Centerra Gold Inc.

Condensed Consolidated Interim Financial Statements

For the Quarter Ended March 31, 2017
(Unaudited)

(Expressed in thousands of United States Dollars)

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

(Expressed in Thousands of United States Dollars)	Notes	March 31, 2017	December 31, 2016
Assets			
Current assets			
Cash and cash equivalents	4	$ 81,340	$ 160,017
Short-term investments	4	25,075	74
Restricted cash	4	248,801	247,844
Amounts receivable	5	107,267	48,097
Inventories	6	504,885	540,753
Prepaid expenses		19,632	18,418
		987,000	1,015,203
Property, plant and equipment	7	1,618,951	1,564,891
Goodwill		16,070	16,070
Restricted cash	4	2,583	824
Reclamation deposits		36,269	32,035
Other assets		25,247	25,728
		1,699,120	1,639,548
Total assets		$ 2,686,120	$ 2,654,751
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	8	$ 141,891	$ 130,342
Short-term debt	9	48,307	72,281
Current portion of lease obligations		31,986	-
Revenue-based taxes payable		17,814	19,202
Taxes payable		1,790	2,302
Current portion of provision for reclamation	10	949	918
Other current liabilities		3,796	1,563
		246,533	226,608
Long-term debt	9	379,987	392,851
Provision for reclamation	10	158,644	157,498
Lease obligations		-	29,901
Deferred income tax liability		1,621	1,661
Other liabilities		17,763	21,950
		558,015	603,861
Shareholders' equity			
Share capital		944,645	944,633
Contributed surplus		26,192	25,876
Accumulated other comprehensive loss		(2,584)	(2,592)
Retained earnings		913,319	856,365
		1,881,572	1,824,282
Total liabilities and Shareholders' equity		$ 2,686,120	$ 2,654,751

Commitments and contingencies (note 14)

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

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

		Three months ended March 31,	
		2017	**2016**
(Expressed in Thousands of United States Dollars)			
(except per share amounts)			
	Notes		
Gold sales		**$ 220,266**	$ 73,221
Copper sales		**28,562**	-
Molybdenum sales		**34,271**	-
Tolling, calcining and other		**2,243**	-
Revenue		**285,342**	73,221
Cost of sales	**11**	**171,889**	31,452
Standby costs		**1,386**	(57)
Regional office administration		**4,150**	3,341
Earnings from mine operations		**107,917**	38,485
Revenue-based taxes		**23,170**	10,251
Other operating expenses		**2,017**	561
Care and maintenance expense		**3,254**	-
Pre-development project costs		**1,108**	1,297
Exploration expenses and business development		**1,772**	2,041
Thompson Creek Metals Inc. acquisition and integration expenses		**934**	-
Corporate administration		**10,172**	5,829
Earnings from operations		**65,490**	18,506
Other income, net		**(333)**	(1,267)
Finance costs	**12**	**7,732**	1,246
Earnings before income tax		**58,091**	18,527
Income tax expense		**1,137**	469
Net earnings		**$ 56,954**	$ 18,058
Other Comprehensive Income (Loss)			
Items that may be subsequently reclassified to earnings:			
Net gain (loss) on translation of foreign operation		**290**	(231)
Loss on derivative instruments, net of tax	**16**	**(282)**	-
Other comprehensive income (loss)		**8**	(231)
Total comprehensive income		**$ 56,962**	$ 17,827
Basic earnings per common share	**13**	**$ 0.20**	$ 0.08
Diluted earnings per common share	**13**	**$ 0.20**	$ 0.07

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

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

(Expressed in Thousands of United States Dollars)	Notes	Three months ended March 31, 2017	Three months ended March 31, 2016
Operating activities			
Net earnings		**$ 56,954**	$ 18,058
Adjustments for the following items:			
Depreciation, depletion and amortization	**7**	**55,924**	20,749
Finance costs	**12**	**7,732**	1,246
Loss on disposal of equipment		**40**	118
Compensation expense on stock options		**316**	622
Reversal of other share based compensation expense		**(2,911)**	(1,066)
Reversal of inventory impairment charge	**11**	**-**	(12,946)
Income tax expense		**1,137**	469
		119,192	27,250
Change in operating working capital	**17(a)**	**(45,642)**	(17,785)
Change in long-term inventory		**14**	-
Purchase and settlement of derivatives	**16**	**(552)**	-
Payments toward provision for reclamation	**10**	**(121)**	-
Income taxes paid		**(428)**	(38)
Cash provided by operations		**72,463**	9,427
Investing activities			
Additions to property, plant and equipment	**17(b)**	**(68,980)**	(35,405)
Net (purchase) redemption of short-term investments		**(25,001)**	19,578
Increase in restricted cash		**(2,716)**	(319)
Payments for long-term reclamation deposits and other assets		**(8,201)**	(3,408)
Cash used in investing		**(104,898)**	(19,554)
Financing activities	**17(c)**		
Dividends paid - declared in period		**-**	(5,024)
Dividends paid - from trust account		**-**	(2,220)
Debt repayment		**(37,500)**	-
Payment of interest and borrowing costs		**(8,742)**	(3,475)
Cash used in financing		**(46,242)**	(10,719)
Decrease in cash during the period		**(78,677)**	(20,846)
Cash and cash equivalents at beginning of the period		**160,017**	360,613
Cash and cash equivalents at end of the period		**$ 81,340**	$ 339,767
Cash and cash equivalents consist of:			
Cash		**$ 38,287**	$ 113,562
Cash equivalents		**43,053**	226,205
		$ 81,340	$ 339,767

