centerraGOLD

Notice of Annual Meeting of Shareholders

and

Management Information Circular

March 31, 2006

Centerra Gold Inc.

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March 31, 2006

Dear Shareholder,

It is my pleasure to invite you to attend the second annual meeting of shareholders of Centerra Gold Inc. ("Centerra"), which will be held on Wednesday, May 10, 2006 at 2:00 p.m. (EST) at the Esso Theatre, Hockey Hall of Fame, BCE Place, 30 Yonge St., Toronto, Ontario M5E 1X8. It is an opportunity for the directors and management of Centerra to meet with you, our shareholders. At the meeting, we will report to you on Centerra's performance in 2005 and our plans for the future.

Included in this package are Centerra's 2005 annual report, notice of meeting and management information circular. These materials describe the business to be dealt with at the meeting and provide you with additional information about Centerra and its directors and executive officers. Please exercise your rights as a shareholder either by attending the meeting in person or by using the enclosed request for voting instructions or form of proxy.

I thank you for your interest and confidence in Centerra and I urge you to exercise your right to vote.

Sincerely,

Patrick M. James
Chair of the Board of Directors

1 University Avenue, Suite 1500, Toronto, Ontario M5J 2P1

MANAGEMENT INFORMATION CIRCULAR

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

The annual meeting (the "meeting") of the shareholders of Centerra Gold Inc. ("Centerra") will be held on Wednesday, May 10, 2006 at 2:00 p.m. (EST) at the Esso Theatre, Hockey Hall of Fame, BCE Place, 30 Yonge St., Toronto, Ontario M5E 1X8, in order to:

1. receive the 2005 audited financial statements;
2. elect directors for the ensuing year;
3. appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; and
4. transact such other business as may properly come before the meeting and any adjournment thereof.

The Board of Directors of Centerra has fixed March 28, 2006 as the record date to determine which shareholders are entitled to receive notice of and to vote at the meeting.

A form of proxy, the management information circular (the "circular") and a copy of Centerra's 2005 annual report, including the audited financial statements of Centerra for the year ended December 31, 2005 and related management's discussion and analysis, accompany this notice of the meeting. You should refer to the circular for details of the matters to be considered at the meeting.

If you are unable to attend, please exercise your right to vote by completing and returning the accompanying request for voting instructions or form of proxy in the enclosed postage prepaid envelope as soon as possible. To be effective, properly completed proxies must be deposited with Centerra's transfer agent and registrar, CIBC Mellon Trust Company, 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6 not later than 4:30 p.m. (EST), Tuesday, May 9, 2006.

BY ORDER OF THE BOARD OF DIRECTORS

Frank Herbert

Frank H. Herbert,

Corporate Secretary

Toronto, Ontario,

March 31, 2006

MANAGEMENT INFORMATION CIRCULAR
DATED March 31, 2006

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular (the "circular") is furnished in connection with the solicitation of proxies from registered owners of common shares of Centerra Gold Inc. ("Centerra" or the "Corporation") (the "Shares") (and of voting instructions in the case of non-registered owners of Shares) to be used at the annual meeting (the "meeting") of shareholders of the Corporation to be held on Wednesday, May 10, 2006 at 2:00 p.m. (EST) at the Esso Theatre, Hockey Hall of Fame, BCE Place, 30 Yonge St., Toronto, Ontario M5E 1X8, and at all adjournments of the meeting, for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by employees of the Corporation. **The solicitation of proxies and voting instructions by this circular is being made by or on behalf of the management of the Corporation.** The total cost of the solicitation of proxies will be borne by the Corporation. The information contained in this circular is given as at March 28, 2006, except where otherwise noted.

REGISTERED OWNERS

If you are a registered owner of Shares, you may vote in person at the meeting or you may appoint another person to represent you as proxyholder and vote your Shares at the meeting. If you wish to attend the meeting, do not complete or return the enclosed form of proxy because you will vote in person at the meeting. Please register with the transfer agent, CIBC Mellon Trust Company ("CIBC Mellon"), when you arrive at the meeting.

Appointment of Proxies

If you do not wish to attend the meeting, you should complete and return the enclosed form of proxy. The individuals named in the form of proxy are representatives of management of the Corporation and are Patrick M. James, Chair of the Board of Directors, and Leonard A. Homeniuk, President and Chief Executive Officer of the Corporation. **You have the right to appoint someone else (either a person or a company) to represent you at the meeting.** If you wish to appoint someone else to represent you at the meeting, insert that other person's or company's name in the blank space in the form of proxy. The person or company you appoint to represent you at the meeting need not be a shareholder of the Corporation.

To be valid, proxies must be deposited with CIBC Mellon at 320 Bay Street, P.O. Box 1, Toronto, Ontario M5H 4A6 not later than 4:30 p.m. (EST), May 9, 2006 or, if the meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

Revocation

If you have submitted a proxy and later wish to revoke it, you can do so by:

(a) completing and signing a form of proxy bearing a later date and depositing it with CIBC Mellon as described above;

(b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf) (i) at the registered office of the Corporation at any time up to the last business day preceding the day of the meeting, or any adjournment of the meeting, at which the proxy is to be used, or (ii) with the chair of the meeting before the meeting starts on the day of the meeting or any adjournment of the meeting; or

(c) following any other procedure that is permitted by law.

Voting of Proxies

In connection with any ballot that may be called for, the management representatives designated in the enclosed form of proxy will vote or withhold from voting your shares in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of any direction, your Shares will be voted by the management representatives FOR the election of directors and FOR the appointment of the auditor as indicated under those headings in this circular.**

The management representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to matters identified in the notice of meeting and with respect to other matters that may properly come before the meeting. At the date of this circular, management of the Corporation knows of no such amendments or other matters.

NON-REGISTERED OWNERS

If your Shares are registered in the name of a depository (such as The Canadian Depository for Securities Limited) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan), you are a non-registered owner.

Only registered owners of Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the meeting. If you are a non-registered owner, you are entitled to direct how the Shares beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at the meeting.

In accordance with the *Canada Business Corporations Act* (the "CBCA") and Canadian securities law, the Corporation has distributed copies of the notice of meeting, this circular and Centerra's annual report for the year ended December 31, 2005 (the "Annual Report") (collectively, the "meeting materials") to the intermediaries for onward distribution to non-registered owners who have not waived their right to receive them. Typically, intermediaries will use a service company (such as ADP Investor Communications) to forward the meeting materials to non-registered owners.

If you are a non-registered owner and have not waived your right to receive the meeting materials, you will receive either a request for voting instructions or a form of proxy with your meeting materials. The purpose of these documents is to permit you to direct the voting of the Shares you beneficially own. You should follow the procedures set out below, depending on which type of document you receive.

A. <u>Request for Voting Instructions.</u>

If you do not wish to attend the meeting (or have another person attend and vote on your behalf), you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions at any time by written notice to your intermediary, except that the intermediary is not required to honour the revocation unless it is received at least seven days before the meeting.

If you wish to attend the meeting and vote in person (or have another person attend and vote on your behalf), you must complete, sign and return the enclosed request for voting instructions in accordance with the directions provided and a form of proxy will be sent to you giving you (or the other person) the right to attend and vote at the meeting. You (or the other person) must register with the transfer agent, CIBC Mellon, when you arrive at the meeting.

or

B. <u>Form of Proxy.</u>

The form of proxy has been signed by the intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Shares beneficially owned by you. Otherwise, the form of proxy is uncompleted.

