

centerra**GOLD**



## NEWS RELEASE

### **Centerra Gold Exceeds 2018 Production Guidance with Gold Production of 729,556 Ounces and Announces 2019 Outlook**

*All figures are in United States dollars unless otherwise stated. This news release contains forward-looking information that is subject to risk factors and assumptions set out under the heading “Material Assumptions and Risks” and in the note Caution Regarding Forward-looking Information. All production figures are on a 100% basis.*

*All references in this document denoted with NG, indicate a non-GAAP term which is discussed under “Non-GAAP Measures”.*

**Toronto, Canada, January 15, 2019:** Centerra Gold Inc. (“Centerra”) (TSX: CG) reports today that the Company exceeded its 2018 annual gold production guidance of 665,000 to 705,000 ounces, achieving consolidated gold production of 729,556 ounces for the full year. The Company’s 2018 gold production included 534,563 ounces of gold from the Kumtor Mine, located in the Kyrgyz Republic and 194,993 ounces of gold from the Mount Milligan Mine, located in northern British Columbia, Canada. For the full year of 2018, Mount Milligan also produced 47.1 million pounds of copper, achieving the upper end of its guidance of 40 million to 47 million pounds of copper.

During the fourth quarter of 2018, Centerra’s gold production totalled 288,367 ounces, including 228,096 ounces of gold produced by the Kumtor Mine and 60,271 ounces of gold produced by the Mount Milligan Mine. At Mount Milligan, the mine produced 11.8 million pounds of copper during the fourth quarter of 2018.

Scott Perry, President and Chief Executive Officer of Centerra stated, “Both operations performed well during the fourth quarter which led to the Company exceeding its production guidance. Kumtor had a strong fourth quarter and another solid year delivering more than 534,000 ounces of gold production, which exceeded the upper end (510,000 ounces) of its gold production guidance. At Mount Milligan there were sufficient water resources in the fourth quarter to enable us to run the mill processing facility at a higher than anticipated throughput rate allowing the operation to achieve the upper end (195,000 ounces) of its gold production guidance and the upper end (47 million pounds) of its copper guidance. For 2019, we are estimating consolidated gold production to be in the range of 690,000 to 740,000 ounces and 65 million to 75 million pounds of payable copper production from Mount Milligan. The guidance assumes reduced mill throughput for the first quarter of 2019 at Mount Milligan to properly manage its water balance until the spring melt runoff. Gold production at Kumtor is expected to be evenly weighted for the first three quarters of the year with the fourth quarter representing approximately 28% of the full year’s production forecast. Centerra’s projected consolidated all-in sustaining cost per ounce sold<sup>NG</sup> net of copper by-product for 2019 is expected to be in the range of \$723 to \$775 per ounce.”

#### **2019 Outlook**

See “Material Assumption and Risks” for other material assumptions or factors used to forecast production and costs for 2019.

### 2019 Gold Production

Centerra's 2019 gold production is expected to be between 690,000 to 740,000 ounces. Kumtor's gold production forecast is expected to be in the range of 535,000 ounces to 565,000 ounces with approximately 28% of the production expected to be in the fourth quarter of 2019. At Mount Milligan, mill throughput is expected to be reduced during the remainder of the winter season to properly manage the water balance until the water flow increases in the spring, after which, mill throughput levels are expected to return to full capacity once the spring melt has commenced, typically in April. In the second half of 2019, the Company expects to achieve an average daily throughput of approximately 55,000 tonnes per calendar day. For the full year, the Company expects Mount Milligan's total (streamed and unstreamed) payable gold production to be in the range of 155,000 to 175,000 ounces.

### 2019 Copper Production

Centerra expects total (streamed and unstreamed) payable copper production from the Mount Milligan Mine to be in the range of 65 million pounds to 75 million pounds.