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

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

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

	Number of Common Shares	Share Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Loss ("OCI")	Retained Earnings	Total
Balance at January 1, 2016	237,889,274	$ 668,705	$ 24,153	$ 220	$ 727,773	$ 1,420,851
Share-based compensation expense	-	-	622	-	-	622
Shares issued on redemption of restricted share units	3,034	15	-	-	-	15
Shares issued to settle obligations	4,117,120	19,857	-	-	-	19,857
Foreign currency translation	-	-	-	(231)	-	(231)
Dividends declared	-	-	-	-	(7,244)	(7,244)
Net earnings for the period	-	-	-	-	18,058	18,058
Balance at March 31, 2016	242,009,428	$ 688,577	$ 24,775	$ (11)	$ 738,587	$ 1,451,928
Balance at January 1, 2017	**291,276,068**	**$ 944,633**	**$ 25,876**	**$ (2,592)**	**$ 856,365**	**$ 1,824,282**
Share-based compensation expense	**-**	**-**	**316**	**-**	**-**	**316**
Shares issued on redemption of restricted share units	**2,369**	**12**	**-**	**-**	**-**	**12**
Foreign currency translation	**-**	**-**	**-**	**290**	**-**	**290**
Loss on derivative instruments, net of tax (note 16)	**-**	**-**	**-**	**(282)**	**-**	**(282)**
Net earnings for the period	**-**	**-**	**-**	**-**	**56,954**	**56,954**
Balance at March 31, 2017	**291,278,437**	**$ 944,645**	**$ 26,192**	**$ (2,584)**	**$ 913,319**	**$ 1,881,572**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

1. Nature of operations

Centerra Gold Inc. ("Centerra" or the "Company") was incorporated under the *Canada Business Corporations Act* on November 7, 2002. Centerra's common shares are listed on the Toronto Stock Exchange. The Company is domiciled in Canada and its registered office is located at 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1. The Company is primarily focused on operating, developing, exploring and acquiring gold properties in North America, Asia and other markets worldwide.

2. Basis of presentation

These condensed consolidated interim financial statements ("interim financial statements") of the Company and its subsidiaries have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These interim financial statements do not contain all of the required annual disclosures and should be read in conjunction with the Company's December 31, 2016 consolidated financial statements. Certain comparative figures included in the statement of cash flows have been reclassified to comply with the basis of presentation adopted in the current quarter. There has been no change to the Company's subsidiaries and preparation of these interim financial statements during the current quarter.

These financial statements were authorized for issuance by the Board of Directors of the Company on May 1, 2017.

3. Changes in accounting policies

These interim financial statements have been prepared using accounting policies consistent with those used in the Company's consolidated financial statements as at and for the year ended December 31, 2016 and those new standards adopted in the quarter as described below.

Recently adopted accounting policies are as follows:

Amendments to IAS 7, *Statements of Cash Flows* ("IAS 7"). The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The Company adopted amendments to IAS 7 on a prospective basis in its interim financial statements on January 1, 2017. The adoption of these amendments did not have a material impact on the Company's interim financial statements, but did result in additional supplemental cash flow disclosure (note 17(c)).

Amendments to IAS 12, *Income Taxes* ("IAS 12"). The amendments clarify that the existence of a deductible temporary difference is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset and also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The Company adopted amendments to IAS 12 in its interim financial statements on January 1, 2017. The adoption of these amendments did not have a material impact on the Company's interim financial statements

(Expressed in thousands of United States Dollars, except where otherwise indicated)

4. Cash, restricted cash and short-term investments

The cash and cash equivalents balance at March 31, 2017 of $81.3 million (December 31, 2016 - $160 million) includes $48.1 million held in Centerra (December 31, 2016 - $99.8 million), $24.8 million held in Centerra B.C Holdings Inc. ("Centerra B.C. Holdings") (December 31, 2016 - $51.6 million) and the remaining $8.4 million in other Company subsidiaries (December 31, 2016 - $8.6 million). Under the terms of the Centerra B.C. Holdings Credit Facility ("Credit Facility"), Centerra B.C. Holdings is required to prepay a portion of the Credit Facility in an amount equal to any amounts paid to Centerra as a distribution, with the exception of amounts outstanding under a general facility between the companies. As at March 31, 2017, Centerra B.C. Holdings owed $13.1 million to Centerra under a general facility, which can be re-paid provided covenants in the Credit Facility are met. Included in the funds held in Centerra is $25.0 million advanced under the EBRD Revolving Credit Facility (note 9) that can only be used for direct and indirect costs in Mongolia.

	March 31, 2017	December 31, 2016
Current		
Cash deposits held subject to court order (a)	**$ 248,801**	$ 247,844
Non-current		
Öksüt Project	**532**	550
Letter of credit cash collateral (b)	**1,775**	-
Other	**276**	274
	2,583	824
Total restricted cash	**$ 251,384**	$ 248,668

(a) As discussed in note 14, a Kyrgyz Republic court order requires cash generated from the Kumtor Project to continue to be held in Kumtor Gold Company ("KGC") and among other things restrict the distribution of such cash to Centerra and any other Centerra group entities as a loan, advance or dividend. The cash subject to the court order is available to fund operations at the Kumtor Project.
(b) The amount represents cash collateral for a letter of credit related to reclamation bonds.

The short-term investments balance at March 31, 2017 of $25.1 million (December 31, 2016 - $0.1 million) includes $25 million held by KGC (December 31, 2016 - nil), the distribution of which is restricted under the Kyrgyz Republic court order discussed in note 14.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

5. Amounts receivable

		March 31, 2017		December 31, 2016
Gold sales receivable from related party (note 15)	**$**	**26,211**	$	11,611
Gold and copper concentrate sales receivable		**2,619**		9,704
Molybdenum sales receivable		**23,883**		14,439
Provisionally priced sales receivable		**46,409**		4,148
Consumption tax receivable		**5,681**		4,854
Other receivables		**2,598**		3,475
Total amounts receivable		**107,401**		48,231
Less: Provision for credit losses		**(134)**		(134)
Total amounts receivable (net of provision)	**$**	**107,267**	$	48,097

6. Inventories

		March 31, 2017		December 31, 2016
Stockpiles of ore	**$**	**212,350**	$	252,357
Gold in-circuit		**27,064**		20,304
Gold doré		**4,111**		7,710
Copper and gold concentrate		**18,209**		29,113
Molybdenum inventory		**26,226**		28,923
		287,960		338,407
Supplies (net of provision)		**218,657**		204,092
Total inventories (net of provisions)	**$**	**506,617**	$	542,499
Less: Long-term supplies inventory		**(1,732)**		(1,746)
Total inventories - current portion	**$**	**504,885**	$	540,753

The Company recorded a provision for supplies obsolescence of $27.0 million as at March 31, 2017 (December 31, 2016 - $26.6 million).