If you do not wish to attend the meeting, you should complete the form of proxy in accordance with the instructions set out in the section titled "Registered Owners" above.

If you wish to attend the meeting, you must strike out the names of the persons named in the proxy and insert your name in the blank space provided. To be valid, proxies must be deposited with CIBC Mellon at 320 Bay Street, P.O. Box 1, Toronto, Ontario M5H 4A6 not later than the close of 4:30 p.m. (EST), May 9, 2006 or, if the meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting. You must register with the transfer agent, CIBC Mellon, when you arrive at the meeting.

You should follow the instructions on the document that you have received and contact your intermediary promptly if you need assistance.

VOTING SHARES AND RESTRICTED SECURITIES

On March 28, 2006, the Corporation had outstanding 72,079,605 Shares. Each holder of Shares of record at the close of business on March 28, 2006, the record date established for notice of the meeting and for voting, will be entitled to vote on all matters proposed to come before the meeting on the basis of one vote for each Share held.

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and officers of the Corporation, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, securities of the Corporation carrying more than 10% of the voting rights attached to any class of outstanding voting securities are indicated below:

Name	Number and Class of Securities	Percentage of Class
Cameco Gold Inc.	37,972,824 common shares	52.7
Kyrgyzaltyn JSC	11,289,717 common shares	15.7

Cameco Gold Inc. (“Cameco Gold”) is a corporation incorporated under the laws of Canada and a wholly-owned subsidiary of Cameco Corporation (“Cameco”), a corporation incorporated under the laws of Canada. Cameco is the world’s largest uranium supplier and its shares trade on the Toronto and New York stock exchanges. Prior to June 2004 Centerra was a wholly-owned subsidiary of Cameco Gold.

Kyrgyzaltyn JSC (“Kyrgyzaltyn”) is a joint stock company formed under the laws of the Kyrgyz Republic, 100% of whose shares are owned by the Government of the Kyrgyz Republic. Prior to June 2004, Kyrgyzaltyn owned a two-thirds interest in the Kumtor mine, a mine located in the Kyrgyz Republic, and now one of Centerra’s major wholly-owned assets. Kyrgyzaltyn transferred its interest in the Kumtor mine to Centerra in June 2004 in exchange for common shares of Centerra (the “Kumtor restructuring”).

In connection with the Kumtor restructuring, Centerra entered into a shareholders agreement with Cameco Gold, Kumtor Mountain Corporation (a subsidiary of Cameco Gold) and Kyrgyzaltyn (the “Shareholders Agreement”).

The Shareholders Agreement provides that until June 2009, for so long as Kyrgyzaltyn is controlled by the Government of the Kyrgyz Republic, Kyrgyzaltyn will maintain ownership of at least 5% of the outstanding Shares of Centerra at the time of the closing of the Kumtor restructuring, subject to appropriate anti-dilution adjustments as determined from time to time by the Board of Directors.

So long as Kyrgyzaltyn and its affiliates continue to hold 5% or more of Centerra’s outstanding Shares, Cameco Gold will vote its common shares for the election or appointment of one nominee designated by Kyrgyzaltyn to Centerra’s Board of Directors and Centerra has agreed to include in Centerra’s proposed slate of directors nominated for election at each annual or special meeting one Board nominee designated by Kyrgyzaltyn.

So long as Cameco Gold and its affiliates hold 5% or more of Centerra’s outstanding Shares, Kyrgyzaltyn will vote its common shares for the election or appointment of that number of nominees designated by Cameco Gold and its affiliates to Centerra’s Board of Directors as is proportionate to Cameco Gold’s common shareholding percentage.

Centerra also entered into a separate agreement with Kyrgyzaltyn confirming that following the Kumtor restructuring it would use commercially reasonable efforts to have at least one representative of Kyrgyzaltyn elected as Chair of the Board of Directors of Centerra’s subsidiary, Kumtor Gold Company (“KGC”), as well as a member of the KGC Management Committee and a member of the KGC Auditing Committee. KGC directly owns 100% of the Kumtor mine.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements

The audited financial statements of Centerra for the period ended December 31, 2005 and the report of auditors on these statements will be placed before the meeting. These financial statements, together with the report of the auditors thereon, are contained in the Annual Report included with this circular.

Appointment of Auditor

The management representatives designated in the enclosed form of proxy intend to vote **FOR** the reappointment of KPMG LLP as auditor of the Corporation to hold office until the next annual meeting of shareholders. KPMG LLP was appointed auditor of the Corporation on May 10, 2005. The resolution to reappoint KPMG LLP as auditor of the Corporation must be passed by at least 50% of the votes cast by the holders of Shares present in person or represented by proxy at the meeting. Information regarding fees paid to KPMG LLP in each of the last two financial years can be found in the Corporation’s annual information form for the financial year ended December 31, 2005 (the “AIF”).

Election of Directors

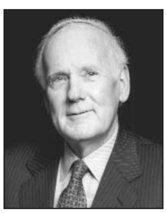
The number of directors to be elected at the meeting is nine (9). The management representatives designated in the enclosed form of proxy intend to vote **FOR** the election as directors of the proposed nominees whose names are set out below. All nominees are now directors and have been directors since the dates indicated below. Management does not contemplate that any of the proposed nominees will be unable to serve as a director but, if that should occur for any reason before the meeting, the management representatives designated in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting or until his successor is elected or appointed.

Each of the following directors, with the exception of Mr. Djakypov, was elected to his present term of office by the shareholders of the Corporation at the annual meeting of the Corporation's shareholders held on May 10, 2005, in respect of which the Corporation circulated a management information circular to the shareholders. Mr. Mateyev resigned from the Board of Directors on August 1, 2005. Unless otherwise indicated, all the directors are resident in Canada.

Ian G. Austin
Vancouver, British Columbia, Canada
Director Since: April 30, 2004
Common Shareholdings: 0
Deferred Share Units ("DSUs"): 2,771

Ian G. Austin, Director, currently serves as President and Chief Executive Officer of Skye Resources Inc., a development stage nickel company. He has extensive experience in the mining industry and financial management. From 1989 to 2001, Mr. Austin worked for Placer Dome Inc., serving first as Senior Vice President and Chief Financial Officer and then as Executive Vice President, Strategic Development from 1997 to 2001. Prior to joining Placer Dome, Mr. Austin spent 15 years with Inco Limited, where he served as Treasurer from 1981 to 1989. Mr. Austin holds a B.A. and a M.A. in Economics from Cambridge University.

Mr. Austin is Chair of the Audit Committee and a member of the Nominating and Corporate Governance Committee and the Human Resources and Compensation Committee.



John S. Auston
Vancouver, British Columbia, Canada
Director Since: April 30, 2004
Common Shareholdings: 640
DSUs: 5,212

John S. Auston, Director, is a graduate of McGill University, with degrees in Geology and Mineral Exploration, and attended the Program for Management Development at Harvard University. During a career of over 40 years in the minerals industry he has been active in the exploration for and development and operation of base metal, precious metal, uranium and coal mines in Canada, Australia and the United States. Most of this work was with the Selection Trust Group of London, which in 1981 became the minerals arm of British Petroleum. He was President and Chief Executive Officer of Ashton Mining of Canada from 1996 to 2000 and was President and Chief Executive Officer of Granges, Inc. from 1993 to 1995. Mr. Auston is currently a director of Cameco and Eldorado Gold Corporation.

