



## NEWS RELEASE

(All figures are in United States dollars)

### **Centerra Gold Announces Receipt of Tax Assessments from Scheduled Inspections**

**Toronto, Canada, July 22, 2005:** Centerra Gold Inc. (TSX: CG) today announced that it has received, from Kyrgyz tax authorities, the assessments from the scheduled tax and customs inspections. The inspections have been conducted routinely since the start of operations eight years ago.

The assessments, as submitted, would result in an obligation for cash taxes of approximately \$5 million and the denial of operating loss carry-forwards with a tax effect of \$12 million spread over the three-year period 2005 to 2007. The tax inspection relates to the 2003 year, with the exception of the profit tax return, which covers the years 1997 to 2003, while the customs inspection relates to the years 2000 to 2004. The assessments are based upon interpretations of Kyrgyz law and will be negotiated accordingly, as assessments have been in past years.

Kumtor intends to file normal-course objections to the assessments within the 30-day period provided by Kyrgyz regulations. Management believes that it has strong legal arguments to support these objections and does not expect the final result to be a material amount to the Company.

#### **About Centerra**

Centerra is a growth-oriented, pure-play gold company focused on acquiring, exploring, developing and operating gold properties primarily in Central Asia, the former Soviet Union and other emerging markets. The two gold mines operated by the Company are expected to produce 790,000 ounces in 2005 at a total cash cost of about \$229 per ounce. This ranks Centerra as a leading North American gold producer and the largest Western-based gold producer in Central Asia and the former Soviet Union. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Canada.

#### **Forward Looking Statements**

Statements contained in this news release which are not historical facts are forward-looking statements that involve 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 statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; equipment failure; unexpected geological or hydrological conditions; political risks arising from operating in certain developing

countries; imprecision in reserve estimates; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies; including trade laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks.

Although Centerra believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this report. Centerra disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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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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