Molybdenum inventory of $26.2 million as at March 31, 2017 (December 31, 2016 - $28.9 million) included work-in-process inventory of $16.5 million (December 31, 2016 - $16.3 million) and finished goods inventory of $9.7 million (December 31, 2016 - $12.6 million).

(Expressed in thousands of United States Dollars, except where otherwise indicated)

7. Property, plant and equipment

The following is a summary of the carrying value of property, plant and equipment ("PP&E"):

	Buildings, Plant and Equipment	Mineral Properties	Capitalized Stripping Costs	Mobile Equipment	Construction In Progress	Total
Cost						
January 1, 2017	$ 1,083,911	$ 517,249	$ 181,724	$ 537,938	$ 82,966	$ 2,403,788
Additions	194	1,360	62,529	49	23,734	87,866
Disposals	-	-	-	(303)	-	(303)
Fully depreciated assets	-	-	-	(9,941)	-	(9,941)
Reclassification	5,542	-	-	9,392	(14,934)	-
Balance March 31, 2017	**$ 1,089,647**	**$ 518,609**	**$ 244,253**	**$ 537,135**	**$ 91,766**	**$ 2,481,410**
Accumulated depreciation						
January 1, 2017	$ 288,809	$ 159,015	$ 26,597	$ 364,476	$ -	$ 838,897
Charge for the period	11,536	$ 2,688	$ -	$ 19,516	$ -	33,740
Disposals	-	$ -	$ -	$ (237)	$ -	(237)
Fully depreciated assets	-	$ -	$ -	$ (9,941)	$ -	(9,941)
Balance March 31, 2017	**$ 300,345**	**$ 161,703**	**$ 26,597**	**$ 373,814**	**$ -**	**$ 862,459**
Net book value						
Balance, January 1, 2017	$ 795,102	$ 358,234	$ 155,127	$ 173,462	$ 82,966	$ 1,564,891
Balance, March 31, 2017	**$ 789,302**	**$ 356,906**	**$ 217,656**	**$ 163,321**	**$ 91,766**	**$ 1,618,951**

The following is an analysis of the depreciation, depletion and amortization charge recorded in the Statements of Financial Position and Statements of Earnings:

	Three months ended March 31, 2017	2016
Amount recorded in cost of sales (note 11)	**$ 54,309**	$ 22,309
Amount recorded in corporate administration	**112**	98
Amount recorded in standby costs	**548**	(1,658)
Amount recorded in care & maintenance costs	**955**	-
Total included in Statement of Earnings	**55,924**	20,749
Inventories movement (note 17(a))	**(37,979)**	12,889
Amount capitalized in PP&E (note 17(b))	**15,795**	3,655
Depreciation, depletion and amortization charge for the period	**$ 33,740**	$ 37,293

(Expressed in thousands of United States Dollars, except where otherwise indicated)

8. Accounts payable and accrued liabilities

	March 31, 2017	December 31, 2016
Trade creditors and accruals	**$ 100,065**	$ 92,715
Liability to Royal Gold	**36,066**	29,170
Liability for share-based compensation	**5,760**	8,457
Total	**$ 141,891**	$ 130,342

9. Debt

	March 31, 2017	December 31, 2016
Centerra B.C. Holdings Credit Facility		
Term Facility	**$ 237,500**	$ 250,000
Revolving Facility	**74,363**	74,363
Less: deferred financing fees	**(6,032)**	(6,528)
	305,831	317,835
Less: current portion (net of deferred financing fees)	**(48,307)**	(47,943)
	257,524	269,892
EBRD Facility		
EBRD revolving credit facility	**125,000**	150,000
Less: deferred financing fees	**(2,537)**	(2,703)
	122,463	147,297
Less: current portion (net of deferred financing fees)	**-**	(24,338)
	122,463	122,959
Short-term debt	**48,307**	72,281
Long-term debt	**379,987**	392,851
Total	**$ 428,294**	$ 465,132

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Centerra B.C. Holdings Credit Facility

In connection with the 2016 acquisition of Thompson Creek Metals Inc., Centerra B.C. Holdings Inc., entered into a five-year term facility with a lending syndicate with an aggregate principal amount of $325 million consisting of a $75 million senior secured revolving credit facility (the "Revolving Facility") and a $250 million senior secured non-revolving term credit facility (the "Term Facility", collectively, the "Credit Facility"). Finance fees for the facility are deferred and amortized over the term of the facility.

In January 2017, the covenants for 2017 were amended to reflect the planned 2017 production profile. The Company was in compliance with the covenants for the three months ended March 31, 2017. On March 31, 2017, as outlined in the Credit Facility, the Company re-paid $12.5 million of the Term Facility.

Centerra B.C. Holdings' obligations under the Credit Facility are guaranteed by its material subsidiaries and secured by the material assets acquired, which includes the Mount Milligan mine, the Endako mine, the Langeloth facility and certain material subsidiaries.

		March 31, 2017		December 31, 2016
Centerra B.C. Holdings Credit Facility				
Undrawn amount (millions)	**$**	**0.6**	$	0.6
Term Facility - Interest rate - three month LIBOR plus(1)		**3.75%**		3.75%
Revolving Facility - Interest rate - three month LIBOR plus(1)		**3.75%**		3.75%

(1) The interest rate applied is dependent on an indebtedness ratio calculation and is paid and re-assessed quarterly. The margin interest rate ranges from 2.75% to 3.75%. Accrued interest is included in the Statement of Financial Position as part of 'Accounts payable and accrued liabilities'.

EBRD Revolving Credit Facility

In 2016, the Company entered into a five-year $150 million revolving credit facility with European Bank for Reconstruction and Development (the "EBRD Facility").

