

**NEWS RELEASE****Centerra Gold Reports Fourth Quarter and 2015 Year-end Results**

*This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 27 and in the note Caution Regarding Forward-looking Information on page 33 in this news release. It should be read in conjunction with the Company's audited financial statements and notes for the year ended December 31, 2015 and associated Management's Discussion and Analysis. The consolidated financial statements of Centerra are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in United States dollars unless otherwise stated.*

***To view Management's Discussion and Analysis and the Audited Consolidated Financial Statements and Notes for the year ended December 31, 2015, please visit the following link:***

***<http://media3.marketwire.com/docs/cg0224-mdafs.pdf>***

**Toronto, Canada, February 24, 2016:** Centerra Gold Inc. (TSX: CG) today reported a net loss of \$2.9 million or \$0.01 per common share (basic) in the fourth quarter of 2015 which includes a \$27.2 million or \$0.11 per share (basic) inventory impairment at the Kumtor mine. This compares to a net loss of \$11.3 million or \$0.05 per common share (basic) in the fourth quarter of 2014 which included a non-cash impairment charge of \$111 million or \$0.47 per share (basic) of goodwill related to the Kyrgyz reporting segment.

For 2015, the Company recorded net earnings of \$41.6 million or \$0.18 per share (basic), which includes an inventory impairment of \$27.2 million (\$0.11 per share (basic)) at the Kumtor mine and an \$18.7 million (\$0.08 per share (basic)) non-cash impairment charge of Kumtor goodwill. This compares to a net loss of \$44.1 million or \$0.19 per share (basic) in 2014 which included a non-cash impairment charge of \$111 million or \$0.47 per share (basic) for goodwill related to the Kyrgyz reporting segment. Results in 2015 were also impacted by fewer ounces produced and sold (ounces sold decreased 13% over 2014) and 6% lower average realized gold prices<sup>1</sup> (\$1,162 per ounce vs. \$1,241 per ounce in 2014).

**2015 Fourth Quarter and Full Year Highlights**

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- Exceeded full year gold production and unit cost guidance.
  - Reserves increased 9% to 8.4 million contained ounces of gold (112.5 Mt at 2.3 g/t gold) at year-end, as described in the Company's news release of February 9, 2016.
  - All-in sustaining costs per ounce sold<sup>1</sup> at the consolidated level, which excludes revenue-based tax in the Kyrgyz Republic and income tax, were \$617 in the fourth quarter and \$814 for the full year.
  - Cash provided by operations totaled \$333.6 million for the year.
  - Kumtor generated \$158.4 million in cash for the year after all capital expenditures and taxes in 2015, after achieving all-in sustaining costs<sup>1</sup> of \$731 per ounce sold for the year.
  - Cash, cash equivalents and short-term investments total \$542.2 million at December 31, 2015.

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

- Received the environmental impact assessment (“EIA”) approval and the GSM (Business Opening and Operation) permit for the Öksüt Project and applied for the land use permits.
- Purchased the 1% net smelter royalty (NSR) on Öksüt Project from Stratex International Plc for \$4.9 million.
- Subsequent to year-end, the Mongolian Parliament approved the state ownership interest in the Gatsuurt Project in Mongolia, see the Company’s news release of February 4, 2016.
- Subsequent to year-end, entered into a new five-year \$150 million revolving credit facility with the European Bank for Reconstruction and Development (“EBRD”), which replaced the existing revolving credit facility that was due to mature in February 2016 and \$76 million was subsequently redrawn (see “Other Corporate Developments – Credit Facilities”).

During the fourth quarter of 2015, Centerra’s cash, cash equivalents and short-term investments increased by \$4.8 million to \$542.2 million from \$537.4 million at the end of September 2015. Centerra believes, based on its current forecast, that it has sufficient cash, short-term investments and amounts currently available under its credit facilities to carry out its business plan in 2016 (see “2016 Outlook”).

In 2015, Centerra generated cash of \$60.1 million, consisting of cash inflows from the Kumtor operations of \$158.4 million, Boroo operations of \$6.7 million and corporate activity of \$9.3 million (redemption of investments net of corporate administration and other costs), partially offset by cash outflows for project development of \$103.7 million (including the implementation of the Greenstone Partnership) and exploration and business development of \$10.6 million.

### Commentary

Scott Perry, Chief Executive Officer of Centerra Gold stated, “As we disclosed earlier we exceeded our production guidance for 2015 and I am now pleased to report that we also significantly beat our unit cost guidance for the year as our all-in sustaining costs were \$814 per ounce sold<sup>1</sup>. Our lower costs reflect Kumtor exceeding its cost guidance with all-in sustaining costs<sup>1</sup> of \$731 per ounce sold for the year. Kumtor successfully implemented various cost cutting initiatives including optimizing the workforce, completing improvements to the mill which increased availability and throughput and focused on blending techniques to achieve the optimum grade profile. Additionally we saw a significant reduction in costs for diesel, as well as labor and other consumables resulting largely from favorable movements in local currencies. During the year Kumtor once again generated a significant amount of cash, after all capital expenditures and taxes, it generated \$158.4 million in 2015.”

“At the Öksüt Project in Turkey things are proceeding well. We secured the EIA approval last November and our GSM permit in December and have applied for our land use permits. In late December we also bought back the Stratex 1% NSR on Öksüt production with an issue of Centerra common shares valued at \$4.9 million. Work on the detailed engineering and procurement of contractors and equipment is well underway, so that once we get the necessary permits in place, our team can get started on the ground.”

“In Mongolia, Parliament passed the resolution setting the state ownership interest in Gatsuurt. As contemplated by the Minerals Law, we have agreed with Government that the state ownership would be replaced with a special royalty of 3%. This now allows us to focus on finalizing the deposit development and investment agreements on the Gatsuurt Project. We look forward to advancing Gatsuurt and are going to update the existing technical and economic studies on the project and undertake a program of exploration drilling and additional technical and hydrogeological drilling in support of eventual project development.”

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<sup>1</sup> Non-GAAP measure, see discussion under “Non-GAAP Measures”.

“Lastly, with the addition of the Öksüt reserves, the Company’s reserve estimate increased 9% to 8.4 million ounces of contained gold (112.5 Mt at 2.3 g/t gold). While the overall global reserve grade at Kumtor came down to 2.5 g/t gold, it has not significantly impacted the mine plan or the grade profile over the next few years. We generate significant ore stockpiles during mining at Kumtor which gives us flexibility to blend higher and lower grade material for the optimal mill throughput and recovery,” Mr. Perry concluded.

## Consolidated Financial and Operating Summary

Unaudited (\$ millions, except as noted)	Three months ended December 31, <sup>(7)</sup>			Year ended December 31, <sup>(7)</sup>		
	2015	2014	% Change	2015	2014	% Change
<b>Financial Highlights</b>						
Revenue	\$ 148.3	\$ 360.1	(59%)	\$ 624.0	\$ 763.3	(18%)
Cost of sales	113.4	183.5	(38%)	384.5	502.5	(23%)
Mine standby costs	0.9	2.2	100%	5.7	2.4	100%
Regional office administration	4.6	7.6	(39%)	19.1	25.2	(24%)
<b>Earnings from mine operations</b>	<b>29.4</b>	166.8	(82%)	<b>214.7</b>	233.2	(8%)
Revenue-based taxes	20.2	48.5	(58%)	84.6	97.2	(13%)
Other operating expenses (income)	0.8	(0.5)	(260%)	1.9	3.8	(49%)
Pre-development project costs	1.8	2.4	(25%)	13.2	6.0	122%
Impairment of goodwill	-	111.0	100%	18.7	111.0	100%
Exploration and business development <sup>(1)</sup>	2.6	4.1	(37%)	10.6	15.7	(32%)
Corporate administration	7.7	10.5	(27%)	35.8	34.8	3%
<b>(Loss) earnings from operations</b>	<b>(3.7)</b>	(9.2)	(60%)	<b>49.9</b>	(35.3)	(241%)
Other (income) expenses	(1.5)	2.3	(165%)	3.4	1.2	183%
Financing costs	1.1	1.1	0%	4.4	5.0	(12%)
<b>(Loss) earnings before income taxes</b>	<b>(3.4)</b>	(12.6)	(73%)	<b>42.1</b>	(41.5)	(201%)
Income tax (recovery) expenses	(0.4)	(1.3)	(69%)	0.4	2.6	(85%)
<b>Net (loss) earnings</b>	<b>(2.9)</b>	(11.3)	(74%)	<b>41.6</b>	(44.1)	(194%)
(Loss) earnings per common share - \$ basic <sup>(2)</sup>	\$ (0.01)	\$ (0.05)	(80%)	\$ 0.18	\$ (0.19)	(195%)
(Loss) earnings per common share - \$ diluted <sup>(2)</sup>	\$ (0.01)	\$ (0.05)	(80%)	\$ 0.18	\$ (0.19)	(195%)
Weighted average common shares outstanding - basic (thousands)	236,847	236,402	0%	236,592	236,396	0%
Weighted average common shares outstanding - diluted (thousands)	237,346	236,402	0%	236,951	236,396	0%
Cash provided by operations	47.5	217.0	(78%)	333.6	376.4	(11%)
Average gold spot price - \$/oz <sup>(2)(3)</sup>	1,106	1,201	(8%)	1,160	1,266	(8%)
Average realized gold price - \$/oz <sup>(1)(4)</sup>	1,098	1,199	(8%)	1,162	1,241	(6%)
Capital expenditures <sup>(5)</sup>	33.6	57.7	(42%)	370.5	351.2	5%
<b>Operating Highlights</b>						
Gold produced – ounces	133,664	301,235	(56%)	536,920	620,821	(14%)
Gold sold – ounces	135,064	300,369	(55%)	536,842	615,234	(13%)
Operating costs (on a sales basis) <sup>(2)(6)</sup>	48.6	72.9	(33%)	163.4	219.9	(26%)
Adjusted operating costs <sup>(2)(4)</sup>	54.6	82.9	(34%)	189.8	251.8	(25%)
All-in Sustaining Costs <sup>(2)(4)</sup>	83.1	132.0	(37%)	437.0	524.4	(17%)
All-in Costs <sup>(2)(4)</sup>	97.4	150.4	(35%)	494.1	587.4	(16%)
All-in Costs - including taxes <sup>(2)(4)</sup>	117.6	198.4	(41%)	578.9	687.5	(16%)
<b>Unit Costs</b>						
Cost of sales - \$/oz sold <sup>(4)</sup>	840	611	37%	716	817	(12%)
Adjusted operating costs - \$/oz sold <sup>(2)(4)</sup>	405	276	47%	354	409	(13%)
All-in sustaining costs – \$/oz sold <sup>(2)(4)</sup>	617	439	40%	814	852	(4%)
All-in costs – \$/oz sold <sup>(2)(4)</sup>	722	501	44%	921	955	(4%)
All-in costs (including taxes) – \$/oz sold <sup>(2)(4)</sup>	872	661	32%	1,079	1,119	(4%)

(1) Includes business development of \$0.3 million and \$2.2 million for the three months and year ended December 31, 2015, respectively (\$0.7 million and \$1.0 million for the three months and year ended December 31, 2015, respectively).

