

**NEWS RELEASE****Centerra Gold Revises 2016 Guidance Favourably and Reports Third Quarter Results**

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 29 and in the Cautionary Note Regarding Forward-looking Information on page 35. It should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes for the three and nine months ended September 30, 2016 and the associated Management's Discussion and Analysis. The condensed interim consolidated financial statements of Centerra are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All figures are in United States dollars unless otherwise stated.

To view Management's Discussion and Analysis and the Unaudited Interim Consolidated Financial Statements and Notes for the three and nine months ended September 30, 2016, please visit the following link:

<http://media3.marketwire.com/docs/CG1107-mdafs.pdf>

Toronto, Canada, November 7, 2016: Centerra Gold Inc. (TSX: CG) today reported net earnings of \$66.9 million or \$0.28 per common share (basic) in the third quarter of 2016, compared to a net loss of \$18.1 million or \$0.08 per common share (basic) for the same period in 2015. This reflects the processing of higher grade material from cut-back 17 at Kumtor, 19% higher average realized gold price¹ in the period and an inventory impairment reversal of \$15.4 million (\$0.06 per share), while the comparative period in 2015 included a non-cash goodwill impairment charge of \$18.7 million (\$0.08 per share).

For the first nine months of 2016, the Company recorded net earnings of \$87.9 million or \$0.36 per common share (basic), compared to a net earnings of \$44.5 million or \$0.19 per common share (basic) in the comparative period of 2015. This reflects the reversal of an inventory impairment of \$27.2 million (\$0.11 per share) and 34% lower corporate administration costs in the first nine months of 2016 and the recording of an \$18.7 million (\$0.08 per share) non-cash goodwill impairment in the comparative period.

Centerra's third quarter results described in this news release do not include financial and operation data from Thompson Creek Metals Company Inc., which was acquired on October 20, 2016.

2016 Third Quarter Highlights

- On October 20, 2016, the Company completed the acquisition of Thompson Creek Metals Company Inc. for \$1.03 billion. This included the redemption, at their call prices plus accrued and unpaid interest, or satisfaction and discharge, all of Thompson Creek's outstanding Senior Secured Notes due in 2017 and Unsecured Notes due in 2018 and 2019, representing \$326.1 million, \$349.7 million and \$205.2 million, respectively.
- Favourably revised gold production guidance at Kumtor to 520,000 to 560,000 ounces.
- Lowered all-in sustaining cost¹ (AISC) guidance for Kumtor to \$666 - \$718 per ounce.

¹ Non-GAAP measure, see discussion under "Non-GAAP Measures". All-in sustaining costs exclude revenue-based taxes in the Kyrgyz Republic and income taxes.

- Produced 166,030 ounces of gold at Kumtor at all-in sustaining costs¹ of \$555 per ounce sold. All-in sustaining costs¹ were lower than previous guidance.
- Company-wide all-in sustaining costs per ounce sold¹ for the third quarter were \$591 due in part to more ounces sold and lower operating costs at Kumtor.
- Received the Forestry Usage Permit at the Öksüt Project in Turkey.
- Continued discussions with the Government of the Kyrgyz Republic with a view to resolving all outstanding matters affecting the Kumtor Project including removal of the restriction on cash held by Kumtor Gold Company (“KGC”).
- Continued discussions with the Mongolian Government regarding finalizing definitive agreements relating to the Gatsuurt Project. Discussions are continuing in the fourth quarter of 2016.

Centerra’s Kyrgyz Republic operating subsidiary, KGC is subject to an interim order of the Bishkek Inter-District Court in the Kyrgyz Republic prohibiting KGC from taking any actions relating to certain financial transactions, including transferring property or assets, declaring or paying dividends or making loans to Centerra. While such order does not prohibit KGC from continuing to use its cash resources to operate the Kumtor mine, cash generated from the Kumtor Project continues to be held in KGC and is not being distributed to Centerra. The interim order purports to secure KGC’s potential liability for a previously disclosed claim brought by the Kyrgyz Republic State Agency for Environmental Protection and Forestry. The Company believes that such claim and the interim order are without foundation and violate the fundamental investment protections contained in the 2009 agreements governing the Kumtor Project, as, in particular, the order deprives Centerra of the fundamental economic benefits of ownership of the Kumtor Project. KGC appealed the interim order to the Kyrgyz Republic Supreme Court but such appeal was denied on October 19, 2016. Centerra has included the dispute in the ongoing international arbitration proceeding against the Kyrgyz Republic (see “Other Corporate Developments – Notice of Arbitration”). As at September 30, 2016, the cash balance of KGC was \$121.6 million and is expected to continue to increase over time. In light of the continued inability of the Company to access cash generated by the Kumtor Project, including as a result of the denial by the Kyrgyz Republic Supreme Court of KGC’s appeal of the interim order, the Company is deferring until its next regularly scheduled board meeting in December the consideration of declaring a quarterly dividend.

The Company believes its cash at hand, cash from the Company’s existing credit facilities, and cash flow from the Company’s Mount Milligan operations will be sufficient to fund its anticipated operating cash requirements through to the end of 2017, although there can be no assurance of this. Absent access to cash held by KGC, the Company expects that it will be required to raise financing in order to fund construction and development expenditures on its development properties or to defer such expenditures.

Centerra’s cash, cash equivalents and short-term investments at the end of the third quarter of 2016 was \$479 million (excluding cash restricted as a result of a court order in the Kyrgyz Republic, and the proceeds from the offering of Subscription Receipts which was completed in connection with the acquisition of Thompson Creek and held in restricted cash) compared to \$542 million at December 31, 2015.

The pro-forma cash, cash equivalents and short-term investments giving effect to the acquisition of Thompson Creek as at September 30, 2016 was \$106 million (excluding the cash restricted by the Kyrgyz Republic court order). This amount gives effect to the payments made to discharge or redeem the outstanding Thompson Creek Senior Secured Notes.

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

As at September 30, 2016, the Company had drawn \$100 million on its \$150 million corporate revolving credit facility with the European Bank for Reconstruction and Development (EBRD). Subsequent to the end of the third quarter, the Company drew an additional \$50 million under the EBRD credit facility which is intended to be used solely for the Gatsuurt Project and related corporate overhead. The Company does not expect to expend such additional funds until it has signed a definitive investment agreement relating to the Gatsuurt Project with the Government of Mongolia. The additional \$50 million was made available under the EBRD credit facility on the condition that the funds are to be re-paid if an investment agreement relating to the Gatsuurt Project has not been concluded with the Government of Mongolia by February 2018.

The Company also intends to draw on the remaining \$25 million available under the TCM Credit Facility which funds are expected to be used for working capital purposes at Centerra's Thompson Creek operations during the fourth quarter of 2016. Although the Company expects that such funds will be sufficient to fund operations at its Thompson Creek operations, there are no assurances in this regard.

OMAS, the Company's wholly-owned Turkish subsidiary, entered into a \$150 million credit facility agreement with UniCredit Bank AG and EBRD which expires on December 30, 2021 (the "OMAS Facility"). The purpose of the OMAS Facility is to assist in financing the construction of the Company's Öksüt Project. Access to the OMAS Facility is dependent on the satisfaction of certain conditions by November 30, 2016, including the receipt of all necessary permits. If the conditions are not satisfied or waived by such date, or an extension is not granted by the lenders, the commitments under the OMAS Facility will be cancelled. The Company continues to work on satisfying the conditions precedents by such deadline; however some conditions, such as the receipt of the pastureland permit, are beyond Centerra's control. There are no assurances that all conditions will be satisfied by the deadline, or that the lenders will provide any waivers or extensions.

CEO Commentary

Scott Perry CEO of Centerra Gold stated, "As we mined and processed the higher grade material from the SB Zone, Kumtor delivered strong gold production in the quarter, producing 166,000 ounces. Kumtor's all-in sustaining costs¹ were in the lower cost quartile of the gold industry at \$555 per ounce sold, well below our revised guidance for the year. During the third quarter, Kumtor generated \$106 million of free cash, however without access to the cash generated from the Kumtor Project, the Company has decided to defer until December the consideration of declaring a quarterly dividend."

"With our third quarter earnings release today, the Company increased its gold production guidance for Kumtor for the year to 520,000 – 560,000 ounces. We also lowered our expected all-in sustaining costs¹ by 6% at Kumtor to \$692 per ounce sold. The Company's consolidated (excluding Thomson Creek) all-in sustaining costs reduced by 7% to \$744 per ounce sold, based on the mid-point of the ranges. We are well positioned to achieve our revised gold production and cost guidance for the year."

"Following the quarter end, we successfully closed the \$1 billion acquisition of Thompson Creek that creates a geographically diversified, high-quality, low cost gold producer with a strong growth pipeline. It diversifies Centerra's operating platform and adds high quality, low risk production and cash flow from the long-lived Mount Milligan mine. Centerra now has two cornerstone, high quality, low cost operating assets with the Kumtor and Mount Milligan mines, a more balanced operating asset base with a lower overall jurisdictional risk profile, significant low-cost gold production that will underpin significant cash flows into the future and we have retained optionality to stronger molybdenum prices through our new molybdenum asset base."

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

Thompson Creek Update

On October 20, 2016, the Company completed the acquisition of Thompson Creek Metals Company Inc. (“the Acquisition”) for \$1.03 billion. This included the redemption, at their call prices plus accrued and unpaid interest, or satisfaction and discharge, all of Thompson Creek's outstanding Senior Secured Notes due in 2017 and Unsecured Notes due in 2018 and 2019, representing \$326.1 million, \$349.7 million and \$205.2 million, respectively.

Concurrently with the Acquisition, the streaming arrangement with Royal Gold Inc. (“Royal Gold”) associated with the Mount Milligan mine was amended, whereby Royal Gold’s 52.25% gold stream at Mount Milligan has been converted to a 35% gold stream and an 18.75% copper stream. Royal Gold will continue to pay us US\$435 per ounce of gold delivered to them and will pay 15% of the spot price per metric tonne of copper delivered to them.

As part of the transaction, the Company closed a public offering pursuant to which the underwriters purchased on a bought deal basis 26,599,500 subscription receipts, at a price of Cdn\$7.35 per subscription receipt for gross proceeds to the Company of approximately Cdn\$195.5 million (the “Offering”). The funds were held by an escrow agent until the transaction was completed on October 20, 2016. Upon completion of the Acquisition, the net proceeds of the Offering, Cdn\$185.7 million, were used to partially fund the redemption of the Secured and Unsecured Notes of Thompson Creek.

The Acquisition involved the exchange of common shares, whereby one Thompson Creek share was exchanged for 0.0988 Centerra common shares. Thompson Creek preferred share units (“PSU”) and restricted share units (“RSU”) were exchanged for an equivalent number of Thompson Creek common shares, which were then exchanged for Centerra common shares at the exchange rate. In total, Centerra issued 22,327,218 Centerra common shares in accordance with the exchange ratio, representing approximately 8% of Centerra’s issued and outstanding common shares following closing. The Centerra shares issued were equivalent to \$112.3 million (including \$1.6 million relating to the settled Thompson Creek PSUs and RSUs) using the October 19, 2016 closing price of Centerra’s common share price of Cdn\$6.60. Holders of Thompson Creek’s stock options were issued 111,341 options to acquire common shares of Centerra, with the number of shares and exercise price adjusted for the exchange conversion ratio, and other terms consistent with Thompson Creek’s outstanding stock options.