Mr. Auston is a member of the Audit Committee and Chair of the Reserves Committee.

Almazbek S. Djakypov
Bishkek, Kyrgyz Republic
Director Since: October 31, 2005
Common Shareholdings: 0
DSUs: 239

Almazbek S. Djakypov, Director, is the president of Kyrgyzaltyn, which owns approximately 16% of Centerra's Shares. Mr. Djakypov replaced Mr. Mateyev as president of Kyrgyzaltyn on July 22, 2005. From 2002 to 2005, Mr. Djakypov served as an economic expert on the Investment Roundtable, a non-governmental organization, in the Kyrgyz Republic. Mr. Djakypov has had a distinguished career in government service. He served as Deputy Head of the Department of State Procurement; Head of the Department of Industry and Agro-Industrial Complex; Head of the Organization Department for the Administration of the Presidential Apparatus; and Vice-President, State Concern for Kyrgyzaltyn. In 1999, he became acting president of Kyrgyzaltyn. Between 2000 and 2002, he consulted on various investment projects. Mr. Djakypov graduated from the Moscow Energy Institute as an electrical engineer in 1978.

Mr. Djakypov is a member of the Reserves Committee and the Safety, Health and Environmental Committee.

Gerald W. Grandey
Saskatoon, Saskatchewan, Canada
Director Since: December 11, 2002
Common Shareholdings: 6,000

Gerald W. Grandey, Director, has served as President and Chief Executive Officer of Cameco Corporation since 2003 and has more than 30 years of experience in the mining industry. Mr. Grandey has been with Cameco Corporation since 1993, previously serving as Senior Vice President of Marketing and Corporate Development, Executive Vice President and President. Prior to joining Cameco Corporation, Mr. Grandey was Vice-Chair and Chief Executive Officer of The Concord Mining Business Unit and prior to that served as President of Energy Fuels, an American coal and uranium mining company. In the mid 1970s, he spent several years practicing law with a major Denver law firm specializing in mineral financing and natural resources and environmental law. Mr. Grandey received a degree in geophysical engineering from the Colorado School of Mines in 1968 and a law degree from Northwestern University in 1973. He currently serves on the boards of the Nuclear Energy Institute, the Canadian Nuclear Association, the National Mining Association, the Saskatoon YMCA and the Royal University Hospital Foundation.

Mr. Grandey is a member of the Nominating and Corporate Governance Committee.

Leonard A. Homeniuk
Toronto, Ontario, Canada
Director Since: December 11, 2002
Common Shareholdings: 252,447
Performance Share Units (“PSUs”): 44,630
Options: 84,599

Leonard A. Homeniuk, President, Chief Executive Officer and Director, has over 30 years of experience in the mineral sector including exploration, development and production. After assuming progressively more responsible positions with Cameco Corporation, he then managed Cameco Corporation’s uranium exploration program and was involved in early work on the McArthur River high-grade uranium deposit, now the world’s largest uranium mine. Mr. Homeniuk assumed the position of Chair and President of Kumtor Operating Company in 1992 and was responsible for the acquisition, feasibility work and development of the Kumtor mine. Mr. Homeniuk served in this position, located in Bishkek, Kyrgyz Republic, until 1997 when he was promoted to the position of Executive Vice President with Cameco Gold Inc. In 1999 he became President of Cameco Gold Inc. and was responsible for acquiring an ownership interest in the Australian gold exploration company AGR Limited, which directly led to the development of the Boroo mine. In 2004, he was appointed to his present position and was responsible for the public listing of Centerra Gold Inc. on The Toronto Stock Exchange.

Mr. Homeniuk received a Bachelor of Science degree in Geological Engineering in 1970 and a Master of Science in 1972, both from the University of Manitoba. He is a member of the Ontario Society of Professional Engineers, Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada. Mr. Homeniuk was made an Honorary Professor of the Kyrgyz Mining Institute in 1998.

Patrick M. James
Castle Rock, Colorado, U.S.A.
Director Since: April 16, 2004
Common Shareholdings: 0
DSUs: 12,371

Patrick M. James, Chair and Director, has more than 35 years of experience in the mining industry. He served as President and Chief Executive Officer of Rio Algom Limited from 1997 to 2001. Prior to joining Rio Algom, Mr. James spent 18 years working for Santa Fe Pacific Gold Corporation, where he held various positions of increasing responsibility before being appointed Chairman, President and Chief Executive Officer in 1995. Mr. James holds a M.A. in Management from the University of New Mexico and a B.Sc. in Mining Engineering from the Colorado School of Mines. He currently serves on the boards of Stillwater Mining Company, Dynatec Corporation and Constellation Copper Company.

Mr. James is a member of the Audit Committee, the Safety, Health and Environmental Committee and Chair of the Nominating and Corporate Governance Committee.

Terry V. Rogers
Saskatoon, Saskatchewan, Canada
Director Since: February 1, 2003
Common Shareholdings: 3,000

Terry V. Rogers, Director, has more than 30 years experience in coal, gold, lignite and uranium mining operations. Prior to being appointed Senior Vice President and Chief Operating Officer of Cameco Corporation in 2003, he served as president of Kumtor Operating Company in the Kyrgyz Republic. Prior to his association with Cameco Corporation, Mr. Rogers served with Morrison-Knudsen Company and its subsidiaries at a variety of operating sites worldwide and in the corporate headquarters in Boise, Idaho. His assignments included acting as Managing Director, Technical for MIBRAG mbH, a company in Leipzig, Germany producing lignite from three open cast mines and generating electricity at three coal-fired power stations. Mr. Rogers has also served as president of the Jerooy Gold Company, worked for MK Gold Company in the Kyrgyz Republic and served as General Manager of American Girl Mining Joint Venture with MK Gold in Southern California. Other assignments with Morrison-Knudsen include operations management at several gold and coal mining projects in the United States. Mr. Rogers received an Associate degree in Applied Science from the Superior Technical Institute in Wisconsin in 1972.

Mr. Rogers is a member of the Safety, Health and Environmental Committee.

Josef Spross
Saskatoon, Saskatchewan, Canada
Director Since: April 30, 2004
Common Shareholdings: 0
DSUs: 3,591

Josef Spross, Director, has extensive experience in mining and has played an important role in the development and operation of Cameco Corporation's uranium and gold properties. After managing the Key Lake Operation for 15 years, he was appointed Vice President of Uranium Mining in 1993. In 1995 he was appointed Vice President of Mining and in May 1996, Mr. Spross assumed the position of Executive Vice President of Kumtor Operating Company in the Kyrgyz Republic and managed the successful transition of the project from development to production. After his return to Canada in April 1997, he was appointed as Cameco Corporation's Senior Vice President and Chief Operating Officer. Mr. Spross received a Master's degree in Mine Engineering from Clausthal-Zellerfeld University in Germany and completed a three-year post graduate studies program with the Ministry for Mining and Administration where he graduated as "Bergassessor". At the end of 1999, Mr. Spross retired and assumed the position of President and Past President of the Saskatchewan Mining Association in February 2000 (a four-year term).

Mr. Spross is a member of the Human Resources and Compensation Committee, the Reserves Committee and Chair of the Safety, Health and Environmental Committee.

