centerraGOLD

NEWS RELEASE

Centerra Gold Announces 2016 Gold Production of 598,677 Ounces and 2017 Outlook

All figures are in United States dollars unless otherwise stated. This news release contains forward-looking information that is subject to risk factors and assumptions set out under the heading "Material Assumptions and Risks" and in the note Caution Regarding Forward-looking Information.

All production figures are on a 100% basis.

Toronto, Canada, January 16, 2017: Centerra Gold Inc. (TSX: CG) announced today that 2016 consolidated gold production totalled 598,677 ounces of gold, which includes gold production from the Mount Milligan mine for the period October 20, 2016 (acquisition date) to December 31, 2016. This includes 550,960 ounces of gold from the Kumtor mine, located in the Kyrgyz Republic and 47,717 ounces of gold from the Mount Milligan mine, located in northern British Columbia, Canada.

During the fourth quarter of 2016, Centerra's gold production was 248,479 ounces, including 200,762 ounces of gold produced by the Kumtor mine and 47,717 ounces of gold produced by the Mount Milligan mine from October 20, 2016 to December 31, 2016. Centerra's copper production from Mount Milligan was 10.4 million pounds for the period October 20, 2016 to December 31, 2016.

At the Mount Milligan mine, for the full year of 2016, the mine produced 204,542 ounces of gold and 58.5 million pounds of copper. During the full fourth quarter of 2016, Mount Milligan produced 54,725 ounces of gold and 12.6 million pounds of copper.

Scott Perry, Chief Executive Officer of Centerra stated, "Kumtor had another strong year delivering more than 550,000 ounces of gold production, which exceeded the mid-point (540,000 ounces) of Centerra's favourably revised gold production outlook issued after last year's third quarter. For 2017, we are estimating consolidated gold production to be in the range of 715,000 to 795,000 ounces, which includes a full year of production from the Mount Milligan mine. Additionally, we are expecting 55 million to 65 million pounds of payable copper production from Mount Milligan for the year. At both operations this year, we are expecting gold production to be weighted more towards the fourth quarter, 30% at Kumtor and 35% at Mount Milligan. Centerra's projected consolidated all-in sustaining cost per ounce sold[1] net of copper by-product for 2017 is expected to be in the range of $743 to $824 per ounce."

2017 Outlook

See "Material Assumption and Risks" for other material assumptions or factors used to forecast production and costs for 2017.

2017 Gold Production

Centerra's 2017 gold production is expected to be between 715,000 to 795,000 ounces. Kumtor's production forecast is expected to be in the range of 455,000 ounces to 505,000 ounces with 30% of the production

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

expected to be in the fourth quarter. At Mount Milligan, the Company expects payable gold production to be in the range of 260,000 to 290,000 ounces with approximately 35% of the ounces expected to be produced in the fourth quarter.

The Mongolian operations will continue with care and maintenance activities at the Boroo mine mainly focusing on reclamation work. Any revenue from Boroo gold production from the rinsing of the heap leach pad will be offset against care and maintenance costs. The 2017 production forecast assumes no gold production from Boroo, Gatsuurt or Öksüt.

2017 Copper Production
Centerra expects concentrate production from the Mount Milligan mine to be in the range of 125,000 to 135,000 dry tonnes for 2017. Payable copper production is expected to be in the range of 55 million pounds to 65 million pounds.

Centerra's 2017 production is forecast as follows:

2017 Production Guidance	**Units**	**Kumtor**	**Mount Milligan(1)**	**Centerra**
Gold				
Unstreamed Gold Payable Production	(Koz)	455 – 505	169 – 189	624 – 694
Streamed Gold Payable Production(1)	(Koz)	–	91 – 101	91 – 101
Total Gold Payable Production(2)	(Koz)	**455 – 505**	**260 – 290**	**715 – 795**
Copper				
Unstreamed Copper Payable Production	(Mlb)	–	45 – 53	45 – 53
Streamed Copper Payable Production(1)	(Mlb)	–	10 – 12	10 – 12
Total Copper Payable Production(3)	**(Mlb)**	**–**	**55 – 65**	**55 – 65**
Concentrate production in dry tonnes	(Kt)	–	125 – 135	125 – 135

1. Royal Gold streaming agreement entitles Royal Gold to 35% and 18.75% of gold and copper sales, respectively, from the Mount Milligan mine. Under the stream arrangement, Royal Gold will pay $435 per ounce of gold delivered and 15% of the spot price per metric tonne of copper delivered.
2. Gold production assumes 78.8% recovery at Kumtor and 62.5% recovery at Mount Milligan.
3. Copper production assumes 75.5% recovery for copper at Mount Milligan.

