

All figures are in United States dollars.

This news release contains forward-looking information that is subject to risk factors and assumptions, please refer to the Cautionary Note Regarding Forward-looking Information.

[Centerra Gold Inc.](#) (TSX: CG) announces positive feasibility study results for the 100% owned ["Kestane" Project](#) located in south-central Turkey with first gold production targeted in early second quarter of 2017.

Highlights of the feasibility study and life-of-mine plan (LOM)⁽¹⁾ include:

- Probable reserves of an estimated 1.2 million contained ounces of gold (26.1 million tonnes at an average grade of 1.4 g/t gold using a cut-off grade of 0.3 g/t gold).
- Average annual gold production of 155,000 ounces in the first four years.
- Life-of-mine gold production of 895,000 ounces.
- 8 year mine life.
- All-in sustaining cost⁽²⁾ of \$490 per ounce.
- All-in cost⁽²⁾ for the project including pre-production expenditures and construction capital of \$725 per ounce sold.
- All-in cost including taxes⁽²⁾ of \$777 per ounce for the project.
- Pre-production expenditures and construction capital of \$221 million, including a \$25 million contingency.
- Payback on construction capital and pre-production expenditures is expected to be 2.5 years after production begins.
- Total life-of-mine sustaining capital⁽²⁾ of \$10 million, excluding \$30 million of capitalized stripping.
- After-tax net present value (NPV) of \$242 million using an 8% discount rate and the project has a 42.5% project internal rate of return (IRR).

1. Feasibility study and life of mine plan assume a gold price of \$1,250 per ounce.

2. Non-GAAP measure. See description of "Non-GAAP Measures" in the Company's Management Discussion & Analysis (MDA) dated July 28, 2015 filed on SEDAR.

The feasibility study and life-of-mine plan are subject to a number of assumptions and risks noted in the Material Assumptions and Risks section this news release.

Ian Atkinson, President and CEO of Centerra Gold stated, "Development of the ["Kestane" Project](#) in Turkey is another step in Centerra's strategy of diversifying its portfolio of profitable assets. The feasibility study shows a very attractive rate of return of almost 43 percent and that the project is profitable at significantly lower gold prices. In fact, using an 8% discount rate, the project breaks even with a gold price of \$767 per ounce. Centerra has a strong balance sheet with cash available for construction as well as a number of financing opportunities with lending institutions. We are ready to move forward with the development of the ["Kestane" Project](#) and are targeting mid-2016 to commence mining, pending the receipt of the final approval of the Turkish environmental impact assessment (EIA) and receipt of all required permits and other regulatory approvals. We have established an experienced operational management team in Turkey and we now expect first gold production early in the second quarter of 2017. There is still further upside on the property which we will continue to follow-up on through additional exploration and drilling."

The Company expects to begin development of the ["Kestane" Project](#) in the first quarter of 2016 with first gold production anticipated in the second quarter of 2017. Detailed engineering and the ordering of long lead items are expected to begin in the second half of 2015. Pre-production expenditures are estimated to be \$221 million including a \$25 million contingency.

The ["Kestane" Project](#) is located in south-central Turkey, about 295 kilometres southeast of the capital city of Ankara and is comprised of the Keltepe deposit and the smaller ["Geytepe" deposit](#). The area has excellent infrastructure which includes nearby airports, electrical power lines, roads and sources of water.

Based on the positive feasibility study, an estimated 1.2 million ounces of contained gold (26.1 million tonnes at an average grade of 1.4 g/t) of measured and indicated resources have been converted to probable reserves, using a gold price of \$1,250 per ounce and a cut-off grade of 0.3 g/t gold.

The feasibility study envisions a conventional open-pit and heap leach operation. The heap leach pad has been designed with an ultimate ore capacity of 40 million tonnes. Electrical power is expected to be supplied to the project by a dedicated 28 kilometre power line tied into the local power grid. Water supply is expected to be sourced from two Company owned water wells, which have been fully permitted.

Mining is planned to be conducted by a local contractor using a conventional truck and shovel fleet utilizing small, selective, loading equipment and 36 tonne trucks. The life-of-mine strip ratio is expected to be 2:1. The ore will be crushed to 38 mm through two stages of crushing and be placed on the heap leach pad at a rate of 11,000 tonnes per day. Life-of-mine gold recovery is expected to be 77%.