The terms of the EBRD Facility require the Company to pledge certain mobile equipment from the Kumtor mine as security with a book value of $104.3 million as at March 31, 2017 (December 31, 2016 - $110.7 million), and maintain compliance with specified covenants (including financial covenants). In February 2017, EBRD agreed to amend the collateral coverage ratio associated with the EBRD Facility in consideration of the KGC Interim Order (refer to note 14) and the Company was required to repay $25 million of the facility in the first quarter of 2017. The remaining $25 million must be repaid on February 3, 2018 if a definitive agreement for the Gatsuurt Project (refer to note 14) is not reached by that time. The Company was in compliance with all covenants for the three months ended March 31, 2017 and repaid $25 million of the EBRD Facility on February 17, 2017.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Except as noted above, funds drawn under the EBRD Facility are available to be re-drawn on a semi-annual basis, at the Company's discretion, and repayment of the loaned funds may be extended until 2021.

	March 31, 2017	December 31, 2016
EBRD Facility		
Undrawn amount of the facility	**$ 25,000**	$ -
Interest rate - six month LIBOR plus(1):		
First tranche - $100 million	**3.0%**	3.0%
Second tranche - $50 million	**5.0%**	5.0%

(1) Interest is payable at the end of the term.

OMAS Facility

In 2016, Öksüt Madencilik A.S. ("OMAS"), a wholly-owned subsidiary of the Company, entered into a $150 million five-year revolving credit facility (the "OMAS Facility") that expires on December 30, 2021. The purpose of the OMAS Facility is to assist in financing the construction of the Company's Öksüt Project.

Availability of the OMAS Facility is subject to customary conditions precedent, including receipt of all necessary permits and approvals. If the conditions are not satisfied, waived or amended by the deadline of June 30, 2017, the commitments under the OMAS Facility will be cancelled. The Company continues to work on satisfying the conditions precedents by such deadline, however some conditions, such as the receipt of the pastureland permit for the Öksüt Project, are beyond the Company's control. There are no assurances that all conditions will be satisfied by the deadline, or that the lenders will provide any waivers or extensions.

	March 31, 2017	December 31, 2016
OMAS Facility		
Undrawn amount of the facility	**$ 150,000**	$ 150,000
Interest rate - LIBOR plus(1)	**2.65% - 2.95%**	

(1) The interest rate applied is dependent on the timing of the completion of the Öksüt Project construction.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

10. Provision for reclamation

		March 31, 2017		**December 31, 2016**
Kumtor gold mine	**$**	**51,909**	$	51,593
Boroo gold mine		**23,073**		23,044
Mount Milligan mine		**24,519**		24,211
Thompson Creek mine		**31,941**		31,744
Endako mine		**26,362**		26,046
Gatsuurt Project		**1,789**		1,778
Total provision for reclamation		**159,593**		158,416
Less: current portion		**(949)**		(918)
	$	**158,644**	$	157,498

For the three months ended March 31, 2017, there were no changes to the risk-free discount rates or undiscounted costs on any of the Company's reclamation provisions.

11. Cost of sales

		Three months ended March 31,		
		2017		**2016**
Operating costs:				
Salaries and benefits	**$**	**28,358**	$	13,898
Consumables and maintenance charges		**44,072**		46,099
Third party services		**6,761**		665
Other operating costs		**4,144**		3,081
Royalties, levies and production taxes		**2,894**		96
By-product sales(1)		**(4,309)**		-
Changes in inventories		**35,660**		(41,750)
		117,580		22,089
Inventory impairment		**-**		(12,946)
Depreciation, depletion and amortization (note 7)		**54,309**		22,309
	$	**171,889**	$	31,452

(1) By-product sales included $2.6 million, $1.1 million and $0.6 million of silver, sulfuric acid and rhenium sales, respectively (three months ended March 31, 2016 - nil).

(Expressed in thousands of United States Dollars, except where otherwise indicated)

12. Finance costs

	Three months ended March 31, 2017	2016
EBRD Facility:		
Interest expense	**$ 1,764**	$ 674
Financing costs amortized	**165**	61
Commitment fees	**15**	94
Centerra B.C. Holdings Credit Facility:		
Interest expense	**4,326**	-
Financing costs amortized	**496**	-
Commitment fees	**(28)**	-
Accretion expense	**934**	384
Other financing fees	**60**	33
	$ 7,732	$ 1,246

(Expressed in thousands of United States Dollars, except where otherwise indicated)

13. Shareholders' equity

Earnings per share

Basic and diluted earnings per share computation:

		Three months ended March 31,		
		2017		**2016**
Net earnings attributable to shareholders	**$**	**56,954**	$	18,058
Adjustment to earnings:				
Impact of performance share units accounted for as equity-settled		**-**		(687)
Impact of restricted share units treated as equity-settled		**-**		(82)
Net earnings for the purposes of diluted earnings per share	**$**	**56,954**	$	17,289

(Thousands of common shares)		
Basic weighted average number of common shares	**291,278**	239,656
Effect of potentially dilutive securities:		
Stock options	**425**	353
Restricted share units	**-**	107
Diluted weighted average number of common shares	**291,703**	240,116

Basic earnings per common share	**$**	**0.20**	$	0.08
Diluted earnings per common share	**$**	**0.20**	$	0.07

For the three months ended March 31, 2017 and 2016, certain potentially dilutive securities, including stock options and restricted share units, were excluded from the calculation of diluted earnings per share due to the exercise prices being greater than the average market price of the Company's ordinary shares for the period.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Potentially dilutive securities are summarized below:

	Three months ended March 31,	
(Thousands of units)	**2017**	**2016**
Stock options	**2,200**	3,204
Restricted share units	**148**	-
	2,348	3,204

14. Commitments and contingencies

Commitments

(a) Contracts

As at March 31, 2017, the Company had entered into contracts to purchase capital equipment and operational supplies totalling $101.9 million (Öksüt Project $49.1 million, Kumtor - $46.7 million, Mount Milligan - $3.6 million, Greenstone Gold Property - $1.9 million, and other - $0.6 million). Öksüt Project commitments include $36.1 million of contracts that will be settled over the next two to three years, while a majority of all other contracts are expected to be settled over the next twelve months.