2017 All-in Sustaining Unit Costs[1]

Centerra's 2017 all-in sustaining costs per ounce sold[1] are calculated on a by-product basis and are forecast as follows:

	Kumtor	Mount Milligan(2)	Centerra(2)
Ounces sold forecast	455,000 – 505,000	260,000 – 290,000	715,000-795,000
US $ / gold ounce sold			
Operating costs	288 – 319	748 – 834	456 – 507
Changes in inventory	35 – 39	35 – 39	35 – 39
Operating costs (on a sales basis)(3)	**$323 - $358**	**$783 - $873**	**$491 – $546**
Selling & marketing	-	18 – 20	6 – 7
Regional office administration	31 – 34	-	20 – 22
Social development costs	5	-	3
Treatment & refining charges	6 – 7	71 – 79	30 – 33
Copper credits(2)	-	(484) – (540)	(177) – (196)
Silver credits	(6) – (7)	(23) – (26)	(12) – (14)
Subtotal (Adjusted operating costs)(1), (2)	**$359 - $397**	**$365 - $406**	**$361 – $401**
Accretion expense	2	1	2
Capitalized stripping costs (cash)	340 – 377	-	216 – 240
Sustaining capital expenditures(1)	135 – 149	91 – 101	120 – 133
Corporate general and administrative costs	-	-	44 – 48
All-in sustaining costs on a by-product basis(1), (2)	**$836 - $925**	**$457 - $508**	**$743 - $824**
Revenue-based tax(4) and taxes(4)	166 – 184	19 - 21	113 – 125
All-in sustaining costs on a by-product basis plus taxes (1), (2), (4)	**$1,002 – $1,109**	**$476 - $529**	**$856 - $949**
All-in sustaining costs on a co-product basis(1),(2),(5)	**$836 - $925**	**$575 - $640**	**$786 - $873**

(1) Adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold on a by-product basis, all-in sustaining costs per ounce on a by-product basis plus taxes, all-in sustaining costs per ounce sold on a co-product basis and sustaining capital expenditures are non-GAAP measures and are discussed under "Non-GAAP Measures".

(2) Mount Milligan payable production and ounces sold are on a 100% basis (Royal Gold streaming agreement entitles it to 35% and 18.75% of gold and copper sales, respectively). Unit costs and consolidated unit costs include a credit for forecasted copper sales treated as by-product for all-in sustaining costs and all-in sustaining costs plus taxes. The copper sales are based on a copper price assumption of $2.50 per pound sold for Centerra's 81.25% share of copper production and the remaining 18.75% of copper revenue at $0.375 per pound (15% of spot price, assuming spot at $2.50 per pound), representing the Royal Gold copper stream arrangement. Payable production for copper and gold reflects estimated metallurgical losses resulting from handling of the concentrate and payable metal deductions, subject to metal content, levied by smelters. The current payable percentage applied is approximately 95.0% for copper and 96.5% for gold, which may be revised on a prospective basis after sufficient history of payable amounts is determined.

(3) Operating costs (on a sales basis) are comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes (except at Kumtor where revenue-based taxes are excluded), but excludes reclamation costs and depreciation, depletion and amortization. Operating costs (on a sales basis) represents the cash component of cost of sales associated with the ounces sold in the period.

(4) Includes revenue-based tax at Kumtor that reflects a forecast gold price assumption of $1,200 per ounce sold and at Mount Milligan the British Columbia mineral tax.

(5) All-in sustaining costs per ounce sold on a co-product basis is defined in "Non-GAAP Measures".

Results in chart may not add due to rounding.

2017 Exploration Expenditures

Planned exploration expenditures for 2017 totals $9 million. The 2017 exploration plan includes $6.4 million to fund ongoing projects (excluding Greenstone) and $2.6 million for generative and other exploration programs. See

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

also 2017 Greenstone Gold Property.

2017 Capital Expenditures
Centerra's projected capital expenditures for 2017, excluding capitalized stripping, are estimated to be $148 million, including $96 million of sustaining capital[1] and $52 million of growth capital[1].