(2) As at December 31, 2015, the Company had 237,889,274 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 and all-in costs - 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 \$12.2 million and \$210.6 million in the three months and year ended December 31, 2015, respectively (\$32.5 million and \$261.1 million in the three months and year ended December 31, 2014, respectively) and \$75.7 million relating to implementation of the Greenstone Partnership.

(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.

## Fourth Quarter 2015 compared to Fourth Quarter 2014

- Gold production for the fourth quarter of 2015 decreased 56% to 133,664 ounces poured compared to the same period in 2014. The decrease in ounces poured was primarily due to processing lower grade ore from stockpiles and ore released from the upper part of cut-back 17 at Kumtor compared to mining and processing high-grade ore from the bottom of cut-back 16 a year earlier. During the fourth quarter of 2015, Kumtor's average mill head grade was 3.42 g/t with a recovery of 79.9%, compared with 7.40 g/t and a recovery of 82.2% for the same quarter in 2014. Boroo recorded lower production in the fourth quarter of 2015 as it was limited to ounces recovered from secondary heap leaching.
- All-in sustaining costs per ounce sold<sup>1</sup>, which excludes revenue-based tax and income tax, for the fourth quarter increased to \$617 from \$439 in the comparative period of 2014. The increase resulted from 55% fewer gold ounces sold partially offset by the reduction in operating costs.
- All-in costs per ounce sold<sup>1</sup>, which excludes revenue-based tax and income tax, were \$722 in the fourth quarter of 2015 compared to \$501 in the same period of 2014. The increase reflects fewer ounces sold, partially offset by lower capitalized stripping costs at Kumtor and lower spending on capital expenditures.
- Revenues in the fourth quarter of 2015 decreased 59% to \$148.3 million, as a result of 55% fewer ounces sold (135,064 ounces in the fourth quarter of 2015 compared to 300,369 ounces in the fourth quarter of 2014) and an 8% lower average realized gold price<sup>1</sup> (\$1,098 per ounce vs. \$1,199 per ounce). The lower amount of ounces sold is a reflection of the decrease in gold production in the fourth quarter at both operations.
- Cost of sales for the fourth quarter of 2015 was down 38% at \$113.4 million compared to the same quarter of 2014. The decrease reflects fewer ounces sold at both operations, partially offset by an inventory impairment charge of \$27.2 million recorded December 31, 2015 at Kumtor (no inventory impairment was recorded in the fourth quarter of 2014).
- Operating costs (on a sales basis) decreased by \$24.3 million to \$48.6 million in the fourth quarter compared to the fourth quarter of 2014, reflecting lower mining, milling, leaching and site support costs. At Kumtor, total consumable costs were down 32%, including a 39% reduction in diesel fuel costs and labor costs were 18% lower reflecting the favorable exchange rate.
- Exploration expenditures in the fourth quarter totaled \$2.3 million compared to \$3.4 million in the same period of 2014. The decrease in the fourth quarter reflects reduced spending at the Company's projects including the Öksüt project in Turkey, as the project transitioned to the development stage during the year.
- Regional administration and corporate administration costs decreased 39% and 27%, respectively, in the fourth quarter of 2015 as compared to the same period of 2014. The decrease primarily reflects company-wide cost cutting measures initiated in 2015 in addition to the weakening of currencies in relation to the U.S. dollar. Lastly, share-based compensation was lower as the Company's share price decreased in the fourth quarter of 2015 by 13%, while it increased by 20% in the comparative quarter of 2014.
- Cash provided by operations was \$47.5 million in the fourth quarter of 2015 compared to \$217.0 million in the same period of 2014. The decrease reflects the lower earnings in the fourth quarter 2015.
- Capital expenditures in the fourth quarter of 2015 were \$33.6 million, which included sustaining capital<sup>1</sup> of \$11.7 million, growth capital<sup>1</sup> of \$9.7 million and \$12.2 million of capitalized stripping costs (\$9.1 million cash). Capital expenditures in the same quarter of 2014 were \$57.7 million, which included \$13.4 million for sustaining capital<sup>1</sup> and \$11.7 million for growth capital<sup>1</sup> and capitalized stripping of \$32.5 million (\$24.9 million cash). In 2015, sustaining capital<sup>1</sup> decreased due to less spending on equipment overhauls at Kumtor. The decrease in growth capital<sup>1</sup> in 2015

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

reflects lower spending at Kumtor, partially offset by \$6.7 million of spending on the Greenstone Gold Property and the Öksüt Project. The decrease in capitalized stripping in the fourth quarter of 2015 reflected the mining fleet at Kumtor focusing on ore production from cut-back 17 (expensed), with limited waste stripping from cut-back 18 (capitalized). In the comparable period of 2014, the mining fleet focused on the waste stripping in cut-back 17 which was capitalized.

### **Full Year 2015 compared to Full Year 2014**

- Gold production for 2015 totaled 536,920 ounces compared to 620,821 ounces in the prior year, which reflects lower gold production at both operations. In 2015, Kumtor produced 520,695 ounces and Boroo produced 16,226 ounces compared to 567,693 ounces and 53,128 ounces in 2014, respectively. The lower gold production at Kumtor was due to processing lower grades in 2015 as compared to 2014. Boroo's lower gold production was due to the cessation of milling operations in December 2014 and fewer ounces were recovered from the heap leach operation due to secondary leaching.
- All-in sustaining costs per ounce sold<sup>1</sup>, which excludes revenue-based tax and income tax, for 2015, decreased to \$814 compared to \$852 in the same period of 2014. The decrease primarily reflects a reduction in operating costs partially offset by fewer gold ounces sold.
- All-in costs per ounce sold<sup>1</sup>, which excludes revenue-based tax at Kumtor and income tax, was \$921, compared to \$955 per ounce sold in 2014. The decrease reflects lower operating costs, lower spending on growth capital<sup>1</sup> at Kumtor and lower exploration costs, partially offset by additional spending in 2015 for pre-development activities at the Greenstone Gold Property and Öksüt Project.
- Revenue for 2015, decreased to \$624.0 million from \$763.3 million in 2014, primarily from 13% fewer ounces sold and a 6% lower average realized gold price<sup>1</sup> (\$1,162 per ounce compared to \$1,241 per ounce in 2014).
- Cost of sales in 2015 decreased by 23% to \$384.5 million due a reduction in ounces sold and to lower costs at Kumtor and included an inventory impairment charge of \$27.2 million recorded at the end of 2015. The largest component of cost of sales, DD&A, was \$221.1 million, which includes \$18.4 million of non-cash inventory impairment, in the year ended December 31, 2015, compared to \$282.6 million in 2014. The decrease reflects lower capitalized stripping charges per ounce from cut-back 17 ore processed in 2015, compared to higher charges for cut-back 15 ore that was processed in the comparative period.  
The decrease in the cash component of cost of sales can be primarily attributed to successful cost lowering initiatives at the Kumtor mine and that ounces processed in 2015 were relatively lower cost than ounces processed in 2014. The processed ounces from cut-back 17 in 2015 had mining costs per tonne 7% lower compared to tonnes processed in the comparative period. The lower mining costs are primarily the result of lower diesel costs, due to lower global fuel prices, and favourable exchange movements leading to various cost decreases including lower labour costs. The decrease in cost was also impacted by a 7% reduction in ounces sold in 2015.
- Operating costs (on a sales basis) decreased to \$163.4 million in 2015 from \$220.0 million in 2014. The decrease was due to processing lower cost ounces at Kumtor, which reflects a reduction in costs for diesel, labour and other consumables as well as favourable movements in the local currency as compared to 2014, magnified by the reduction in ounces sold during the year. The decrease can also be attributed to operating costs at Boroo being significantly lower in 2015 as milling activities ceased in late 2014. Site support costs at Boroo in 2015 were lower reflecting reduced personnel levels.
- Pre-development project costs increased by \$7.3 million to \$13.3 million in 2015 compared to 2014. The increase in 2015 represents the commencement of spending at the Company's Greenstone Gold Property. The increase was partially offset by lower expensed costs at the Öksüt

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

Project as the Company began capitalization of Öksüt project costs on August 1, 2015 following the Board of Director's decision to move the project to development.

- Goodwill at Kumtor was impaired by \$18.7 million as a result of the annual goodwill impairment test carried out as at September 1, 2015 which brought the goodwill balance to zero. The goodwill test was based on the current Kumtor life-of-mine plan and was heavily impacted by lower gold prices, as gold prices continued to decrease in the first eight months of 2015. At December 31, 2014, the Company determined that the impact of a reserve reduction at the Kumtor mine was an indicator of impairment, which resulted in an impairment test and subsequent goodwill write-down of \$111.0 million.
- During 2015, \$5.7 million of standby costs were incurred to maintain the mill and operation on care and maintenance (\$2.4 million in 2014). This largely consisted of labour costs to maintain equipment in a ready state and administration costs. The Boroo mill will be kept on standby awaiting the finalization of agreements and permits with the Mongolian Government regarding the development of the Gatsuurt Project.
- Exploration expenditures in 2015 totaled \$8.4 million compared to \$14.7 million in 2014. The decrease primarily reflects the Company's increased focus on project development and reduced spending on the Company's exploration projects in Turkey and Mongolia.
- Corporate administration costs in 2015 were mostly unchanged from 2014 at \$35.8 million. The Company spent \$2.5 million more on professional fees in 2015, driven primarily by higher consulting fees, including consulting relating to the formation of the Greenstone Partnership, and unforeseen legal fees. Additionally, there was an increase in share-based compensation of approximately \$1.7 million reflecting the appreciation in the Company's share price during 2015. These increases were offset by a decrease in salaries and benefits of \$1.5 million and other administration and office costs of \$1.8 million, which can be partly associated with the weakening of the Canadian dollar.
- The reduction in income tax expense of 2.2 million in 2015 was due to a taxable loss at Boroo in 2015, as the mill ended processing of stockpiled ore in late 2014.
- Cash provided by operations was \$333.6 million in 2015 compared to \$376.4 million in 2014, as a result of lower earnings partially offset by lower levels of working capital. In total the Company generated \$60.1 million of cash in 2015 after accounting for spending on administration, exploration, project development spending, which includes acquiring a 50% interest in the Greenstone Partnership, and cash generation at Kumtor of \$158.4 million, after capital spending.
- Capital expenditures in 2015 were \$370.5 million, which included sustaining capital<sup>1</sup> of \$51.1 million, growth capital<sup>1</sup> of \$15.7 million, \$6.1 million on Öksüt Project development, \$11.3 million on Greenstone Gold Property capital, \$75.7 million on Greenstone Partnership acquisition and \$210.6 million of capitalized stripping costs (\$159.4 million cash). Capital expenditures in the same period of 2014 were \$351.2 million, which included \$49.2 million for sustaining capital<sup>1</sup> and \$40.9 million for growth capital<sup>1</sup> and capitalized stripping of \$261.1 million (\$187.3 million cash). In 2015, higher capital expenditures resulted primarily from additional spending on development projects, offset by lower capitalized stripping and lower growth capital<sup>1</sup> spent at Kumtor. Development project spending included acquiring the Company's 50% interest in the Greenstone Gold Property and commencement of spending on the project, in addition to spending on the Öksüt Project, which commenced development in the third quarter of 2015.