(b) Concentrate Sales Agreements

As of March 31, 2017, the Company is party to three multi-year concentrate sales agreements for the sale of concentrate produced at Mount Milligan Mine. Pursuant to these agreements, the Company has agreed to sell an aggregate amount of the copper and gold concentrate produced at Mount Milligan Mine of approximately 100,000 tonnes in 2017, 90,000 tonnes in 2018 and 40,000 tonnes in 2019. Pricing under these concentrate sales agreements will be determined by reference to specified published reference prices during the applicable quotation periods. Payment for the concentrate will be based on the price for the agreed copper and gold content of the parcels delivered, less smelting and refining charges and certain other deductions, if applicable. The copper smelting and refining charges will be negotiated in good faith and agreed by the parties for each contract year based on terms generally acknowledged as industry benchmark terms. The gold refining charges are as specified in the agreements. The remaining concentrate produced at the Mount Milligan Mine will be sold under short-term contracts or on a spot basis.

(c) Greenstone Partnership

As partial consideration for the Company's initial 50% partnership interest in Greenstone Gold Mines LP, the Company agreed to commit up to an additional Cdn$185 million to fund the project, subject to certain feasibility and project advancement criteria. In the event that the project is put under care and maintenance as a result of feasibility study or project criteria not being met, the Company will be required to make contributions towards the costs associated with the care and maintenance of the project for a period of two years or until the Cdn$185 million is spent (if such event occurs first), after which time the partners would fund such costs on a pro rata basis. Any such costs will form part of the Cdn$185 million development contributions commitment of the Company, as noted above. As at March 31, 2017, the Company has funded a total of Cdn$58.5 million ($44.9 million) of its commitment since the inception of the partnership.

(d) Molybdenum Purchases and Sales

In the normal course of operations, the Company enters into agreements for the purchase of molybdenum. As of March 31, 2017, the Company had commitments to purchase approximately 12.1 million pounds of molybdenum as unroasted molybdenum concentrate in 2017 primarily priced at the time of purchase at a set discount to the market price for roasted molybdenum concentrate.

In the normal course of operations, the Company enters into certain molybdenum sales contracts pursuant to which it sells future production at fixed prices. As of March 31, 2017, the Company had commitments to sell approximately 56,000 pounds of molybdenum oxide annually from 2017 to 2019 at an average price of $12.73 per pound.

Contingencies

Various legal and tax matters are outstanding from time to time due to the nature of the Company's operations. While the final outcome with respect to actions outstanding or pending at March 31, 2017 cannot be predicted with certainty, it is management's opinion that it is not, except as noted below, more likely than not that these actions will result in the outflow of resources to settle the obligation; therefore no amounts have been accrued.

Kyrgyz Republic

<u>Arbitration</u>

Centerra commenced an arbitration proceeding against the Kyrgyz Republic and Kyrgyzaltyn JSC ("Kyrgyzaltyn") on July 12, 2016, in relation with certain ongoing disputes relating to the Kumtor Project.

On January 12, 2017, Centerra filed with the Permanent Court of Arbitration a request for partial award, or in the alternative, interim measures, against the Kyrgyz Republic with respect to certain decisions and court orders.

Even if the Company receives an arbitral award in our favour against the Kyrgyz Republic and/or Kyrgyzaltyn, there are no assurances that it will be recognized or enforced in the Kyrgyz Republic.

Accordingly, the Company may be obligated to pay part of or the full amounts of, among others, the SIETS and SAEPF claims (referred to below), regardless of the action taken by the arbitrator. The Company does not have insurance or litigation reserves to cover these costs. If the Company were obligated to pay these amounts, it would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Kyrgyz Permitting and Regulatory Matters

As at March 31, 2017, KGC has all key permits and approvals in place for mining operations at the Kumtor Project in 2017, including the maximum allowable discharge permit which was received in April 2017. The withdrawal of any required permit could lead to a suspension of Kumtor operations.

SIETS and SAEPF Claims

The Kumtor Project is subject to a number of claims made by, among others, Kyrgyz Republic state environmental agencies. A claim was filed on August 23, 2016 by the Chui-Bishkek-Talas Local Fund of Nature Protection and Forestry Development of SAEPF, seeking compensation for environmental pollution in the amount of 40,340,819 Kyrgyz soms (approximately $0.6 million).

On May 25, 2016, the Bishkek Inter-District Court in the Kyrgyz Republic ruled against Kumtor Operating Company ("KOC"), Centerra's wholly-owned subsidiary, on two claims made by SIETS in relation to the placement of waste rock at the Kumtor waste dumps and unrecorded wastes from Kumtor's effluent and sewage treatment plants. The Inter-District Court awarded damages of 6,698,878,290 Kyrgyz soms (approximately US$96.5 million, based on an exchange rate of 69.43 Kyrgyz soms per US$1.00) and 663,839 Kyrgyz soms (approximately US$9,500), respectively. On June 1, 2016, the Inter-District Court ruled against KOC on two other claims made by SIETS in relation to alleged land damage and failure to pay for water use. The Inter-District Court awarded damages of 161,840,109 Kyrgyz soms (approximately US$2.3 million) and 188,533,730 Kyrgyz soms (approximately US$2.7 million), respectively. Centerra and KOC strongly dispute the SIETS claims and have appealed the decisions to the Bishkek City Court and will, if necessary, appeal to the Kyrgyz Republic Supreme Court.

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

The Kyrgyz Republic court order dated June 3, 2016 purports to: (i) require cash generated from the Kumtor Project to continue to be held in KGC; and (ii) prevent distribution of such cash to Centerra ("KGC Interim Order"). As at March 31, 2017, KGC's cash balance of approximately $249 million (December 31, 2016 - $248 million) and short-term investments of approximately $25 million (December 31, 2016 – nil) were restricted under the KGC Interim Order (note 4). The cash generated from the Kumtor Project is available to fund Kumtor's operation.

