

TORONTO, ON--(Marketwired - September 06, 2017) - [Centerra Gold Inc.](#) (TSX: CG) comments today regarding ongoing discussions between the Company and the Government of the Kyrgyz Republic (the "Government") in relation to the Company's Kumtor Project. The Company is aware of press reports in the Kyrgyz Republic today describing statements made by the Government to a Parliamentary committee, which included terms of a proposed settlement between the parties.

The Company confirms that its discussions with the Government regarding a settlement have reached an advanced stage but cautions that they remain subject to completion, including finalization of all relevant terms of the settlement, formal approval by Centerra's Board of Directors and execution of definitive agreements. The key terms of the current proposed settlement with the Government include, among other things:

- The comprehensive settlement of all outstanding disputes and court and other proceedings affecting the Kumtor Project;
- An affirmation that the existing 2009 agreements governing the Kumtor Project (the "Kumtor Project Agreements") remain in full force and effect, including the tax and fiscal regime thereunder;
- No admission on the part of Centerra or its Kyrgyz subsidiaries of (i) environmental wrongdoings, (ii) non-compliance with Kyrgyz law or the Kumtor Project Agreements or (iii) any pre-existing obligation to make additional environmental or Reclamation Trust Fund payments or environmental remediation efforts;
- The Company's Kyrgyz subsidiary, Kumtor Gold Company ("KGC") would make a one-time lump sum payment totaling US\$57 million to a new government administered Nature Development Fund (US\$50 million) and to a new government administered Cancer Care Support Fund (US\$7 million) and within 12 months of closing make a further one-time payment of US\$3 million to the Cancer Care Support Fund;
- Annual payments of US\$2.7 million to the new Nature Development Fund, conditional on the Government continuing to comply with its obligations under the settlement agreement;
- KGC would accelerate its annual payments to the Kumtor's Reclamation Trust Fund in the amount of US\$6 million a year until the total amount contributed by KGC reaches the total estimated reclamation cost for the Kumtor Project (representing the independent assessment of Kumtor's current reclamation costs, subject to a minimum total reclamation cost of US\$69 million). \$69 million is broadly in line with KGC's current estimated reclamation cost for the Kumtor Project;
- KGC would take certain specified actions in respect of the recommendations previously made by the Government's environmental consultant, Amec Foster Wheeler, most of which have already been fully implemented;
- KGC would consider, together with the Government, other potential investment opportunities in the Kyrgyz Republic and at the Kumtor Project; and
- All obligations under any definitive agreement would be subject to a range of initial conditions precedent, including that certain key permits and approvals for the Kumtor Project shall have been received.

The Company intends to continue such discussions and will make further announcements as and when warranted. However, there are no assurances that: (i) the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project; (ii) any discussions between the Kyrgyz Republic Government and Centerra will result in a mutually acceptable settlement and resolution; (iii) the Company will receive the necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law for any such resolution; or (iv) the Kyrgyz Republic Government and/or Parliament will not take actions that are inconsistent with the Government's obligations under the Kumtor Project Agreements. The inability to successfully resolve all such matters could lead to suspension of operations of the Kumtor Project and would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Caution Regarding Forward-Looking Information

Information contained in this news release which are not statements of historical facts may be "forward-looking information" for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words "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 Company's expectations regarding ongoing discussions with the Government and the proposed terms of a settlement with the Government; satisfaction of the conditions precedent to the implementation of the provisions of the proposed settlement and the anticipated benefits and consequences of implementing the provisions of the proposed settlement. 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: risks that discussions with the Government break down for any reason or the proposed settlement is not entered into, any of the conditions precedent to the proposed settlement 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 any final settlement, 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; a new claim by the Government, a state agency or the General Prosecutor's Office for alleged unknown environmental damage; other political risks associated with the Company's operations in the Kyrgyz Republic. See "Risk Factors" in the Company's 2016 Annual Information Form available on SEDAR at www.sedar.com.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially,

from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of September 6, 2017. 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. 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 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 web site at www.centerragold.com and at SEDAR at www.sedar.com.

Attachment Available:

http://www.marketwire.com/library/MwGo/2017/9/6/11G145074/17-CG-KR_Settlement-Discussions_Sept6-2017-FINAL-53a3b33f1b

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