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

## Operations Update Kumtor

Kumtor Operating Results	Three months ended December 31, <sup>(3)</sup>			Year ended December 31, <sup>(3)</sup>		
	2015	2014	% Change	2015	2014	% Change
<i>Unaudited (\$ millions, except as noted)</i>						
Revenue	144.5	346.2	(58%)	604.5	694.6	(13%)
Cost of sales-cash	46.9	63.1	(26%)	151.1	174.5	(13%)
Cost of sales-non-cash	65.2	108.5	(40%)	216.8	270.0	(20%)
Cost of sales-total	112.1	171.5	(35%)	367.9	444.5	(17%)
Cost of sales - \$/oz sold <sup>(1)</sup>	852	594	43%	707	792	(11%)
Tonnes mined - 000s	45,418	42,786	6%	169,527	191,723	(12%)
Tonnes ore mined – 000s	3,941	6,615	(40%)	6,583	8,640	(24%)
Average mining grade - g/t	2.06	3.52	(41%)	2.25	3.37	(33%)
Tonnes milled - 000s	1,504	1,502	0%	5,729	5,840	(2%)
Average mill head grade - g/t	3.42	7.40	(54%)	3.57	3.90	(8%)
Recovery - %	79.9%	82.2%	(3%)	78.8%	78.0%	1%
Mining costs - total (\$/t mined material)	1.13	1.49	(24%)	1.24	1.34	(7%)
Milling costs (\$/t milled material)	9.95	12.28	(19%)	11.17	12.04	(7%)
Gold produced – ounces	130,610	291,635	(55%)	520,694	567,693	(8%)
Gold sold – ounces	131,549	288,851	(54%)	520,517	561,154	(7%)
Average realized gold price - \$/oz <sup>(1)</sup>	1,098	1,198	(8%)	1,161	1,238	(6%)
Capital expenditures (sustaining) <sup>(1)</sup>	11.8	13.4	(12%)	50.5	48.7	4%
Capital expenditures (growth) <sup>(1)</sup>	2.5	11.5	(78%)	14.2	40.1	(65%)
Capital expenditures (stripping)	12.1	32.5	(63%)	210.6	261.1	(19%)
Capital expenditures (total)	26.4	57.4	(54%)	275.3	349.9	(21%)
Operating costs (on a sales basis) <sup>(2)</sup>	46.9	63.1	(26%)	151.1	174.5	(13%)
Adjusted operating costs <sup>(1)</sup>	51.6	70.4	(27%)	169.5	199.9	(15%)
All-in Sustaining Costs <sup>(1)</sup>	72.7	109.0	(33%)	380.3	437.1	(13%)
All-in Costs <sup>(1)</sup>	75.2	120.5	(38%)	394.5	477.1	(17%)
All-in Costs - including taxes <sup>(1)</sup>	95.4	169.0	(44%)	479.1	574.3	(17%)
Adjusted operating costs - \$/oz sold <sup>(1)</sup>	392	244	61%	326	356	(8%)
All-in sustaining costs – \$/oz sold <sup>(1)</sup>	553	378	46%	731	779	(6%)
All-in costs – \$/oz sold <sup>(1)</sup>	572	418	37%	758	851	(11%)
All-in costs (including taxes) – \$/oz sold <sup>(1)</sup>	725	585	24%	921	1,024	(10%)

<sup>(1)</sup> Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs (including taxes) (in each case, on an aggregate or per ounce sold basis), 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”.

<sup>(2)</sup> 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.

<sup>(3)</sup> Results may not add due to rounding.

At the Kumtor mine in the Kyrgyz Republic, mining activities in the fourth quarter of 2015 focused on mining and stockpiling ore from cut-back 17 as mining reached ore early in the quarter, while the mill primarily processed ore from stockpiles. Cut-back 18 waste stripping also commenced during this time in accordance to the mine development plan.

The total waste and ore mined in the fourth quarter of 2015 was 45.4 million tonnes compared to 42.8 million tonnes in the comparative period of 2014. The 6% increase in tonnes is mainly attributed to mining from a higher bench elevation that resulted in shorter hauls during the fourth quarter of 2015,



whereas during the comparative period mining was predominately located at the lower SB Zone, which required significant uphill haulage. This was partially offset by increased standby time due to poor weather events in the fourth quarter of 2015 as compared to the same period in 2014. During the fourth quarter of 2015, Kumtor mined 3.9 million tonnes of ore at an average grade of 2.06 g/t from cut-back 17, compared to 6.6 million tonnes of ore mined at an average grade of 3.52 g/t in the fourth quarter of 2014.

Gold production for the fourth quarter of 2015 was 130,611 ounces compared to 291,635 ounces in the comparative quarter of 2014 due to the 54% lower average mill head grade and a 3% lower recovery rate, as a result of mining and processing the high-grade ore from cut-back 16 during the fourth quarter of 2014. During the fourth quarter of 2015, Kumtor's average mill head grade was 3.42 g/t with a recovery of 79.9%, compared with 7.40 g/t and a recovery of 82.2% for the same quarter in 2014. Kumtor's mill processed approximately 1.5 million tonnes for the fourth quarter of 2015 similar to the comparative quarter of 2014.

Operating costs (on a sales basis)<sup>1</sup>, excluding capitalized stripping, decreased 26% to \$46.9 million during the fourth quarter of 2015 reflecting processing lower cost ounces at Kumtor that was driven by a reduction in cost of diesel, reagents and labour due to favorable movements in exchange rates compared to the same period of 2014.

DD&A associated with sales decreased to \$65.2 million in the fourth quarter of 2015 from \$108.5 million in the comparative period of 2014, mainly due to 157,303 or 54% lower ounces sold compared to 288,851 total ounces in the fourth quarter of 2014. This was partially offset by a \$14.8 million non-cash inventory impairment charge.

At December 31, 2015, Kumtor conducted its quarterly inventory valuation test against the estimated net realizable value and as result recorded an inventory impairment of \$27.2 million. The inventory impairment represents the excess of the inventoried cost, including cost of the low grade material stockpiled from cut-back 17, over the amount the Company expects to realize after further processing and subsequent sale of the gold. The main reason for the impairment is that lower grade ore was released in the fourth quarter of 2015 from cut-back 17 with insufficient volumes to cover the associated mining costs thereby resulting in an impairment. It is forecasted that cut-back 17 will intersect the higher grade SB Zone ore in the third quarter of 2016, which will provide the majority of the feed to the mill until the end of the year (see the "Outlook" section for further details). When considering cut-back 17 as a whole and using current gold prices and operating costs, no inventory impairment is expected to be recorded.

All-in sustaining costs per ounce sold<sup>1</sup>, which excludes revenue-based tax, for the fourth quarter of 2015 increased to \$553 compared to \$378 in the comparative period of 2014. The increase results primarily from a 54% decrease in ounces sold, partially offset by the lower operating cost previously explained.

All-in costs per ounce sold<sup>1</sup>, which excludes revenue-based tax, for the fourth quarter of 2015 was \$572 compared to \$418 in the comparative period of 2014, representing an increase of 22%. The increase is mainly due to the factors explained above, partially offset by, reduced growth capital spending associated with the infrastructure project compared to 2014.

Capital expenditures in the fourth quarter of 2014 were \$26.4 million which includes \$11.8 million of sustaining capital<sup>1</sup>, \$2.5 million invested in growth capital<sup>1</sup> and \$12.1 million for capitalized stripping (\$9.1 million cash). Capital expenditures in the comparative quarter of 2014 totaled \$57.4 million, consisting of \$13.4 million for sustaining capital<sup>1</sup>, \$11.5 million for growth capital<sup>1</sup> and \$32.5 million of capitalized stripping (\$24.9 million cash).

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

## Mongolia (Boroo/Gatsuurt)

<b>Boroo Operating Results</b>	<b>Three months ended</b>			<b>Year ended December 31,<sup>(3)</sup></b>		
	<b>December 31,<sup>(3)</sup></b>			<b>Year ended December 31,<sup>(3)</sup></b>		
<i>Unaudited (\$ millions, except as noted)</i>	<b>2015</b>	2014	% Change	<b>2015</b>	2014	% Change
Revenue	<b>3.9</b>	13.9	(72%)	<b>19.4</b>	68.8	(72%)
Cost of sales-cash	<b>1.8</b>	9.8	(82%)	<b>12.3</b>	45.5	(73%)
Cost of sales-non-cash	<b>(0.4)</b>	2.1	(119%)	<b>4.3</b>	12.7	(66%)
Cost of sales-total	<b>1.4</b>	11.9	(88%)	<b>16.6</b>	58.2	(71%)
Cost of sales - \$/oz sold <sup>(1)</sup>	<b>376</b>	1,037	(64%)	<b>1,016</b>	1,076	(6%)
Tonnes milled - 000s	-	466	(100%)	-	2,083	(100%)
Average mill head grade - g/t	-	0.65	(100%)	-	0.66	(100%)
Recovery - %	-	61.0%	(100%)	-	61.2%	(100%)
Milling costs (\$/t milled material)	-	8.61	(100%)	-	10.03	(100%)
Gold produced – ounces	<b>3,054</b>	9,600	(68%)	<b>16,226</b>	53,128	(69%)
Gold sold – ounces	<b>3,515</b>	11,518	(69%)	<b>16,325</b>	54,080	(70%)
Average realized gold price - \$/oz <sup>(1)</sup>	<b>1,102</b>	1,206	(9%)	<b>1,190</b>	1,271	(6%)
Capital expenditures (sustaining) <sup>(1)</sup>	-	-	100%	<b>0.1</b>	0.3	(67%)
Operating costs (on a sales basis) <sup>(2)</sup>	<b>1.7</b>	9.8	(83%)	<b>12.3</b>	45.4	(73%)
Adjusted operating costs <sup>(1)</sup>	<b>3.1</b>	12.4	(75%)	<b>20.1</b>	51.8	(61%)
All-in Sustaining Costs <sup>(1)</sup>	<b>3.3</b>	12.5	(74%)	<b>20.8</b>	52.6	(60%)
All-in Costs <sup>(1)</sup>	<b>3.3</b>	12.5	(74%)	<b>20.8</b>	52.6	(60%)
All-in Costs - including taxes <sup>(1)</sup>	<b>3.3</b>	12.0	(73%)	<b>21.0</b>	55.4	(62%)
<b>Adjusted operating costs - \$/oz sold<sup>(1)</sup></b>	<b>904</b>	1,072	(16%)	<b>1,242</b>	959	30%
<b>All-in sustaining costs – \$/oz sold<sup>(1)</sup></b>	<b>949</b>	1,083	(12%)	<b>1,287</b>	973	32%
<b>All-in costs – \$/oz sold<sup>(1)</sup></b>	<b>949</b>	1,083	(12%)	<b>1,287</b>	973	32%
<b>All-in costs (including taxes) – \$/oz sold<sup>(1)</sup></b>	<b>950</b>	1,043	(9%)	<b>1,298</b>	1,025	26%

(1) Adjusted operating costs, all-in sustaining costs, all-in costs and all-in costs (including taxes) (in each case, on an aggregate or per ounce sold basis), 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, but excludes reclamation costs and depreciation, depletion and amortization.

(3) Gold produced in the year-ended December 31, 2015 includes 3,595 ounces from the cleaning of circuits at the mill.

(4) Results may not add due to rounding.

At the Boroo mine, located in Mongolia, production was 3,054 ounces of gold in the fourth quarter of 2015 as compared to 9,601 ounces of gold in the same period of 2014. The lower gold production is the result of secondary leaching producing fewer ounces from the heap leach operation.