The project is expected to process 26.1 million tonnes of ore at an average grade of 1.4 g/t gold over eight years producing 895,000 ounces of gold at an average all-in-sustaining cost(1) of \$490 per ounce sold.

The all-in cost¹ (including taxes) is expected to be \$542 per ounce sold, from the commencement of commercial production (excludes pre-development expenditures and construction capital).

Royalties applied in determining the economic results of the study include a Turkish Government State royalty (2%) and net smelter return (NSR) royalties payable to Stratex Gold AG (1%) and [Teck Resources Ltd.](#) The Teck Resources royalty is a sliding scale NSR; and is based on cumulative ounces produced over the life-of-mine and is estimated to be 0.6% of total gold revenues. The total effective royalty rate used for the purposes of the feasibility study is 3.6%.

The project will be subject to a 20% income tax rate in Turkey though the Company expects (and the feasibility study assumes) that an investment incentive certificate will be obtained which will allow a tax credit of 50% of eligible capital expenditures.

Using a gold price of \$1,250 per ounce and a discount rate of 8%, the open pit LOM outlined in the feasibility study has an estimated base case project NPV₈ (after tax) of approximately \$242 million and a project internal rate of return of 42.5% after accounting for all operating costs and capital expenditures related to the open pit operation as well as required tax and royalty payments and reclamation. Additional exploration costs going forward have not been included in the financial analysis.

The environmental impact assessment (EIA) process continues on schedule with formal EIA approval expected late in the third quarter or early in the fourth quarter 2015. Receipt of permits is contingent on the approval of the EIA and applications for all required permits will follow immediately upon approval of the EIA.

The Company has a strong local presence in Turkey through its subsidiary Madencilik (OMAS) and has good relationships with the local population and local and regional governments.

Project Mineral Reserve and Resources

The mineral resources, as reported at year-end 2014, were updated for the purposes of the feasibility study with 29 additional drill holes, updated wireframes, adjustment of the search ellipse to be more consistent with the proposed epithermal genetic model, and other more minor adjustments. The result of the update was to revise the measured and indicated resource estimate from 40 million tonnes at 1.1 g/t gold containing 1.4 million ounces gold to 33.0 million tonnes at 1.2 g/t gold containing 1.3 million ounces, using a cut-off grade of 0.2 g/t gold. The resource pit shell was based on a gold price of \$1,450 per ounce.

Utilizing the updated measured and indicated resources, pit optimization was carried out on both the Keltepe and Guneytepe deposits, using updated geotechnical parameters, updated operating costs, metallurgical recovery estimates, and a gold price of \$1,250 per ounce. The resulting pit shells were used as a guide in completing engineered pit designs which include ramps suitable for 36 tonne haul trucks consistent with other contractor mining operations in Turkey. This generated an estimated probable mining reserve of 26.1 million tonnes at 1.4 g/t gold containing 1.2 million ounces of gold at a cut-off grade of 0.3 g/t gold.

Project Mineral Reserve and Resource Summary (as of June 30, 2015)

Mineral Reserves (1) (4) (7) (8)

(tonnes and ounces in thousands)

Deposit	Proven			Probable			Total Proven and Probable		
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)
Keltepe	-	-	-	22,821	1.4	1,036	22,821	1.4	1,036
Guneytepe	-	-	-	3,316	1.2	125	3,316	1.2	125
Total	-	-	-	26,137	1.4	1,162	26,137	1.4	1,162

Measured and Indicated Mineral Resources (2)(3)(5)(7)(8)

(tonnes and ounces in thousands)

Deposit	Measured			Indicated			Total Measured and Indicated		
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)
Keltepe	2,024	0.7	44	4,450	0.7	106	6,474	0.7	150
Guneytepe	76	0.5	1	248	0.7	5	324	0.6	7
Total	2,100	0.7	46	4,698	0.7	111	6,798	0.7	157

Inferred Mineral Resources (2)(3)(5)(6)(7)(8)
(tonnes and ounces in thousands)

Deposit	Tonnes Grade		Contained Gold (oz)
		(g/t)	
Keltepe	1,705	0.8	44
Guneytepe	675	1.0	21
Total	2,380	0.8	64

1. Mineral Reserves have been estimated based on a gold price of \$1,250 per ounce.
2. Mineral Resources are in addition to mineral reserves. Mineral resources do not have demonstrated economic viability.
3. Mineral Resources are constrained within an optimized pit shell based on a gold price of \$1,450 per ounce.
4. Mineral Reserves are estimated based on a cut-off grade of 0.3 grams of gold per tonne.
5. Mineral Resources are estimated based on a cut-off grade of 0.2 grams of gold per tonne.
6. Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be upgraded to a higher category.
7. A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.
8. Numbers may not add up due to rounding.

