

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reports on Mongolian Parliamentary Resolution on Gatsuurt

Toronto, Canada, February 4, 2016: Centerra Gold Inc. (TSX: CG) announced that the Mongolian Parliament has passed a resolution setting the state ownership interest in the Gatsuurt Project at 34% and authorizing the government to complete negotiations with Centerra on the terms of such ownership. In October 2015, the Company and the Government agreed to a 3% special royalty in place of the state 34% ownership interest in the project (such royalty being in addition to the existing Mongolian mineral royalty and tax regime). Based on our discussions with the Government, Centerra understands that the resolution is a mandate to the Government to implement such agreement between Centerra and the Government.

Scott Perry, Centerra's Chief Executive Officer stated, "The parliamentary resolution is a very important next step in advancing the Gatsuurt Project. The Gatsuurt Project represents an exciting opportunity to use Centerra's existing Boroo mill and other infrastructure to develop the 1.6 million ounce Gatsuurt deposit with very modest initial capital investment. The Company will now focus on finalizing the investment agreements with the Government of Mongolia. We look forward to developing Gatsuurt so we can continue to operate in Mongolia for many more years to come."

The Company expects to proceed with negotiating definitive agreements (including a deposit development agreement and an investment agreement) with the Mongolian Government. Following the successful completion of such agreements, the Company will undertake economic and technical studies to update the existing studies on the project, which were completed and published in May 2006. As part of such work, the Company will undertake a program of exploration drilling, aimed at substantially expanding the Gatsuurt oxide resource, and additional hydrogeological drilling. Following completion of definitive agreements the Company expects to provide an update on the timeline for completion of such studies and drilling and for the start of project development.

The Gatsuurt Project is located approximately 55 kilometres by road from the Company's Boroo mine and is expected to be developed in accordance with applicable Mongolian environmental regulations and international standards, consistent with the standards adopted by the Boroo mine. The Gatsuurt Project's estimated mineral reserves as at December 31, 2014 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. Mineral reserves have been estimated based on a gold price of US\$1,300 per ounce. For further information, please refer to Centerra's 2014 Annual Information Form dated March 31, 2015.

The Company plans to mine the ore at Gatsuurt and truck it approximately 55 kilometres to the existing Boroo mill to be processed. The current Gatsuurt plan is to process approximately 3.6 million tonnes of CIP ore (oxides) 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 Gatsuurt Project. During this time, a BIOX® facility is planned to be added to the existing Boroo facility to be used for processing the remaining sulfide ores totaling approximately 13.5 million tonnes with an average grade of 2.92 grams of gold per tonne.

Qualified Person

The reserve and resource information and related scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 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.

Further information concerning the Gatsuurt deposit, including key assumptions, parameters and methods used to estimate mineral resources and reserves, as well as legal, political, environmental and others risks are described in Centerra's 2014 Annual Information Form dated March 31, 2015 and the Technical Report on the Gatsuurt Gold Project, Northern Mongolia prepared for Centerra Gold Inc. dated May 9, 2006, each of which have been filed on SEDAR at www.sedar.com.

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, negotiation of agreements and receipt of required permits, 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 sensitivity of the Centerra's business to global financial conditions, including the future price of gold; the potential for imprecision in the estimation of mineral reserves and resources; the Company's ability to obtain all the required approvals, permits and regulatory commissioning for the Gatsuurt Project from the Mongolian Government; the ability of the Company to negotiate a deposit development agreement and an investment agreement, ore haulage and BIOX® agreements and other agreements necessary for the Gatsuurt Project; the ability of the Company to complete and obtain positive results from exploration drilling, hydrogeological drilling and other works at the Gatsuurt site, the Company's ability to carry out economic and technical studies in a timely manner and that the results of such studies are positive; 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; 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 February 4, 2016. Centerra assumes no obligation to update or revise forward-looking

information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

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

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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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