Anthony J. Webb
Victoria, British Columbia, Canada
Director Since: April 30, 2004
Common Shareholdings: 0
DSUs: 4,948

Anthony J. Webb, Director, has over 30 years of diverse experience in the mineral sector including, most recently, business development, strategic planning and minerals marketing. He served as Vice President, Corporate Development of Cameco Corporation from 1997 until his retirement in 2003. He originally joined the predecessor company to Cameco Corporation in 1982 and held positions of increasing responsibility including Assistant to the Chairman and Chief Executive Officer and Director, Corporate Development. Mr. Webb received a Bachelor of Science degree in 1968 and a Master of Science degree in 1970, both from McGill University. He received a Master of Business Administration degree from the University of Western Ontario in 1974.

Mr. Webb is Chair of the Human Resources and Compensation Committee and a member of the Nominating and Corporate Governance Committee.

To the best of the Corporation's knowledge, having made due inquiry, no director or executive officer of the Corporation is or has been in the last 10 years, a director or officer of another issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days, or (b) became bankrupt or made a bankruptcy or insolvency related proposal or was subject to or instituted proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Committee Members

Audit Committee

Ian G. Austin (Chair)
John S. Auston
Patrick M. James

Nominating and Corporate Governance Committee

Patrick M. James (Chair)
Ian G. Austin
Gerald W. Grandey
Anthony J. Webb

Human Resources and Compensation Committee

Anthony J. Webb (Chair)
Ian G. Austin
Josef Spross

Safety, Health and Environmental Committee

Josef Spross (Chair)
Almazbek S. Djakypov
Patrick M. James
Terry V. Rogers

Reserves Committee

John S. Auston (Chair)
Almazbek S. Djakypov
Josef Spross

MEETING ATTENDANCE

Between January 1, 2005 and December 31, 2005, the number of Board and committee meetings held were as follows:

	Meetings
Board of Directors	8
Audit Committee	7
Nominating and Corporate Governance Committee	5
Human Resources and Compensation Committee	5
Safety, Health and Environmental Committee	4
Reserves Committee	3

Between January 1, 2005 and December 31, 2005, each of the directors attended all of the Board meetings, except for Messrs. Djakypov, Grandey, Mateyev and Rogers. Both Messrs. Grandey and Rogers attended 7 Board meetings in 2005. Mr. Mateyev resigned from the Board on August 1, 2005; he attended 3 Board meetings in 2005. Mr. Djakypov was appointed to the Board on October 31, 2005; he attended 2 Board meetings in 2005.

Each member of the Board who served on one of the above-listed committees attended all of the respective committee meetings, except for Messrs. Mateyev and Djakypov. Prior to his resignation, Mr. Mateyev attended 1 meeting of the Reserves Committee and 3 meetings of the Safety, Health and Environment Committee in 2005. Mr. Djakypov did not attend any of the meetings of the Reserves Committee or the Safety, Health and Environment Committee in 2005, as he was not appointed to these committees until December 2005.

REPORT ON COMPENSATION OF EXECUTIVE OFFICERS

The following unrelated and independent directors served as members of the Human Resources and Compensation Committee (the "Committee") of Centerra during the fiscal year ended December 31, 2005.

Anthony J. Webb (Chair)
Ian G. Austin
Josef Spross

None of the members of the Committee is an officer or employee of the Corporation or any of its affiliates or is eligible to participate in the Corporation's executive compensation program.

Centerra's executive compensation program is comprised of the following components: base salary, cash bonus, a performance share unit plan and a share option and share appreciation rights plan ("Option Plan"). Centerra has also established an incentive plan for non-North American employees that provides incentives similar to those under its performance share unit plan. Centerra does not have an executive pension plan. Centerra's executive compensation program reflects market practice and is designed to provide compensation levels consistent with compensation levels and practices at peer group companies in the mining industry.

Together, the components of Centerra's compensation program are designed to:

- Attract, retain and motivate senior executives operating in a highly demanding and competitive business environment.
- Link executive compensation to corporate performance and the creation of shareholder value.
- Reward successful achievement of corporate and individual performance objectives.

Centerra's policy is to provide total executive compensation that is competitive with the median of marketplace compensation levels of equivalent positions in North American gold mining companies when performance meets individual and company targets, and at the 3rd quartile or better of marketplace levels when individual and company performance significantly exceeds pre-established targets.

Committee's Annual Review Process

The Committee annually reviews the recommendations of the Chief Executive Officer respecting the salary and executive cash bonus awards for Centerra's executive officers, and respecting all PSUs and stock options awards, and makes recommendations to the Board.

In 2005, the Committee employed the services of an external executive compensation consulting firm, The Hay Group, to review Centerra's existing executive compensation structure to ensure that an appropriate mix and level of compensation that is competitive with equivalent positions in appropriate comparator companies in the North American mining industry. At the recommendation of The Hay Group, the Committee adjusted salary range mid-points and incentive target percentages upward for senior management, as shown in the following table:

Principal Position	Salary Grade Mid-Points		Annual Incentive Target (Cash Bonus Plan)		Long-Term Incentive Target (Performance Share Unit Plan and the Option Plan)	
	Old ($)	New ($)	Old (%)	New (%)	Old (%)	New (%)
Chief Executive Officer	400,000	520,000	50	50	200	250
Chief Financial Officer	325,000	333,000	40	40	150	160
Chief Operating Officer	275,000	333,000	35	40	125	160
Other Senior Executives	150,000	210,000	25	30	75	100

Centerra's Executive Compensation

The proportion of the various elements of the executive compensation program is individually established based on the executive's level of responsibility. The elements are reviewed annually to ensure market competitiveness. When necessary, the corporation also participates in or sponsors specialized compensation surveys to ensure the program remains competitive.

Base Salary

Base salaries of the named executives are reviewed annually by the Committee, which makes recommendations to the Board. To the extent possible, comparisons are made with salaries for similar positions in the Canadian mining industry as reported by independent national compensation surveys.

Cash Bonus Plan

Centerra's cash bonus plan provides cash bonuses based on the achievement of individual and corporate targets. Employees designated by the Committee are eligible to participate in the plan. This amount of the cash bonus is based on a target percentage of the participant's base salary. Individual performance factors and the weight given to each factor are determined for the President and Chief Executive Officer by the Committee, and for all other participants by the President and Chief Executive Officer, subject to confirmation by the Committee. Corporate performance factors are determined by the Committee in consultation with the President and Chief Executive Officer and are based equally on the following financial and operational targets: safety (employee and contractor lost-time index for 2005 and, in 2006 Centerra will begin using a recordable index, which includes lost-time and medical recordables), environmental (incidents and reportables), total cash cost per ounce, ounces produced, and change in the Company's net asset value.

Centerra commits within its Corporate Statement of Values to being a leading performer among its peers. This includes a commitment to the environment and to safety. Consequently, these aspects of our activities are included as key corporate performance measures.

For 2005, the safety performance measure was based on accident frequency using the Lost Time Accident Frequency Index ("LTAF"). This allows Centerra to measure its performance against international industry best practices. (The LTAF is the number of accidents resulting in days lost from work per 200,000 hours worked.) In 2005, Centerra's LTAF was 0.21 compared to a target of 0.24. The safety performance of Centerra's operations resulted in a LTAF that is better than the average for the mining industries in Ontario and Saskatchewan. Consequently, the safety performance target was achieved.