Centerra's 2019 production is forecast as follows:

<b>2019 Production Guidance</b>	<b>Units</b>	<b>Kumtor</b>	<b>Mount Milligan<sup>(1)</sup></b>	<b>Centerra</b>
<b>Gold<sup>(2)</sup></b>				
Unstreamed Gold Payable Production	(Koz)	535 – 565	101 – 114	636 – 679
Streamed Gold Payable Production <sup>(1)</sup>	(Koz)	–	54 – 61	54 – 61
<b>Total Gold Payable Production<sup>(2)</sup></b>	<b>(Koz)</b>	<b>535 – 565</b>	<b>155 – 175</b>	<b>690 – 740</b>
<b>Copper<sup>(3)</sup></b>				
Unstreamed Copper Payable Production	(Mlb)	–	53 – 61	53 – 61
Streamed Copper Payable Production <sup>(1)</sup>	(Mlb)	–	12 – 14	12 – 14
<b>Total Copper Payable Production<sup>(3)</sup></b>	<b>(Mlb)</b>	<b>–</b>	<b>65 – 75</b>	<b>65 – 75</b>

1. Royal Gold streaming agreement entitles Royal Gold to 35% and 18.75% of gold and copper sales, respectively, from the Mount Milligan mine. Under the stream arrangement, Royal Gold will pay \$435 per ounce of gold delivered and 15% of the spot price per metric tonne of copper delivered.
2. Gold production assumes 81.6% recovery at Kumtor and 60.0% recovery at Mount Milligan.
3. Copper production assumes 81.8% recovery for copper at Mount Milligan.

## 2019 All-in Sustaining Unit Costs<sup>NG</sup>

Centerra's 2019 all-in sustaining costs per ounce sold<sup>NG</sup> are calculated on a by-product basis and are forecast as follows:

2019 All-in Sustaining Unit Costs <sup>NG (4)</sup>	Kumtor	Mount Milligan <sup>(2)</sup>	Centerra <sup>(2)</sup>
<b>Ounces sold forecast</b>	<b>535,000 – 565,000</b>	<b>155,000 – 175,000</b>	<b>690,000-740,000</b>
<b>All-in sustaining costs on a by-product basis<sup>(1), (2)</sup></b>	<b>\$666 - \$703</b>	<b>\$727 - \$821</b>	<b>\$723 – \$775</b>
Revenue-based tax <sup>(3)</sup> and taxes <sup>(3)</sup>	171 – 180	21 - 24	135 – 145
<b>All-in sustaining costs on a by-product basis, including taxes<sup>(1), (2), (3)</sup></b>	<b>\$837 – \$883</b>	<b>\$748 – \$845</b>	<b>\$858 – \$920</b>
<b>Gold - All-in sustaining costs on a co-product basis (\$/ounce)<sup>(1),(2)</sup></b>	<b>\$666 - \$703</b>	<b>\$803 - \$906</b>	<b>\$741 - \$795</b>
<b>Copper - All-in sustaining costs on a co-product basis (\$/pound)<sup>(1),(2)</sup></b>	–	<b>\$1.93 - \$2.23</b>	<b>\$1.93 – \$2.23</b>

- 1) All-in sustaining costs per ounce sold, all-in sustaining costs per ounce sold on a by-product basis, all-in sustaining costs on a by-product basis including taxes per ounce sold and all-in sustaining costs on a co-product basis (gold and copper) on a per unit basis are non-GAAP measures and are discussed under “Non-GAAP Measures”.
- 2) Mount Milligan payable production and ounces sold are on a 100% basis (the Mount Milligan Streaming Arrangement entitles Royal Gold to 35% and 18.75% of gold and copper sales, respectively). Unit costs and consolidated unit costs include a credit for forecasted copper sales treated as by-product for all-in sustaining costs and all-in sustaining costs plus taxes. The copper sales are based on a copper price assumption of \$2.80 per pound sold for Centerra's 81.25% share of copper production and the remaining 18.75% of copper revenue at \$0.42 per pound (15% of spot price, assuming spot at \$2.80 per pound), representing the Mount Milligan Streaming Arrangement. Payable production for copper and gold reflects estimated metallurgical losses resulting from handling of the concentrate and payable metal deductions, subject to metal content, levied by smelters.
- 3) Includes revenue-based tax at Kumtor and the British Columbia mineral tax at Mount Milligan based on a forecast gold price assumption of \$1,200 per ounce sold.
- 4) Results in chart may not add due to rounding.