The following table summarizes the "ks" feasibility study:

"ks" Feasibility Study Results

	Years 1 - 4 Life-of-Mine	
Gold price - base case	\$1,250	\$1,250
Mine life - years	4.0	8.0
Strip Ratio (W: O)	2.2:1	2:1
Average annual tonnes processed - Mtpy	3.8	3.7
Average grade - g/t gold	1.7	1.4
Average gold recovery (%)	75	77
Average annual gold production (oz)	155,000	112,000
Total recovered gold (oz)	620,000	895,000
Pre-production expenditures (\$ millions)	\$221	-
Sustaining capital ¹ with capitalized strip (\$ millions)	\$25	\$40
All-in sustaining cost ¹ (\$/oz)	\$450	\$490
Project NPV ₈ - after tax (\$ millions)		\$242
Project IRR - after tax (%)		42.5%

1. Non-GAAP measure, see discussion under "Non-GAAP Measures" in the Company's MDA dated July 28, 2015 filed on SEDAR.

The following table summarizes the capital costs:

Details of "ks" Feasibility Study Pre-production Expenditures (\$millions)

Direct Costs	
Mining including heap leach pad construction	51.2
Utilities	16.5
Infrastructure	22.0
Processing	27.9
Water Handling	8.3
Working Capital	10.2
Total direct costs	136.1
Owners Costs	17.6
Permitting	8.2
Construction/Project Management	33.8
Contingency	25.1
Total indirect Costs	84.7
Total Initial Capital Costs	220.8

Capital costs for the project were estimated by Centerra with support from external consultants for the heap leach facility, process design and infrastructure.

"ks" Project Life-of-Mine Mining and Processing Forecast

	Total	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mining										
Ore Mined (Mt)	26.1	0.2	3.8	4.0	5.7	2.3	3.4	5.4	1.4	-

Grade (g/t)	1.38	2.08	1.47	1.41	1.71	1.95	1.00	0.93	1.32	-
Contained Gold (koz)	1,162	15.9	178.4	182.2	310.6	146.1	109.4	161.8	57.3	-
Ore Rehandled (Mt)	6.3	-	0.5	0.7	-	2.2	0.6	0.1	2.2	-
Waste Mined (Mt)	51.1	5.1	8.9	8.8	7.1	10.4	8.6	2.1	0.1	-
Total Material Mined (Mt)	77.3	5.4	12.7	12.8	12.8	12.7	12.0	7.4	1.5	-
Processing										-
Ore Processed (Mt)	26.1	-	3.30	4.02	4.02	4.02	3.53	4.02	3.22	-
Grade Processed (g/t)	1.38	-	1.69	1.44	2.07	1.47	0.98	1.09	0.83	-
Contained Gold (koz)	1,162	-	180	186	267	190	111	141	86	-
Gold Produced (koz)	895	-	90	179	199	151	93	106	70	7

Operating costs for the project were estimated by Centerra with input from an experienced Turkish contract mining company for contract mining costs. Once in commercial production, mining costs are estimated to average \$2.34 per tonne mined, processing costs are estimated to average \$5.17 per tonne processed and administrative costs are estimated to average \$2.50 per tonne processed.

Details of Operating Costs

Description	\$/tonne	\$/oz Au
Mining ¹	\$2.34	\$182
Processing	\$5.17	\$151
General and administrative	\$2.50	\$73
Royalties	\$1.36	\$40
Refining	\$0.11	\$3
Reclamation	\$1.03	\$30