In 2005, Centerra's environmental performance target was achieved. Environmental performance is measured by Centerra's success in preventing spills that affect the environment. Centerra had three minor environmental incidents in 2005, none of which had an environmental impact.

Centerra's 2005 corporate performance regarding cost per ounce, ounces produced and change in the Company's net asset value is set out in the following table:

2005 CORPORATE PERFORMANCE MEASURES

	Total Cash Cost per Ounce	Production (total ounces)	Year-end net asset value/prior year's value
Target Results	$260	762,000	110%
Actual Results	$251	787,275	116.5%

Performance Share Unit Plan

Centerra's performance share unit plan is a mid-term incentive plan that permits Centerra to grant PSUs to its employees or officers. The intent of the performance share unit plan is to link executive performance with Centerra's performance and add shareholder value that exceeds the performance of other gold companies over a mid-term period of three years. The number of units awarded is based on a target percentage of the participant's base salary and Centerra's closing share price on the first trading day of the year following the year in respect of the year that the PSUs are granted. The target percentage varies depending upon the participant's level of responsibility.

Performance share units represent the right to receive the cash equivalent of a Share or, at Centerra's election, a Share purchased on the market, on a deferred basis. Each PSU vests three years from December 31 of the calendar year in respect of which the PSU is granted, or such earlier date as determined by the Committee. The first PSUs were issued June 30, 2004, the date of the Corporation's initial public offering. The vesting period for those first units began June 30, 2004 and will end December 31, 2006. Performance share units were awarded to the named executive officers on January 4, 2005. The vesting for the 2005 awards is December 31, 2007.

The number of units that will vest may be higher or lower than the number of units credited to a participant. The table below sets out the formula for determining the number of units which will vest based on Centerra's total return performance relative to the S&P/TSX Capped Gold Index Total Return Investment Value (the "TRIV") during the applicable period. The number of units that vest is determined by multiplying the number of units credited to the participant by the adjustment factor. For example, as of December 30, 2005, Centerra's total return performance relative to the TRIV for units issued in 2004 was a factor of 2.9 and for units issued in 2005 was a factor of 1.18. If, at that time, the units were vested, the result would be an adjustment in the number of performance units by 1.5 and 1.2, respectively.

Centerra Total Return Performance vs. TSX Gold Capped Index TRIV	**Adjustment Factor (PSUs that have been granted are adjusted by this factor)**
≥1.50	1.50
>1.25	1.35
>1.10	1.20
>1.00	1.05
>0.95	0.90
>0.90	0.75
>0.85	0.60
>0.75	0.45
under 0.75	Payout subject to board discretion

If dividends are paid on the Shares, additional PSUs will be credited to the participant's account. The number of additional units credited to a participant's account is determined by dividing the dollar amount of the dividends payable in respect of the PSUs allocated to the participant's account by the fair market value of the Shares on the date credited. Centerra currently pays no dividends.

The plan is administered by the Committee and PSUs are awarded at the Board's discretion.

Share Option and Share Appreciation Rights Plan

The purpose of the Option Plan is to link executive performance with successful, sustained long-term company performance that adds shareholder value. All executives are required to hold an amount of Shares equivalent to a specified percentage of base salary. The Option Plan allows executive employees and officers, through options, to acquire an ownership interest in Centerra. The Committee designates the recipients of options and the terms and conditions of each grant. Options are granted at prices no lower than the weighted average trading price of the Shares for the five trading days prior to the date of the grant. The number of options awarded is based on a target percentage of the base salary. The target percentage varies depending upon the executive's level of responsibility. The Option Plan has been approved by the Corporation's shareholders.

Under the Option Plan, options may be granted with a related share appreciation right. In these circumstances, the holder may elect to surrender all or a portion of an option in exchange for cash equal to the fair market value of the Shares issuable on exercise of the surrendered option or portion thereof, less the exercise price and any applicable taxes. Options granted in 2005 did not have a share appreciation right attached to them.

Centerra may, in its sole discretion, require a holder who has exercised a share appreciation right to exercise the holder's options instead, or it may elect to satisfy the cash amount owing upon exercise of a share appreciation right in Shares.

Options granted under the Option Plan are non-transferable, other than by will or the laws of descent and distribution. Options must be exercised not later than eight years after the date of the grant and are subject to a vesting schedule whereby options granted: (i) on or prior to December 7, 2005 will become vested as to one-fifth on the first anniversary of the grant and one-fifth on each of the four subsequent anniversaries of the grant, and (ii) after December 7, 2005 will become vested as to one-third on the first anniversary of the grant and one-third on each of the two subsequent anniversaries of the grant.

A maximum of 6,000,000 Shares have been made available for issuance upon exercise of options granted under the Option Plan, representing 8.32% of the Corporation's currently outstanding Shares. To date, no Shares in respect of vested options have been issued under the Option Plan. The maximum number of Shares that may be issued to any individual or any insider of the Corporation under the Option Plan within a twelve month period will not exceed 5% or 3,603,980, of the outstanding Shares. The following table summarizes aggregated information regarding the Corporation's outstanding options under the Option Plan.

Number of shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of options remaining available for issuance
200,183	$17.64	5,799,817

In accordance with TSX requirements, shareholder approval of amendments to the Option Plan is generally required in the case of fundamental changes such as an increase in the number of Shares issuable under the Option Plan or any change to the eligible participants which would have the potential of broadening or increasing insider participation. However, shareholder approval would generally not be required in the case of (a) amendments of a "housekeeping" nature, (b) a change to the vesting provisions of options or the Option Plan, (c) a change to the termination provisions of options or the Option Plan, which does not entail an extension beyond the original expiry date, and (d) the addition of a cashless exercise feature, payable in cash or Shares, which provides for a full deduction of the number of underlying Shares from the Option Plan reserve.

The Committee may amend, suspend or terminate the Option Plan at any time, subject to any required regulatory or shareholder approval. No amendment, suspension or termination may materially adversely affect any options or rights granted to a participant without the participant's consent. If the Option Plan is terminated, its provisions will continue as long as options or rights remain outstanding. With the consent of the participant, the Committee may amend or modify any outstanding option to the extent it would have had authority to initially grant the option as so modified.

If a participant of the Option Plan dies, options which have vested will be exercisable for a period of one year by the participant's legal representatives. Options not vested will expire. If a participant retires or becomes disabled, unvested options will continue to vest, and vested options will continue to be exercisable for a period of three years from the date of retirement or disability. Options not vested in that time will expire. If a participant ceases to be eligible under the Option Plan, for any other reason, except due to a change in control, all options which have vested will be exercisable by the participant for a period of 90 days. Options not vested or not exercised within the 90 day period will expire. In the event of a change of control, all options will vest immediately and the participant may exercise his or her options for a period of 90 days after the change in control event, following which unexercised options will expire.

Base Salary and Target Incentive Based on Plan Design

Executive total compensation is comprised of base salary and variable compensation that is subject to individual and corporate performance. The following table illustrates, based on plan design, the percentage of total compensation derived from each component.