## 2019 Exploration Expenditures

Planned exploration expenditures for 2019 are expected to be \$30 million, including approximately \$20 million for brownfields exploration (Kumtor - \$11 million, Mount Milligan - \$3 million, Öksüt - \$2.5 million and Kemess - \$2 million) and the balance for generative and other exploration programs.

## 2019 Capital Expenditures

Centerra's projected capital expenditures for 2019, excluding capitalized stripping, are estimated to be \$275 million, including \$91 million of sustaining capital<sup>NG</sup> and \$184 million of growth capital<sup>NG</sup>.

Projected capital expenditures (excluding capitalized stripping) include:

<b>Projects</b>	<b>2019 Sustaining Capital<sup>(1)</sup></b> (\$ millions)	<b>2019 Growth Capital<sup>(1)</sup></b> (\$ millions)
Kumtor Mine	45	14
Mount Milligan Mine	37	-
Öksüt Project	-	123
Kemess Underground Project	-	26
Greenstone Gold Property	-	21
Other (Thompson Creek Mine, Endako Mine (75%), Langeloth facility and Corporate)	9	-
<b>Consolidated Total</b>	<b>\$91</b>	<b>\$184</b>

<sup>(1)</sup> Sustaining capital and growth are non-GAAP measures and are discussed under “Non-GAAP Measures”.

### ***Kumtor***

At Kumtor, 2019 total capital expenditures, excluding capitalized stripping, are forecast to be \$59 million. Spending on sustaining capital<sup>NG</sup> of \$45 million relates primarily to major overhauls and replacements of the heavy-duty mine equipment (\$39 million).

Growth capital<sup>NG</sup> investment at Kumtor for 2019 is forecast at \$14 million which includes capital expenditures for tailings dam construction (\$6 million), pit dewatering projects (\$2 million) and other projects (\$6 million).

The cash component of capitalized stripping costs related to the development of the open pit is expected to be \$88 million of the \$108 million total capitalized stripping estimated in 2019.

### ***Mount Milligan***

At Mount Milligan, 2019 sustaining capital expenditures are forecast to be \$37 million and relates primarily to tailing dam construction (\$23 million), mine equipment rebuilds and replacements (\$8 million) and water supply improvement projects (\$3 million) and other projects (\$3 million).

### ***Öksüt Project***

At Öksüt, 2019 planned capital spending is expected to be approximately \$123 million. The total cost of construction is expected to be approximately \$220 million (including contingency) to first gold pour which is anticipated in the first quarter of 2020. At December 31, 2018 construction activities at the Öksüt site are approximately 38% complete; with the main access roads substantially completed; haul road construction is ongoing, heap leach phase 1 area stripping is completed, crusher equipment is onsite and placed on the concrete foundations; ADR plant steel is erected; construction of the administration and truck shop campus, and electrical substation is ongoing; and various earthworks activities for the heap leach pad, ore stockpiles and waste dumps continue. In 2019, stripping is expected to commence in June and ore stockpiling in July.

### ***Kemess Underground Project***

In 2019, total spending at the Kemess Underground Project (KUG) is estimated at \$40 million including \$14 million for care and maintenance and \$26 million on capitalized pre-construction activities. Most of the pre-construction costs are related to the construction of a water treatment plant and water discharge system. The Company has substantially all permits and approvals in place after receiving the amended Mines Act Permit and effluent discharge permit in 2018. In 2019, the Company plans to advance the water treatment plant and water discharge system construction, continue to maintain the Kemess site, progress detailed engineering and complete optimization studies on the project.

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

Centerra's guidance for 2019 expenditures relating to the Greenstone Gold Property (50-50 joint venture with Premier Gold) including the Hardrock Project is approximately \$41.6 million (Cdn\$54 million), on a 100% basis, to further validate the economics of the Hardrock Project and to continue to de-risk the project. The 2019 program includes detailed engineering (\$13 million) on higher risk areas to confirm and optimize the capex, operating costs and mine plan updates, infill drilling to further improve accuracy of the resource model, advance and finalize long-term relationship agreements with local aboriginal groups including community relations (\$8.3 million), environmental and permitting activities (\$2.2 million) to complete the EA/EIA approvals and project support, property acquisitions and administration (\$15.5 million).

On December 10, 2018, the federal government approved the Hardrock Project Environmental Assessment ("EA") and the Ontario provincial approval of the Hardrock Project EA is anticipated in the first quarter of 2019.