2013 KGC Dividend Civil Proceeding

On June 3, 2016, the Inter-District Court renewed a claim previously commenced by the GPO seeking to unwind the $200 million dividend paid by KGC to Centerra in December 2013 (the "2013 Dividend"). Centerra believes that the claim is without merit.

Mongolia

Gatsuurt

Since 2016, the Company has been in discussions with the Mongolian Government to implement a 3% special royalty in lieu of the Government's 34% direct interest in the Gatsuurt Project. Various working groups were established by the Mongolian Government to negotiate with Centerra and its wholly owned subsidiary, Centerra Gold Mongolia ("CGM"), the definitive agreements relating to the Gatsuurt Project. The Company expects to continue such negotiation in 2017.

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

There are no assurances that Centerra will be able to negotiate definitive agreements with the Mongolian Government on terms that are commercially economic or that such economic and technical studies will have positive results. The inability to successfully negotiate the definitive agreements and/or adverse results of the additional economic and technical studies being conducted would result in a write down of the approximately $48 million related to the investment in Gatsuurt and approximately $53 million of remaining capitalized costs for the Boroo mill facility, other surface structures and equipment parts.

Corporate

Ontario Court Proceedings Involving the Kyrgyz Republic and Kyrgyzaltyn

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

Three of the applicants appealed the decision to the Ontario Court of Appeal which heard the case on December 4, 2016. The court issued its decision on January 3, 2017 which upheld the trial judge’s decision.

15. Related party transactions

a. Kyrgyzaltyn

Revenues from the Kumtor gold mine are subject to a management fee of $1.00 per ounce based on sales volumes, payable to Kyrgyzaltyn, a shareholder of the Company and a state-owned entity of the Kyrgyz Republic.

The table below summarizes the management fees paid and accrued by KGC to Kyrgyzaltyn and the amounts paid and accrued by Kyrgyzaltyn to KGC according to the terms of a Restated Gold and Silver Sale Agreement (“Sales Agreement”) between KGC, Kyrgyzaltyn and the Government of the Kyrgyz Republic dated June 6, 2009.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

The breakdown of the sales transactions and expenses with Kyrgyzaltyn are as follows:

	Three months ended March 31, 2017	2016
Included in sales:		
Gross gold and silver sales to Kyrgyzaltyn	**$ 165,119**	$ 73,694
Deduct: refinery and financing charges	**(970)**	(473)
Net sales revenue received from Kyrgyzaltyn	**$ 164,149**	$ 73,221
Included in expenses:		
Contracting services provided to Kyrgyzaltyn	**$ 179**	$ 352
Management fees payable to Kyrgyzaltyn	**135**	62
Expenses paid to Kyrgyzaltyn	**$ 314**	$ 414
Silver by-product sales included in cost of sales	**$ (1,351)**	$ -
Dividends:		
Dividends declared to Kyrgyzaltyn (as shareholder)	**$ -**	$ 2,337
Withholding taxes	**-**	(117)
Net dividends payable to Kyrgyzaltyn	**$ -**	$ 2,220

Related party balances

The assets and liabilities of the Company include the following amounts receivable from and payable to Kyrgyzaltyn:

	March 31, 2017	December 31, 2016
Amounts receivable[(a)]	**$ 26,211**	$ 11,611
Amount payable	**1,235**	1,218
Total related party liabilities	**$ 1,235**	$ 1,218

(a) Subsequent to March 31, 2017, the balance receivable from Kyrgyzaltyn was paid in full.

Gold produced by the Kumtor mine is purchased at the mine site by Kyrgyzaltyn for processing at its refinery in the Kyrgyz Republic pursuant to the Sales Agreement. Amounts receivable from Kyrgyzaltyn arise from the sale of gold to Kyrgyzaltyn. Kyrgyzaltyn is required to pay for gold delivered within 12 days from the date of shipment. Default interest is accrued on any unpaid balance after the permitted payment period of 12 days. The obligations of Kyrgyzaltyn are partially secured by a pledge of 2,850,000 shares of Centerra owned by Kyrgyzaltyn.

16. Financial Instruments

The Company's financial instruments include cash and cash equivalents, short-term investments, restricted cash, amounts receivable (including embedded derivatives), derivative assets and liabilities, reclamation deposits, long-term receivables, accounts payable and accrued liabilities, debt, dividends payable and revenue-based taxes payable.

Derivative Instruments

The Company uses derivatives as part of its risk management program to mitigate exposures to various market risks including, commodity prices, currency exchange rates and the cost of fuel.

Copper and fuel hedge contracts

During the three months ended March 31, 2017, the Company purchased call options for 701,000 barrels of crude oil which were designated as cash flow hedges against forecasted fuel consumption at the Company's Kumtor Project (March 31, 2016 – nil). As at March 31, 2017, there remain call options for 617,000 barrels of Brent crude oil designated (December 31, 2016 - 535,000).

During the three months ended March 31, 2017, the Company commenced a program to mitigate copper price risk, purchasing fixed price forward sales contracts and zero-cost collars to hedge a portion of its expected 2017 and first quarter 2018 copper price risk. Derivatives for approximately 18,000 metric tonnes of copper were designated against forecasted copper production at the Company's Mount Milligan mine. As at March 31, 2017, there remain derivatives for 15,000 metric tonnes (32 million pounds) designated as cash flow hedges of which 10,000 are fixed price forwards and 5,000 are zero-cost collars.

Non-hedge gold, copper and currency contracts

During the three months ended March 31, 2017, the Company entered into spot and forward contracts for 37,000 ounces of gold, with forward contracts for 18,000 ounces of gold outstanding at March 31, 2017 (December 31, 2016 – 35,000 ounces). As at March 31, 2017, the Company had one counterparty to its gold derivative positions, with which the Company holds an asset position of $0.9 million. Although the gold derivative contracts were not designated as hedging instruments, they were entered into to manage the price risk associated with the provisional pricing of the deliverables to Royal Gold.