1. Mining includes ore re-handling costs and \$30 million of capitalized stripping.

Project Life-of-Mine -- Cash Flow¹

	Units	Total	2015	2016	2017	2018	2019	2020	2021	2022
Sales and Revenue										
Gold Price	(\$/oz)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Gold Sold	(oz x 1000)	895.2	-	-	90	179.2	199.4	151.2	92.5	106.3
Gold Revenue	(\$ x 1000)	1,119,024	-	-	112,494	223,974	249,295	189,034	115,620	132,888
Operating Costs										
Mining	(\$ x 1000)	137,075	-	-	23,462 ²	27,239	18,141	19,530	27,578	16,392
Processing	(\$ x 1000)	135,133	-	-	17,530	20,566	20,566	20,566	18,403	20,566
Administration	(\$ x 1000)	67,379	-	-	10,715 ²	8,687	8,691	8,695	8,539	8,700
Royalties	(\$ x 1000)	35,626	-	-	2,616	6,093	8,138	6,882	4,007	4,667
Refining	(\$ x 1000)	2,990	-	-	300.6	598.5	666.1	505.1	308.9	355.1
Direct Costs	(\$ x 1000)	378,203	-	-	54,624	63,184	56,202	56,178	58,836	50,680
Capital and Other Costs										
Capitalized Stripping (Cash)	(\$ x 1000)	30,260	-	-	6,321	2,758	10,569	10,612	-	-
Construction Capital	(\$ x 1000)	179,172	19,448	140,529	19,195	-	-	-	-	-
Contingency	(\$ x 1000)	25,150	252	17,605	7,293	-	-	-	-	-
Sustaining Capital ¹	(\$ x 1000)	9,685	-	-	-	3,112	2,913	-	-	3,660
Working Capital	(\$ x 1000)	0	-	817	9,405	8,927	2,333	(4,931)	(6,298)	1,908
Reclamation Fund	(\$ x 1000)	27,000	-	-	2,714	5,404	6,015	4,561	2,790	3,206
Total Capital & Other	(\$ x 1000)	271,267	19,700	158,951	44,928	20,201	21,830	10,242	(3,508)	8,774
Pre-production expenditures ²	(\$ x 1000)	220,785	19,700	158,951	42,134					
Cash Flow										
Pre-Tax Cash Flow ¹	(\$ x 1000)	469,554	(19,700)	(158,951)	12,942	140,590	171,263	122,614	60,292	73,431
Income Tax Payable	(\$ x 1000)	45,994	-	-	36	2,617	3,263	13,300	7,009	11,320
Gov. Refunds	(\$ x 1000)	12,336	-	-	2,195	2,195	2,195	2,195	2,195	-
Free Cash Flow ¹	(\$ x 1000)	435,896	(19,700)	(158,951)	15,101	140,168	170,195	111,509	55,478	62,111
Cumulative Free Cash Flow ¹	(\$ x 1000)	-	(19,700)	(178,651)	(163,550)	(23,382)	146,813	258,322	313,800	375,911
Unit Costs¹										
All-in sustaining cost ¹ per oz sold	\$/oz	490	-	-	638	416	380	472	666	541
All-in cost ¹ per oz sold	\$/oz	725	-	-	1,002	416	380	472	666	541
All-in cost per oz sold including taxes ¹	\$/oz	777	-	-	1,002	430	396	560	742	648

1. Non-GAAP measure, see discussion under "Non-GAAP Measures" in the Company's MDA dated July 28, 2015 filed on SEDAR.

2. In 2017, pre-production expenditures include \$2.0 million of administration costs and \$4.3 million of mining costs and excludes capitalized stripping and reclamation costs.

Sensitivities of the project NPV to the gold price, discount rate and other project variables are as follows:

Sensitivities of –ksÅ¼t Project Net Present Value to Gold Price and Discount Rate
(millions of dollars)

Discount Rate	0%	5%	8%	10%
Gold Price (\$/oz)				
\$1,050	298.2	195.6	150.5	125.5
\$1,150	367.0	249.0	196.7	167.6
\$1,250 ¹	435.9	301.7	242.0	208.8
\$1,350	497.0	348.4	282.1	245.2
\$1,450	567.1	400.3	326.7	285.5

1. \$1,250 per ounce was used for the feasibility study.

Sensitivities of –ksÅ¼t Project Net Present Value to other
Variables at \$1,250 per ounce gold and 8% discount rate
(millions of dollars)

Variable	Operating Costs	Capital Costs	Gold Grade	Process Recovery
+15%	212.8	214.3	325.6	325.6
Feasibility study	242.0	242.0	242.0	242.0
-15%	271.2	269.7	157.8	157.8

A technical report for the –ksÅ¼t Project will be prepared in accordance with National Instrument 43-101 and will be filed on SEDAR at www.sedar.com and the Company's website at www.centerragold.com on or before September 11, 2015.