The forecast spending for 2019 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 (\$20.8 million).

### **2019 Corporate Administration**

Corporate and administration expense for 2019 is forecast to be \$31 million (including \$6 million of stock-based compensation expense).

### **2019 Depreciation, Depletion and Amortization**

Consolidated depreciation, depletion and amortization (DD&A) expense included in costs of sales expense for 2019 is forecasted to be in the range of \$220 million to \$240 million including Kumtor's DD&A expense of \$170 million to \$180 million, Mount Milligan's DD&A expense of \$38 million to \$45 million, and Langeloth and other properties' DD&A expense range of \$12 million to \$15 million.

### **Kumtor Strategic Agreement**

The Company expects the Strategic Agreement with the Kyrgyz Government to close in the first quarter of 2019 at which time the remaining payments associated with agreement are expected to be made.

### **2019 Taxes**

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

The Mount Milligan operations are subject to corporate income tax and British Columbia mineral tax. Corporate income tax for 2019 is forecast to be nil, while British Columbia mineral tax is forecast to be between \$3.2 million and \$4.2 million.

## Sensitivities

Centerra's revenues, earnings and cash flows for 2019 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)				Impact on (\$ per ounce sold)
		Costs	Revenues	Cash flows	Net Earnings (after tax)	AISC <sup>(3)</sup> on by- product basis
Gold price <sup>(1)</sup>	\$50/oz	5.4 – 6.0	32.5 – 34.5	26.7 – 28.7	26.7 – 28.7	2 - 2
Copper price <sup>(1)</sup>	10%	4.5 – 5.5	18.0 – 20.0	13.0 – 14.5	13.0 - 14.5	16 - 19
Diesel fuel	10%	8.9 – 10.4	-	8.9 – 10.4	8.9 – 10.4	12 – 14
Kyrgyz som <sup>(2)</sup>	1 som	1.2 – 1.7	-	1.2 – 1.7	1.2 – 1.7	2 - 2
Turkish Lira <sup>(2)</sup>	1 lira	12.5 – 14.0	-	12.5 – 14.0	-	-
Canadian dollar <sup>(2)</sup>	10 cents	25.5 - 30.8	-	25.5 – 30.8	22.9 – 27.7	34 – 36

<sup>(1)</sup> Gold and copper price sensitivities include the impact of the hedging program set up to mitigate gold and copper price risks.

<sup>(2)</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.

<sup>(3)</sup> Non-GAAP measure. See discussion under "Non-GAAP Measures".

## Material Assumptions and Risks

Material assumptions or factors used to forecast production and costs for 2019 include the following:

- a gold price of \$1,200 per ounce,
- a copper price of \$2.80 per pound,
- a molybdenum price of \$12 per pound,
- exchange rates:
  - \$1USD:\$1.30,
  - \$1USD:69.0 Kyrgyz som,
  - \$1USD:5.00 Turkish lira,
  - \$1USD:0.79 Euro,
- diesel fuel price assumption:
  - \$0.54/litre at Kumtor,
  - \$0.87/litre (CAD\$1.13/litre) at Mount Milligan.

The assumed diesel price of \$0.54/litre at Kumtor assumes that no Russian export duty will be paid on the fuel exports from Russia to the Kyrgyz Republic. Diesel fuel for Kumtor is sourced from separate Russian suppliers. The diesel fuel price assumptions were made when the price of oil was approximately \$60 per barrel. Crude oil is a component of diesel fuel purchased by the Company, such that changes in the price of Brent crude oil generally impacts diesel fuel prices. The Company established a hedging strategy to manage changes in diesel fuel prices on the cost of operations at the Kumtor mine. The Company targets to hedge up to 50% of crude oil component of monthly diesel purchases exposure.