Concurrently with the closing of the Acquisition, Centerra B.C. Holdings (a newly formed wholly-owned subsidiary of Centerra) entered into a \$325 million credit agreement with a lending syndicate to finance a portion of the Acquisition and to pay certain related fees and expenses. The 5-year term facilities consists of a \$75 million senior secured revolving credit facility (the “Revolving Facility”) and a \$250 million senior secured non-revolving term credit facility (the “Term Facility”, collectively, the “TCM Credit Facility”). Centerra B.C. Holdings’ obligations under the TCM Credit Facility are guaranteed by the assets of Thompson Creek and certain of Thompson Creek’s material subsidiaries.

For further information, refer to the Company’s news releases dated July 5, 2016, July 20, 2016 and October 20, 2016 filed on SEDAR.

The following is operating data from Thompson Creek regarding Mount Milligan for the first three quarters of 2016 and pre-dates the closing of the Acquisition. Information for the first and second quarters are taken from the public filings for Thompson Creek, however third quarter results have not been previously publicly disclosed nor were they reviewed by Thompson Creek’s or Centerra’s auditors. The operating data below is not included in Centerra’s third quarter 2016 results.

	Q1 2016	Q2 2016	Q3 2016
Copper and Gold			
<i>Mount Milligan Mine</i>			
Average Daily Mill Throughput (tonnes)	58,099	49,980	50,326
Mill Availability (%)	96.6%	90.9%	90.3%
Copper ore grade (%)	0.23%	0.20%	0.18%
Copper recovery (%)	75.0%	77.2%	71.8%
Copper payable production (million lbs)	19.1	14.6	12.3
Copper sold (million lbs)	15.0	20.3	10.7
Gold ore grade (g per tonne)	0.55	0.54	0.63
Gold recovery (%)	59.3%	60.4%	55.6%
Gold payable production (000's ounces)	53.3	46.4	50.1
Gold sold (000's ounces)	44.4	62.3	27.4

During the third quarter of 2016, Mount Milligan continued to achieve excellent safety performance. Construction of the permanent secondary crushing circuit continued to proceed on schedule. As previously announced, commissioning of major equipment and components of the secondary crusher commenced earlier in October, with routine testing and commissioning of all equipment and process circuits to continue over the next several weeks. First feed through the secondary crusher is expected in the fourth quarter of 2016.

During the third quarter of 2016, Mount Milligan underwent a ten-day scheduled maintenance shutdown, which impacted mill throughput and availability, in connection with the planned semi-annual change of liners in the SAG mill and the integration of the existing ore handling conveyor systems with the new secondary crushing plant facility. For the nine months ended September 30, 2016, average daily mill throughput was 52,793 tonnes per day and mill availability was 92.6%.

Copper and gold payable in copper concentrate produced for the third quarter of 2016 was 12.3 million copper pounds and 50,100 ounces, this was lower compared to the prior quarter (second quarter, 2016: 14.6 million copper pounds and 46,400 gold ounces), as a result of the scheduled maintenance shutdown as described above, as well as lower copper grades and lower copper and gold recoveries due to operational challenges in the flotation circuits. For the remainder of 2016, the primary operational focus will be to continue to optimize the mine and mill with the expectation to gradually increase recoveries.

Consolidated Financial and Operating Summary (excluding results of Thompson Creek Metals Company Inc.)

Unaudited (\$ millions, except as noted)	Three months ended September 30, ⁽⁷⁾			Nine months ended September 30, ⁽⁷⁾		
	2016	2015	% Change	2016	2015	% Change
Financial Highlights						
Revenue	\$ 220.2	\$ 116.2	90%	\$ 455.0	\$ 475.6	(4%)
Cost of sales	98.0	76.1	29%	247.4	271.1	(9%)
Standby costs, net	(1.5)	1.0	(250%)	(2.2)	4.8	(146%)
Regional office administration	3.6	4.1	(12%)	10.7	14.4	(26%)
Earnings from mine operations	120.1	35.0	243%	199.1	185.3	7%
Revenue-based taxes	30.8	15.9	94%	63.7	64.4	(1%)
Other operating expenses	0.1	0.4	(75%)	1.4	1.1	27%
Pre-development project costs	2.3	3.3	(30%)	7.6	11.5	(34%)
Impairment of goodwill	-	18.7	(100%)	-	18.7	(100%)
Exploration and business development ⁽¹⁾	5.8	3.1	87%	13.0	8.0	63%
Corporate administration	5.9	8.0	(26%)	18.5	28.1	(34%)
Earnings (loss) from operations	75.2	(14.4)	622%	94.9	53.5	77%
Other (income) and expenses	1.0	2.3	(57%)	(0.9)	4.9	(118%)
Finance costs	1.7	1.1	55%	4.4	3.3	33%
Earnings (loss) before income taxes	72.5	(17.8)	507%	91.4	45.3	102%
Income tax expense	5.6	0.3	1767%	3.5	0.8	338%
Net earnings (loss)	66.9	(18.1)	(470%)	87.9	44.5	98%
Earnings (loss) per common share - \$ basic ⁽²⁾	\$ 0.28	\$ (0.08)	450%	\$ 0.36	\$ 0.19	89%
Earnings (loss) per common share - \$ diluted ⁽²⁾	\$ 0.28	\$ (0.08)	450%	\$ 0.35	\$ 0.19	84%
Cash provided by operations	134.4	42.2	218%	201.0	288.0	(30%)
Average gold spot price - \$/oz ⁽³⁾	1,335	1,124	19%	1,260	1,178	7%
Average realized gold price - \$/oz ⁽⁴⁾	1,336	1,123	19%	1,284	1,184	8%
Capital expenditures ⁽⁵⁾	63.7	94.7	(33%)	164.3	336.9	(51%)
Operating Highlights						
Gold produced – ounces	166,030	107,485	54%	350,198	403,256	(13%)
Gold sold – ounces	164,847	103,467	59%	354,500	401,778	(12%)
Operating costs (on a sales basis) ⁽⁶⁾	46.7	35.3	32%	127.3	114.7	11%
Adjusted operating costs ⁽⁴⁾	50.1	40.6	23%	138.4	135.0	3%
All-in Sustaining Costs ⁽⁴⁾	97.4	112.7	(14%)	265.2	353.6	(25%)
All-in Costs, excluding development projects ⁽⁴⁾	104.2	117.2	(11%)	289.2	373.4	(23%)
All-in Costs, excluding development projects (including revenue-based taxes and income taxes) ⁽⁴⁾	135.1	133.1	2%	353.2	438.0	(19%)
Unit Costs						
Cost of sales - \$/oz sold ⁽⁴⁾	594	736	(19%)	698	675	3%
Adjusted operating costs - \$/oz sold ⁽⁴⁾	303	393	(23%)	390	336	16%
All-in sustaining costs – \$/oz sold ⁽⁴⁾	591	1,090	(46%)	748	881	(15%)
All-in costs, excluding development projects – \$/oz sold ⁽⁴⁾	632	1,134	(44%)	816	930	(12%)
All-in costs, excluding development projects (including revenue-based taxes and income taxes) – \$/oz sold ⁽⁴⁾	820	1,287	(36%)	996	1,089	(9%)

(1) Includes business development of \$2.3 million and \$4.4 million for the three and nine months ended September 30, 2016 (nil and \$1.9 million for the three and nine months ended September 30, 2015, respectively).

(2) As at September 30, 2016, the Company had 242,277,625 common shares issued and outstanding.

(3) Average for the period as reported by the London Bullion Market Association (US dollar Gold P.M. Fix Rate).

(4) Adjusted operating costs, all-in sustaining costs, all-in costs, excluding development projects and all-in costs, excluding development projects (including taxes) (\$ millions and per ounce sold) as well as average realized gold price per ounce and cost of sales per ounce sold are non-GAAP measures and are discussed under “Non-GAAP Measures”.

(5) Includes capitalized stripping of \$38.7 million and \$78.4 million in the three and nine months ended September 30, 2016, respectively (\$64.9 million and \$198.4 million of capitalized stripping in the three and nine months ended September 30, 2015, respectively).

(6) 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.

(7) Results may not add due to rounding.

Third Quarter 2016 compared to Third Quarter 2015

- Gold production for the third quarter of 2016 totaled 166,030 ounces compared to 107,485 ounces in the comparative quarter of 2015. The 60% increase in ounces poured at Kumtor reflects the processing of higher grade ore mined from the SB Zone of cut-back 17, in addition to higher recoveries. In contrast the Company processed lower grade ore stockpiled from cut-back 16 and lower grade material obtained from within cut-back 17 in the comparative quarter of 2015.
- Operating costs (on a sales basis) increased 32% to \$46.7 million in the third quarter of 2016 from \$35.3 million in the same period of 2015, reflecting more ounces sold, partially offset by lower unit costs in the third quarter of 2016. The decrease in unit costs in the third quarter of 2016 was due to processing higher grade ounces at Kumtor from the SB Zone of cut-back 17, compared to lower grade ore stockpiled from cut-back 16 and lower grade material within cut-back 17 in 2015. Higher costs in the third quarter of 2015 were partially offset by the fact that capitalization of mining costs in cut-back 17 continued until ore was accessed in September 2015.
- All-in sustaining costs per ounce sold¹ for the third quarter of 2016 decreased to \$591 from \$1,089 in the comparative period of 2015, reflecting more ounces sold and the lower unit costs described above.
- All-in costs per ounce sold¹, (excluding development project costs), were \$632 compared to \$1,133 in the comparative quarter of 2015, and includes all cash costs related to gold production, excluding revenue-based taxes and income taxes. The decrease primarily reflects the lower all-in sustaining costs described above, partially offset by additional spending in the third quarter of 2016 for exploration and business development.
- Revenue in the third quarter of 2016 increased 90% to \$220.2 million from \$116.2 million in the comparative period of 2015 as a result of more gold ounces sold (164,847 ounces compared to 103,467 ounces in the third quarter of 2015), as well as a 19% higher average realized gold price¹ (\$1,336 per ounce compared to \$1,123 per ounce in the same quarter of 2015).
- In the third quarter of 2016, ounces sold increased 59% compared to the third quarter of 2015 while cost of sales only incrementally increased by 29% to \$98 million when compared to the same period of 2015. The lower costs of sales reflects lower costs per ounce sold for the higher grade ore mined and processed at Kumtor from cut-back 17 in the third quarter of 2016. The cost of sales in the third quarter of 2015 resulted from the processing of lower grade ore stockpiled from cut-back 16 and lower grade material processed within cut-back 17, resulting in higher unit operating costs, and increased waste stripping as compared to the third quarter of 2016. Depreciation, depletion and amortization (“DD&A”) associated with production was \$60.6 million in the third quarter of 2016 as compared to \$40.8 million in the same quarter of 2015, reflecting increased ounces sold in 2016 and higher equipment charges attributed to the larger scale of cut-back 17.
- Exploration expenditures in the third quarter totaled \$3.5 million compared to \$3.1 million in the same period of 2015. The increase in the third quarter of 2016 reflects higher exploration activity at the Company’s various projects including the Gatsurt property.
- Corporate administration costs decreased \$5.9 million in the third quarter of 2016 from \$8.0 million in the same period of 2015. The decrease was primarily due to the impact of currency movements, lower share-based compensation and lower general spending. Share-based compensation expense in the third quarter of 2016 was \$0.9 million compared to \$1.5 million in the same period of 2015.
- Cash provided by operations increased by \$92.2 million to \$134.4 million in the third quarter of 2016 mainly from the sale of lower cost ounces from the high grade SB Zone of cut-back 17 and lower working capital required in the third quarter of 2016.