The Boroo mill was placed on care and maintenance in late December 2014 and shutdown activities at the mill were completed at the end of February 2015. The Company currently is keeping the mill on standby awaiting the finalization of agreements and permits for the Gatsuurt Project. See “Other Corporate Developments – Mongolia” and “Caution Regarding Forward-Looking Information”.

Operating costs (on a sales basis)<sup>1</sup> decreased by \$8.1 million to \$1.7 million in the fourth quarter of 2015. The 83% reduction reflects lower activity at the project as milling activities ceased in late 2014.

<sup>1</sup> Non-GAAP measure, see discussion under “Non-GAAP Measures”.

All-in sustaining costs per ounce sold<sup>1</sup> and all-in costs per ounce sold<sup>1</sup>, which excludes income tax, decreased 12% to \$949 in the fourth quarter of 2015 compared to the same period in 2014. The decrease results primarily from 83% lower operating costs in the fourth quarter of 2015.

During the fourth quarter of 2015 exploration expenditures in Mongolia were \$0.8 million down from \$1.1 million in the same period in 2014.

The Gatsuurt Project remained under care and maintenance in the fourth quarter of 2015. Gatsuurt was designated as a mineral deposit of strategic importance by the Mongolian Parliament in January 2015. The Company continued to engage in discussions with the Mongolian Government regarding the development of the Gatsuurt Project and potential ownership of the Government. In mid-October 2015, the Company and the Government agreed to a 3% special royalty in place of the Government acquiring a 34% ownership interest in the project, subject to Parliamentary approval. On February 4, 2016, the Mongolian Parliament approved the level of state ownership in the project at 34%. Under the Minerals Law, the Government is able to substitute the state ownership with a special royalty. In this regard, the Government can now implement the previously agreed upon 3% special royalty in place of a 34% state ownership interest in Gatsuurt. See the Company's news releases of February 4, 2016, October 27, 2015 and January 23, 2015. The Company expects to proceed with negotiating definitive agreements and to carry out additional exploration, technical and hydrogeological drilling in support of eventual project development. See "Other Corporate Developments – Mongolia".

## **Project Development**

### **Öksüt Project**

At the Öksüt Project in Turkey, the Company spent \$4.0 million during the fourth quarter of 2015 and \$10.0 million during the year ended December 31, 2015 (\$2.4 million and \$6.0 million, respectively in the same periods of 2014) on development activities to progress the EIA, required by Turkish authorities and to begin detailed engineering.

In November 2015, the Company received approval of its EIA from the Turkish regulatory authorities, followed by approval of the business opening permit from local authorities in December 2015. Applications have been submitted for the land usage permits, after approval of which other required permits will be submitted. There are no assurances that the formal approval of the land use permits and other permits will be obtained by the Company in the anticipated time frame, or at all.

Subject to timely receipt of permits, the Company expects to begin development of the Öksüt Project in the second quarter of 2016 with first gold production anticipated in the third quarter of 2017. On September 3, 2015 a Technical Report for the Öksüt Project was filed on SEDAR.

In December 2015, the Company finalized a buyback of a 1% NSR related to the Öksüt production from Stratex through the issuance of 962,542 common shares of the Company, representing a value of \$4.9 million. The Company had initially negotiated the royalty as part of the purchase from Stratex of the final 30% interest in the Öksüt Project in December 2012.

### **Greenstone Gold Property**

The Company spent \$4.3 million in the fourth quarter of 2015 and \$17.3 million for the year ended December 31, 2015 on project development activities on the Greenstone Gold Property. During the year,

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<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

work continued on the feasibility study for the Hardrock Project, including detailed engineering on the processing facility, tailings facility and critical site infrastructure. A new resource model that incorporates all available drill hole and assay data and technical input from a third party audit was completed and will be the basis for the feasibility study. The Greenstone Partnership is expected to complete the feasibility study in the first half of 2016, at which time the mineral reserve and resource inventory will be disclosed for Greenstone. When completed the Company expects to file a NI 43-101 technical report including a statement of reserves and resources, on SEDAR.

In the fourth quarter of 2015, progress was made on completing the Environmental Assessment (“EA”) and building a stronger relationship with the local communities. Subsequently, on February 1, 2016, the draft EA was submitted to the provincial and federal regulators for their initial review and comment.

## Exploration Update

### Turkey

#### **Öksüt Project**

During the fourth quarter of 2015, nine diamond drill holes were completed to further test the Güneytepe deposit and the Keltepe NW prospect. In 2015 a total of twenty diamond drill holes were completed and focused on extending both the Keltepe and Güneytepe deposits, testing the Keltepe NW prospect area and additional targets within the project area.

Drilling in fourth quarter of 2015 at the Güneytepe deposit returned encouraging assay results as a consequence, additional drilling was performed to investigate the extents of mineralization. This new drilling has confirmed that near surface Güneytepe oxide gold mineralization remains open to the northwest.

Some of the better results from the Güneytepe holes include oxide intervals at:

- ODD0268: 1.65 g/t Au over 10.0 metres starting 35.0 metres downhole and 1.86 g/t Au over 11.3 metres starting 53.7 metres downhole;
- ODD0269: 0.41 g/t Au over 96.6 metres starting 6.0 metres downhole; and
- ODD0270: 0.72 g/t Au over 16.9 metres starting 3.1 metres downhole.

The remaining drilling during the quarter focused in the south-east and east of Keltepe NW prospect. Assay results indicate deeper oxide mineralization than what is the seen at the Keltepe deposit.

Highlights from this drilling include oxide intervals at:

- ODD0271: 4.62 g/t Au over 5.0 metres starting 117.6 metres downhole and 1.23 g/t Au over 22.1 metres starting 195.4 metres downhole;
- ODD0272: 0.74 g/t Au over 61.6 metres (EOH) from 199.7 metres downhole, including 1.40 g/t Au over 19.8m from 228.0 metres downhole;
- ODD0276: 0.40 g/t Au over 16.0 metres from 152.9 metres downhole (oxide-sulphide).

*\* The above mineralized intercepts were calculated using a cut-off grade of 0.2 g/t Au and a maximum internal dilution interval of 5.0 metres. Reported lengths are core lengths, true widths for mineralized intervals are about 60% to 90% of stated downhole length.*

*Drill collar locations and drill results tables and sections are available at the following link:*

<http://media3.marketwire.com/docs/cg0224-expltables.pdf>

A complete listing of the drill results and supporting maps for the Öksüt Project have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the Company's web site at: [www.centerragold.com](http://www.centerragold.com).

## **Nicaragua**

### **La Luz Gold-Silver Project**

Centerra entered into an option agreement dated September 8, 2015 with Calibre Mining Corporation, whereby Centerra can earn a 51% interest and subsequently an additional 19% for a total of 70% interest in the La Luz Gold-Silver Project consisting of 1,200 hectares within the Borosi Concessions, Northeast Nicaragua. During the fourth quarter of 2015, surface exploration works over approximately 12 sq. km were completed. This work has identified a possible new mineralized Santa Rita-Tiburón trend, approximately 1.5 kilometres west of the Cerro Potosí – Aeropuerto trend.

Two diamond drill holes in the Aeropuerto prospect were completed during the fourth quarter for a total of 610 metres.

Assay highlights include:

- CA15-019: 0.46 g/t Au and 8.77 g/t Ag over 36.5 metres starting 90.1 metres downhole and 0.77 g/t Au over 13.9 metres starting 229.7 metres downhole, including 2.29 g/t Au over 1.2 metres from 241.5 metres downhole;
- CA15-020: 2.89 g/t Au over 71.1 metres starting 190.5 metres downhole, including 6.39 g/t Au over 26.0 metres from 212.0 metres downhole and 2.27 g/t Au over 12.0 metres from 249.5 metres downhole.

*\* The above mineralized intercepts were calculated using a cut-off grade of 0.2 g/t Au and a maximum internal dilution interval of 5.0 metres. Reported lengths are core lengths, true widths for mineralized intervals are currently unknown.*

Drilling is expected to resume in the first quarter of 2016.

***To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link:***

***<http://media3.marketwire.com/docs/cg0224-exptables.pdf> or visit the Company's web site at: [www.centerragold.com](http://www.centerragold.com).***

### **Non-GAAP Measures**

This news release contains the following non-GAAP financial measures: all-in sustaining costs, all-in costs, all-in costs (excluding growth projects), all-in costs including taxes and 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), growth projects 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 also 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 MD&A. The definitions are consistent with 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 corporate social responsibility.
- *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 and social development costs related to current operations, refining fees and by-product credits.
- *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.
- *All-in costs per ounce sold* include all-in sustaining costs and additional costs for growth capital, global exploration expenses, business development costs, project 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 growth projects)* measure comprises all-in costs per ounce sold as described above and excluded the Company's growth projects.
- *All-in costs including taxes per ounce sold* measure includes revenue-based taxes at Kumtor and income taxes at Boroo.
- *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.
- *Capital expenditure (Growth)* is capital expended to expand the business or operations by increasing productive capacity beyond current levels of performance.
- *Growth projects* are defined as projects that are beyond the exploration stage but are pre-operational. For 2015, growth projects include Öksüt, Gatsuurt and the Greenstone Gold Property.
- *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 (including and excluding taxes) are non-GAAP measures and can be reconciled as follows:**

**(1) By operation**

**Kumtor**

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Year ended December 31, <sup>(1)</sup>		Three months ended December 31, <sup>(1)</sup>	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 367.9	\$ 444.4	\$ 112.1	\$ 171.5
Less: Non-cash component	216.8	270.0	65.2	108.5
Cost of sales, cash component	\$ 151.1	\$ 174.4	\$ 46.9	\$ 63.0
Adjust for:				
Regional office administration	15.7	20.1	3.9	6.0
Refining fees	3.3	3.3	1.0	1.7
By-product credits	(2.8)	(3.0)	(0.9)	(1.5)
Community costs related to current operations	2.2	5.1	0.7	1.2
<b>Adjusted Operating Costs</b>	<b>\$ 169.5</b>	<b>\$ 199.9</b>	<b>\$ 51.6</b>	<b>\$ 70.4</b>
Accretion expense	0.9	1.2	0.2	0.3
Capitalized stripping and ice unload	159.4	187.3	9.1	24.9
Capital expenditures (sustaining)	50.5	48.7	11.8	13.4
<b>All-in Sustaining Costs</b>	<b>\$ 380.3</b>	<b>\$ 437.1</b>	<b>\$ 72.7</b>	<b>\$ 109.0</b>
Capital expenditures (growth)	14.2	40.1	2.5	11.5
Exploration	-	(0.1)	-	-
<b>All-in Costs</b>	<b>\$ 394.5</b>	<b>\$ 477.1</b>	<b>\$ 75.2</b>	<b>\$ 120.5</b>
Revenue-based taxes and income taxes	84.6	97.2	20.2	48.5
<b>All-in Costs (including taxes)</b>	<b>\$ 479.1</b>	<b>\$ 574.3</b>	<b>\$ 95.4</b>	<b>\$ 169.0</b>
Ounces sold (000)	520.5	561	131.5	289
<b>Adjusted Operating Costs per ounce sold</b>	<b>\$ 326</b>	<b>\$ 356</b>	<b>\$ 392</b>	<b>\$ 244</b>
<b>All-in Sustaining Costs per ounce sold</b>	<b>\$ 731</b>	<b>\$ 779</b>	<b>\$ 553</b>	<b>\$ 378</b>
<b>All-in Costs per ounce sold</b>	<b>\$ 758</b>	<b>\$ 851</b>	<b>\$ 572</b>	<b>\$ 418</b>
<b>All-in Costs (including taxes) per ounce sold</b>	<b>\$ 921</b>	<b>\$ 1,024</b>	<b>\$ 725</b>	<b>\$ 585</b>