Projected capital expenditures (excluding capitalized stripping) include:

Projects	**2017 Sustaining Capital[1]** ($ millions)	**2017 Growth Capital[1]** ($ millions)
Kumtor mine	68	28
Mount Milligan mine	26	-
Öksüt project	-	11
Greenstone Gold property	-	8
Mongolia	-	5
Other (Thompson Creek mine, Endako mine (75%), Langeloth facility and Corporate)	2	-
Consolidated Total	**$96**	**$52**

Kumtor
At Kumtor, 2017 total capital expenditures, excluding capitalized stripping, are forecast to be $96 million. Spending on sustaining capital[1] of $68 million relates primarily to major overhauls and replacements of the heavy duty mine equipment ($58 million), major overhauls and replacements of mill equipment ($3 million) and other items ($7 million).

Growth capital[1] investment at Kumtor for 2017 is forecast at $28 million and includes the relocation of certain infrastructure at Kumtor related to the life-of-mine expansion plan amounting to $9 million, tailings dam construction ($11 million), purchase of new mining equipment ($4 million), dewatering projects ($2 million) and other items ($2 million). The tailings dam construction in 2017 is the first such construction required to contain the additional 3.6 million ounces of gold reserves that resulted from the KS-13 pit expansion. As such, it is classified as growth capital[1]. This initial raise is the start of a 3-year program that will not be completed until 2019 (total estimated cost of $32 million). All tailings dam construction prior to 2017 was related to containing tailings that were generated from the approved ore reserve prior to approval of the KS13 pit expansion.

The cash component of capitalized stripping costs related to the development of the open pit is expected to be $172 million of the $234 million total capitalized stripping in 2017.

Mount Milligan
At Mount Milligan, 2017 sustaining capital expenditures are forecast to be $26 million. Spending on sustaining capital[1] of $26 million relates primarily to tailing dam construction ($20 million), purchases of the heavy duty mine equipment ($3 million), and other items ($3 million).

Mongolia (Boroo and Gatsuurt)
In Mongolia 2017 sustaining capital[1] expenditures are expected to be minimal and growth capital[1] expenditures are estimated at $5 million which covers costs for additional studies and capitalized project support and administration costs related to the Gatsuurt Project.

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

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Öksüt Project

The Company expects to spend $11 million at the Öksüt property in 2017. The total planned spending of $11 million includes detailed engineering, powerline, and capitalized project support and administration costs. Expected capital expenditures at Öksüt in 2017 will be re-assessed upon the Company obtaining all required permits for construction from local authorities.

Greenstone Gold Property

Centerra's guidance for 2017 expenditures in connection with the Greenstone Gold Property is approximately $8 million (C$11 million) and represents costs forecast to be spent for capitalized project support and administration costs and other capital expenditures for the project. During 2017, Greenstone Gold Mines expects to evaluate programs to minimize the risk profile of the Hardrock Project including advancing permitting, First Nation discussions and completing and submitting the Environmental Assessments based on the Feasibility Study which would incorporate comments already received from the agencies and impacted stakeholders.

Other sites and Corporate

At the Thompson Creek mine, Endako mine (75% share) and Langeloth metallurgical processing facility, 2017 sustaining capital[1] expenditures are expected to be approximately $1 million. Sustaining capital[1] expenditures for 2017 at the corporate office are expected to be approximately $1 million.

2017 Corporate Administration and Community Investment

Corporate and administration expense for 2017 is forecast to be $40 million, which includes $35 million (including $8 million of stock-based compensation expense) for corporate and administration costs, and $5 million for community investment activities.

2017 Depreciation, Depletion and Amortization

Consolidated depreciation, depletion and amortization (DD&A) expense included in costs of sales expense for 2017 is forecasted to be in the range of $245 million to $271 million including Kumtor's DD&A expense of $153 million to $169 million, Mount Milligan's DD&A expense of $84 million to $93 million, and Langeloth's DD&A expense range of $8 million to $9 million.

2017 Taxes

Pursuant to the Restated Investment Agreement, Kumtor's operations are not subject to corporate income taxes. The agreement assesses tax at 13% on gross revenue (plus 1% for the Issyk-Kul Oblast Development Fund). The Mount Milligan operations are subject to corporate income tax and British Columbia mineral tax. Corporate income tax for 2017 is forecast to be nil, while British Columbia mineral tax is forecast to be between $4.7 million and $5.4.

Sensitivities

Centerra's revenues, earnings and cash flows for 2017 are sensitive to changes in certain key inputs or currencies. The Company has estimated the impact of any such changes on revenues, net earnings and cash from operations.