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

- Total capital expenditures in the third quarter of 2016 were \$63.7 million, which included sustaining capital¹ of \$13.0 million, growth capital¹ of \$4.7 million, \$4.7 million of Öksüt Project development costs, \$2.6 million of Greenstone Gold Property costs and \$38.7 million of capitalized stripping costs (\$28.2 million cash). Capital expenditures were 32% lower in the third quarter of 2016 as a result of lower capitalized stripping at Kumtor (a decrease of 40%), partially offset by increased growth capital¹ (an increase of \$2.8 million) and a \$2.9 million increase in Öksüt Project development spending. Capital expenditures in the same quarter of 2015 were \$94.7 million, which included \$14.8 million for sustaining capital¹, \$1.9 million for growth capital¹, \$3.0 million of Greenstone Gold Property costs, \$8.3 million in Greenstone Partnership acquisition costs and capitalized stripping of \$94.7 million (\$49.1 million cash).

First Nine Months 2016 compared to First Nine Months 2015

- Gold production for the nine months ended September 30, 2016 totaled 350,198 ounces compared to 403,256 ounces in the comparative period of 2015. The decrease in production is primarily due to lower average mill head grades processed and lower recoveries at Kumtor.
- Operating costs (on a sales basis)¹ increased by \$12.6 million to \$127.3 million in the nine months ended September 30, 2016 compared to the same period in 2015, mainly as a result of higher per unit operating costs for the ounces from cut-back 17 processed and sold in the current period.
- All-in sustaining costs per ounce sold¹ for the nine months ended September 30, 2016, was \$748 compared to \$881 in the same period of 2015. The decrease in the nine months ended September 30, 2016 reflects the lower per unit cost for the cut-back 17 ounces sold in the third quarter of 2016 and lower capitalized stripping.
- All-in costs per ounce sold¹, (excluding development project costs) which excludes revenue-based taxes at Kumtor and income tax, for the first nine months of 2016 were \$816, compared to \$930 per ounce sold in the nine months ended September 30, 2015. The decrease reflects the lower all-in sustaining costs described above offset by higher exploration costs, business development costs and growth capital.
- Revenue in the first nine months of 2016 decreased 4% to \$455.0 million, as a result of 12% fewer ounces sold (354,500 ounces compared to 401,778 ounces in the nine months ended September 30, 2015), partially offset by higher average realized gold price¹ (\$1,284 per ounce compared to \$1,184 per ounce in the nine months ended September 30, 2015).
- In the first nine months of 2016, cost of sales decreased by 9% to \$247.4 million due primarily to fewer ounces sold in the nine months ended September 30, 2016. DD&A associated with production decreased to \$138.6 million in the nine months ended September 30, 2016 from \$156.3 million in the comparative period of 2015, reflecting fewer ounces sold, in addition to lower per unit capitalized stripping charges for the cut-back 17 ore that was processed in the nine months ended September 30, 2016.
- The idled operation at Boroo generated earnings of \$2.2 million in the nine months ended September 30, 2016 as the proceeds from the sale of residual gold coming from the rinsing of the heap leach pad were greater than care and maintenance costs in the period. Standby costs incurred at Boroo during the nine months ended September 30, 2015 to place the mill and operation on care and maintenance totaled \$4.8 million, which included spending mainly for cleaning circuits and to maintain equipment in a ready state.

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

- Exploration expenditures in the nine months ended September 30, 2016 totaled \$8.6 million compared to \$6.1 million in the same period of 2015. The increase in the first nine months of 2016 reflects higher exploration spending at Gatsuurt and on the Company's other projects.
- Corporate administration costs decreased to \$18.4 million from \$28.1 million in the nine months ended September 30, 2016 due primarily to a lower charge for share-based compensation. The share-based compensation charge in the nine months ended September 30, 2016 was a credit of \$0.2 million, compared to \$6.8 million in the same period in 2015.
- Cash provided by operating activities decreased to \$201.0 million in the nine months ended September 30, 2016, from \$288.0 million in the comparative period of 2015, mainly from lower sales and higher working capital levels for gold inventory.
- Total capital expenditures in the first nine months of 2016 were \$164.3 million, which included sustaining capital¹ of \$49.9 million, growth capital¹ of \$18.2 million, \$9.9 million of Öksüt Project development costs, \$7.9 million of Greenstone Gold Property costs and \$78.4 million of capitalized stripping costs (\$57.6 million cash). Total capital expenditures were 51% lower for the first nine months of 2016 as a result of 60% lower capitalized stripping costs at Kumtor, partially offset by higher sustaining capital¹ (an increase of 27%) and a 42% increase in growth capital¹. Capital expenditures in the same period of 2015 were \$336.9 million, which included \$39.4 million for sustaining capital¹, \$12.8 million for growth capital¹, capitalized stripping of \$198.4 million (\$150.3 million cash), \$75.7 million of acquisition costs for the Greenstone Partnership and \$8.8 million in Greenstone Gold Property costs.

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

Third Quarter Operations Update

Kumtor Mine

Kumtor Operating Results	Three months ended September 30,			Nine months ended September 30,		
	2016	2015	% Change	2016	2015	% Change
<i>Unaudited (\$ millions, except as noted)</i>						
Tonnes mined - 000s	34,838	41,944	(17%)	108,856	124,109	(12%)
Tonnes ore mined – 000s	3,970	1,136	249%	8,687	2,642	229%
Average mining grade - g/t	5.32	1.80	196%	3.32	2.54	31%
Tonnes milled - 000s	1,571	1,496	5%	4,722	4,225	12%
Average mill head grade - g/t	4.11	2.83	45%	3.01	3.63	(17%)
Recovery - %	81.4%	75.7%	8%	77.0%	78.4%	(2%)
Mining costs - total (\$/t mined material)	1.28	1.25	2%	1.28	1.28	0%
Milling costs (\$/t milled material)	10.28	11.13	(8%)	10.04	11.60	(13%)
Gold produced – ounces	166,030	103,701	60%	350,198	390,084	(10%)
Gold sold – ounces	164,847	100,994	63%	354,500	388,968	(9%)
Average realized gold price - \$/oz ⁽¹⁾	1,336	1,124	19%	1,284	1,183	9%
Capital expenditures (sustaining) ⁽¹⁾	13.0	14.4	(10%)	49.6	38.6	28%
Capital expenditures (growth) ⁽¹⁾	3.2	1.4	129%	13.3	11.8	13%
Capital expenditures (stripping)	38.7	64.9	(40%)	78.4	198.4	(60%)
Capital expenditures (total)	54.9	80.7	(32%)	141.3	248.8	(43%)
Operating costs (on a sales basis) ⁽²⁾	46.7	33.5	39%	127.3	104.3	22%
Adjusted operating costs ⁽¹⁾	50.1	37.4	34%	138.4	118.2	17%
All-in Sustaining Costs ⁽¹⁾	91.5	101.1	(10%)	246.3	307.8	(20%)
All-in Costs ⁽¹⁾	94.7	102.5	(8%)	259.6	319.4	(19%)
All-in Costs - including revenue-based taxes ⁽¹⁾	125.5	118.4	6%	323.3	383.8	(16%)
Adjusted operating costs - \$/oz sold ⁽¹⁾	303	369	(18%)	390	304	28%
All-in sustaining costs – \$/oz sold ⁽¹⁾	555	1,000	(45%)	695	791	(12%)
All-in costs – \$/oz sold ⁽¹⁾	574	1,014	(43%)	732	821	(11%)
All-in costs (including revenue-based taxes) – \$/oz sold ⁽¹⁾	761	1,171	(35%)	912	987	(8%)

⁽¹⁾ Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs – including revenue-based taxes (in \$ millions and per ounce sold), as well as average realized gold price per ounce sold, cost of sales per ounce sold and capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under “Non-GAAP Measures”.

⁽²⁾ Operating costs (on a sales basis) is comprised of mine operating costs such as mining, processing, regional office administration, royalties and production taxes (except at Kumtor where revenue-based taxes are excluded), but excludes reclamation costs and depreciation, depletion and amortization.

At the Kumtor mine in the Kyrgyz Republic, mining activities in the third quarter of 2016 focused on mining the higher grade ore from the SB Zone from cut-back 17. In early October 2016, Kumtor completed cut-back 17, and is now developing cut-back 18. The mine has stockpiled sufficient inventory to process higher grade material through the remainder of 2016.

Total waste and ore mined in the third quarter of 2016 decreased 17% to 34.8 million tonnes compared to 41.9 million tonnes in the comparative period of 2015. The decrease was mainly due to a 28% increased average haulage distance compared to the same period of 2015, as mining in the third quarter of 2016 was at greater depth and longer hauls were required. The Company mined 4.0 million tonnes of ore at 5.32 g/t in the third quarter of 2016 compared to 1.1 million tonnes of ore at 1.80 g/t in the comparative quarter.

During the third quarter of 2016, Kumtor continued to process ore from cut-back 17. Gold production for the third quarter of 2016 was 166,030 ounces of gold compared to 103,701 ounces in the comparative period of 2015. The increase in ounces poured was the result of mining and milling higher grade ore from the SB Zone, while in the third quarter of 2015 the Company processed lower grade ore stockpiled from cut-back 16 and lower grade material within cut-back 17.

During the third quarter, Kumtor processed 1.6 million tonnes, 5% more than the third quarter of 2015. Kumtor's average mill head grade was 4.11 g/t with a recovery of 81.4% in the third quarter of 2016, compared to 2.83 g/t with a recovery of 75.7% for the same period of 2015. The mill achieved increased throughput in the third quarter of 2016 averaging 17,074 tonnes per day compared to 16,262 tonnes per day in the comparative quarter. Mill throughput has increased as a result of blending harder and softer ore, opening screens in the SAG mill and increasing the grinding media sizes in the SAG and ball mills.

Operating costs (on a sales basis)¹ increased by \$13.2 million predominantly due to increased sales of \$46.7 million. The movements in the major components of operating costs (mining, milling and site support) in the third quarter of 2016 compared to the same period of 2015 are as follows:

Mining costs, before capitalization of stripping activity, totaled \$44.5 million in 2016, which was \$7.8 million lower than the comparative period. Decreased costs for the third quarter of 2016 include lower diesel costs (\$3.9 million) due to lower fuel prices realized, lower blasting costs and volumes (\$1.9 million and 13.6 million tonnes) and lower tires costs (\$0.6 million).

Milling costs of \$16.1 million in the third quarter of 2016 compared to \$16.7 million in the comparative quarter of 2015. Milling costs in 2016 were lower than the comparative period due mainly to the lower cost of cyanide (\$0.3 million)

Site support costs in the third quarter of 2016 totaled \$10.1 million compared to \$11.5 million in the third quarter of 2015. The decrease is primarily attributable to lower insurance costs resulting from lower premiums, and lower labour costs due to a reduction in manpower. Other cost reductions include diesel costs, rent costs and network equipment costs.