(1) Result may not add due to rounding

## **Boroo**

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Year ended December 31, <sup>(1)</sup>		Three months ended December 31, <sup>(1)</sup>	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 16.6	\$ 58.1	\$ 1.3	\$ 11.9
Less: Non-cash component	4.3	12.7	(0.4)	2.1
Cost of sales, cash component	\$ 12.3	\$ 45.4	\$ 1.7	\$ 9.8
Adjust for:				
Regional office administration	3.3	5.1	0.7	1.6
Standby costs	4.3	1.1	0.6	0.9
Refining fees	-	0.1	-	-
By-product credits	(0.1)	(0.2)	-	-
Community costs related to current operations	0.3	0.3	0.1	0.1
<b>Adjusted Operating Costs</b>	<b>\$ 20.1</b>	<b>\$ 51.8</b>	<b>\$ 3.1</b>	<b>\$ 12.4</b>
Accretion expense	0.6	0.5	0.2	0.1
Capital expenditures (sustaining)	0.1	0.3	-	-
<b>All-in Sustaining Costs</b>	<b>\$ 20.8</b>	<b>\$ 52.6</b>	<b>\$ 3.3</b>	<b>\$ 12.5</b>
<b>All-in Costs</b>	<b>\$ 20.8</b>	<b>\$ 52.6</b>	<b>\$ 3.3</b>	<b>\$ 12.5</b>
Income taxes	0.2	2.8	-	(0.5)
<b>All-in Costs (including taxes)</b>	<b>\$ 21.0</b>	<b>\$ 55.4</b>	<b>\$ 3.3</b>	<b>\$ 12.0</b>
Ounces sold (000)	16.3	54.1	3.5	11.5
<b>Adjusted Operating Costs per ounce sold</b>	<b>\$ 1,242</b>	<b>\$ 959</b>	<b>\$ 904</b>	<b>\$ 1,072</b>
<b>All-in Sustaining Costs per ounce sold</b>	<b>\$ 1,287</b>	<b>\$ 973</b>	<b>\$ 949</b>	<b>\$ 1,083</b>
<b>All-in Costs per ounce sold</b>	<b>\$ 1,287</b>	<b>\$ 973</b>	<b>\$ 949</b>	<b>\$ 1,083</b>
<b>All-in Costs (including taxes) per ounce sold</b>	<b>\$ 1,298</b>	<b>\$ 1,025</b>	<b>\$ 950</b>	<b>\$ 1,043</b>

(1) Result may not add due to rounding



## 2) Consolidated

### Centerra

<i>(unaudited)</i> (\$ millions, unless otherwise specified)	Year ended December 31, <sup>(1)</sup>		Three months ended December 31, <sup>(1)</sup>	
	2015	2014	2015	2014
Cost of sales, as reported	\$ 384.5	\$ 502.5	\$ 113.4	\$ 183.5
Less: Non-cash component	221.1	282.6	64.8	110.6
Cost of sales, cash component	\$ 163.4	\$ 219.9	\$ 48.6	\$ 72.9
Adjust for:				
Regional office administration	19.1	25.2	4.6	7.6
Standby costs	4.3	1.1	0.6	0.9
Refining fees	3.3	3.4	1.0	1.7
By-product credits	(2.8)	(3.2)	(0.9)	(1.5)
Community costs related to current operations	2.5	5.4	0.7	1.3
<b>Adjusted Operating Costs</b>	<b>\$ 189.8</b>	<b>\$ 251.8</b>	<b>\$ 54.6</b>	<b>\$ 82.9</b>
Corporate general administrative costs	35.3	34.4	7.5	10.4
Accretion expense	1.5	1.7	0.4	0.4
Capitalized stripping and ice unload	159.4	187.3	9.1	24.9
Capital expenditures (sustaining)	51.0	49.2	11.5	13.4
<b>All-in Sustaining Costs</b>	<b>\$ 437.0</b>	<b>\$ 524.4</b>	<b>\$ 83.1</b>	<b>\$ 132.0</b>
Capital expenditures (growth)	15.7	40.9	3.0	11.8
Exploration and business development	10.6	15.7	2.6	4.1
Other project costs not related to current operations	30.8	6.4	8.7	2.5
<b>All-in Costs</b>	<b>\$ 494.1</b>	<b>\$ 587.4</b>	<b>\$ 97.4</b>	<b>\$ 150.4</b>
Revenue-based taxes and income taxes	84.8	100.1	20.2	48.0
<b>All-in Costs (including taxes)</b>	<b>\$ 578.9</b>	<b>\$ 687.5</b>	<b>\$ 117.6</b>	<b>\$ 198.4</b>
Ounces sold (000)	536.8	615.2	135.1	300.4
<b>Adjusted Operating Costs per ounce sold</b>	<b>\$ 354</b>	<b>\$ 409</b>	<b>\$ 405</b>	<b>\$ 276</b>
<b>All-in Sustaining Costs per ounce sold</b>	<b>\$ 814</b>	<b>\$ 852</b>	<b>\$ 617</b>	<b>\$ 439</b>
<b>All-in Costs per ounce sold</b>	<b>\$ 921</b>	<b>\$ 955</b>	<b>\$ 722</b>	<b>\$ 501</b>
<b>All-in Costs (including taxes) per ounce sold</b>	<b>\$ 1,079</b>	<b>\$ 1,119</b>	<b>\$ 872</b>	<b>\$ 661</b>

(1) Result may not add due to rounding

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

<b>Year ended December 31,</b>	<b>Kumtor</b>	<b>Boroo</b>	<b>All other</b>	<b>Consolidated</b>
(\$ millions) <i>(Unaudited)</i>				
<b>2015</b>				
Capitalized stripping – cash	159.4	-	-	159.4
Sustaining capital - cash	50.5	0.1	0.5	51.1
Growth capital - cash	14.2	-	1.5	15.7
Greenstone Gold Property pre-development capital cash	-	-	11.3	11.3
Öksüt project development capital - cash	-	-	6.1	6.1
Net decrease in accruals included in additions to PP&E	0.2	-	-	0.2
<b>Total - Additions to PP&amp;E</b>	<b>224.3</b>	<b>0.1</b>	<b>19.4</b>	<b>243.8<sup>(1)</sup></b>
<b>2014</b>				
Capitalized stripping – cash	187.3	-	-	187.3
Sustaining capital – cash	48.7	0.3	0.2	49.2
Growth capital - cash	40.1	-	0.8	40.9
Net increase in accruals included in additions to PP&E	(1.2)	-	-	(1.2)
<b>Total - Additions to PP&amp;E</b>	<b>274.9</b>	<b>0.3</b>	<b>1.0</b>	<b>276.2<sup>(1)</sup></b>

<b>Three months ended December 31,</b>	<b>Kumtor</b>	<b>Boroo</b>	<b>All other</b>	<b>Consolidated</b>
(\$ millions) <i>(Unaudited)</i>				
<b>2015</b>				
Capitalized stripping – cash	9.1	-	-	9.1
Sustaining capital - cash	11.8	-	-	11.8
Growth capital - cash	2.5	-	0.5	3.0
Greenstone Gold Property pre-development capital cash	-	-	2.6	2.6
Öksüt project development capital - cash	-	-	3.9	3.9
Net decrease in accruals included in additions to PP&E	1.6	-	-	1.6
<b>Total - Additions to PP&amp;E</b>	<b>25.0</b>	<b>-</b>	<b>7.0</b>	<b>32.0<sup>(1)</sup></b>
<b>2014</b>				
Capitalized stripping – cash	24.9	-	-	24.9
Sustaining capital – cash	13.4	-	-	13.4
Growth capital - cash	11.5	-	0.2	11.7
Net decrease in accruals included in additions to PP&E	3.0	-	-	3.0
<b>Total - Additions to PP&amp;E</b>	<b>52.8</b>	<b>-</b>	<b>0.2</b>	<b>53.0<sup>(1)</sup></b>

<sup>(1)</sup> As reported in the Company's Consolidated Statement of Cash Flows as "Investing Activities - Additions to property, plant & equipment".

## **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](http://www.sedar.com). The following summary also contains forward-looking statements and readers are referred to "Caution Regarding Forward-looking Information".

## **Credit Facilities**

### EBRD Facility

At December 31, 2015, the Company had \$76 million outstanding under the EBRD Facility for repayment in February 2016. On February 12, 2016, the Company entered into a new five-year \$150 million revolving credit facility with EBRD. The interest rate is LIBOR plus 3%. The \$76 million drawn amount under the previous EBRD Facility was subsequently redrawn under the new EBRD Facility on February 17, 2016 and is due to be repaid on August 17, 2016 or, at the Company's discretion, repayment of the loaned funds may be extended until 2021. The right to draw in excess of \$100 million of the new EBRD Facility is subject to the satisfaction of a specified condition precedent. There can be no assurance that this condition precedent will be satisfied.

## **Kyrgyz Republic**

### Negotiations between Kyrgyz Republic and Centerra

On December 22, 2015, the Company announced that it had received notice from the Kyrgyz Republic Prime Minister notifying Centerra of the Kyrgyz Republic Government's intention to withdraw from further negotiations regarding the implementation of the Heads of Agreement on the Kumtor Project Restructuring dated January 18, 2014 (the "HOA"). As previously disclosed, the HOA contemplated a restructuring of the ownership of the Kumtor Project under which Kyrgyzaltyn would receive a 50% interest in a joint venture company that would own the Kumtor Project in exchange for its share interest in Centerra. The Prime Minister also stated that "the government of the Kyrgyz Republic is still deeply interested in ensuring uninterrupted operations of the Kumtor mine and achieving mutual agreements which would allow further efficient implementation of the Kumtor Project in accordance with the best world practices, standards and requirements of the mining industry transparency initiative".

Centerra will continue to engage constructively and in good faith with the Kyrgyz Republic Government to resolve all outstanding matters affecting the Kumtor Project, including, among other things: (i) claims made by the General Prosecutor relating to a \$200 million inter-corporate dividend declared and paid by KGC to Centerra in December 2013; (ii) claims made by the General Prosecutor seeking to invalidate Kumtor's land use certificate and to seize certain lands within the Kumtor concession area; and (iii) significant environmental claims made by various Kyrgyz state agencies alleging environmental offenses and other matters totalling approximately \$473 million (at applicable exchange rates when the claims were commenced). Centerra believes that each of these claims is without foundation.

While Centerra has a long record of resolving matters with the Kyrgyz Republic Government, there are no assurances that continued discussions between the Kyrgyz Republic Government and Centerra will result in a mutually acceptable solution regarding the Kumtor Project, that any agreed upon proposal would receive the necessary approvals under Kyrgyz and Canadian laws or that the Kyrgyz Republic Government and/or Parliament will not take actions that are inconsistent with the government's obligations under the agreements governing the Kumtor Project.

