

centerra**GOLD**



NEWS RELEASE

Centerra Gold Announces that the Strategic Designation by the Mongolian Parliament Paves the Way for the Gatsuert Project's Development

TORONTO, CANADA – January 23, 2015 – Centerra Gold Inc. (TSX: CG) announced today that its Gatsuert Project, which is located approximately 35 kilometres from the Company's Boroo Mine in Mongolia, has been designated as a mineral deposit of strategic importance by the Mongolian Parliament. This designation allows the Gatsuert Project to move forward within the application of the Water and Forest Law and also allows Mongolia to acquire up to a 34% interest in the Project. The Company is continuing its discussions with the Mongolian Government relating to the development of the Project as well as the level of Mongolian state ownership. Further development of the Project will be subject to, among other things, receiving Parliamentary approval of the Mongolia's state ownership as well as all required approvals and regulatory commissioning from the Mongolian Government.

Mr. Ian Atkinson, President and CEO of Centerra Gold stated "I am very pleased that Parliament has declared Gatsuert as a Project of strategic importance to Mongolia. Centerra has had very productive discussions with the Government during the past year which we expect will continue as we finalize the permits and agreements that need to be put in place prior to Gatsuert beginning production. We have operated the Boroo Mine for more than 10 years and look forward to developing the Gatsuert Project which we expect will allow us to continue to operate in Mongolia for many more years to come."

The Gatsuert Project will be developed in accordance with all applicable Mongolian environmental regulations and international standards, consistent with the standards adopted by the Boroo Mine. The Gatsuert Project's estimated mineral reserves as at December 31, 2013 were 17.1 million tonnes at an average grade of 2.9 grams of gold per tonne containing 1.6 million ounces of gold using a cut-off grade of 1.4 grams per tonne.

Provided that the final approvals and regulatory commissioning is received for the Gatsuert Project, the Company plans to mine the ore at Gatsuert and truck it to the existing Boroo mill to be processed. Under the current plan for Gatsuert, the Company expects to process approximately 3.6 million tonnes of CIP ore with an average grade of 2.86 grams of gold per tonne through the existing Boroo facility in the first two and a half operating years of the Gatsuert Project. During this time, a BIOX® facility is planned to be added to the existing Boroo facility which will be used for the processing of the remaining BIOX® ores totaling approximately 13.5 million tonnes with an average grade of 2.92 grams of gold per tonne.

Qualified Person

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

About Centerra

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

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which is not a statement of historical facts, may be "forward-looking information" for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words "intends", "continue", "may", "will", and similar expressions identify forward-looking information. These forward looking statements relate to, among other things, the result of the strategic designation of the Gatsuurt Project on the application of the Water and Forest Law; continued discussions with the Mongolian Government relating to the Gatsuurt Project, including the Mongolian state participation therein and receipt of required regulatory approvals and regulatory commissioning; reserve and resource estimates; plans for the future development of the Gatsuurt Project; estimates of future production, mining haulage and processing; and the Company's future operations in Mongolia.

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. Such factors include, among other things: political and regulatory risks in Mongolia; resource nationalism; the impact of changes in, or more aggressive enforcement of, laws, regulations and government practices in Mongolia; the Company's ability to obtain Parliamentary approval of the level of Mongolian state participation in the Gatsuurt Project as well as all the required approvals and regulatory commissioning for the Gatsuurt Project from the Mongolian Government; the ability of the Company to negotiate an investment agreement, ore haulage and BIOX® agreements and other agreements necessary for the Gatsuurt Project; the impact of continued scrutiny of Mongolian regulatory authorities on the Company's operations in Mongolia; risks related to operational matters, including the ability of the Company to construct the necessary mining and processing infrastructure for the Gatsuurt Project; the sensitivity of the Centerra's business to the volatility of gold prices; the future price of gold; the estimation of mineral reserves and resources and such other factors as described under the heading "Risk Factors" in Centerra's most recently filed annual information form available on SEDAR at www.sedar.com.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of January 23, 2015. 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.

For more information:

John W. Pearson
Vice President, Investor Relations
(416) 204-1241
john.pearson@centerragold.com

**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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