at [www.sedar.com](http://www.sedar.com).

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained 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 August 12, 2016. 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 Canadian based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, North America and other markets worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Ontario, Canada.

### **For more information:**

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

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