### Kyrgyz Permitting and Regulatory Matters

In December 2015, KGC submitted its 2016 annual mine plan to the Kyrgyz Republic State Agency for Environment and Protection and Forestry (“SAEPF”) for environmental expertise and the Kyrgyz Republic State Agency for Geology and Mineral Resources (“SAGMR”) for industrial safety and subsoil expertise. The industrial safety expertise was issued on December 30, 2015. KGC has also received extension of its permits for maximum allowable emissions and toxic waste disposal until March 31, 2016. The Company expects that the relevant Kyrgyz Republic government agencies will consider the renewal of such permits in connection with their review of the 2016 annual mine plan.

However, there remain several other outstanding permits and approvals required from Kyrgyz regulatory authorities including the Ecological Passport and the life-of-mine technical plan (which outlines mining plans for the Kumtor life-of-mine). We understand that the regulatory authorities reviewing such permits and approvals have expressed concerns regarding potential conflicts with the Kyrgyz Republic Water Code. Centerra and KGC do not believe that the Water Code is applicable to the Kumtor Project. As previously disclosed, this was also a concern in SAEPP’s review of the 2015 annual mine plan.

Kumtor will continue to work with the applicable Kyrgyz regulatory authorities to obtain the necessary permits and approvals, however there can be no assurances that such permits and approvals will be issued or issued in a timely manner.

Should Kumtor be prohibited from moving ice (as a result of the purported application of the Water Code), 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 disagreement in relation to the application of the Water Code to Kumtor would be subject to international arbitration under the 2009 agreements governing the Kumtor Project.

### Green Party Claim

On December 25, 2015, KGC received a claim filed by the Green Party of Kyrgyzstan (the “Green Party”) with a Kyrgyz court which alleges environmental and glacier pollution and seeks damages of approximately \$5.8 billion. The Company understands that the court has rejected the claim on procedural grounds. The Company believes that this claim is without merit and, in any event, is subject to the international arbitration provision of the Restated Investment Agreement. The claimant, Green Party, requests that the damages be paid by Kumtor to the Issyk-Kul Nature Preservation Local Fund, a Kyrgyz state fund. The claim by the Green Party relates to allegations substantially similar to the claims raised by Kyrgyz regulatory authorities, which are currently before the courts, each of which the Company believes are without foundation. The claim is also substantially similar to another claim made by the Green Party in 2013 which was subsequently withdrawn by the Green Party.

### Japarov Criminal Proceeding

As previously disclosed, the Kyrgyz Republic General Prosecutor has brought criminal proceedings against Mr. D. Japarov, who was a member of the KGC board of directors (as a nominee of Kyrgyzaltyn) in December 2013, when the KGC board of directors recommended to KGC’s shareholder the declaration and payment of a \$200 million inter-corporate dividend to Centerra. Mr. Japarov was also Chairman of the management board of Kyrgyzaltyn at that time.

On December 11, 2015, the Pervomayski District Court found Mr. Japarov guilty of using his regulatory or managerial authorities against the interests of Kyrgyzaltyn and the Kyrgyz Republic. However, due to the time he had already served in detention prior to and during his trial, he was released from detention without serving additional time.

As previously disclosed, the Company believes that the dividend that was subject of the criminal proceedings against Mr. Japarov was declared and paid in compliance with all Kyrgyz Republic laws and was a routine intercorporate matter between Centerra and its direct, wholly-owned subsidiary.

## **Mongolia**

### Gatsuurt – Development

Following the designation of the Company's Gatsuurt Project as a mineral deposit of strategic importance by the Mongolian Parliament in January 2015, the Company has been in discussions with the Government of Mongolia and its working groups to determine the economic terms of the future development of the Gatsuurt Project. In mid-October, the Company and the Government agreed to a 3% special royalty in place of the Government acquiring a 34% ownership interest in the project.

As disclosed on February 4, 2016, the Mongolian Parliament passed a resolution setting the state ownership interest in the Gatsuurt Project at 34% and authorizing the Mongolian Government to complete negotiations with Centerra on the terms of such ownership. Under the Minerals Law, the Government can now implement the previously agree upon special royalty in place of a 34% state ownership in the project. The Company expects to proceed with negotiating definitive agreements (including a deposit development agreement and an investment agreement) with the Mongolian Government. Concurrent with the negotiations of such agreements, the Company will undertake economic and technical studies to update the existing studies on the project, which were initially completed and published in May 2006. As part of such work, the Company will undertake a program of exploration drilling, and geotechnical and additional hydrogeological drilling in preparation for eventual project development.

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 and drilling programs 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

A significant number of artisanal (illegal) miners continue to enter the Gatsuurt license area and engage in artisanal mining. The numbers have fluctuated but the Company understands from reports that the numbers have reached up to 200-300 artisanal miners at a single time. Centerra's first priority is the health and safety of its employees and of artisanal miners themselves. The types of activities carried out by artisanal miners at Gatsuurt can be dangerous to human health, safety as well as the environment. The Company has advised appropriate Mongolian federal and aimag (local) governments, relevant state bodies and police of the issues relating to the activities of artisanal miners and has requested their assistance to clear the Gatsuurt site from artisanal miners and restrict their access to the area. 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. As there are no ongoing operations at the Gatsuurt Project at this time, there is no current conflict with Centerra or its local personnel. However, this is a matter of concern and the Company continues to work with Mongolian authorities to resolve the situation in a peaceful manner.

## **Corporate**

### Ontario Court Proceedings Involving the Kyrgyz Republic and Kyrgyzaltyn

Starting in 2011, there have been four Ontario applications commenced 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 shares of Centerra held by

Kyrgyzaltyn, a state controlled entity, and therefore that the applicant is entitled to seize such number of Centerra shares and/or such amount of dividends as necessary to satisfy their respective arbitral awards against the Kyrgyz Republic. The four applicants and the amount of their arbitral awards are as follows: (i) Sistem Mühendislik İnşaat Ve Ticaret Anonim Sirketi (“Sistem”) commenced its claim in Ontario in March 2011 to enforce an arbitral award in the amount of approximately \$9 million; (ii) Stans Energy Corp. (“Stans”) commenced its claim in Ontario in October 2014 to enforce its arbitral award for approximately \$118 million; (iii) Valeri Belokon commenced a claim in Ontario in February 2015 to enforce the arbitral award for approximately \$16.5 million; and (iv) Entes Industrial Plants Construction & Erection Contracting Co. Inc. (“Entes”) commenced its claim in October 2015 to enforce an arbitral award for approximately \$22.7 million.

In the Sistem case, on June 19, 2015 the Ontario Court of Appeal made a finding that the Kyrgyz Republic was not properly served in the previous proceedings and, accordingly, it allowed Kyrgyzaltyn’s appeal and cancelled a previous court’s decision which determined that the Kyrgyz Republic had an equitable interest in the shares of Centerra held by Kyrgyzaltyn. The Court of Appeal determined that a new hearing may be held following proper service of Sistem’s Amended Notice of Application to the Kyrgyz Republic. Sistem sought leave to appeal the decision to the Supreme Court of Canada, which the Company understands was denied on February 11, 2016.

On June 10, 2015, the Ontario Superior Court of Justice Divisional Court issued its decision on an appeal brought by Kyrgyzaltyn in the Stans case. The effect of this decision was to cancel a previously issued court order (injunction) which (among other things) restricted Kyrgyzaltyn’s ability to deal with 47 million Centerra shares and prevented the payment of dividends on all Centerra shares held by Kyrgyzaltyn. The court made its decision based on, among other things, the existence of new evidence put forward by Kyrgyzaltyn, and in particular the Moscow State Court decision dated April 29, 2015 (and the short form reasons for that decision dated May 15, 2015) which determined that the Moscow Chamber of Commerce and Industry (“MCCI”), the arbitral body which granted the Stans’ arbitral award for \$118 million, did not have jurisdiction to make an award. The decision of the MCCI was subsequently confirmed by the Russian Supreme Court on January 11, 2016.

In the Belokon proceedings, the original court order issued in February 2015 which restricted certain shares and the payment of dividends was amended on September 8, 2015. The amended order now restricts Kyrgyzaltyn’s ability to transfer and to exercise its rights as a registered shareholder over 3,787,879 shares (formerly 6,500,240 shares), and limits the amount of dividends to be held in trust for the Belokon proceeding to Cdn\$10 million. Accordingly, all amounts held in trust in excess of Cdn\$10 million were released to Kyrgyzaltyn in September 2015.

On October 15, 2015, Centerra received an Ontario court order in favour of Entes, which has an arbitral award against the Kyrgyz Republic for \$22.7 million. The injunction (i) prohibits Kyrgyzaltyn from, among other things, selling or transferring 7,465,776 shares of Centerra held by it (over and above the 3,787,879 shares already restricted in the Belokon proceedings); and (ii) requires Centerra to pay any dividends declared on Centerra shares held by Kyrgyzaltyn into trust for the benefit of the Entes enforcement application. The order was continued on October 27, 2015 and remains in place until further order of the Court; it does not set a limit on the amount of dividends to be held in trust. The Company is currently holding \$2.1 million in trust for the Entes proceeding and will continue to do so until further order of the court.

## 2016 Outlook

### 2016 Gold Production

Centerra's 2016 gold production is expected to be between 480,000 to 530,000 ounces. All of Centerra's 2016 production is expected to come from the Kumtor mine and is consistent with the 2016 production outlined in the life-of-mine plan set out in the Kumtor NI 43-101 technical report dated March 20, 2015, filed on SEDAR.

The Boroo mine will continue with closure activities mainly focusing on reclamation work at the Boroo property. Any revenue from Boroo gold production from rinsing the heap leach pad will be offset against mine closure costs. The 2016 production forecast assumes no gold production from Boroo or Gatsurt.

### 2016 All-in Unit Costs<sup>1</sup>

Centerra's 2016 all-in sustaining costs per ounce ounce sold<sup>1</sup> and all-in costs (excluding Öksüt and Greenstone growth projects) per ounce sold<sup>1</sup> are forecast as follows:

	Kumtor	Consolidated
<b>Ounces sold forecast</b>	480,000-530,000	480,000-530,000
<b>US \$ / gold ounces sold</b>		
Operating Costs	400 – 442	400 – 442
Changes in inventories	(8) – (9)	(8) – (9)
<b>Operating Costs (on a sales basis)</b>	<b>\$392 – 433</b>	<b>\$392 – 433</b>
Regional office administration	29 – 32	29 – 32
Social Development costs	4 – 5	4 – 5
Refining costs and by-product credits	1	1
<b>Sub-Total (Adjusted Operating Costs)<sup>(1)</sup></b>	<b>\$426 – 471</b>	<b>\$426 – 471</b>
Corporate general & administrative costs	-	56 – 62
Accretion expense	3	4
Capitalized stripping costs – cash	230 – 254	230 – 254
Capital expenditures (sustaining) <sup>(1)</sup>	158 – 174	161 – 177
<b>All-in Sustaining Costs<sup>(1)</sup></b>	<b>\$817 – 902</b>	<b>\$877 – 968</b>
Capital expenditures (growth) <sup>(1)</sup>	49 – 54	49 – 54
Boroo closure costs <sup>(2)</sup>	-	14 – 16
Other costs <sup>(3)</sup>	-	25 – 28
<b>All-in Costs (excluding growth projects)<sup>(1)</sup></b>	<b>\$866 – 956</b>	<b>\$965 – 1,066</b>
Revenue-based tax and income taxes <sup>(4)</sup>	157	157
<b>All-in Costs (excluding growth projects and including taxes)<sup>(1), (4)</sup></b>	<b>\$1,023 – 1,113</b>	<b>\$1,122 – 1,223</b>

(1) Adjusted operating costs per ounce sold, all-in sustaining costs per ounce sold, all-in costs (excluding growth projects) per ounce sold, all-in costs (excluding growth projects and including 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 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 project development costs not related to current operations.