DD&A associated with sales, increased to \$51.3 million in the third quarter of 2016 from \$39.3 million in the comparative quarter of 2015. The increase in DD&A is mainly due to the increased depreciation charges relating to the ounces processed from cut-back 17 compared to the ounces processed in the comparative period and the higher ounces sold in the third quarter of 2016.

All-in sustaining costs per ounce sold¹, which excludes revenue-based taxes, for the third quarter of 2016 decreased 45% to \$555 in the third quarter of 2016 compared to \$1,000 in the third quarter of 2015. The decrease was primarily a result of lower operating costs per ounce sold, as explained above, (driven by processing higher mining grades from the SB Zone of cut-back 17, improving mill recovery through the year (81.4% by the third quarter) and the reversal of \$27.2 million in inventory impairment), in addition to lower sustaining capital expenditures in the quarter.

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

All-in costs per ounce sold¹, which excludes revenue-based taxes, in the third quarter of 2016 was \$574 compared to \$1,014 in the same period of 2015, representing a decrease of 43%, for the same reasons explained above.

Capital expenditures in the third quarter of 2016 totaled \$54.9 million which includes \$13.0 million of sustaining capital¹ mainly on equipment rebuilds and overhauls, \$3.2 million invested in growth capital¹ and \$38.7 million for capitalized stripping (\$28.2 million cash). Capital expenditures the comparative quarter of 2015 totaled \$80.7 million, consisting of \$14.4 million for sustaining capital¹, \$1.4 million for growth capital¹ and \$64.9 million of capitalized stripping (\$49.1 million cash).

Development Projects

Öksüt Project

At the Öksüt Project in Turkey, the Company spent \$4.7 million and \$10.0 million during the three and nine months ended September 30, 2016 respectively (\$2.4 million and \$6.0 million in the three and nine months ended September 30, 2015) on development activities to progress the ESIA (Environmental Social Impact Assessment), access and site preparation and detailed engineering works. With the approval of the feasibility study in July 2015, development costs at the Öksüt Project are now being capitalized.

Following approval of the business opening permit from local authorities in December 2015, applications were submitted for the land usage permits (Forestry and Pastureland). On July 14, 2016, the Company's wholly-owned Turkish subsidiary Öksüt Madencilik Sanayi ve Ticaret A.S. ("OMAS") received the Forestry Usage Permit for the project and the operation permit for forestry area was obtained on August 26, 2016. The Pastureland permit is currently outstanding and the Company is working with the relevant agencies to obtain the permit. There are no assurances that the approval of the Pastureland permit or other permits will be obtained by the Company in a timely manner or at all. Even if the pastureland permit was received in the fourth quarter of 2016, the Company would not expect to begin construction activity at the Öksüt Project until April 2017 due to the advent of the winter season. As a result, first gold production would not be expected to occur before mid-2018.

On April 5, 2016, OMAS entered into a \$150 million credit facility agreement with UniCredit Bank AG to assist in financing the construction of the Company's Öksüt Project and in August 2016, EBRD became a lender under the OMAS Facility, underwriting \$75 million. The interest rate on the Öksüt Facility is LIBOR plus 2.65% to 2.95% (dependent on project completion status). It is secured by Öksüt assets and is non-recourse to the Company. Availability of the Öksüt Facility is subject to customary conditions precedent, including receipt of all necessary approvals. If the conditions are not satisfied or waived by the deadline of November 30, 2016, or an extension is not granted by the lenders, the commitments under the OMAS Facility will be cancelled. The Company continues to work on satisfying the conditions precedents by such deadline, however some conditions, such as the receipt of the pastureland permit, are beyond Centerra's control. There are no assurances that all conditions will be satisfied by the deadline, or that the lenders will provide any waivers or extensions.

Gatsuurt Project

The Company continued to engage in discussions with the Mongolian Government regarding the definitive agreements relating to the Gatsuurt Project, during the quarter. During the quarter, the Company continued drilling on the property and carrying out resource definition, metallurgical, exploration, geo-technical and

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

hydrogeological drilling in support of eventual project development. See “Other Corporate Developments – Mongolia”.

Greenstone Gold Property

In the third quarter of 2016, the Company funded \$5.3 million (\$16.2 million in the first nine months of 2016) on project development activities (\$33.5 million, cumulative to date) at Greenstone Gold Mine Limited Partnership (“GGM”). During the third quarter, work continued on preparing the bankable feasibility study for the Hardrock Project. In the first nine months of 2016, GGM recorded \$5.0 million of costs relating to acquiring houses and land surrounding the project area.

GGM submitted a draft Environmental Impact Study/Environmental Assessment (“EIS/EA”) in February 2016 and received comments from the various provincial and federal regulatory agencies, as well as from other stakeholders. The comments received related primarily to the location and management of the tailings storage, the management and location of the waste dumps, and on water quality. Responses to the comments will be incorporated into the final EIS/EA submission scheduled to be made at the end of the first quarter of 2017.

GGM continues to engage and consult with local communities of interest regarding mutually beneficial impact benefit agreements.

Non-GAAP Measures

This news release contains the following non-GAAP financial measures: all-in sustaining costs, all-in costs, and all-in costs (excluding development projects), all three measures with and without revenue-based taxes and income taxes. 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), capital expenditures (growth) and average realized gold price. These financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers, even as compared to other issuers who may 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 per ounce sold* include adjusted operating costs, the cash component of capitalized stripping costs, corporate general and administrative expenses, accretion expenses, and sustaining capital. The measure incorporates costs related to sustaining production.
- *Capital expenditure (Growth)* is capital expended to expand the business or operations by increasing productive capacity beyond current levels of performance.
- *All-in costs per ounce sold* include all-in sustaining costs and additional costs for growth capital, global exploration expenses, business development costs and social development costs not related to current operations.
- *All-in cost per ounce sold* exclude the following:
 - Working capital (except for adjustments to inventory on a sales basis).
 - All financing charges (including capitalized interest).
 - Costs related to business combinations, asset acquisitions and asset disposals.
 - Other non-operating income and expenses, including interest income, bank charges, and foreign exchange gains and losses.
- *All-in costs per ounce sold (excluding development project costs)* measure comprises all-in costs per ounce sold as described above and excludes the Company's development projects.
- *Development projects* are defined as projects that are beyond the exploration stage but are pre-operational. For 2016, development projects include all spending at Öksüt, Gatsuurt and the Greenstone Gold Property.
- *Development projects costs* represent spending on development projects whether expensed as pre-development costs or capitalized as development costs.
- *All-in costs including taxes per ounce sold* measure includes revenue-based taxes at Kumtor and income taxes in Mongolia.
- *Cost of sales per ounce sold* is calculated by dividing cost of sales by gold ounces sold.
- *Average realized gold price* is calculated by dividing revenue derived from gold sales by the number of ounces sold.

Adjusted Operating Cost, All-in Sustaining Costs and All-in Costs, excluding development project costs (including and excluding revenue-based taxes and income taxes) are non-GAAP measures used in this news release and can be reconciled as follows:

(1) By operation

Kumtor

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended September 30, ⁽¹⁾		Nine months ended September 30, ⁽¹⁾	
	2016	2015	2016	2015
Cost of sales, as reported	\$ 98.0	\$ 72.8	\$ 247.4	\$ 255.9
Less: Non-cash component	51.3	39.3	120.1	151.6
Cost of sales, cash component	\$ 46.7	\$ 33.5	\$ 127.3	\$ 104.3
Adjust for:				
Regional office administration	3.6	3.4	10.7	11.8
Refining fees	1.1	0.6	2.5	2.4
By-product credits	(1.4)	(0.5)	(3.0)	(1.9)
Community costs related to current operations	0.1	0.3	0.9	1.6
Adjusted Operating Costs	\$ 50.1	\$ 37.4	\$ 138.4	\$ 118.2
Accretion expense	0.2	0.2	0.7	0.7
Capitalized stripping and ice unload	28.2	49.1	57.6	150.3
Capital expenditures (sustaining)	13.0	14.4	49.6	38.6
All-in Sustaining Costs	\$ 91.5	\$ 101.1	\$ 246.3	\$ 307.8
Capital expenditures (growth)	3.2	1.4	13.3	11.8
All-in Costs	\$ 94.7	\$ 102.5	\$ 259.6	\$ 319.4
Revenue-based taxes	30.8	15.9	63.7	64.4
All-in Costs (including revenue-based taxes)	\$ 125.5	\$ 118.4	\$ 323.3	\$ 383.8
Ounces sold (000)	165	101	355	389
Adjusted Operating Costs - \$ / oz sold	\$ 303	\$ 369	\$ 390	\$ 304
All-in Sustaining Costs - \$ / oz sold	\$ 555	\$ 1,000	\$ 695	\$ 791
All-in Costs - \$ / oz sold	\$ 574	\$ 1,014	\$ 732	\$ 821
All-in Costs (including revenue-based taxes) - \$ /oz sold	\$ 761	\$ 1,171	\$ 912	\$ 987

(1) Results may not add due to rounding

2) Consolidated

Centerra

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Three months ended September 30, ⁽¹⁾		Nine months ended September 30, ⁽¹⁾	
	2016	2015	2016	2015
Cost of sales, as reported	\$ 98.0	\$ 76.1	\$ 247.4	\$ 271.0
Less: Non-cash component	51.3	40.8	120.1	156.3
Cost of sales, cash component	46.7	\$ 35.3	127.3	\$ 114.7
Adjust for:				
Regional office administration	3.6	4.1	10.7	14.4
Mine stand-by costs	-	0.7	-	3.7
Refining fees	1.2	0.6	2.5	2.4
By-product credits	(1.4)	(0.5)	(3.0)	(2.0)
Community costs related to current operations	-	0.4	0.9	1.8
Adjusted Operating Costs	50.1	\$ 40.6	138.4	\$ 135.0
Corporate general administrative costs	5.8	7.8	18.2	27.8
Accretion expense	0.3	0.4	1.2	1.1
Capitalized stripping and ice unload	28.2	49.1	57.6	150.3
Capital expenditures (sustaining)	13.0	14.8	49.9	39.4
All-in Sustaining Costs	97.4	\$ 112.7	265.2	\$ 353.6
Capital expenditures (growth)	3.2	1.4	13.3	11.8
Boroo closure costs	(2.2)	-	(2.4)	-
Exploration and business development	5.8	3.1	13.0	8.0
All-in Costs, excluding development projects costs	104.2	117.2	289.2	373.4
Revenue-based taxes	30.8	15.9	63.7	64.4
Income taxes	0.1	-	0.3	0.2
All-in Costs, excluding development projects costs (including revenue-based taxes and income taxes)	\$ 135.1	\$ 133.1	\$ 353.2	\$ 438.0
Ounces sold (000)	165	103	355	402
Adjusted Operating Costs - \$ / oz sold	\$ 303	\$ 393	\$ 390	\$ 336
All-in Sustaining Costs - \$ / oz sold	\$ 591	\$ 1,089	\$ 748	\$ 881
All-in Costs, excluding development projects costs - \$ / oz sold	\$ 632	\$ 1,133	\$ 816	\$ 930
All-in Costs, excluding development projects costs (including revenue-based taxes and income taxes) - \$ / oz sold	\$ 820	\$ 1,287	\$ 996	\$ 1,089