	Change	**Impact on** *($ millions)*				**Impact on** *($ per ounce sold)*
		Costs	**Revenues**	**Cash flows**	**Net Earnings (after tax)**	**AISC(2) on by-product basis**
Gold Price	**$50/oz**	3.4 - 3.8	31.2 – 34.7	27.7 - 30.7	27.7 - 30.7	1.0
Copper Price	**10%**	0.2 – 0.3	11.6 – 13.7	11.0 – 13.1	11.0 – 13.1	15.8 – 16.8
Diesel Fuel	**10%**	3.5	-	8.3	3.5	10.4 – 11.6
Kyrgyz som(1)	**1 som**	0.9	-	1.4	0.9	1.8 – 2.0
Canadian dollar(1)	**10 cents**	21.0	-	22.7	21.0	28.5 – 31.7

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

(2) All-in sustaining costs per ounce sold (“AISC”) on a by-product basis is a non-GAAP measure and is discussed under “Non-GAAP Measures”

Material Assumptions and Risks

Material assumptions or factors used to forecast production and costs for 2017 include the following:

- a gold price of $1,200 per ounce,
- a copper price of $2.50 per pound,
- a molybdenum price of $7.35 per pound,
- exchange rates:
  - $1USD:$1.32 CAD
  - $1USD:67.0 Kyrgyz som
  - $1USD:0.90 Euro
- diesel fuel price assumption:
  - $0.50/litre at Kumtor
  - $0.65/litre at Mount Milligan

The assumed diesel price of $0.50/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 $45 per barrel. Crude oil is a component of diesel fuel purchased by the Company, such that changes in the price of Brent crude oil generally impacts diesel fuel prices. The Company established a hedging strategy to manage changes in diesel fuel prices on the cost of operations at the Kumtor mine. The diesel fuel hedging program is a 24-month rolling program. The Company targets to hedge up to 70% of crude oil component of monthly diesel purchases for the first 12 months and 50% of the 13 through 24 month exposure.

Other material assumptions were used in forecasting production and costs for 2017. These material assumptions include the following:

- That the Company has sufficient cash on hand or available to it in order to fund anticipated operating and development costs.
- The Company and its applicable subsidiaries throughout the year continue to meet the terms of the Thompson Creek Metals credit facility and the EBRD credit facility in order to maintain current borrowings and compliance with the facilities financial covenants.
- That any discussions between the Government of the Kyrgyz Republic and Centerra regarding the resolution of all outstanding matters affecting the Kumtor mine are satisfactory to Centerra, fair to all of Centerra’s shareholders, and that any such resolution will receive all necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law.
- All mine plans, expertises and related permits and authorizations at Kumtor, including permits to allow the raising of the tailings dam, receive timely approval from all relevant governmental agencies in the Kyrgyz Republic and are not subsequently withdrawn.
- Any recurrence of political or civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine and/or power to the mine site.
- Any actions taken by the Kyrgyz Republic Parliament and Government do not have a material impact on operations or financial results. This includes any actions (i) being taken by the Parliament or Government to cancel the Kumtor Project Agreements; (ii) which are not consistent with the rights of

Centerra and KGC under the Kumtor Project Agreements; or (iii) that cause any disruptions to the operation and management of KGC and / or the Kumtor Project.