Principal Position	Base Salary (% of Total Compensation)	Short-Term Incentive (Cash Bonus Plan) – (% of Total Compensation)	Long-Term Incentive (Performance Share Unit Plan) – (% of Total Compensation)	Long-Term Incentive (Option Plan) – (% of Total Compensation)	Total Compensation (%)
Chief Executive Officer	25	13	31	31	100
Chief Financial Officer	33	13	27	27	100
Chief Operating Officer	33	13	27	27	100
General Counsel and Corporate Secretary	43	13	22	22	100
Vice President, Human Resources	43	13	22	22	100

2005 Corporate Performance and Chief Executive Officer Compensation

The Committee annually reviews the performance and the salary of the Chief Executive Officer and makes its recommendations to the Board. The review includes a comparison to the salaries for similar positions and level of responsibility in the gold mining sector and the Canadian mining industry as reported from time to time by independent national surveys. The

Company's financial and operational performance, strategies employed to secure future gains for the Company's shareholders, and overall leadership are other performance measures used by the Committee. The review is the basis upon which the Chief Executive Officer's compensation is determined.

In terms of corporate performance, Centerra, under the leadership of its Chief Executive Officer achieved very good financial performance during 2005 and made continued progress toward becoming a leading international gold mining company. 2005 saw Centerra increase reserves at the Kumtor mine life, achieve safety, environmental and operating targets while addressing significant political uncertainties in the Kyrgyz Republic, achieve record Centerra production, provide very good shareholder return, and make good progress towards achieving its strategic objectives.

Cash provided by operations continued to be strong, at a level of $83 million. Total production was a Centerra record at 787,275 ounces of gold, while all operations maintained an excellent safety and environmental record. The Kumtor mine surpassed the production milestone of 5.5 million ounces produced; the Boroo mine maintained production well above design capacity levels and the mine lives were extended by almost three years at the Kumtor mine and one year at the Boroo mine due to increased reserves.

On January 4, 2005, Centerra's share price was $21.25 and closed the year at $28.15, a 32% increase. This performance exceeded the benchmark TRIV which increased 22% during the same period.

Centerra remains a leader in employing nationals. Its operations in the Kyrgyz Republic and Mongolia employ training and recruitment practices which has resulted in more than 90% of the work force being national employees and Centerra continues to make progress on its strategy to reduce the number of expatriates employed.

In light of Centerra's exceptional total return performance relative to the TRIV, the exceeding of pre-established individual and corporate performance targets and the progress made toward achieving strategic objectives, bonuses, PSUs and stock options were awarded to the Chief Executive Officer and other senior executives of Centerra.

The tables and related narrative below present information about compensation of the Corporation's "named executive officers" (determined in accordance with applicable rules).

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards		All Other Compensation ($)
		Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	Securities Under Options/SARs Granted (#)	Shares or Units Subject to Resale Restrictions ($)(3)	
Leonard A. Homeniuk, President and Chief Executive Officer(4)	2005	446,667	509,253	4,815	36,809	400,010(5)	—
	2004	369,665	311,654	5,014	47,790	3,131,822(6)	—
David M. Petroff, Executive Vice-President and Chief Financial Officer(7)	2005	338,333	240,327	—	22,431	243,759(8)	—
	2004	319,667	221,741	—	29,122	243,753(9)	—
George R. Burns, Vice President and Chief Operating Officer(10)	2005	305,000	222,912	—	15,817	171,870(11)	—
	2004	258,867	165,729	—	20,535	171,879(12)	—
Frank H. Herbert, General Counsel and Corporate Secretary(13)	2005	210,000	138,465	—	7,247	78,753(14)	—
	2004	25,038	10,344	—	—	—	—
Ross S. Brown, Vice-President, Human Resources(15)	2005	183,333	96,750	—	5,176	56,249(16)	—
	2004	79,615	32,016	—	3,360	28,132(17)	—

(1) Amounts shown were earned in relation to the financial year indicated and paid in the subsequent year. The bonus payments made to Messrs. Homeniuk and Herbert in 2005 are above the percentage of base salary targets in their employment contracts (described below), respectively, as each of their bonus payments includes a special recognition award made by the Board for their efforts in addressing the political uncertainty in the Kyrgyz Republic in 2005.

(2) Perquisites and other personal benefits, securities or property do not exceed $50,000 or 10 per cent of the total of the annual salary and bonus for any of the named executive officers and as a result are not included in the amounts shown. For Mr. Homeniuk, the amount in this column represents the imputed interest benefits computed in accordance with the *Income Tax Act* for a company housing loan in the amount of C$250,000, repayable on June 17, 2010.

(3) Dollar amounts are calculated based on numbers of PSU units held multiplied by the share price on the date of grant. For information on the performance share unit plan, including details regarding dividends and vesting, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(4) Mr. Homeniuk was under contract with Centerra beginning May 1, 2004, before which he worked for Cameco Gold. In 2004, he received in the aggregate compensation of $369,664.64 from Cameco Gold and Centerra, $102,984.64 of which was paid by Cameco Gold. For more information on Mr. Homeniuk's current compensation arrangements, please see the description of his employment contract below. Mr. Homeniuk also received 176,247 Shares from Cameco Gold at the closing of Centerra's initial public offering. This value is reported in the column entitled "Shares or Units Subject to Resale Restrictions."

(5) The amount is comprised of 18,824 PSUs awarded to Mr. Homeniuk on January 4, 2005. The value of Mr. Homeniuk's PSUs, based on the closing price of the Shares on December 30, 2005, was $529,896. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Homeniuk based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(6) The amount is comprised of 25,806 PSUs awarded to Mr. Homeniuk at the closing of Centerra's initial public offering and 176,247 Shares awarded to Mr. Homeniuk by Cameco Gold on the same date based on a price of $15.50 per share. The Shares may not be sold by Mr. Homeniuk until June, 2006. The value of the Shares based on the closing price of the Shares on December 30, 2005, was $4,961,353. The value of Mr. Homeniuk's PSUs based on the closing price of the Shares on December 30, 2005, was $726,439. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Homeniuk based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(7) Mr. Petroff was under contract with Centerra beginning May 1, 2004, before which he worked for Cameco. In 2004, he received in the aggregate compensation of $319,666.67 from Cameco and Centerra, $143,625 of which was paid by Cameco. For more information on Mr. Petroff's current compensation arrangements, please see the description of his employment contract below.

(8) The amount is comprised of 11,471 PSUs awarded to Mr. Petroff on January 4, 2005. The value of Mr. Petroff's PSUs based on the closing price of the Shares on December 30, 2005, was $322,909. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Petroff based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(9) This figure represents 15,726 PSUs awarded to Mr. Petroff at the closing of Centerra's initial public offering, calculated at a price of $15.50 per Share. The value of Mr. Petroff's PSUs based on the closing price of Centerra's common shares on December 30, 2005, was $442,687. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Petroff based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(10) Mr. Burns was under contract with Centerra beginning May 1, 2004, before which he worked for Cameco Gold. In 2004, he received in the aggregate compensation of $258,866.68 from Cameco Gold and Centerra, $75,533.36 of which was paid by Cameco Gold. For more information on Mr. Burns' current compensation arrangements, please see the description of his employment contract below.

(11) The amount is comprised of 8,088 PSUs awarded to Mr. Burns on January 4, 2005. The value of Mr. Burns' PSUs based on the closing price of the Shares on December 30, 2005, was $227,677. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Burns based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(12) This figure represents 11,089 PSUs awarded to Mr. Burns at the closing of Centerra's initial public offering, calculated at a price of $15.50 per Share. The value of Mr. Burns' PSUs based on the closing price of the Shares on December 30, 2005, was $312,155. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Burns based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(13) Mr. Herbert joined Centerra on November 22, 2004. Prior to joining Centerra, Mr. Herbert was a partner at the law firm Macleod Dixon LLP. For more information on Mr. Herbert's current compensation arrangements, please see the description of his employment contract below.

