

centerra**GOLD**



NEWS RELEASE

Centerra Gold Provides Mount Milligan Water Permitting Update

TORONTO, CANADA – September 14, 2018 – Centerra Gold Inc. (TSX: CG) (“Centerra”) today provided an update on water regulatory matters relating to its Mount Milligan Mine in north central British Columbia.

After significant and collaborative discussions during the third quarter of 2018 among the Company, British Columbia regulators and First Nations, the Company’s regulatory plan has been refined. This has resulted in earlier than anticipated approval of certain short-term water sources. These approvals allow the Company to: (i) pump from groundwater wells within Mount Milligan’s tailings storage facility (“TSF”) as well as from a single groundwater well outside of the TSF for the entire life-of-mine and (ii) pump up to 15% of the base flow from Philip Lake 1 until November 15, 2018. An application to further extend the pumping from Philip Lake 1 for the winter period is currently under review as planned.

In addition to the approvals noted above, and in accordance with the regulatory plan, the Company is also preparing applications for certain additional / extended water sources until 2020. These include access to groundwater wells outside the TSF (within a certain radius) for the entire life-of-mine as well as to Philip Lake 1 and Rainbow Creek at withdrawal rates that are protective of environment. The Company is still in discussions with regulators, First Nations and other affected stakeholders as to such approvals and expects that access to these sources may be granted as early as December 2018.

Finally, also in accordance with the regulatory plan, the Company is working on a long-term solution to its water needs at Mount Milligan. An initial methodology has been developed for assessing water sources that are best able to supply water to the mill while meeting other important environmental and other parameters. Formal applications and government review of that methodology is expected to commence later this month, and will be the subject of discussion with regulators, First Nations and other interested parties. The Company’s expectation is that its long-term water source (or sources) will be available from and after 2020 for the entire life-of-mine.

Centerra notes that the recently approved water sources will provide limited amounts of additional water in the near-term and this will assist with, though not meaningfully reduce, the outstanding water needs of the mine. The Company is pleased that the revised regulatory plan is moving forward constructively and the Company will continue to diligently work with regulators and First Nations to access additional water sources for Mount Milligan. However, there can be no assurances that additional sources will be available to the Company on its expected timeline or at all. During the third quarter to date, with the current availability of water, the mill at Mount Milligan has been operating both ball mill circuits. Although not expected, if there are delays in the regulatory process to approve such medium-term and long-term sources it could have a significant negative effect on the Company’s production at Mount Milligan, 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”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule”, “understand” and similar expressions identify forward-looking information. These forward-looking statements relate to the Company’s consultations and discussions with regulators, First Nations groups and other stakeholders concerning Mount Milligan’s water applications and approvals as well as the timing thereof and the effect of the approved short-term water sources with Mount Milligan’s water needs.

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, the Company’s consultation process with regulators, First Nations or other affected stakeholders taking longer than expected.

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.

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 next gold mine, 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.

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

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