(4) Includes revenue-based tax that reflects a forecast gold price assumption of \$1,125 per ounce sold.

<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".

## 2016 Exploration Expenditures

Planned exploration expenditures for 2016 total \$11 million, which is \$2.6 million higher than the 2015 exploration spending. The 2016 exploration plan includes \$1.0 million for further exploration work on the Öksüt property, and \$10 million to fund other ongoing projects (excluding Greenstone) and generative exploration programs. See also Greenstone Gold Property.

## 2016 Capital Expenditures

Centerra's projected capital expenditures for 2016, excluding capitalized stripping, are estimated to be \$269 million, including \$85 million of sustaining capital<sup>1</sup> and \$184 million of growth capital<sup>1</sup>.

Projected capital expenditures (excluding capitalized stripping) include:

<b>Projects</b>	<b>2016 Sustaining Capital<sup>1</sup></b> (millions of dollars)	<b>2016 Growth Capital<sup>1</sup></b> (millions of dollars)
Kumtor	\$84	\$26
Öksüt Project	-	\$157
Greenstone Gold Property	-	1*
Other (Boroo, Gatsuurt and Corporate)	1	-
<b>Consolidated Total</b>	<b>\$85</b>	<b>\$184</b>

\* Excludes \$4.9 million representing capitalized amount for Premier's 50% share of the development expenditures related to the Greenstone Gold Property and funded by Centerra.

### ***Kumtor***

At Kumtor, 2016 total capital expenditures, excluding capitalized stripping, are forecast to be \$110 million. Spending on sustaining capital<sup>1</sup> of \$84 million relates primarily to major overhauls and replacements of certain heavy duty mine equipment (\$69 million), construction to raise the tailings dam (\$6 million) and other items (\$9 million).

Growth capital<sup>1</sup> investment at Kumtor for 2016 is forecast at \$26 million and includes the relocation of certain infrastructure at Kumtor relating to the ongoing Kumtor pit expansion (\$17 million), dewatering projects (\$6 million) and other items (\$3 million).

The cash component of capitalized stripping costs related to the development of the open pit is expected to be \$122 million of the \$162 million total capitalized stripping in 2016.

### ***Mongolia (Boroo and Gatsuurt)***

At Boroo, 2016 sustaining capital<sup>1</sup> expenditures are expected to be minimal and no growth capital<sup>1</sup> is forecast for Boroo. In February 2016, the Mongolian Parliament passed a resolution approving the state ownership interest in the Gatsuurt Project. The Company expects to proceed with negotiating definitive agreements and

<sup>1</sup> Non-GAAP measure, see discussion under "Non-GAAP Measures".



carry out additional exploration drilling to expand the Gatsuurt resource base as well as geo-technical and hydrogeological drilling in support of eventual project development.

### ***Öksüt Project***

Subject to the timely receipt of permits, the Company expects to spend \$157 million for capital construction at the Öksüt property in 2016. The total planned spending of \$157 million includes mine construction costs of \$134 million, capitalized project support and administration costs of \$19 million, and other capitalized costs of \$4 million.

### ***Greenstone Gold Property***

Centerra's guidance for 2016 expenditures in connection with the Greenstone Gold Property is approximately \$10.8 million (Cdn\$14.5 million) and represents costs forecast to be spent on the completion of the feasibility study for the Hardrock Project. The Greenstone Partnership is expected to complete the feasibility study in the first half of 2016. At that time, Centerra will re-estimate costs for the balance of the year.

The 2016 guidance includes work for technical studies, environmental and social impact assessment, project support (\$7.6 million), exploration (\$2.2 million) as well as some capital expenditures for the project (\$1 million). The forecast spending for 2016 will be fully funded by Centerra with 50% of spending accounted for as pre-development project spending or exploration and expensed through Centerra's income statement. The remaining 50% of spending will be capitalized on Centerra's balance sheet and be accounted for as an acquisition cost of the Greenstone Gold Property (\$4.9 million) in addition to \$1 million to be spent on capital items.

### **2016 Corporate Administration and Community Investment**

Corporate and administration expense for 2016 is forecast to be \$31 million, which includes \$30 million for corporate and administration costs, and \$1 million for business development activities.

Total planned community investments for 2015 are forecast at \$3 million. This budget includes donations and sustainable development projects in the various communities in which Centerra operates.

## 2016 Depreciation, Depletion and Amortization

Consolidated depreciation, depletion and amortization expense included in costs of sales expense for 2016 is forecasted to be between \$194 million and \$208 million at Kumtor.

<i>(In millions)</i>	<b>2016 DD&amp;A Forecast (Unaudited)</b>	<b>2015 DD&amp;A Actual</b>
<b>Kumtor</b>		
Mine equipment	\$ 70	\$ 66
Less DD&A capitalized to stripping costs <sup>(1)</sup>	(40)	(51)
Capital stripping costs amortized	185 - 205	109
Other mining assets	7	3
Mill assets	10	8
Administration assets and other	14	13
Inventory adjustment (non-cash depreciation)	(52) - (58)	69
<b>Subtotal for Kumtor</b>	<b>\$ 194 – 208</b>	<b>\$ 217</b>
<b>Boroo</b>		
Mine and mill assets <sup>(2)</sup>	N/A	\$ 1
Administration assets and other	N/A	2
Inventory adjustment (non-cash depreciation)	N/A	1
<b>Subtotal for Boroo</b>	<b>N/A</b>	<b>\$ 4</b>
Subtotal for Other	-	-
<b>Consolidated Total</b>	<b>\$ 194 – 208</b>	<b>\$ 221</b>

(1) Use of the Company's mining fleet for stripping activities results in a portion of the depreciation related to the mine fleet to be allocated to capitalized stripping costs. In 2015, \$51 million of depreciation costs was allocated to capitalized stripping costs.

(2) All 2016 DD&A expense at Boroo will be charged to the Boroo closure costs.

### ***Kumtor***

At Kumtor, depreciation, depletion and amortization expense included in costs of sales expense for 2015 was \$217 million which is \$1 million above the guidance for 2015 of \$204 million to \$216 million disclosed in the 2015 Outlook section of the Company's 2014 MD&A filed on SEDAR on February 27, 2015 due to higher amortization of the capitalized stripping costs.

The forecast for 2016 DD&A to be expensed as part of costs of sales is between \$194 million and \$208 million. The amortization of capitalized stripping costs is the largest component of depreciation expense in 2016 forecasted to be between \$185 million to \$205 million. Capitalized stripping costs include mining operating costs such as labour, diesel and maintenance costs, as well as the depreciation expense for the mine equipment used in the stripping campaign. The capitalized stripping costs are amortized over the ounces contained in the ore body exposed by the stripping campaign.

The mine equipment assets are depreciated on a straight-line basis over their estimated useful lives. The total mine equipment depreciation for 2016 is forecasted at \$70 million reflecting increased depreciation on replacement of mining equipment. The depreciation related to mine equipment engaged in a stripping campaign and capitalized as stripping costs is forecasted to be \$40 million in 2016.

## 2016 Taxes

Pursuant to the Restated Investment Agreement, Kumtor's operations are not subject to corporate income taxes. The agreement assesses tax at 13% on gross revenue (plus 1% for the Issyk-Kul Oblast Development Fund).

## Sensitivities

Centerra's revenues, earnings and cash flows for 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)			
		Costs	Revenues	Cash flow	Earnings before income tax
Gold Price	\$50/oz	3.4 - 3.6	24.0 - 26.5	20.7 - 22.8	20.7 - 22.8
Diesel Fuel	10%	1.7	-	4.4	1.7
Kyrgyz som <sup>(1)</sup>	1 som	0.9	-	1.4	0.9
Canadian dollar <sup>(1)</sup>	10 cents	2.8	-	2.8	2.8

<sup>(1)</sup> appreciation of currency against the U.S. dollar will result in higher costs and lower cash flow and earnings, depreciation of currency against the U.S. dollar results in decreased costs and increased cash flow and earnings

## Material Assumptions and Risks

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

- a gold price of \$1,125 per ounce,
- exchange rates:
  - \$1USD:\$1.34 Cdn
  - \$1USD:65.0 Kyrgyz som
  - \$1USD:0.95 Euro
- diesel fuel price assumption:
  - \$0.55/litre at Kumtor

The assumed diesel price of \$0.55/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 only loosely correlates with world oil prices. The diesel fuel price assumptions were made when the price of oil was approximately \$50 per barrel.

Other material assumptions were used in forecasting production and costs for 2016. These material assumptions include the following:

- The resource models for each of the projects perform as expected including the Kumtor resource model which was updated in 2015 to address historical reconciliation concerns and updated geological data.
- Gold recovery rates at each of the projects are as expected.
- All necessary permits, licenses and approvals are received in a timely manner for each project including the Kumtor Project where we have historically faced delays in receiving required mine plan approvals and permits.

- 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.
- The buttress constructed at the bottom of the Davidov glacier continues to function as planned.
- The pit walls at Kumtor remain stable and the Company is able to manage the risks associated with the increased height of the pit walls.
- 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 action being taken by the Parliament or Government to cancel the Kumtor Project Agreements, or taking any actions which are not consistent with the rights of Centerra and Kumtor Gold Company (KGC) under the Kumtor Project Agreements.
- The previously disclosed environmental claims received from the Kyrgyz regulatory authorities in the aggregate amount of approximately \$473 million (at the then current exchange rates) and 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, and any further claims, whether environmental allegations or otherwise, are resolved without material impact on Centerra's operations or financial results.
- The accession of the Kyrgyz Republic into the Eurasian Economic Union and/or 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, referred to in the 2014 Annual Information Form, 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 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.
- 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 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 the note "Caution Regarding Forward-Looking Information" and under the heading "Risk Factors" in the Company's 2015 MD&A and in the Company's Annual Information Form for the year ended December 31, 2014.