(14) The amount is comprised of 3,706 PSUs awarded to Mr. Herbert on January 4, 2005. The value of Mr. Herbert's PSUs based on the closing price of the Shares on December 30, 2005, was $104,323. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Herbert based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(15) Mr. Brown joined Centerra on June 21, 2004. Prior to joining Centerra, Mr. Brown was employed with Noranda/Falconbridge. For more information on Mr. Brown's current compensation arrangements, please see the description of his employment contract below.

(16) The amount is comprised of 2,647 PSUs awarded to Mr. Brown on January 4, 2005. The value of Mr. Brown's PSUs based on the closing price of the Shares on December 30, 2005, was $74,513. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Brown based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

(17) This figure represents 1,815 PSUs awarded to Mr. Brown at the closing of Centerra's initial public offering, calculated at a price of $15.50 per share. The value of Mr. Brown's PSUs based on the closing price of the Shares on December 30, 2005, was $51,092. The number of units that will vest may be higher or lower than the number of units awarded to Mr. Brown based on Centerra's total return performance relative to the TRIV. For information on the performance share unit plan, please refer to "Report on Compensation of Executive Officers – Performance Share Unit Plan".

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options on the Date of Grant ($/Security)	Expiration Date
Leonard A. Homeniuk, President and Chief Executive Officer	36,809	39.7	20.12	20.12	February 4, 2013
David M. Petroff, Executive Vice-President and Chief Financial Officer	22,431	24.2	20.12	20.12	February 4, 2013
George R. Burns, Vice President and Chief Operating Officer	15,817	17.1	20.12	20.12	February 4, 2013
Frank H. Herbert, General Counsel and Corporate Secretary	7,247	7.8	20.12	20.12	February 4, 2013
Ross S. Brown, Vice-President, Human Resources	5,176	5.6	20.12	20.12	February 4, 2013

AGGREGATED OPTION/SAR EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION VALUES

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options/SARs at December 31, 2005 (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at December 31, 2005 ($) Exercisable/ Unexercisable
Leonard A. Homeniuk, President and Chief Executive Officer	Nil	Nil	9,558 /75,041	120,909/779,214
David M. Petroff, Executive Vice-President and Chief Financial Officer	Nil	Nil	5,824 /45,729	73,674/474,836
George R. Burns, Vice President and Chief Operating Officer	Nil	Nil	4,107 /32,245	51,954/334,821
Frank H. Herbert, General Counsel and Corporate Secretary	Nil	Nil	0/7,247	— /58,192
Ross S. Brown, Vice-President, Human Resources	Nil	Nil	672/7,864	8,501 /75,569

Leonard A. Homeniuk

Centerra has entered into an employment agreement with Mr. Leonard A. Homeniuk, the terms of which are substantially as follows. Mr. Homeniuk is Centerra's President and Chief Executive Officer and is paid a base salary of C$470,000 per year. Mr. Homeniuk is also eligible for a target annual bonus of 50% of his salary and a maximum bonus of 100% of his salary under Centerra's cash bonus plan. In addition, Mr. Homeniuk participates in Centerra's performance share unit plan. Mr. Homeniuk also participates in the Option Plan. If Mr. Homeniuk is terminated without just cause or resigns for good reason as defined in the employment agreement, he will be entitled to a lump sum payment equal to his base salary for the lesser of 36 months and the number of months to his 65th birthday, plus continuance of participation in the benefits plans for that period. Mr. Homeniuk is required to hold an amount of Shares equivalent in value to two times his base salary, to be achieved within a five-year period. No pension plan is provided to Mr. Homeniuk.

In consideration for the efforts and contribution made by Mr. Homeniuk in relation to the Kumtor restructuring, in June 2004, and in consideration for his past service provided to Cameco and Cameco Gold, Cameco Gold transferred to Mr. Homeniuk 176,247 Shares. Cameco Gold also made a payment to Mr. Homeniuk to offset 50% of the taxes payable by him in connection with his receipt of these Shares. Mr. Homeniuk has agreed that he will not transfer or assign these Shares before June 30, 2006. If Centerra ceases to be controlled by Cameco Gold during this two-year period, Mr. Homeniuk has agreed to participate in the sale effecting this change of control and to sell a proportionate number of his Shares on the same terms and conditions as Cameco Gold.

David M. Petroff

Centerra has entered into an employment agreement with Mr. David M. Petroff, the terms of which are substantially as follows. Mr. Petroff is Centerra's Executive Vice President and Chief Financial Officer and is paid a base salary of C$345,000 per year. Mr. Petroff is also eligible for a target annual bonus of 40% of his salary and a maximum bonus of 80% of his salary under Centerra's cash bonus plan. In addition, Mr. Petroff participates in Centerra's performance share unit plan. Mr. Petroff also participates in the Option Plan. In addition to Mr. Petroff qualifying for benefits under Cameco's relocation policy, Cameco purchased Mr. Petroff's home in Saskatoon for approximately the amount he has invested and provided other benefits over the first 15 months of his employment. If Mr. Petroff is terminated without just cause or resigns for good reason as defined in the employment agreement, he will be entitled to a lump sum payment equal to his base salary for the lesser of 36 months and the number of months to his 65th birthday, plus continuance of participation in the benefits plans for that period. Mr. Petroff is required to hold an amount of Shares equivalent in value to 50% of his base salary, to be achieved within a five-year period. No pension plan is provided to Mr. Petroff.

George R. Burns

Centerra has entered into an employment agreement with Mr. George R. Burns, the terms of which are substantially as follows. Mr. Burns is Centerra's Vice President and Chief Operating Officer and is paid a base salary of C$320,000 per year. Mr. Burns is also eligible for a target annual bonus of 40% of his salary and a maximum bonus of 80% of his salary under Centerra's cash bonus plan. In addition, Mr. Burns is eligible to participate in Centerra's performance share unit plan. Mr. Burns also participates in the Option Plan. If Mr. Burns is terminated without just cause or resigns for good reason as defined in the employment agreement, he will be entitled to a lump sum payment equal to his base salary for the lesser of 12 months and the number of months to his 65th birthday or, if he is terminated within 12 months following a change of control of Centerra, a lump sum payment equal to twice that amount, in each case plus continuance of participation in the benefits plans for that period. Mr. Burns is required to hold an amount of Shares equivalent in value to 50% of his base salary, to be achieved within a five-year period. No pension plan is provided to Mr. Burns.