- The previously disclosed claims received from the Kyrgyz regulatory authorities (SIETS and SAEPF) and related Kyrgyz Republic court decisions, the claims of the Kyrgyz Republic's General Prosecutor's Office purporting to invalidate land use rights and/or seize land at Kumtor and to unwind the $200 million inter-company dividend declared and paid by KGC to Centerra in December 2013, criminal and other investigations initiated by the GPO in connection with loans and dividends made by KGC and the alleged misuse of funds or other property at KGC and any further claims by Kyrgyz authorities, whether environmental allegations or otherwise, are resolved without material impact on Centerra's operations or financial results.
- Any sanctions imposed on Russian entities do not have a negative effect on the costs or availability of inputs or equipment to the Kumtor Project.
- The movement in the Central Valley Waste Dump at Kumtor, initially referred to in the Annual Information Form for the year ended December 31, 2013, and in the Lysii and Sarytor Waste Dumps, do not accelerate and will be managed to ensure continued safe operations, without impact to gold production.
- The buttress constructed at the bottom of the Davidov glacier continues to function as planned.
- The Company is able to manage the risks associated with the increased height of the pit walls at Kumtor.
- The dewatering program at Kumtor continues to produce the expected results and the water management system works as planned.
- The pit walls at Kumtor and Mount Milligan remain stable.
- The resource block model at Kumtor and Mount Milligan reconciles as expected against production.
- Grades and recoveries at Kumtor and Mount Milligan will remain consistent with the 2017 production plan to achieve the forecast gold and copper production.
- The Kumtor mill and the Mount Milligan processing plant continues to operate as expected.
- Commissioning of the permanent secondary crushing plant at Mount Milligan continues within schedule and budget, and performs as designed.
- The Mount Milligan processing facility continues to have access to sufficient water supplies to operate year round.
- There are no unfavourable changes to concentrate sales arrangements at Mount Milligan and roasting arrangements at the Langeloth facility.
- There are no adverse regulatory changes affecting Mount Milligan operations and acquired molybdenum assets.
- Exchange rates, prices of key consumables, costs of power, water usage fees, and any other cost assumptions at all operations and projects of the Company are not significantly higher than prices assumed in planning.
- No unplanned delays in or interruption of scheduled production from our mines, including due to climate/weather conditions, political or civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks.

The Company cannot give any assurances in this regard.

Production, cost and capital forecasts for 2017 are forward-looking information and are based on key assumptions and subject to material risk factors that could cause actual results to differ materially and which are discussed herein under the headings "Material Assumptions & Risks" and "Cautionary Note Regarding Forward-Looking Information" in this news release and under the heading "Risk Factors" in the Company's third quarter 2016 MD&A and in the Company's Annual Information Form for the year ended December 31, 2015.

Qualified Person & QA/QC

The scientific and technical information in this news release, including the production estimates were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 and were prepared, reviewed, verified and compiled by Centerra's technical 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.

The Kumtor deposit is described in a NI 43-101 technical report dated March 20, 2015 and filed on SEDAR at 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 prior to April 2013 are described in the technical report.

The Mount Milligan deposit is described in a NI 43-101 technical report dated January 21, 2015 and filed on SEDAR at www.sedar.com. The technical report describes the exploration history, geology and style of gold mineralization at the Mount Milligan deposit. 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.

Non-GAAP Measures

This news release contains the following non-GAAP financial measures: all-in sustaining costs per ounce sold on a by-product basis, all-in sustaining costs per ounce sold on a by-product basis plus taxes, and all-in sustaining costs per ounce sold on a co-product basis. In addition, non-GAAP financial measures include adjusted operating costs in dollars (millions) and per ounce sold, as well as cost of sales per ounce sold, capital expenditures (sustaining) and capital expenditures (growth). These financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers, even as compared to other issuers who may be applying the World Gold Council ("WGC") guidelines, which can be found at http://www.gold.org.

Management believes that the use of these non-GAAP measures will assist analysts, investors and other stakeholders of the Company in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing our operating performance, our ability to generate free cash flow from current operations and to generate free cash flow on an overall Company basis, and for planning and forecasting of future periods. However, the measures do have limitations as analytical tools as they may be influenced by the point in the life cycle of a specific mine and the level of additional exploration or expenditures a company has to make to fully develop its properties. Accordingly, these non-GAAP measures should not be considered in isolation, or as a substitute for, analysis of our results as reported under GAAP.

Definitions

The following is a description of the non-GAAP measures used in this news release. The definitions are similar to the WGC's Guidance Note on these non-GAAP measures:

- *Production costs* represent operating costs associated with the mining, milling and site administration activities at the Company's operating sites, excluding costs unrelated to production such as mine standby and community costs related to current operations.