(1) Results may not add due to rounding

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

Three months ended September 30,	Kumtor	Boroo	Turkey	All other	Consolidated
<i>(\$ millions - Unaudited)</i>					
2016					
Capitalized stripping – cash	28.2	-	-	-	28.2
Sustaining capital - cash	13.0	-	-	-	13.0
Growth capital - cash	3.2	-	-	1.5	4.7
Greenstone Gold Property pre-development costs - cash	-	-	-	2.6	2.6
Öksüt project development capital - cash	-	-	4.7	-	4.7
Net increase in accruals included in additions to PP&E	(2.6)	-	-	-	(2.6)
Total - Additions to PP&E(1)	41.8	-	4.7	4.1	50.6
2015					
Capitalized stripping – cash	49.1	-	-	-	49.1
Sustaining capital - cash	14.4	-	-	0.4	14.8
Growth capital - cash	1.4	-	-	0.5	1.9
Greenstone Gold Property pre-development costs - cash	-	-	-	3.0	3.0
Öksüt project development capital - cash	-	-	1.8	-	1.8
Net increase in accruals included in additions to PP&E	(1.4)	-	-	-	(1.4)
Total - Additions to PP&E(1)	63.5	-	1.8	3.9	69.2

Nine months ended September 30,	Kumtor	Boroo	Turkey	All other	Consolidated
<i>(\$ millions - Unaudited)</i>					
2016					
Capitalized stripping – cash	57.6	-	-	-	57.6
Sustaining capital - cash	49.6	-	-	0.3	49.9
Growth capital - cash	13.3	-	-	5.0	18.3
Greenstone Gold Property pre-development costs - cash	-	-	-	7.6	7.6
Öksüt project development capital - cash	-	-	9.9	-	9.9
Net increase in accruals included in additions to PP&E	(12.3)	-	-	-	(12.3)
Total - Additions to PP&E(1)	108.2	-	9.9	12.9	131.0
2015					
Capitalized stripping – cash	150.3	-	-	-	150.3
Sustaining capital - cash	38.6	0.1	-	0.7	39.4
Growth capital - cash	11.8	-	-	1.0	12.8
Greenstone Gold Property pre-development costs - cash	-	-	-	8.8	8.8
Öksüt project development capital - cash	-	-	1.8	-	1.8
Net increase in accruals included in additions to PP&E	(1.3)	-	-	-	(1.3)
Total - Additions to PP&E(1)	199.4	0.1	1.8	10.5	211.8

(1) As reported in the Company's Consolidated Statement of Cash Flows as "Investing Activities – Additions to PP&E".

Third Quarter Exploration Update

During the third quarter of 2016, exploration expenditures totaled \$3.5 million, compared to expenditures of \$3.1 million in the third quarter of 2015. Exploration activities during the quarter included: drilling, trenching, geological mapping, soil/chip and channel sampling, and ground geophysics.

Mongolia

Gatsuurt

During the third quarter exploration drilling was completed in four areas at the Gatsuurt Project, the Northeast extension of Central Zone to GT-60, South Slope in an area northeast and upslope from the Central Zone ultimate pit limit, the southwest extension of Main Zone and the 49 Zone: Highlights of such drilling include

- Exploration drilling – 31 drill holes for 4,241 metres.
- Ten geotechnical drill holes sampled and assayed, drilled in prior quarter.
- Nine metallurgical drill holes sampled and assayed, drilled in prior quarter.

Best results from drilling at the Northeast (GT-60) extension of the Central Zone and transitional area between the two zones include:

GT-635: 1.38 g/t Au over 16.5 metres (21.6 – 38.1 metres)

The results from drilling expands incrementally the surface projection of GT-60 zone, but failed to connect the Central Zone and the Northeast extension. However, the ultimate boundaries GT-60 open-pit could be increased.

Best results from drilling the South Slope in areas northeast and upslope from the ultimate open pit boundaries include:

GT-605: 1.56 g/t Au over 9.9 metres (42.1 – 52.0 metres)

GT-606: 5.93 g/t Au over 5.4 metres (18.5 – 23.9 metres)

GT-607: 2.27 g/t Au over 18.2 metres (54.2 – 72.5 metres)

These holes expand South Slope mineralization further southeast outside of the ultimate open pit boundary.

The best results from drilling at the Southwest extension of the Main Zone include:

GT-620: 2.65 g/t Au over 5.0 metres (37.2 – 42.2 metres)

GT-623: 1.60 g/t Au over 22.4 metres (45.9 – 68.3 metres)

These holes suggest that economic grades may be further southwest of the Main Zone along the Sujigtei Fault.

49 Zone drilling best results include:

GT-608: 2.50 g/t Au over 18.0 metres (214.5 – 232.5 metres)
including 5.15 g/t Au over 1.0 metres (218.5 - 219.5 metres)
including 11.7 g/t Au over 1.0 metres (227.5 - 228.5 metres)

GT-610: 8.22 g/t Au over 2.0 metres (37.0 – 39.0 metres)

GT-618: 5.20 g/t Au @ 9.4 metres (134.8 – 144.2 metres)

The drill holes produced mixed results with a combination of high-grade and low-grade mineralized envelope along the Sujigtei Fault.

The above mineralized intercepts were calculated using a cut-off grade of 1 g/t Au and a maximum internal dilution interval of 4.0 metres. Drill collar locations and associated graphics are available at the following link: <http://media3.marketwire.com/docs/CG1107-exp.pdf>

A listing of the drill results, drill hole locations and plan map for the Gatsuurt Project have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and are available at the Company's web site.

Other Projects

Centerra continues to advance other projects in Armenia, Canada, Mexico, Nicaragua, Portugal and Turkey.

Qualified Person & QA/QC

Exploration information and related scientific and technical information in this news release regarding the Gatsuurt Project were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Boris Kotlyar, a Certified Professional Geologist, Centerra's Director, Exploration, North America and Central America, who is the qualified person for the purpose of NI 43-101. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the exploration drilling programs are done consistent with industry standards and independent certified assay labs are used.

Production information and other scientific and technical information in this news release regarding the Mount Milligan Project were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101 and were prepared, reviewed, verified and compiled by Mt. Milligan's geological and mining staff under the supervision of Ian Berzins, Professional Engineer and Mount Milligan's Vice-President General Manager, who is the qualified person for the purpose of NI 43-101. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the exploration drilling programs are done consistent with industry standards and independent certified assay labs.

Except as noted above, all production information 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 NI 43-101 and were prepared, reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Gordon Reid, Professional Engineer and Centerra's Vice-President and Chief Operating Officer, who is the qualified person for the purpose of NI 43-101, excluding Mount Milligan. 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.

Other Corporate Developments

The following is a summary of corporate developments with respect to matters affecting the Company and its subsidiaries. Readers are cautioned that there are a number of legal and regulatory matters that are currently affecting the Company and that the following is only a brief summary of such matters. For a more complete discussion of these matters, see the Company's most recently filed Annual Information Form available on SEDAR at www.sedar.com. The following summary also contains forward-looking statements and readers are referred to "Caution Regarding Forward-looking Information".

Kyrgyz Republic

Notice of Arbitration

On October 12, 2016, the Permanent Court of Arbitration in The Hague, Netherlands appointed a sole arbitrator for the arbitration proceeding brought by Centerra against the Kyrgyz Republic and Kyrgyzaltyn earlier this year. An initial conference with the arbitrator to establish arbitration procedures is scheduled for November 30, 2016.

As previously disclosed, on May 30, 2016, Centerra delivered a notice of arbitration to the government of the Kyrgyz Republic and Kyrgyzaltyn in connection with certain ongoing disputes relating to the Kumtor Project. These include, among other things: (i) each of the claims brought by the Kyrgyz Republic State Inspectorate for Environmental and Technical Safety (“SIETS”) and the Kyrgyz Republic State Agency for Environment Protection and Forestry (“SAEPF”) and the decisions of the Kyrgyz Republic courts related thereto; and (ii) the previously announced claims of the Kyrgyz Republic General Prosecutor’s Office (“GPO”) seeking to unwind a US\$200 million inter-corporate dividend paid by KGC to Centerra in December 2013 and the related search of KGC’s Bishkek office conducted on April 28, 2016. On July 12, 2016, the Company delivered an amended notice of arbitration to the Kyrgyz Republic Government and Kyrgyzaltyn to include, among other things, subsequent court decisions of the Kyrgyz Republic courts in relation to the claims of SIETS and SAEPF and actions by Kyrgyz Republic instrumentalities, including the GPO, which interfere with KGC’s operations. Under Centerra’s Restated Investment Agreement with the Kyrgyz Republic dated as of June 6, 2009 (the “2009 Restated Investment Agreement”), the arbitration will be determined by a single arbitrator. The arbitration will be conducted under UNCITRAL Arbitration Rules in Stockholm, Sweden, disputes arising out of the 2009 Restated Investment Agreement will be governed by the law of the State of New York, USA and the conduct and operations of the parties will be governed by the 2009 Restated Investment Agreement, the 2009 Restated Concession Agreement and the laws of the Kyrgyz Republic.

Even if the Company is successful in convincing the arbitrator to reduce the amounts claimed or overturn the claims brought by SIETS, SAEPF or other matters which the Company believes are subject to the notice of arbitration, there are no assurances that such an arbitration award would be recognized and enforced by courts in the Kyrgyz Republic, as the courts of the Kyrgyz Republic have held that certain claims brought by SIETS and SAEPF are not within the scope of the arbitration provision of the 2009 Restated Investment Agreement. Accordingly, the Company may be obligated to pay part of or the full amounts of, among others, the SIETS and SAEPF claims regardless of the action taken by the arbitrator. The Company does not have insurance or litigation reserves to cover these costs. If the Company were obligated to pay these amounts, it would have a material adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Kyrgyz Permitting and Regulatory Matters

As previously noted, KGC now has all the necessary permits and approvals in place for continuous operations at the Kumtor Project through the end of 2016.

However, the Company notes that on July 11, 2016, SAEPF again expressed concerns to KGC about approving Kumtor’s Ecological Passport due to the application of the 2005 Kyrgyz Republic Water Code and would not provide the renewed Ecological Passport. The Ecological Passport identifies some of the permits and approvals required by Kumtor for its operations. KGC continues to be in discussions with SAEPF but does not believe that the absence of the Ecological Passport will have any effect on the Kumtor Project operations.

While KGC management will continue to work closely with SAEPF and the Kyrgyz State Agency for Geology and Mineral Resources to obtain all necessary permits and approvals for continued operation of the Kumtor Project beyond December 31, 2016, Centerra can provide no assurance that such permits and approvals will be granted in a timely fashion or at all. Failure to obtain the necessary permits and approvals in a timely fashion could lead to suspension of Kumtor Project operations until such permits and approvals are obtained.

KGC continues to operate fully in compliance with permits as granted. The Company understands that the delay in obtaining the necessary approvals and permits related to, among other things, concerns regarding the mining of ice at Kumtor. With regard to the mining of ice, regulatory authorities referenced the 2005 Water Code of the Kyrgyz Republic (Water Code) and its prohibition regarding the mining of ice. Centerra has repeatedly disputed the interpretation of the Water Code by the regulatory agencies based on the rights provided to Centerra and KGC under the agreements governing the Kumtor Project.

Should Kumtor be prohibited from moving ice (as a result of the purported application of the Water Code) or if any required permits are withdrawn or not renewed, the entire December 31, 2015 mineral reserves at Kumtor, and Kumtor's current life-of-mine plan would be at risk, leading to an early closure of the operation. Centerra believes that any disagreements with respect to the foregoing would be subject to international arbitration under the Kumtor Project Agreements.

