



CENTERRA GOLD ANNOUNCES FRIENDLY ACQUISITION OF AURICO METALS

TORONTO, Ontario – November 7, 2017 – Centerra Gold Inc. (“Centerra” or the “Company”) (TSX:CG) and AuRico Metals Inc. (“AuRico Metals”) (TSX:AMI) are pleased to announce that they have entered into a definitive arrangement agreement (the “Arrangement Agreement”) whereby Centerra will acquire all of the issued and outstanding common shares of AuRico Metals (the “Arrangement”) for C\$1.80 in cash consideration per share (the “Purchase Price”), representing an aggregate transaction value of C\$310 million.

The Purchase Price represents a 38% premium to the closing price of AuRico Metals’ common shares on the Toronto Stock Exchange (“TSX”) on November 6, 2017 and a premium of 37% to the 20-day volume weighted average price (“VWAP”) as of such date.

AuRico Metals is developing the Kemess property in British Columbia, Canada; a low-cost brownfield development asset that is host to the feasibility-stage Kemess Underground (“KUG”) and preliminary economic assessment level Kemess East (“KE”) projects. AuRico Metals also owns a high-quality, free-cash flow generating royalty portfolio which includes a 1.5% net smelter return (“NSR”) royalty on the Young-Davidson gold mine in Ontario and a 2.0% NSR royalty on the Fosterville mine in Australia. Together with Centerra’s low-cost, long-lived Kumtor Mine in the Kyrgyz Republic and the Mount Milligan Mine in British Columbia, Canada, Centerra is expected to be firmly established as a low-cost gold producer with a geographically diversified footprint and peer-leading development pipeline. Post-transaction, Centerra is expected to sustain and grow its production base with its strong balance sheet and liquidity profile, sector leading operating margins, and low capital requirements.

Highlights of the Transaction:

- **Enhances Centerra’s high-quality asset base in a world-class jurisdiction:** The Kemess property adds a future cornerstone asset that will further bolster Centerra’s strong development pipeline including the fully-financed Öksüt Project in Turkey, the Greenstone Gold Property in Ontario, Canada, and the Gatsuurt Project in Mongolia. Kemess will also complement existing Centerra operations at the Mount Milligan Mine in British Columbia and has the potential to unlock operating and tax synergies with its existing assets in British Columbia.
- **De-risked brownfield project:** Over C\$1 billion of surface infrastructure already in place, environmental approvals and an Impact Benefits Agreement with First Nations in hand, and permitting well advanced.
- **Numerous mine life upside opportunities at Kemess:** The integration of KUG and KE has the potential to unlock a number of synergies and optimization opportunities.
- **Attractive acquisition return profile:** Expected to be accretive to Centerra shareholders, on a per share basis, to net asset value, reserves and resources.
- **Optionality retained in royalty portfolio:** Acquisition of a high quality, free-cash flow generating royalty portfolio provides immediate incremental cash flow and long-term upside from strong underlying assets.
- **Maintains strong balance sheet:** Centerra currently holds in excess of US\$350 million in cash to fund the acquisition and has secured a new US\$125 million acquisition facility. Centerra plans to maintain its strong cash balance which positions the Company with the financial strength and flexibility to fund operating and capital expenditures required to build out its pipeline of

development projects. Centerra plans to restructure its current debt facilities in connection with the closing of the Arrangement.

Stephen A. Lang, Chairman and Director of Centerra, said, “With the acquisition of the AuRico Metals assets, Centerra expands its existing development pipeline to include another low-cost de-risked brownfield development asset, the Kemess property, located in Canada—one of the lowest risk mining jurisdictions in the world. As well, the Company adds a high-quality, free-cash flow generating royalty portfolio. In the future, as the Company delivers on building out this development pipeline its production base will be sustained and continue to grow with sector-leading operating margins positioning the Company to generate robust free cash flows for many years to come.”

Chris Richter, President and CEO of AuRico Metals, stated, “Since AuRico Metals’ inception in the middle of 2015, our key objective has been to surface what we saw as significant value in the Kemess Project. I am delighted to now see this value being recognized, with our shareholders receiving a strong cash offer from Centerra at a very attractive premium of 38% to the current spot price, and representing a return of over three times their initial investment in a period of less than two and a half years. I am proud of the success the AuRico Metals team has had in advancing Kemess while growing the value of our portfolio of high quality royalties. I also believe that Centerra is ideally positioned to realize the full potential of Kemess as a long life, significant gold and copper producer.”

Benefits to Centerra

- Acquiring a de-risked, brownfield development asset located in Canada that is complementary to Centerra’s Mount Milligan operation and has the potential to generate meaningful synergies;
- Adds a strong polymetallic project in a tier-one jurisdiction that yields high-margin gold and copper production at a time when copper markets are expected to improve significantly;
- Significant mine life improvement potential through the potential KUG and KE integration, resource to reserve conversion, and exploration potential;
- Expected to improve Centerra’s operating cost profile and generate meaningful life-of-mine free cash flows; and
- High-quality, cash flow generating royalty portfolio.

Benefits to AuRico Metals

- Immediate and significant premium of approximately 38% based on the prior day closing price, and 37% based on the 20-day VWAP;
- All cash offer, not subject to financing condition;
- Strong deal certainty with support agreements from directors and senior officers of AuRico Metals as well as Alamos Gold Inc.; and
- Secures future funding for Kemess to realize its future potential.