- *Operating costs* (on a sales basis) include mine operating costs such as mining, processing, site support, royalties and operating taxes (except at Kumtor where revenue-based taxes are excluded), but exclude depreciation, depletion and amortization (DD&A), reclamation costs, financing costs, capital development and exploration.
- *Adjusted operating costs per ounce sold* include operating costs (on a sales basis), regional office administration, mine standby costs, community costs related to current operations, refining fees and by-product credits.
- *Capital expenditure (Sustaining)* is a capital expenditure necessary to maintain existing levels of production. The sustaining capital expenditures maintain the existing mine fleet, mill and other facilities so that they function at levels consistent from year to year.
- *All-in sustaining costs on a by-product basis per ounce sold* include adjusted operating costs, the cash component of capitalized stripping costs, corporate general and administrative expenses, accretion expenses, and sustaining capital, net of copper and silver credits. The measure incorporates costs related to sustaining production. Copper and silver credits represent the expected revenue from the sale of these metals.
- *All-in sustaining costs on a by-product basis per ounce sold plus taxes* include revenue-based tax at Kumtor and taxes at Mount Milligan.
- *All-in sustaining costs on a co-product basis per ounce sold*, operating costs are allocated between copper and gold based on production. Copper production has been converted to ounces of gold equivalent using the copper production for the periods presented, as well as the forecasted average prices for copper and gold.
- *Capital expenditure (Growth)* is capital expended to expand the business or operations by increasing productive capacity beyond current levels of performance.

Caution Regarding Forward-Looking Information

Information contained in this news release which are not statements of historical facts, and the documents incorporated by reference herein, 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, “2017 Outlook”; the Company’s expectations regarding future production, all-in sustaining costs per ounce sold[1]; 2017 exploration expenditures; 2017 capital expenditures; 2017 corporate administration and community investment expenses; 2017 depreciation, depletion and amortization expenses; 2017 tax expenses and the expected time frame for the tailings dam construction at the Kumtor mine.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking information. Factors that could cause actual results or events to differ materially from current expectations include, among other things: (A) strategic, legal, planning and other risks, including: political risks associated with the Company’s operations in the Kyrgyz Republic, Mongolia and 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 any

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

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actions taken by the Kyrgyz Republic Government and Parliament relating to the Kumtor Project Agreements which are inconsistent with the rights of Centerra and KGC under the Kumtor Project Agreements; any impact on the purported cancellation of Kumtor's land use rights at the Kumtor Project pursuant to a court claim commenced by the Kyrgyz Republic GPO; the risks related to other outstanding litigation affecting the Company's operations in the Kyrgyz Republic and elsewhere; the potential impact on the Kumtor Project of investigations by Kyrgyz Republic instrumentalities and movement restrictions on KGC employees and managers; the impact of changes to, the increased enforcement of, environmental laws and regulations relating to the Company's operations; the impact of any sanctions imposed by Canada, the United States or other jurisdictions against various Russian individuals and entities; 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; the presence of a significant shareholder that is a state-owned company of the Kyrgyz Republic; risks related to anti-corruption legislation; risks related to the concentration of assets in Central Asia; Centerra's future exploration and development activities not being successful; Centerra not being able to replace mineral reserves; difficulties with Centerra's joint venture partners; and aboriginal claims and consultative issues relating to the Company's 50% interest in the Greenstone Gold Property; 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 and copper prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Company's credit facilities which may, among other things, restrict the Company from pursuing certain business activities or making distributions from its subsidiaries, the Company's ability to obtain future financing, the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (C) risks related to operational matters and geotechnical issues and the Company's continued ability to successfully manage such matters, including: movement of the Davidov Glacier and the waste and ice movement at the Kumtor Project, the continued performance of the buttress; the occurrence of further ground movements at the Kumtor Project and mechanical availability; the ability of the Company to successfully commission the secondary crusher at the Mt. Milligan Project; 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 Company's ability to obtain the necessary permits and authorizations to (among other things) raise the tailings dam at the Kumtor Project to the required height; the Company's ability to replace its mineral reserves; the occurrence of any labour unrest or disturbance and the ability of the Company to successfully re-negotiate collective agreements when required; the risk that Centerra's workforce may be exposed to widespread epidemic; 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 some of the Company's operating properties; reliance on a limited number of suppliers for certain consumables, equipment and components; illegal mining on the Company's Mongolian properties; the Company's ability to accurately predict decommissioning and reclamation costs; the Company's ability to attract and retain qualified personnel; competition for mineral acquisition opportunities; and risks associated with the conduct of joint ventures/partnerships, including Greenstone Gold Mines LP; 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. See "Risk Factors" in the Company's 2015 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

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ultimately result in a restatement of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. Economic and technological factors which may change over time always influence the evaluation of reserves or resources. Centerra has not adjusted mineral resource figures in consideration of these risks and, therefore, Centerra can give no assurances that any mineral resource estimate will ultimately be reclassified as proven and probable reserves.

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources of any category can be upgraded to mineral reserves through continued exploration.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward looking information. Forward-looking information is as of January 16, 2017. 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 Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in North America, Asia, and other markets worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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

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