Other material assumptions were used in forecasting production and costs for 2019. These material assumptions include the following:

- The Mount Milligan processing facility continues to have access to sufficient water supplies to operate year-round at the intended capacity. This includes management's expectations of annual average precipitation, reduction in water losses/deferrals to the sands and gravels, that we continue to successfully draw water from existing permitted water wells, identify and access new water wells available for permitting and capture permittable water sources from within the existing operations. Guidance assumes that Mount Milligan will pump water from nearby Philip Lake, Rainbow Creek and Meadows Creek after receiving approvals of amendments to the Mount Milligan's Environmental Assessment Certificate and related permits.
- The Company and the Kyrgyz Republic Government ("Government") continue to work constructively to complete the Kumtor Strategic Agreement, the Government does not take any actions that are contrary to the Strategic Agreement and/or the Kumtor Project Agreement and which have a material adverse impact on the Kumtor operations, and the Kyrgyz proceedings are not reinstated or progressed contrary to the terms of the Strategic Agreement and/or the Kumtor Project Agreements.
- The mine plans, expertises and related permits and authorizations at Kumtor which have been received to date for 2019 are not withdrawn and that any further approvals are obtained in a timely manner from relevant governmental agencies in the Kyrgyz Republic.
- 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 sanctions imposed on Russian entities do not have a negative effect on the costs or availability of inputs or equipment to the Kumtor Project.
- Any political issues in Turkey do not have a negative effect on the Öksüt Project.
- The movement in the Central Valley Waste Dump at Kumtor, initially referred to in the Annual Information Form for the year ended December 31, 2013, and in the Lysii and Sarytor Waste Dumps, does not accelerate and will be managed to ensure continued safe operations, without impact to gold production.
- The buttress constructed at the bottom of the Davidov glacier continues to function as designed.
- The Company can manage the risks associated with the increased height of the pit walls at Kumtor.
- The dewatering program at Kumtor continues to produce the expected results and the water management system works as planned.
- The pit walls at Kumtor and Mount Milligan remain stable.
- The resource block model at Kumtor and Mount Milligan reconcile as expected against production.
- Grades and recoveries at Kumtor and Mount Milligan remain consistent with the 2019 production plan to achieve the forecast gold and copper production.
- The Kumtor mill and the Mount Milligan mill continues to operate as expected, including that there are no unplanned suspension of operations due to (among other things), mechanical or technical performance issues.
- There are no changes to any existing agreements and relationships with affected First Nations groups which would materially and adversely impact our operations.
- There are no unfavourable changes to concentrate sales arrangements at Mount Milligan and roasting arrangements at the Langeloth facility.
- There are no adverse regulatory changes affecting the Kumtor and Mount Milligan operations and the Company's molybdenum assets.
- 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 climate/weather conditions, political or civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks.
- Third party logistic providers can meet Centerra's logistics needs.
- The Company and its applicable subsidiaries throughout the year continue to meet the terms of their respective credit facilities to maintain current borrowings and compliance with applicable financial covenants.

The Company cannot give any assurances in regards to the above.

Production, cost and capital forecasts for 2019 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 "Caution Regarding Forward-Looking Information" in this document and under the heading "Risks That Can Affect Our Business" in the Company's most recent Annual Information Form.

### **Qualified Person & QA/QC – Production Information**

The production information and other scientific and technical information presented in this document, including the production estimates 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 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. 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.

The Kumtor deposit is described in a NI 43-101 technical report dated March 20, 2015 and filed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical report describes the exploration history, geology and style of gold mineralization at the Kumtor deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used are described in the technical report.

The Mount Milligan deposit is described in a NI 43-101 technical report dated March 22, 2017 and filed on SEDAR at [www.sedar.com](http://www.sedar.com). The technical report describes the exploration history, geology and style of gold mineralization at the Mount Milligan deposit. 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.

### **Non-GAAP Measures**

This document contains the following non-GAAP financial measures: all-in sustaining costs per ounce sold on a by-product basis, all-in sustaining costs per ounce sold on a by-product basis including taxes, and all-in sustaining costs per ounce sold on a co-product basis. In addition, non-GAAP financial measures include capital expenditures (sustaining) and capital expenditures (growth). 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 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 news release. The definitions are similar to the WGC's Guidance Note on these non-GAAP measures:

- *All-in sustaining costs on a by-product basis per ounce sold* include adjusted operating costs, the cash component of capitalized stripping costs, corporate general and administrative expenses, accretion expenses, and sustaining capital, net of copper and silver credits. The measure incorporates costs related to sustaining production. Copper and silver credits represent the expected revenue from the sale of these metals.
- *All-in sustaining costs on a by-product basis per ounce sold including taxes*, include revenue-based tax at Kumtor and taxes (mining and income) at Mount Milligan.
- *All-in sustaining costs on a co-product basis per ounce of gold sold or per pound of copper sold*, include operating costs allocated between copper and gold based on production. To calculate the allocation of operating costs, copper production has been converted to ounces of gold equivalent using the copper production for the periods presented, as well as an average of the futures prices during the quotational pricing period for copper and gold sold from Mount Milligan. For 2019, based on the assumed copper price of \$2.80 per pound and assumed gold price of \$1,200 per ounce, 429 pounds of copper was equivalent to one ounce of gold.
- *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. Growth projects include Öksüt, Kemess Underground and the Greenstone Gold Property.

### **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", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, the statements made under the heading, "2019 Outlook"; the Company's expectations regarding future production, all-in sustaining costs per ounce sold<sup>NG</sup>; water availability at the Mount Milligan Mine including sources and timing of availability, mill throughput levels expected for 2019,; the progress of development activities at the Öksüt Project, including expected dates of completion for various development activities, and expected costs and timing to first gold pour; expectations on receiving the Ontario Ministry of Environment*

and Climate Change decision for the Greenstone Gold Mine's Hardrock Project; 2019 exploration expenditures; 2019 capital expenditures; 2019 corporate administration expenses; 2019 depreciation, depletion and amortization expenses; and 2019 tax expenses.

*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 and Canada; risks that any of the conditions precedent to the Strategic Agreement will not be satisfied in a timely manner or at all, particularly as the Government may not bind the General Prosecutor's Office or the Parliament of the Kyrgyz Republic; a decision by the General Prosecutor's Office, or its successor the Anti-Corruption Service of the State Committee for National Security, to re-open at any time civil or criminal proceedings against Centerra, its subsidiaries or other stakeholders; the failure of the Government to comply with its continuing obligations under the Strategic Agreement, including the requirement that it comply at all times with its obligations under the Kumtor Project Agreements, allow for the continued operation of the Kumtor Mine by KGC and KOC and not take any expropriatory action; actions by the Government or any state agency or the General Prosecutor's Office that serve to restrict or otherwise interfere with the payment of funds by KGC and KOC to Centerra; 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, including with respect to the environment, in the jurisdictions in which the Company operates including any delays or refusals to grant required permits and licenses, unjustified civil or criminal action against the Company, its affiliates or its current or former employees; risks that community activism may result in increased contributory demands or business interruptions; 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; the risks related to other outstanding litigation affecting the Company's operations; the impact of the delay by relevant government agencies to provide required approvals, expertises and permits; potential impact on the Kumtor Project of investigations by Kyrgyz Republic instrumentalities; the impact of constitutional changes in Turkey; the impact of any sanctions imposed by Canada, the United States or other jurisdictions against various Russian individuals and entities; 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; Indigenous claims and consultative issues relating to the Company's properties which are in proximity to Indigenous communities; and 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, copper and other mineral prices, the use of provisionally-priced sales contracts for production at Mount Milligan, reliance on a few key customers for the gold-copper concentrate at Mount Milligan, use of commodity derivatives, 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 credit facilities which may, among other things, restrict the Company from pursuing certain business activities or making distributions from its subsidiaries, 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 and the Company's continued ability to successfully manage such matters, including the movement of the Davidov Glacier, waste and ice movement and continued performance of the buttress at the Kuntor Project; the occurrence of further ground movements at the Kuntor Project and mechanical availability; the risk of having not sufficient water to continue operations, particularly at Mount Milligan and the ability of the Company to achieve expected mill throughput; the Company's ability to obtain necessary approvals to access additional water sources for the Mount Milligan mill; 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 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 properties; 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; 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; 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 section titled "Risks that can affect our business" 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 and copper, 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 January 15, 2019. 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 North America, Asia and other markets worldwide and is the largest Western-based gold producer in Central Asia. Centerra operates two flagship assets, the Kumtor Mine in the Kyrgyz Republic and the Mount Milligan Mine in British Columbia, Canada and is building its 100% owned Öksüt Gold Mine in Turkey. 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).

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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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