During the three months ended March 31, 2017, the Company entered into forward contracts for 790 metric tonnes of copper, with forward contracts for 790 metric tonnes of copper outstanding at March 31, 2017 (December 31, 2016 – nil). As at March 31, 2017, the Company had one counterparty to its copper derivative positions, with which the Company holds an asset position of nil. Although the copper derivative contracts were not designated as hedging instruments, they were entered into to manage the price risk associated with the provisional pricing of the deliverables to Royal Gold.

Non-hedge currency contracts are used to mitigate the variability of non-US dollar denominated exposures that do not meet the strict hedge effectiveness criteria. As at March 31, 2017, the Company had one counter party to its currency derivative position, with which the Company holds an asset position of $0.2 million.

Provisionally-priced contracts

Certain copper-gold sales contracts provide for provisional pricing. These sales contain an embedded derivative related to the provisional-pricing mechanism and are marked to market at the end of each reporting period. As at March 31, 2017, the Company's trade receivables with embedded derivatives had a fair value of $45.3 million (December 31, 2016 - $4.1 million), representing 8.2 million pounds of copper and 78,255 ounces of gold.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Cash flow hedge gains (losses) for the three months ended March 31, 2017		
Copper and fuel contracts		
Effective (unrealized) portion of change in fair value of hedging instruments	**$**	**(303)**
Settled (realized) derivatives instruments included in the Statement of Earnings		**21**
Loss recognized in OCI, net	**$**	**(282)**
Amount of loss transferred from OCI to Inventory (effective portion)	**$**	**(170)**
Amount of gain transferred from OCI to Revenue (effective portion)	**$**	**190**
Gain recognized in other expense, net (ineffective portion)	**$**	**2**

Non-hedge derivatives for the three months ended March 31, 2017		
Revenue		
Non-hedge gold contracts - realized	**$**	**210**
Non-hedge gold contracts - unrealized		**2,370**
Non-hedge copper contracts - realized		**254**
Total gain included in revenue	**$**	**2,834**
Other expense (income)		
Non-hedge gold contracts - realized	**$**	**(121)**
Fuel hedge contracts (ineffective portion)		**(2)**
Non-hedge currency contract		**(189)**
Total gain included in other expense, net	**$**	**(312)**

During the three months ended March 31, 2016, the Company did not enter into derivative contracts.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Derivative assets

		March 31, 2017		December 31, 2016
Copper hedge contracts	**$**	**1,041**	$	-
Fuel hedge contracts		**900**		1,654
	$	**1,941**	$	1,654
Classification of cash flow hedges:				
Current assets - Prepaid expenses	**$**	**1,286**	$	750
Non-current assets - Other assets		**655**		904
	$	**1,941**	$	1,654
Classification of non-hedge:				
Non-hedge gold contracts	**$**	**859**	$	1,512
Non-hedge currency contracts		**189**		-
Current assets - Prepaid expenses	**$**	**1,048**	$	1,512

Fair value measurement

All financial instruments measured at fair value are categorized into one of three hierarchy levels for which the financial instruments must be grouped based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions. These two types of inputs create the following fair value hierarchy:

Level 1: observable inputs such as quoted prices in active markets;

Level 2: inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and

Level 3: unobservable inputs for the asset or liability in which little or no market data exists, which therefore require an entity to develop its own assumptions.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Classification and the fair value measurement by level of the financial assets and liabilities in the Statement of Financial Position were as follows:

March 31, 2017

	Amortized cost	Assets/liabilities at fair value through earnings (loss)	Assets/liabilities at fair value through OCI
Financial assets			
Cash and cash equivalents - Level 1	$ -	$ 81,340	$ -
Short-term investments	25,075	-	-
Restricted cash - Level 1	-	251,384	-
Amounts receivable	61,943	-	-
Provisionally-priced receivables - Level 2	-	45,324	-
Reclamation deposits	36,269	-	-
Long-term receivables	3,912	-	-
Derivative assets - Level 2	-	1,210	1,941
	$ 127,199	$ 379,258	$ 1,941
Financial liabilities			
Trade creditors and accruals	$ 100,065	$ -	$ -
Amount due to Royal Gold - Level 1	-	36,066	-
Finance lease liability	31,986	-	-
Debt	428,294	-	-
Revenue-based taxes payable	17,814	-	-
	$ 578,159	$ 36,066	$ -

(Expressed in thousands of United States Dollars, except where otherwise indicated)

December 31, 2016

	Amortized cost	Assets/liabilities at fair value through earnings (loss)	Assets/liabilities at fair value through OCI
Financial assets			
Cash and cash equivalents - Level 1	$ -	$ 160,017	$ -
Short-term investments	74	-	-
Restricted cash - Level 1	-	248,668	-
Amounts receivable	43,949	-	-
Provisionally-priced receivables - Level 2	-	4,148	-
Reclamation deposits	32,035	-	-
Long-term receivables	6,326	-	-
Consumable derivative assets - Level 2	-	-	1,654
	$ 82,384	$ 412,833	$ 1,654
Financial liabilities			
Trade creditors and accruals	$ 92,715	$ -	$ -
Amount due to Royal Gold - Level 1	-	29,170	-
Finance lease liability	29,901	-	-
Debt	465,132	-	-
Revenue-based taxes payable	19,202	-	-
Commodity derivative liability - Level 2	-	1,512	-
	$ 606,950	$ 30,682	$ -

The recorded value of short-term investments, amounts receivable, reclamation deposits, long-term receivables, trade creditors and accruals, finance lease liability, debt and revenue-based taxes payable approximate their relative fair value.

The fair value of copper and diesel derivative instruments, classified within Level 2, is determined using derivative pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. The fair value of the Company's derivative contracts includes an adjustment for credit risk.