Transaction Summary and Timing

The proposed business combination will be effected by way of a plan of arrangement completed under the Business Corporations Act (Ontario). The Arrangement will require approval by 66 2/3 percent of the votes cast at a special meeting of AuRico Metals shareholders. In addition to shareholder and court approvals, the Arrangement is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary in a transaction of this nature. Directors and senior officers of AuRico Metals, in addition to Alamos Gold Inc., collectively representing approximately 11.4 percent of the outstanding AuRico Metals common shares, have entered into support agreements pursuant to which they have agreed to vote in favour of the proposed transaction.

The Arrangement Agreement includes customary provisions including non-solicitation provisions, including a C\$12 million termination fee payable to Centerra under certain customary circumstances.

Full details of the Arrangement will be included in the meeting materials which are expected to be mailed to AuRico shareholders in connection with the AuRico shareholder meeting that will take place in December 2017 with closing of the Arrangement expected in January 2018.

Transaction Financing

The proposed acquisition is expected to be financed through a combination of a new US\$125 million acquisition facility and cash on hand at Centerra.

Board of Directors' Recommendations

The Arrangement Agreement has been approved by the Board of Directors of each of Centerra and AuRico Metals. The AuRico Metals Board of Directors recommends that AuRico Metals shareholders vote in favor of the Arrangement. Macquarie Capital Markets Canada Ltd. has provided an opinion to the Board of Directors of AuRico Metals, stating that in its opinion, and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the Purchase Price pursuant to the Arrangement is fair, from a financial point of view, to the AuRico Metals shareholders.

Scotia Capital Inc. has provided an opinion to the Centerra Board of Directors, stating that in its opinion, and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the Purchase Price pursuant to the Arrangement is fair, from a financial point of view, to Centerra.

Scott Perry, CEO and Director of Centerra, also holds a Director position on the Board of Directors of AuRico Metals and has therefore recused himself from the transaction from both a Centerra and AuRico Metals perspective. In connection with the Arrangement, Scott Perry has resigned from the Board of Directors of AuRico Metals contemporaneously with the execution of the Arrangement Agreement.

Advisors and Counsel

Scotia Capital Inc. acted as financial advisor to Centerra and Stikeman Elliott LLP acted as Centerra's legal advisors. Scotia Capital Inc. has provided a fairness opinion to the Centerra Board of Directors.

Macquarie Capital Markets Canada Ltd. acted as financial advisor to AuRico Metals and Fasken Martineau DuMoulin LLP acted as AuRico Metals' legal advisor. Macquarie Capital Markets Canada Ltd. has provided a fairness opinion to the AuRico Metals Board of Directors.

Conference Call

Centerra Gold and AuRico Metals will host a joint conference call on Tuesday, November 7, 2017 at 8:00 AM Eastern Time for members of the investment community to discuss the transaction. The call-in details are as follows:

- North American participants should dial the toll-free number: (800) 404-5245
- International participants may access the call at: +1 (416) 981-9070
- The call will also be webcast live by NASDAQ and can be accessed at: <https://edge.media-server.com/m6/p/o3q7qtwg>
- A copy of the investor presentation is also available on the Centerra Gold and AuRico Metals websites at www.centerragold.com and www.auricometals.ca, respectively.

An audio recording of the call will be available shortly after the call and will be available until midnight Eastern Time on Friday, December 8, 2017. The recording can be accessed by calling (416) 626-4100 or (800) 558-5253 and using the passcode 21862384.

About Centerra Gold

Centerra Gold Inc. is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties in North America, Asia and other markets worldwide. Centerra operates two flagship assets, the Kumtor Mine in the Kyrgyz Republic and the Mount Milligan Mine in British Columbia, Canada and is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the TSX under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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

For more information about Centerra, please contact:

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About AuRico Metals

AuRico Metals is a mining development and royalty company with a 100% interest in the Kemess property in British Columbia, Canada. The Kemess property hosts the feasibility-stage Kemess Underground Gold-Copper Project, the Kemess East Project, and the infrastructure pertaining to the past producing Kemess South mine. AuRico's royalty portfolio includes a 1.5% NSR royalty on the Young-Davidson Gold Mine and a 2.0% NSR royalty on the Fosterville Mine, as well as a portfolio of additional producing and pre-production royalty assets located in North America and Australia.

More information is available at www.auricometales.ca and at www.sedar.com.

For more information about AuRico Metals, please contact:

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Cautionary Statement on Forward-Looking Information

This News Release contains "forward-looking statements". All statements other than statements of historical fact included in this release, are forward-looking statements that involve various risks and uncertainties and are based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might", "have potential" or "will" be

taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. In particular, forward-looking information included in this document includes, but is not limited to: (i) assumptions and expectations with regard to the Arrangement and its completion and the anticipated benefits and advantages of the Arrangement; and (ii) the future prospects, including exploration potential, resulting from the Arrangement and the ability to unlock value. Other factors include, ongoing permitting requirements and the ability to work with local populations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold, and those factors discussed in the section titled "Risk Factors" in Centerra's Annual Information Form and AuRico Metals' and other disclosures of "Risk Factors" by Centerra and AuRico Metals, available on SEDAR. Although Centerra and AuRico Metals have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. 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.

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