Draft Kyrgyz Republic Bills

In June 2016, the Kyrgyz Republic Parliament posted a draft bill, for public comment, of the "Law on Nationalization of Kumtor Gold Company CJSC's Property". The draft bill proposes the nationalization of all assets of KGC, and the suspension of the effect of the 2009 Restated Investment Agreement, among other laws and agreements relating to the Kumtor Project.

In addition in June 2016, the Kyrgyz Republic Parliament posted a draft bill, for public comment, of the "Law On legal responsibility of persons committing offenses against Kumtor gold field" which proposes to amend the Kyrgyz Republic Constitution to remove the statute of limitations for crimes committed in connection with the Kumtor Project.

In November 2016, the Kyrgyz Republic called a referendum, scheduled for December 11, 2016, on the question of whether to amend the Kyrgyz Republic constitution in order to eliminate the limitation period for criminal offenses committed in connection with the Kumtor Project. As previously noted, the Company is not aware of any basis for allegations of misconduct in connection with the development of the Kumtor Project. Centerra has previously asked the Kyrgyz Republic government for evidence of such wrongdoing but has never received any such evidence.

As previously disclosed, the Kumtor Project has in recent years been threatened with proposed Parliamentary decrees and draft laws that would have the effect of nationalization. While the Company believes that it is unlikely that such bills will be adopted, it cannot predict with certainty the likelihood of adoption. If such bills were passed, they could have a material adverse impact on the Company's interest in the Kumtor Project, future cash flows, earnings, results of operations and financial condition.

SIETS and SAEPF Claims

As previously disclosed, the Kumtor Project is subject to a number of claims made by, among others, Kyrgyz Republic state environmental agencies. The Company believes that such claims are, in substance, an attempt by the Kyrgyz Republic to impose additional taxes and payments on the Kumtor Project which are prohibited

by the terms of the 2009 Restated Investment Agreement. Such claims are not based on allegations of improper environmental practices or damage to the environment.

The latest such claim, originally filed on August 23, 2016 by the Chui-Bishkek-Talas Local Fund of Nature Protection and Forestry Development of SAEPF, seeks compensation for environmental pollution in the amount of 40,340,819.01 Kyrgyz soms (approximately US\$600,000).

As previously disclosed, on May 25, 2016, the Bishkek Inter-District Court in the Kyrgyz Republic ruled against Kumtor Operating Company (“KOC”), Centerra’s wholly-owned subsidiary, on two claims made by SIETS in relation to the placement of waste rock at the Kumtor waste dumps and unrecorded wastes from Kumtor’s effluent and sewage treatment plants. The Inter-District Court awarded damages of 6,698,878,290 Kyrgyz soms (approximately US\$99.4 million, based on an exchange rate of 67.4 Kyrgyz soms per US\$1.00) and 663,839 Kyrgyz soms (approximately US\$10,000), respectively. On June 1, 2016, the Inter-District Court ruled against KOC on two other claims made by SIETS in relation to alleged land damage and failure to pay for water use. The Inter-District Court awarded damages of 161,840,109 Kyrgyz soms (approximately US\$2.4 million) and 188,533,730 Kyrgyz soms (approximately US\$2.8 million), respectively. Centerra and KOC strongly dispute the SIETS claims and have appealed the decisions to the Bishkek City Court and will, if necessary, appeal to the Kyrgyz Republic Supreme Court.

On June 3, 2016, the Inter-District Court held a hearing in respect of the claim made by SAEPF alleging that Kumtor owes additional environmental pollution fees in the amount of approximately US\$220 million. The court did not issue a decision on the merits of the claim itself. However, at the request of SAEPF, the court granted an interim order against KGC, to secure SAEPF’s claim. The interim order purports to prohibit KGC from taking any actions relating to certain financial transactions including, transferring property or assets, declaring or paying dividends or making loans. The cash generated from the Kumtor Project which is held in KGC is however available to fund Kumtor’s operation. KGC’s appeal of the Inter-District Court’s order to Bishkek City Court was dismissed on July 19, 2016 and its subsequent appeal to the Kyrgyz Republic Supreme Court was dismissed on October 19, 2016. As a result of the appeal by KGC, the proceedings on the merits of the SAEPF claim were suspended, however, the Company now expects such hearings on the merits to resume.

As noted above, a Kyrgyz Republic court order purports to; (i) require cash generated from the Kumtor Project to continue to be held in KGC; and (ii) prevent distribution of such cash to Centerra. As at September 30, 2016, KGC and KOC’s cash balance was \$121.6 million.

Criminal Proceedings Against Unnamed KGC Managers

On May 30, 2016, a criminal case was opened by the GPO against unnamed KGC managers alleging that such managers engaged in transactions that deprived KGC of its assets or otherwise abused their authority, causing damage to the Kyrgyz Republic. Specifically, the case appears to be focused on the commercial reasonableness of certain of KGC’s commercial transactions and in particular, the purchase of goods and supplies in the normal course of its business operations and the expenses relating to the relocation of the Kumtor Project’s camp in 2014 and 2015. Further to such investigation, the GPO has carried out searches of KGC’s offices and seized documents and records. The Company and KGC strongly dispute the allegation that any such commercial transactions or the actions of KGC managers were in any way improper. The Company and KGC will challenge the actions of the GPO in the courts of the Kyrgyz Republic as well as in international arbitration.

2013 KGC Dividend Civil and Criminal Proceeding

On June 3, 2016, the Inter-District Court renewed a claim previously commenced by the GPO seeking to unwind the \$200 million dividend paid by KGC to Centerra in December 2013 (the “2013 Dividend”). The Company understands that the GPO has also initiated a criminal investigation of executives of the Company and KGC in respect of the 2013 Dividend but that investigation is currently suspended.

KGC Employee Movement Restrictions

In connection with the foregoing criminal investigations, restrictions have been imposed on certain KGC managers and employees, which prohibit them from leaving the Kyrgyz Republic.

GPO Review of Kumtor Project Agreements

On June 14, 2016, according to reports in the Kyrgyz Republic, the Kyrgyz Republic President instructed the GPO to investigate the legality of the agreements relating to the Kumtor Project which were entered into in 2003, 2004 and 2009. The 2009 Restated Investment Agreement governing the Kumtor Project which was entered into in 2009 superceded entirely the 2003 and 2004 agreements. The 2009 Restated Investment Agreement was negotiated with the Kyrgyz Republic government, Kyrgyzaltyn JSC and their international advisers, and approved by all relevant Kyrgyz Republic state authorities, including the Kyrgyz Republic Parliament and any disputes under the 2009 Restated Investment Agreement are subject to resolution by international arbitration.

Criminal Charges Regarding 2016 Casualty at Kumtor Mill

On June 16, 2016, the Investigator of the Jety-Oguz District Department of Interior Affairs initiated criminal proceedings against two KGC managers in relation to the previously disclosed death of a KGC employee due to an industrial accident which occurred in January 2016.

Management Assessment of Claims

The Company remains committed to working with Kyrgyz Republic authorities to resolve these issues in accordance with the agreements governing the Kumtor Project (“Kumtor Project Agreements”), which provide for all disputes to be resolved by international arbitration, if necessary. Although the Company has reviewed the various claims discussed above and believes that all disputes related to the 2009 Restated Investment Agreement should be determined in arbitration, there is a risk that the arbitrator may reject the Company’s claims. There are also risks that an arbitrator will determine it does not have jurisdiction and/or may stay the arbitration pending determination of certain issues by the Kyrgyz Republic courts. These claims include, but are not limited to, (i) the validity or enforceability of the 2009 Restated Investment Agreement itself, (ii) criminal claims and (iii) any claims that a non-party to the 2009 Restated Investment Agreement has brought in Kyrgyz Republic courts. There is also risk that a Kyrgyz Republic court would not confirm and/or enforce an arbitration award issued by the arbitrator. There are also no assurances that: (i) the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project; (ii) any discussions between the Kyrgyz Republic government and Centerra will result in a mutually acceptable solution regarding the Kumtor Project Agreements; (iii) Centerra will receive the necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law for any such solution; or (iv) the Kyrgyz Republic government and/or Parliament will not take actions that are inconsistent with the government’s obligations under the Kumtor Project Agreements, including adopting a law “denouncing” or purporting to cancel or invalidate the Kumtor Project Agreements or laws enacted in relation thereto. The inability to successfully resolve all such matters could lead to suspension of operations of the Kumtor Project and would have a material adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Mongolia

Gatsuurt – Development

Throughout the first half of 2016, the Company held discussions with the Mongolian Government to implement the previously disclosed 3% special royalty in lieu of the Government's 34% direct interest in the Gatsuurt project. Various working groups were established by the Mongolian Government to negotiate with Centerra and its wholly owned subsidiary, Centerra Gold Mongolia ("CGM"), the definitive agreements relating to the Gatsuurt Project. The Company continued such discussions through the third quarter.

Concurrent with the negotiations of such agreements, the Company is undertaking economic and technical studies to update the existing studies on the project, which were initially completed and published in May 2006.

There are no assurances that Centerra will be able to negotiate definitive agreements with the Mongolian Government (in a timely fashion or at all) or that such economic and technical studies will have positive results. The inability to successfully resolve all such matters could have a material impact on the Company's future cash flows, earnings, results of operations and financial condition.

Gatsuurt – Illegal Mining

CGM and Centerra continue to work with appropriate Mongolian federal and aimag (local) governments, relevant state bodies and police to clear the Gatsuurt site from artisanal miners and to restrict their access to the site. Centerra does not support any violence or excessive use of force in encounters between Mongolian authorities and artisanal miners and has made this explicitly clear to the Mongolian authorities.

Claim Against the Mongolian Mineral Resources Authority to Revoke Gatsuurt Mining Licenses

In the first quarter of 2016, a non-governmental organization called "Movement to Save Mt. Noyon" filed a claim against the Mongolian Mineral Resources Authority (MRAM) requesting that MRAM revoke the two principle mining licenses underlying the Gatsuurt Project. CGM, the holder of these two mining licenses, is involved in the claim as a third party. Such proceedings are ongoing.

Corporate

Ontario Court Proceedings Involving the Kyrgyz Republic and Kyrgyzaltyn

Since 2011, there have been four applications commenced in the Ontario courts by different applicants against the Kyrgyz Republic and Kyrgyzaltyn, each seeking to enforce in Ontario international arbitral awards against the Kyrgyz Republic. None of these disputes relate directly to Centerra or the Kumtor Project. In each of these cases, the applicants have argued that the Kyrgyz Republic has an interest in the Centerra common shares held by Kyrgyzaltyn, a state controlled entity, and therefore that such applicant(s) are entitled to seize such number of common shares and/or such amount of dividends as necessary to satisfy their respective arbitral awards against the Kyrgyz Republic. On July 11, 2016, the Ontario Superior Court of Justice released a decision on the common issue in these four applications -- whether the Kyrgyz Republic has an exigible ownership interest in the Centerra common shares held by Kyrgyzaltyn. The Ontario Superior Court of Justice determined that the Kyrgyz Republic does not have any equitable or other right, property, interest or equity of redemption in the common shares held by Kyrgyzaltyn. As a result, on July 20, 2016, the Ontario Superior Court of Justice set aside previous injunctions which prevented Centerra from, among other things, paying any dividends to Kyrgyzaltyn. Accordingly, Centerra has now released to Kyrgyzaltyn approximately Cdn\$18.9 million which was previously held in trust for the benefit of two Ontario court proceedings.