Forward commodity contracts and provisionally priced contracts, are classified within Level 2 because they are valued using a market-based-approach, other than observable quoted prices included within Level 1, other inputs from published market prices and contracted prices and terms.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

17. Supplemental disclosure

a. Changes in operating working capital

	Three months ended March 31,	
	2017	**2016**
(Increase) decrease in amounts receivable	**$ (58,221)**	$ 25,634
Decrease (increase) in inventory - ore and metal	**50,447**	(55,483)
(Increase) decrease in inventory - supplies	**(14,579)**	4,235
Decrease in prepaid expenses	**532**	3,376
Increase in trade creditors and accruals	**17,971**	4,642
Decrease in revenue-based tax payable	**(1,388)**	(5,985)
Increase (decrease) in depreciation and amortization included in inventory (note 7)	**(37,979)**	12,889
Increase in accruals included in additions to PP&E	**(1,739)**	(7,636)
(Decrease) increase in other taxes payable	**(686)**	543
	$ (45,642)	$ (17,785)

b. Investment in PP&E

	Three months ended March 31,	
	2017	**2016**
Additions to PP&E during the period (note 7)	**$ (87,867)**	$ (49,650)
Greenstone Gold Property translation adjustment	**290**	-
Purchase of Teck royalty via share issuance	**-**	2,954
Impact of revisions to asset retirement obligation included in PP&E (note 10)	**364**	-
Depreciation and amortization included in additions to PP&E (note 7)	**15,795**	3,655
Capitalization of OMAS financing costs	**699**	-
Increase in accruals related to additions to PP&E	**1,739**	7,636
	$ (68,980)	$ (35,405)

(Expressed in thousands of United States Dollars, except where otherwise indicated)

c. Changes in liabilities arising from financing activities

		Three months ended March 31, 2017		
		Debt		Interest payable[(1)]
Balance at January 1, 2017	**$**	**465,132**	**$**	**4,783**
Changes due to:				
Repayments		**(37,500)**		**(8,742)**
Amortization of deferred financing costs		**662**		**-**
Interest expense		**-**		**6,090**
Others		**-**		**77**
Balance at March 31, 2017	**$**	**428,294**	**$**	**2,208**

[(1)]Included within "Accounts payable and accrued liabilities".

18. Segmented Information

The following table reconciles segment earnings (loss) per the reportable segment information to earnings (loss) per the Statements of Earnings.

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Three months ended March 31, 2017

(Millions of U.S. Dollars)	Kyrgyz Republic	Mongolia	Turkey	North America Gold-Copper	North America Molybdenum	Corporate and other	Total
Gold sales	$ 164.2	$ -	$ -	$ 56.1	$ -	$ -	$ 220.3
Copper sales	-	-	-	28.6	-	-	28.6
Molybdenum sales	-	-	-	-	34.3	-	34.3
Tolling, calcining and other	-	-	-	-	2.2	-	2.2
Revenue	164.2	-	-	84.7	36.5	-	285.4
Cost of sales	72.5	-	-	65.7	33.7	-	171.9
Standby costs, net	-	1.4	-	-	-	-	1.4
Regional office administration	4.2	-	-	-	-	-	4.2
Earnings (loss) from mine operations	87.5	(1.4)	-	19.0	2.8	-	107.9
Revenue-based taxes	23.2	-	-	-	-	-	23.2
Other operating expenses	0.1	0.2	-	1.2	0.5	-	2.0
Care and maintenance	-	-	-	-	3.3	-	3.3
Pre-development project costs	-	-	-	-	-	1.1	1.1
Exploration expenses and business development	-	0.2	-	-	-	1.5	1.7
TCM acquisition and integration costs	-	-	-	-	-	0.9	0.9
Corporate administration	0.1	-	-	-	-	10.1	10.2
Earnings (loss) from operations	64.1	(1.8)	-	17.8	(1.0)	(13.6)	65.5
Other expenses, net							(0.3)
Finance costs							7.7
Earnings before income tax							58.1
Income tax expense							1.1
Net earnings and comprehensive income							$ 57.0
Capital expenditure for the period	$ 78.7	$ 0.5	$ 2.8	$ 4.4	$ 0.1	$ 1.4	$ 87.9
Goodwill	$ -	$ -	$ -	$ 16.1	$ -	$ -	$ 16.1
Total assets (excluding goodwill)	$ 1,225.0	$ 110.5	$ 34.1	$ 914.7	$ 206.7	$ 179.1	$ 2,670.1
Total liabilities	$ 129.3	$ 31.1	$ 0.7	$ 125.5	$ 70.8	$ 447.1	$ 804.5

(Expressed in thousands of United States Dollars, except where otherwise indicated)

Three months ended March 31, 2016

				North America			
(Millions of U.S. Dollars)	**Kyrgyz Republic**	**Mongolia**	**Turkey**	**Gold-Copper**	**Molybdenum**	**Corporate and other**	**Total**
Gold sales	$ 73.2	$ -	$ -	$ -	$ -	$ -	$ 73.2
Revenue	73.2	-	-	-	-	-	73.2
Cost of sales	31.5	-	-	-	-	-	31.5
Standby costs, net	-	(0.1)	-	-	-	-	(0.1)
Regional office administration	3.3	-	-	-	-	-	3.3
Earnings from mine operations	38.4	0.1	-	-	-	-	38.5
Revenue-based taxes	10.3	-	-	-	-	-	10.3
Other operating expenses	0.5	0.1	-	-	-	-	0.6
Pre-development project costs	-	-	-	-	-	1.3	1.3
Exploration expenses and business development	-	0.1	-	-	-	1.9	2.0
Corporate administration	-	-	-	-	-	5.8	5.8
Earnings (loss) from operations	27.6	(0.1)	-	-	-	(9.0)	18.5
Other income, net							(1.3)
Finance costs							1.2
Earnings before income tax							18.6
Income tax expense							0.5
Net earnings and comprehensive income							$ 18.1
Capital expenditure for the period	$ 41.8	$ 0.4	$ 6.7	$ -	$ -	$ 0.8	$ 49.7
Total assets	$ 983.6	$ 171.5	$ 25.8	$ -	$ -	$ 493.3	$ 1,674.2
Total liabilities	$ 92.1	$ 30.9	$ 1.3	$ -	$ -	$ 98.0	$ 222.3