**Centerra Gold Inc.**  
**Consolidated Statements of Financial Position**

	December 31, 2015	December 31, 2014
<b>(Expressed in Thousands of United States Dollars)</b>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 360,613	\$ 300,514
Short-term investments	181,613	261,503
Amounts receivable	28,781	66,214
Inventories	347,011	408,050
Prepaid expenses	12,880	12,888
	<u>930,898</u>	<u>1,049,169</u>
Property, plant and equipment	693,016	524,699
Goodwill	-	18,705
Restricted cash	9,989	12,437
Other assets	26,681	24,072
	<u>729,686</u>	<u>579,913</u>
<b>Total assets</b>	<b>\$ 1,660,584</b>	<b>\$ 1,629,082</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 75,292	\$ 45,883
Short-term debt	76,000	76,000
Revenue-based taxes payable	9,152	24,605
Taxes payable	1,286	1,515
Current portion of provision for reclamation	1,062	2,598
	<u>162,792</u>	<u>150,601</u>
Dividend payable to related party	9,330	12,254
Provision for reclamation	65,087	65,318
Deferred income tax liability	2,524	2,266
	<u>76,941</u>	<u>79,838</u>
<b>Shareholders' equity</b>		
Share capital	668,705	660,554
Contributed surplus	24,153	22,556
Accumulated other comprehensive income	220	-
Retained earnings	727,773	715,533
	<u>1,420,851</u>	<u>1,398,643</u>
<b>Total liabilities and Shareholders' equity</b>	<b>\$ 1,660,584</b>	<b>\$ 1,629,082</b>

Centerra Gold Inc.  
Consolidated Statements of (Loss) Earnings and Comprehensive (Loss) Income  
(Unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2015	2014	2015	2014
<b>(Expressed in Thousands of United States Dollars)</b>				
<b>(except per share amounts)</b>				
<b>Revenue from gold sales</b>	\$ 148,332	\$ 360,073	\$ 623,950	\$ 763,345
Cost of sales	113,414	183,459	384,459	502,577
Standby costs	882	2,168	5,684	2,385
Regional office administration	4,631	7,611	19,068	25,189
<b>Earnings from mine operations</b>	<b>29,405</b>	166,835	<b>214,739</b>	233,194
Revenue-based taxes	20,224	48,466	84,633	97,243
Other operating expenses (income)	784	(535)	1,870	3,833
Pre-development project costs	1,762	2,419	13,252	6,021
Impairment of goodwill	-	111,000	18,705	111,000
Exploration and business development	2,630	4,095	10,619	15,724
Corporate administration	7,669	10,525	35,781	34,759
<b>(Loss) earnings from operations</b>	<b>(3,664)</b>	(9,135)	<b>49,879</b>	(35,386)
Other (income) expenses	(1,501)	2,292	3,375	1,184
Finance costs	1,097	1,145	4,426	4,962
<b>(Loss) earnings before income taxes</b>	<b>(3,260)</b>	(12,572)	<b>42,078</b>	(41,532)
Income tax (recovery) expense	(383)	(1,258)	449	2,577
<b>Net (loss) earnings</b>	<b>\$ (2,877)</b>	\$ (11,314)	<b>\$ 41,629</b>	\$ (44,109)
<b>Other Comprehensive (Loss) Income</b>				
<b>Items that may be subsequently reclassified to earnings:</b>				
Net gain on translation of foreign operation	159	-	220	-
<b>Other comprehensive income</b>	<b>159</b>	-	<b>220</b>	-
<b>Total comprehensive (loss) income</b>	<b>\$ (2,718)</b>	\$ (11,314)	<b>\$ 41,849</b>	\$ (44,109)
<b>Basic (loss) earnings per common share</b>	<b>\$ (0.01)</b>	\$ (0.05)	<b>\$ 0.18</b>	\$ (0.19)
<b>Diluted (loss) earnings per common share</b>	<b>\$ (0.01)</b>	\$ (0.05)	<b>\$ 0.18</b>	\$ (0.19)

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

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2015	2014	2015	2014
<b>(Expressed in Thousands of United States Dollars)</b>				
<b>Operating activities</b>				
Net (loss) earnings	(2,877)	\$ (11,314)	\$ 41,629	\$ (44,109)
Items not requiring (providing) cash:				
Depreciation, depletion and amortization	47,703	120,115	205,390	284,281
Finance costs	1,098	1,145	4,426	4,962
Loss on disposal of equipment	(4)	596	1,972	1,138
Compensation expense on stock options	621	599	2,611	2,469
Change in share-based compensation	(5,618)	2,908	828	7,539
Goodwill impairment expense	-	111,000	18,705	111,000
Impairment of inventory	27,216	(8,123)	27,216	-
Income tax expense	(383)	(1,258)	449	2,577
Other operating expense (income)	70	(945)	(861)	(548)
	<u>67,826</u>	<u>214,723</u>	<u>302,365</u>	<u>369,309</u>
Change in operating working capital	(19,709)	2,166	32,532	(3,101)
Change in long-term inventory	-	542	349	4,880
Prepaid revenue-based taxes utilized	-	78	-	10,000
Payments toward provision for reclamation	(247)	(227)	(1,004)	(1,085)
Income taxes paid	(336)	(271)	(676)	(3,608)
<b>Cash provided by (used in) operations</b>	<u>47,534</u>	<u>217,011</u>	<u>333,566</u>	<u>376,395</u>
<b>Investing activities</b>				
Additions to property, plant and equipment	(32,030)	(53,034)	(243,767)	(276,282)
Net redemption (purchase) of short-term investments	58,010	(25,823)	79,890	(103,145)
Purchase of interest in Greenstone Partnership	(17)	-	(75,718)	-
Decrease in restricted cash	(2,478)	(2,182)	2,448	(1,706)
(Increase) decrease in long-term other assets	(2,398)	1,577	(2,958)	(3,447)
<b>Cash provided by (used in) investing</b>	<u>21,087</u>	<u>(79,462)</u>	<u>(240,105)</u>	<u>(384,580)</u>
<b>Financing activities</b>				
Dividends paid - declared in period	(7,092)	(5,750)	(29,389)	(31,499)
Dividends paid - from trust account	-	-	(2,936)	-
Payment of transaction costs related to borrowing	3	-	(2,974)	(2,910)
Proceeds from common shares issued for options exercised	1,298	-	1,937	-
<b>Cash used in financing</b>	<u>(5,791)</u>	<u>(5,750)</u>	<u>(33,362)</u>	<u>(34,409)</u>
Increase (decrease) in cash during the period	62,830	131,799	60,099	(42,594)
Cash and cash equivalents at beginning of the period	297,783	168,715	300,514	343,108
<b>Cash and cash equivalents at end of the period</b>	<u>\$ 360,613</u>	<u>\$ 300,514</u>	<u>\$ 360,613</u>	<u>\$ 300,514</u>
<b>Cash and cash equivalents consist of:</b>				
Cash	\$ 122,581	\$ 85,097	\$ 122,581	\$ 85,097
Cash equivalents	238,032	215,417	238,032	215,417
	<u>\$ 360,613</u>	<u>\$ 300,514</u>	<u>\$ 360,613</u>	<u>\$ 300,514</u>

**Centerra Gold Inc.**  
**Consolidated Statements of Shareholders' Equity**

(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
<b>Balance at January 1, 2014</b>	236,390,219	\$ 660,486	\$ 20,087	\$ -	\$ 793,737	1,474,310
Share-based compensation expense	-	-	2,469	-	-	2,469
Shares issued on redemption of restricted share units	13,739	68	-	-	-	68
Dividends declared	-	-	-	-	(34,095)	(34,095)
Net loss for the year	-	-	-	-	(44,109)	(44,109)
<b>Balance at December 31, 2014</b>	236,403,958	\$ 660,554	\$ 22,556	\$ -	\$ 715,533	1,398,643
Share-based compensation expense	-	-	2,611	-	-	2,611
Shares issued on exercise of stock options	461,697	2,951	(1,014)	-	-	1,937
Shares issued on redemption of restricted share units	61,077	340	-	-	-	340
Purchase of Öksüt royalty	962,542	4,860	-	-	-	4,860
Dividends declared	-	-	-	-	(29,389)	(29,389)
Foreign currency translation	-	-	-	220	-	220
Net earnings for the year	-	-	-	-	41,629	41,629
<b>Balance at December 31, 2015</b>	237,889,274	\$ 668,705	\$ 24,153	\$ 220	\$ 727,773	1,420,851

*To view the 2015 Management's Discussion and Analysis and the Audited Financial Statements and Notes for the year ended December 31, 2015, please visit the following link:*  
<http://media3.marketwire.com/docs/cg0224-mdafs.pdf>

The 2015 Audited Financial Statements and Notes and Management's Discussion and Analysis for the year-ended December 31, 2015 have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at [www.sedar.com](http://www.sedar.com) and are available at the Company's web site at: [www.centerragold.com](http://www.centerragold.com).

**Qualified Person & QA/QC**

The reserve and resource estimates, production 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 Mr. 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.



Exploration information and related scientific and technical information in this news release regarding the Öksüt 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 Centerra's geological and mining staff under the supervision of Malcolm Stallman, Member of the Australasian Institute of Mining and Metallurgy (AusIMM), Centerra's Director Exploration, Western Asia, Europe and West Africa, 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.

Exploration information and related scientific and technical information in this news release regarding the La Luz Gold-Silver 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 Calibre's geological staff under the guidance 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.

### **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", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "understand" and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things: the Company's expectations regarding the release of, and related timing of, low grade and high grade ore from cut-back 17 at the Kumtor project; expectations regarding future inventory impairments for cut-back 17 at the Kumtor project; general economic outlook in 2016; the Company's plans to continue working with Kyrgyz regulatory authorities for the timely receipt of all required permits for the Kumtor Project; the Company's ability to fund all planned capital and operating expenditures of the Company for 2016 from operating cash flow for 2016; plans to keep the Boroo mill on standby awaiting the finalization of agreements and permits with the Mongolian government for the development of the Gatsuert project; the Company's plans and timing to submit permit applications for the Öksüt Project and the successful receipt thereof; the timing of developing the Gatsuert Project and first gold pour; the timing for completing a feasibility study for the Hardrock Project (of the Greenstone Property); current plans to continue holding in trust any dividends declared for Kyrgyzaltyn, in accordance with current court orders; Centerra's plans to continue engaging constructively and in good faith with the Kyrgyz Republic Government regarding outstanding matters affecting the Kumtor Project; the Company's understanding regarding further consideration by the Kyrgyz Republic Parliamentary of the proposed amendments to the Kyrgyz Water Code; the Company's expectations regarding negotiating a definitive development agreement with the Mongolian Government on the Gatsuert Project and obtaining all necessary approvals and permits for the development of the Gatsuert Project; the intention of third parties, such as Sistem, Stans, or Belokon and Entes to initiate or continue legal proceedings; the peaceful resolution by Mongolian authorities of the presence of artisanal miners at the Gatsuert property; and statements found under the heading, "2016 Outlook", including forecast 2016 production and unit cost estimates, the Company's plans in 2016 for exploration expenditures, capital expenditures at its properties, corporate administrative and community investment expenditures, and DD&A expenses 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 General Prosecutor's Office; 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 Kumtor 2016 life of mine plan and ecological passport; the terms pursuant to which the Mongolian Government will participate in, or to take a special royalty rate in, the Gatsuurt Project; 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 development agreement for the Gatsuurt Project; 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 facility 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; 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 the Greenstone Gold Partnership; 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 MD&A dated February 24, 2016 and in the Company's most recently filed Annual Information Form available on SEDAR at [www.sedar.com](http://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 February 24, 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 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 based in Toronto, Ontario, Canada.

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

#### **Conference Call**

Centerra invites you to join its 2015 fourth quarter, year-end conference call on Thursday, February 25, 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 (800) 679-2941 or International callers dial +1 (416) 352-0001. Alternatively, an audio feed web cast will be broadcast live by Thomson Reuters and can be accessed at Centerra Gold's website at [www.centerragold.com](http://www.centerragold.com). A recording of the call will be available on [www.centerragold.com](http://www.centerragold.com) shortly after the call and via telephone until midnight on Thursday, March 3, 2016 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21803013.

#### **For more information:**

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

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