Material Assumptions & Risks

Material assumptions or factors that have been used in estimating reserves and resources and in the –ksÅ¼t feasibility study and life-of-mine plan include the following:

- a gold price of \$1,250 per ounce,
- exchange rates:
 - \$1USD:2.5 Turkish Lira

Other important assumptions (and corresponding risks) that are implicit in the Company's reserve and resource estimates and the –ksÅ¼t feasibility study and life-of-mine plan are as follows:

- all necessary permits, licenses and approvals, including of the EIA, are received in a timely manner,
- ore tonnes, grade and metallurgical recoveries at –ksÅ¼t will remain consistent with the life-of-mine plan to achieve the forecast gold production,
- tax and royalty rates will remain at current levels for the life of the –ksÅ¼t Project,
- the Company will have sufficient uninterrupted power and water supply during operations,
- no unplanned delays in or interruption of scheduled production at the –ksÅ¼t Project, including due to labour disruptions, civil unrest, natural phenomena, regulatory or political disputes, equipment breakdown or other developmental and operational risks, and
- no seismic events occur which will disrupt operations at the –ksÅ¼t Project,
- the –ksÅ¼t life-of-mine plan does not make allowance for inflation, changes in exchange rates and movements in gold prices.

Production and cost forecasts and capital estimates are forward-looking information and are based on key assumptions and subject to material risk factors.

Qualified Person & QA/QC

The feasibility study was undertaken by Centerra staff with the assistance of several external consultants. Reserve and resource estimates, life-of-mine plan and other scientific and technical information in this news release were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and were 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 on the –ksÅ¼t Project have been done consistent with industry standards and independent certified assay labs have been used. Available quality control data indicates that the gold assay data used for resource estimation are reliable.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release and the documents referred to herein 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", "envision", "target", "intends", "estimate", "may", "will", and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, mineral reserve and resource estimates, grades and recoveries, development plans and mining methods, commencement of mining and production, receipt of government approvals and licenses, future exploration and drilling plans, life-of-mine operating costs, capital estimates, future cash flow estimates, financial forecasts including net present value and internal rate of return estimates, tax and royalty rates and financing opportunities.

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. There may be factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. These factors include: (A) strategic, legal, planning and other risks, including political risks associated with the Company's operations in Turkey; resource nationalism including the management of external stakeholder expectations; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates including any unjustified civil or criminal action against the Company, its affiliates or its current or former employees; the impact of changes to, the increased enforcement of, environmental laws and regulations relating to the Company's operations; 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; risks related to anti-corruption legislation; potential risks related to kidnapping or acts of terrorism; (B) risks relating to financial matters, including: sensitivity of the Company's business to the volatility of gold prices, the imprecision of the Company's mineral reserves and resources estimates and the assumptions they rely on, the accuracy of the Company's production and cost estimates, the impact of restrictive covenants in the Company's revolving credit facility which may, among other things, restrict the Company from pursuing certain business activities, the Company's ability to obtain future financing, the impact of global financial conditions, the impact of currency fluctuations, the effect of market conditions on the Company's short-term investments, the Company's ability to make payments including any payments of principal and interest on the Company's debt facilities depends on the cash flow of its subsidiaries; and (C) risks related to operational matters and geotechnical issues; 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 occurrence of any labour unrest or disturbance; the risk that Centerra's workforce may be exposed to widespread epidemic; seismic activity in the vicinity of the Company's operations; reliance on a limited number of suppliers for certain consumables, equipment and components; the Company's ability to accurately predict decommissioning and reclamation costs, including closure costs to cap waste rock and heap leach dumps; the Company's ability to attract and retain qualified personnel; 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, potential delays in the issuance of permits, particularly for state forestry land which covers part of the "ks" Project area and on which the two open pits and part of the waste dump are located; potential opposition to the "ks" Project by local communities or civil groups related to concerns over water usage in competition with agriculture, water quality, environmental impact from cyanide use in gold leaching, visual impacts, acoustic impacts, ambient air impacts or failure of the company to agree to local demands; potential material increases in project development or operation costs due to increases in key consumables, inflation, imposed demands for infrastructure development or regulatory changes; the planning, design and costing of the key project infrastructure such as power, water and access. See also "Risks that can affect our business" in the Company's Annual Information Form for the year ended December 31, 2014, 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 July 28, 2015. 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.](http://www.centerragold.com) is a North-American based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, Canada and other markets worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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

Attachment Available:

<http://www.marketwire.com/library/MwGo/2015/7/27/11G048844/22-Oksut-Development-FINAL-404848683953.PDF>

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