The Company understands that two plaintiffs, Valeri Belokon and Entes Industrial Plant Construction & Erection Contracting Co. Inc. have filed notices of appeal in respect of the July 20, 2016 decision of the Ontario court.

2016 Outlook

Centerra's 2016 gold production has been revised to reflect an increased production forecast at Kumtor. The Company has not included in its forecast any production and cost guidance for the recently acquired Thompson Creek operations (including Mount Milligan) as the process of integrating Centerra's and Thompson Creek Metals' operations is still ongoing.

Kumtor's production forecast has been increased from the previous guidance of 500,000 ounces to 530,000 ounces provided in the July 26, 2016 news release to a new guidance of 520,000 ounces to 560,000.

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 drain down of the heap leach pad will be offset against care and maintenance costs. The 2016 production forecast assumes no gold production from Boroo, Gatsuurt or Öksüt, which is unchanged from the previous guidance.

2016 All-in Unit Costs¹

Centerra has updated its 2016 guidance for all-in sustaining costs per ounce sold¹ and all-in costs (excluding Mount Milligan and the Öksüt, Greenstone, and Gatsuurt development projects) per ounce sold¹ as follows:

	Revised Guidance		Previous Guidance at 2016 Q2	
	Kumtor	Consolidated ⁽⁵⁾	Kumtor	Consolidated ⁽⁵⁾
Ounces sold forecast	520,000-560,000	520,000-560,000	500,000-530,000	500,000-530,000
US \$ / gold ounces sold				
Operating Costs	338 – 364	338 – 364	374 – 396	374 – 396
Changes in inventories	(25) – (27)	(25) – (27)	(39) – (41)	(39) – (41)
Operating Costs (on a sales basis)	\$313 – 337	\$313 – 337	\$335 – 355	\$335 – 355
Regional office administration	26 – 28	26 – 28	29 – 30	29 – 30
Community costs related to current operations	4	4	4 – 5	4 – 5
Refining costs and by-product credits	-	-	1	1
Subtotal (Adjusted Operating Costs)⁽¹⁾	\$343 – 369	\$343 – 369	\$369 – 391	\$369 – 391
Corporate general & administrative costs	-	48 – 52	-	56 – 62
Accretion expense	2	3	2	3
Capitalized stripping costs – cash	200 – 216	200 – 216	204 – 216	204 – 216
Capital expenditures (sustaining) ⁽¹⁾	121 – 131	122 – 132	142 – 150	144 – 152
All-in Sustaining Costs⁽¹⁾	\$666 – 718	\$716 – 772	\$717 – 759	\$776 – 824
Capital expenditures (growth) ^{(1), (5)}	30 – 32	30 – 32	32 – 34	32 – 34
Boroo closure costs ⁽²⁾	-	1	-	7 – 8
Other costs ⁽³⁾	-	34 – 35	-	36 – 37
All-in Costs (excluding development projects costs)⁽⁵⁾	\$696 – 750	\$780 – 840	\$749 – 793	\$851 – 903
Revenue-based taxes and income taxes ⁽⁴⁾	179	180	177	177
All-in Costs (excluding development projects costs and including revenue-based taxes and income taxes)^{(1), (5)}	\$875 – 929	\$960 – 1,020	\$926 – 970	\$1,028 – 1,080

(1) Adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold, all-in costs (excluding growth projects costs) per ounce sold, all-in costs (excluding development projects costs and including revenue-based taxes and income taxes) per ounce sold, as well as capital expenditures (sustaining and growth) are non-GAAP measures and are discussed under “Non-GAAP Measures”.

(2) Boroo closure costs include maintaining the Boroo mill on care and maintenance and ongoing closure costs net of gold sales.

(3) Other costs per ounce sold include global exploration expenses, business development expenses and other costs not related to current operations.

(4) Includes revenue-based tax that reflects actual realized gold price of \$1,284 per ounce sold for the January – September 2016 period and a forecasted gold price assumption of \$1,275 per ounce sold for the October – December 2016 period (\$1,275 per ounce sold for the June – December 2016 period in the previous guidance).

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

- (5) All-in costs per ounce sold (excluding development projects costs) and all-in costs (excluding development projects costs and including revenue-based taxes and income taxes) per ounce sold as well as capital expenditures (sustaining and growth) measures in the above table exclude capital expenditures required to advance development of Öksüt, Gatsuurt and Greenstone development projects. The consolidated numbers do not include any impact of Thompson Creek and its operations.

The Company has revised its 2016 forecast for operating costs at the Kumtor mine due to realized and forecasted cost savings from lower costs for diesel fuel, blasting materials and reagents.

2016 Corporate General and Administrative Costs

The forecast for the 2016 corporate general and administrative costs has been revised to \$32 million from \$31 million in the previous guidance to reflect additional business development costs.

2016 Exploration Expenditures

2016 planned exploration expenditures excluding exploration at Greenstone Gold property are forecasted to be \$13 million (\$12.4 million in the previous guidance) due to new exploration projects.

2016 Capital Expenditures

Centerra's projected capital expenditures for 2016, excluding capitalized stripping, have been revised to \$124 million (\$140 million in the previous guidance), including \$69 million of sustaining capital¹ (\$76 million in the previous guidance) and \$55 million of growth capital¹ (\$64 million in the previous guidance). The changes in capital expenditure forecasts are described below.

Projected capital expenditures do not include sustaining and growth capital for Mount Milligan. Projected capital expenditures for our other projects (excluding capitalized stripping) are:

Projects	2016 Sustaining Capital ¹ (millions of dollars)	2016 Growth Capital ¹ (millions of dollars)
Kumtor	\$68	\$17
Öksüt	-	14
Gatsuurt	-	10
Greenstone ⁽¹⁾	-	14
Corporate and other	1	-
Consolidated Total (excluding Mount Milligan)	\$69	\$55

1. Greenstone capital expenditures above include capitalized amounts for Premier's 50% share of the Greenstone project costs funded in full by Centerra.

Kumtor

At Kumtor, 2016 total capital expenditures, excluding capitalized stripping, are forecast to be \$85 million, which is \$12 million lower than the previous guidance. The Company decreased its forecast for sustaining capital¹ from \$75 million in the previous guidance to \$68 million due to further cancelations or deferral of major overhauls and replacements of certain heavy duty mine equipment (\$7 million).

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

2016 forecast for growth capital investment at Kumtor has been reduced to \$17 million (\$22 million in the previous guidance) reflecting lower cost estimates for relocation of certain infrastructure at Kumtor relating to the ongoing Kumtor pit expansion (\$5 million).

The projected cash component of capitalized stripping costs related to the development of the open pit is expected to be \$122 million (\$108 million in the previous guidance) due to increased overburden stripping at the cut-back 18. Total capitalized stripping costs, including DD&A, are forecasted at \$150 million for 2016 (\$145 million in the previous guidance).

Mongolia (Boroo and Gatsuurt)

At Boroo, 2016 sustaining capital¹ expenditures are expected to be minimal and no growth capital¹ is forecast for Boroo, which is unchanged from the previous guidance.

The Company is carrying out additional exploration drilling to expand the Gatsuurt resource base as well as geo-technical and hydrogeological drilling in support of the eventual project development. The Company has increased its 2016 forecast to \$10 million from \$6 million in the previous guidance (excluding \$1.4 million for additional exploration) for additional feasibility study work for the Gatsuurt Project.

Öksüt Project

The Company has decreased its 2016 forecast for capital construction expenditures at the Öksüt property from \$25 million in the previous guidance to \$14 million in the current guidance due to delays in obtaining permits.

Greenstone Gold Property

The Company has revised its guidance for 2016 expenditures for the Greenstone Gold Property to approximately \$29 million (Cdn\$38 million) compared to \$37 million (Cdn\$49 million) in the previous guidance. Currently, the Greenstone Partnership is in the final stages of completing the feasibility study.

Sensitivities

Centerra's revenues, earnings and cash flows for the remaining three months of 2016 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 flow	Earnings before taxes	AISC ⁽²⁾
Gold Price	\$50/oz	1.2 – 1.4	8.3 – 10.3	7.1 – 8.8	7.1 – 8.8	n/a
Diesel Fuel	10%	2.2	-	2.2	2.2	3.6 – 3.9
Kyrgyz som ⁽¹⁾	1 som	0.4	-	0.4	0.4	0.6 - 0.7
Canadian dollar ⁽¹⁾	10 cents	0.7	-	0.7	0.7	1.2 – 1.3

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") is a non-GAAP discussed under "Non-GAAP Measures".

Material Assumptions and Risks

Material assumptions or factors used to forecast production and costs for the remaining three months of 2016 include the following:

- a gold price of \$1,275 per ounce (\$1,275 per ounce in the previous guidance)
- exchange rates:
 - \$1USD : \$1.31 CAD (\$1.31 CAD in the previous guidance)
 - \$1USD : 68.5 Kyrgyz som (from 71 KGS in the previous guidance)
 - \$1USD : 0.91 Euro (0.91 Euro in the previous guidance)
- diesel fuel price assumption:
 - \$0.47/litre at Kumtor (from \$0.43/litre in the previous guidance)

The assumed diesel price of \$0.47/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 Russian suppliers and correlates in part with world oil prices. The diesel fuel price assumptions were made when the price of oil (Brent) was approximately \$49 per barrel. During the first nine months of 2016 diesel prices at Kumtor averaged approximately \$0.38/litre, while average price of oil (Brent) was about \$42 per barrel. During the same period average exchange rate of the United States dollar to the Kyrgyz som was about 70 som per 1 U.S. dollar. The lower costs of diesel fuel and favourable exchange for the Kyrgyz som have provided significant year-to-date costs savings for the Kumtor operations. Centerra's management continues to monitor the prices of diesel and exchange rates affecting the Company's operations.

Other material assumptions were used in forecasting production and costs for the fourth quarter of 2016. 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 and to satisfy compliance with financial covenants in its credit facilities.
- 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 receive timely approval from all relevant governmental agencies in the Kyrgyz Republic and are not subsequently withdrawn.
- The buttress constructed at the bottom of the Davidov glacier continues to function as planned.
- The pit walls at Kumtor remain stable.
- The resource block model at Kumtor reconciles as expected against production.
- 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, 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, does not accelerate and will be managed to ensure continued safe operations, without impact to gold production.
- Grades and recoveries at Kumtor will remain consistent with the 2016 production plan to achieve the forecast gold production.
- The Company is able to manage the risks associated with the increased height of the pit walls at Kumtor.
- The dewatering program at Kumtor continues to produce the expected results and the water management system works as planned.
- The Kumtor mill continues to operate as expected.
- The Company continues to meet the terms of the EBRD Facility in order to further access such funds.
- 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 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 2016 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.

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

	September 30, 2016	December 31, 2015
(Expressed in Thousands of United States Dollars)		
Assets		
Current assets		
Cash and cash equivalents	\$ 454,060	\$ 360,613
Short-term investments	25,055	181,613
Restricted cash – Kyrgyz Republic court order	121,607	-
Restricted cash - financing	145,390	-
Amounts receivable	40,665	28,781
Inventories	480,373	347,011
Prepaid expenses	19,850	12,880
	<u>1,287,000</u>	<u>930,898</u>
Property, plant and equipment	601,222	693,016
Restricted cash	895	9,989
Other assets	33,378	26,681
	<u>635,495</u>	<u>729,686</u>
Total assets	\$ 1,922,495	\$ 1,660,584
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 72,864	\$ 75,292
Short-term debt	98,024	76,000
Subscription receipt issue liability	149,570	-
Revenue-based taxes payable	19,013	9,152
Taxes payable	1,172	1,286
Current portion of provision for reclamation	906	1,062
	<u>341,549</u>	<u>162,792</u>
Dividends payable to related party	-	9,330
Provision for reclamation	66,124	65,087
Deferred income tax liability	5,647	2,524
	<u>71,771</u>	<u>76,941</u>
Total liabilities	\$ 413,320	\$ 239,733
Shareholders' equity		
Share capital	690,471	668,705
Contributed surplus	25,476	24,153
Accumulated other comprehensive income	(321)	220
Retained earnings	793,549	727,773
	<u>1,509,175</u>	<u>1,420,851</u>
Total liabilities and Shareholders' equity	\$ 1,922,495	\$ 1,660,584

Centerra Gold Inc.

Condensed Consolidated Interim Statements of Earnings (Loss) and Comprehensive (Loss) Income
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
(Expressed in Thousands of United States Dollars, except per share amounts)				
Revenue from gold sales	\$ 220,190	\$ 116,226	\$ 455,035	\$ 475,618
Cost of sales	97,961	76,136	247,416	271,045
Standby costs, net	(1,542)	980	(2,238)	4,802
Regional office administration	3,627	4,134	10,675	14,437
Earnings from mine operations	120,144	34,976	199,182	185,334
Revenue-based taxes	30,827	15,887	63,705	64,409
Other operating expenses	130	423	1,396	1,086
Pre-development project costs	2,309	3,320	7,593	11,490
Impairment of goodwill	-	18,705	-	18,705
Exploration and business development	5,840	3,120	13,029	7,990
Corporate administration	5,918	7,961	18,529	28,114
Earnings (loss) from operations	75,120	(14,440)	94,930	53,540
Other expenses (income), net	893	2,281	(843)	4,875
Finance costs	1,720	1,093	4,394	3,328
Earnings (loss) before income taxes	72,507	(17,814)	91,379	45,337
Income tax expense	5,569	278	3,469	832
Net earnings (loss)	\$ 66,938	\$ (18,092)	\$ 87,910	\$ 44,505
Other Comprehensive Income				
Items that may be subsequently reclassified to earnings:				
Net gain (loss) on translation of foreign operation	43	44	(176)	61
Loss on fair value of hedging instruments	(365)	-	(365)	-
Other comprehensive (loss) income	(322)	44	(541)	61
Total comprehensive income (loss)	\$ 66,616	\$ (18,048)	\$ 87,369	\$ 44,566
Basic earnings (loss) per common share	\$ 0.28	\$ (0.08)	\$ 0.36	\$ 0.19
Diluted earnings (loss) per common share	\$ 0.28	\$ (0.08)	\$ 0.35	\$ 0.19

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

Three months ended
September 30,
2016 2015

Nine months ended
September 30,
2016 2015

(Expressed in Thousands of United States Dollars)

Operating activities

Net earnings (loss)	\$ 66,938	\$ (18,092)	\$ 87,910	\$ 44,505
Items not requiring (providing) cash:				
Depreciation, depletion and amortization	60,823	41,264	137,553	157,687
Finance costs	1,720	1,093	4,394	3,328
Loss on disposal of equipment	-	1,482	119	1,976
Compensation expense on stock options	561	688	1,905	1,990
Other share based compensation charge (reversal)	1,184	2,220	(365)	3,868
Inventory (reversal) impairment	(15,431)	-	(27,217)	-
Impairment of goodwill	-	18,705	-	18,705
Derivative loss	463	-	463	-
Income tax expense	5,569	277	3,469	832
Other operating items	313	1,478	(253)	303
	<u>122,140</u>	<u>49,115</u>	<u>207,978</u>	<u>233,194</u>
Change in operating working capital	14,334	(6,980)	(4,845)	54,819
Change in long-term inventory	-	-	-	349
Purchase and settlement of derivatives	(1,803)	-	(1,803)	-
Income taxes recovered (paid)	(296)	105	(283)	(340)
Cash provided by operations	<u>134,375</u>	<u>42,240</u>	<u>201,047</u>	<u>288,022</u>

Investing activities

Additions to property, plant and equipment	(50,579)	(69,092)	(131,001)	(211,737)
Sale of short-term investments, net	257,094	91,921	156,558	21,880
Purchase of interest in Greenstone Gold Mines LP	-	(8,296)	-	(75,701)
Decrease (increase) in restricted cash	27	-	(272)	-
Increase in long-term other assets	(1,608)	(546)	(5,846)	(560)
Cash generated from (used in) investing	<u>204,934</u>	<u>13,987</u>	<u>19,439</u>	<u>(266,118)</u>

Financing activities

Dividends paid - declared in period	(7,498)	(4,938)	(17,668)	(15,364)
Dividends transferred to trust account	-	(2,229)	(4,466)	(6,933)
Payment of interest and borrowing costs	(1,997)	(1,470)	(8,600)	(2,977)
Increase in short term debt	-	-	24,000	-
Proceeds from common shares issued for options exercised	620	58	1,302	639
Proceeds from subscription receipts issued	145,390	-	145,390	-
Cash generated from (used in) financing	<u>136,515</u>	<u>(8,579)</u>	<u>139,958</u>	<u>(24,635)</u>
Increase (decrease) in cash during the period	475,824	47,648	360,444	(2,731)
Cash and cash equivalents at beginning of the period	245,233	250,135	360,613	300,514
Restricted cash in respect of subscriptions receipts	(145,390)	-	(145,390)	-
Restricted cash in respect of court order	(121,607)	-	(121,607)	-
Cash and cash equivalents at end of the period	<u>\$ 454,060</u>	<u>\$ 297,783</u>	<u>\$ 454,060</u>	<u>\$ 297,783</u>

Cash and cash equivalents consist of:

Cash	\$ 80,723	\$ 86,227	\$ 80,723	\$ 86,227
Cash equivalents	373,337	211,556	373,337	211,556
	<u>\$ 454,060</u>	<u>\$ 297,783</u>	<u>\$ 454,060</u>	<u>\$ 297,783</u>

Centerra Gold Inc.
Condensed Consolidated Interim Statements of Shareholders' Equity
(Unaudited)

(Expressed in Thousands of United States Dollars, except share information)

	Number of Common Shares	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 2015	236,403,958	\$ 660,554	\$ 22,556	\$ -	\$ 715,533	\$ 1,398,643
Share-based compensation expense	-	-	1,990	-	-	1,990
Shares issued on exercise of stock options	156,863	1,009	(370)	-	-	639
Shares issued on redemption of restricted share units	9,622	52	-	-	-	52
Dividends declared	-	-	-	-	(22,297)	(22,297)
Foreign currency translation	-	-	-	61	-	61
Net earnings for the period	-	-	-	-	44,505	44,505
Balance at September 30, 2015	236,570,443	\$ 661,615	\$ 24,176	\$ 61	\$ 737,741	\$ 1,423,593
Balance at January 1, 2016	237,889,274	\$ 668,705	\$ 24,153	\$ 220	\$ 727,773	\$ 1,420,851
Share-based compensation expense	-	-	1,905	-	-	1,905
Shares issued on exercise of stock options	266,509	1,885	(582)	-	-	1,303
Shares issued on redemption of restricted share units	4,722	24	-	-	-	24
Shares issued to settle obligations	4,117,120	19,857	-	-	-	19,857
Dividends declared	-	-	-	-	(22,134)	(22,134)
Foreign currency translation	-	-	-	(176)	-	(176)
Loss on derivative instruments	-	-	-	(365)	-	(365)
Net earnings for the period	-	-	-	-	87,910	87,910
Balance at September 30, 2016	242,277,625	\$ 690,471	\$ 25,476	\$ (321)	\$ 793,549	\$ 1,509,175

To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine months ended September 30, 2016, please visit the following link:

<http://media3.marketwire.com/docs/CG1107-mdafs.pdf>

The Unaudited Condensed Consolidated Interim Financial Statements and Notes for the three and nine months ended September 30, 2016 and Management's Discussion and Analysis for the three and nine months ended September 30, 2016 have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and are available at the Company's web site at: www.centerragold.com.

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: expectations regarding the sufficiency of the Company’s cash resources to fund ongoing expenditures; expectations regarding commencement of the permanent secondary crushing plant at the Mt. Milligan mine; matters relating to the Öksüt Project, including as to applications for and receipt of permits, commencement of project development and timing of first gold production; timing of EIS/EA submissions relating to the Hardrock Project feasibility study; GGM’s ongoing discussion with local communities; claims and investigations made by Kyrgyz Republic state agencies, including the GPO, SIETS and SAEPF and arbitration proceedings involving KGC and the Kumtor Project, related Kyrgyz Republic court orders, the potential effects of such court orders and the Company’s intentions relating thereto; permitting and regulatory matters, including the Ecological Passport, relating to the Kumtor Project, and the potential effect on the Kumtor Project of Kumtor being prevented from moving ice; estimates relating to the Company’s cash and short-term investments; expectations relating to the Company’s production, capital expenditures and costs for 2016.

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 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 impact of the delay by relevant government agencies to provide required approvals and permits, including the delay currently being experienced at the Kumtor Project over the Ecological Passport; the potential impact on the Kumtor Project of investigations by Kyrgyz Republic instrumentalities and movement restrictions on KGC employees and managers; the rights of the Mongolian Government to take an interest in the Gatsuert Project as a result of the deposit being declared a strategic deposit, and the terms of any such participation, or to take a special royalty rate which has yet to be defined; 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; the ability of the Company to negotiate a successful deposit development agreement for Gatsuert; 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 prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Company's revolving credit facilities which may, among other things, restrict the Company from pursuing certain business activities, the Company's ability to obtain future financing, the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (C) risks related to operational matters and geotechnical issues, including: movement of the Davidov Glacier and the waste and ice movement at the Kumtor Project and the Company's continued ability to successfully manage such matters, including the continued performance of the buttress; the occurrence of further ground movements at the Kumtor Project and mechanical availability; 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 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 November 7, 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 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.

Conference Call

Centerra invites you to join its 2016 third quarter conference call on Monday, November 7, 2016 at 11:00AM Eastern Time. The call is open to all investors and the media. To join the call, please dial Toll-Free in North America (888)-225-2734 or International callers dial +1 (303) 223-4367.

The conference call will also be broadcast live by Thomson Reuters and can be accessed at Centerra Gold's website at www.centerragold.com. A slide presentation of the third quarter results will also be accessible on Centerra Gold's website at www.centerragold.com.

Alternatively, audio recording of the call will be available approximately two hours after the call via telephone until midnight Eastern Time on Monday, November 14, 2016. The recording can be accessed by calling (416) 626-4100 or (800) 558-5253 and using the passcode 21818089. In addition the webcast will be archived on Centerra Gold's website www.centerragold.com.

For more information:

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

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