Frank H. Herbert

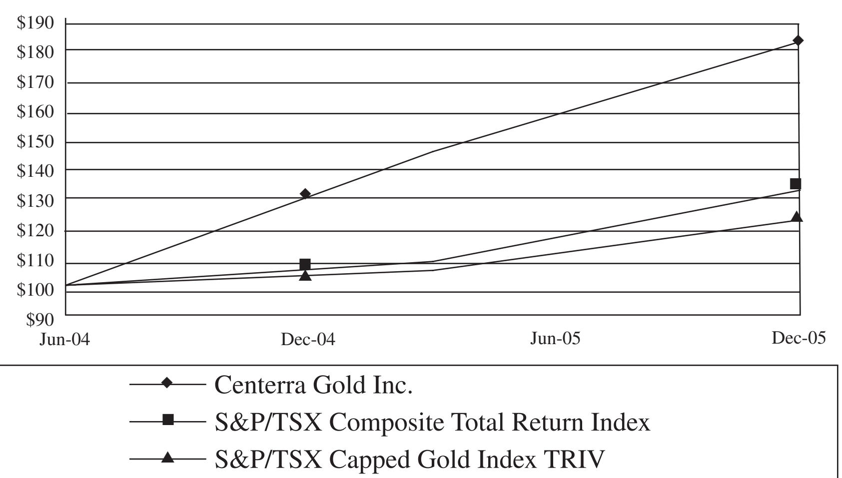
Centerra has entered into an employment agreement with Mr. Frank H. Herbert, the terms of which are substantially as follows. Mr. Herbert is Centerra's General Counsel and Corporate Secretary and is paid a base salary of C$210,000 per year. Mr. Herbert is also eligible for a target annual bonus of 30% of his salary and a maximum bonus of 60% of his salary under Centerra's cash bonus plan. In addition, Mr. Herbert is eligible to participate in Centerra's performance share unit plan. Mr. Herbert also participates in the Option Plan. If Mr. Herbert is terminated without just cause or resigns for good reason as defined in the employment agreement, he will be entitled to a lump sum payment equal to his base salary for the lesser of 12 months and the number of months to his 65th birthday or, if he is terminated within 12 months following a change of control of Centerra, a lump sum payment equal to twice that amount, in each case plus continuance of participation in the benefits plans for that period. Mr. Herbert is required to hold an amount of Shares equivalent in value to 50% of his base salary, to be achieved within a five-year period. No pension plan is provided to Mr. Herbert.

Ross S. Brown

Centerra has entered into an employment agreement with Mr. Ross S. Brown, the terms of which are substantially as follows. Mr. Brown is Centerra's Vice President, Human Resources & Administration and is paid a base salary of C$200,000 per year. Mr. Brown is also eligible for a target annual bonus of 30% of his salary and a maximum bonus of 60% of his salary under Centerra's cash bonus plan. In addition, Mr. Brown is eligible to participate in Centerra's performance share unit plan. Mr. Brown also participates in the Option Plan. If Mr. Brown is terminated without just cause or resigns for good reason as defined in the employment agreement, he will be entitled to a lump sum payment equal to his base salary for the lesser of 12 months and the number of months to his 65th birthday or, if he is terminated within 12 months following a change of control of Centerra, a lump sum payment equal to twice that amount, in each case plus continuance of participation in the benefits plans for that period. Mr. Brown is required to hold an amount of Centerra's Shares equivalent in value to 50% of his base salary, to be achieved within a five-year period. No pension plan is provided to Mr. Brown.

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for $100 invested in Shares from June 30, 2004 to December 31, 2005, with the cumulative total return of the TRIV for the same period. The Shares were initially offered at a price of $15.50 per share. The closing price of the Shares on the TSX on December 30, 2005 was $28.15 per Share.



COMPENSATION OF DIRECTORS

Centerra's non-executive directors receive a retainer of $45,000 per year, a minimum of 60% of which is paid in DSUs and the balance in cash. The chair of each committee of the Board also receives an additional retainer of $3,000 per year except the chair of the Audit Committee, who receives an additional retainer of $6,000 per year. Directors receive an attendance fee of $1,250 for each Board meeting and committee meeting that they attend and $1,750 for each Audit Committee meeting that they attend. Directors who are officers of Cameco, Cameco Gold, Centerra or their subsidiaries do not receive fees for serving as directors. Directors are reimbursed for travel and other out-of-pocket expenses incurred in connection with meetings of the Board of Directors or any committee of the Board and are provided a travel allowance of $1,250 per meeting ($3,750 in the case of Kyrgyzaltyn's nominee).

Mr. Patrick M. James is the non-executive Chair of the Board. Mr. James sits on three committees and chairs one. Mr. James is entitled to an annual retainer in the amount of $125,000, 60% of which is to be paid in DSUs and the balance in cash. Mr. James is also entitled to the usual fees for attending Board and committee meetings. In addition, Mr. James provided special transition assistance to Centerra from the date of his appointment to December 31, 2004 for which he was paid an additional retainer of $125,000, payable in DSUs or cash as elected by Mr. James. Mr. James was provided with rental accommodation and a car in Toronto until June 30, 2004 and will be provided a club membership during his tenure, at Centerra's expense. The transition assistance, rental accommodation and car arrangements have all terminated as at the dates noted above. Centerra continues to provide Mr. James with a club membership.

Directors Deferred Share Unit Plan

Centerra has established a deferred share unit plan to provide for non-executive directors to receive a portion of their director's compensation as DSUs. Directors may elect to receive all of their director's compensation as DSUs. Management believes that the implementation of this plan will further align the interest of these directors with those of the shareholders. Directors who are officers of Cameco, Cameco Gold, Centerra or their subsidiaries do not receive DSUs for serving as directors.

Deferred share units are paid in full to the director no later than December 31 in the calendar year that immediately follows the calendar year following termination of Board service. Each DSU vests immediately and represents the right of the director to receive, after termination of Board service, at Centerra's option, one Share purchased on the open market or the equivalent cash value. If a dividend is paid on the Shares, each director will be allocated additional DSUs equal in value to the dividend multiplied by the number of DSUs held by the director. Directors who are officers of Cameco, Cameco Gold or Centerra or its subsidiaries are not eligible for DSUs.

Directors Share Ownership Guidelines

Centerra has established share ownership guidelines for its non-executive directors of an amount equal to three times their annual retainer, to be achieved within a period of five years. Deferred share units count toward the achievement of these ownership guidelines.

INDEBTEDNESS

As of March 28, 2006, there was no indebtedness (other than "routine indebtedness" under applicable Canadian securities laws) of officers, directors and employees and former officers, directors and employees of the Corporation or its subsidiaries.

AUDIT COMMITTEE

Information regarding the Corporation's Audit Committee can be found under "Audit Committee" in the AIF. A copy of the AIF can be obtained by securityholders of the Corporation free of charge by contacting the Corporation at 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1, Attention: Director, Investor Relations or (416) 204-1953, or can be found on SEDAR at www.sedar.com.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors and management believe that sound and effective corporate governance is essential to Centerra's performance. Centerra has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and that the Board functions independently of management. In addition, the Nominating and Corporate Governance Committee of the Board of Directors reviews Centerra's corporate governance practices and procedures on a regular basis to ensure that they address significant issues of corporate governance.

The following statement sets out a description of Centerra's corporate governance practices as approved by the Board of Directors taking into account the best practices set forth in National Instrument 58-101 – Corporate Governance Disclosure ("NI 58-101").

Board Mandate

The Board supervises the conduct of the affairs of the Corporation directly and through its committees. In so doing, the Board endeavours to act always in the best interests of the Corporation. In addition, the Board recognizes the importance of the enhancement of both short and longer term value for all shareholders. In carrying out its responsibilities, the Board appoints the senior executives of the Corporation and meets with them on a regular basis to receive and consider reports on the Corporation's business. The Board of Directors holds regularly scheduled meetings, with additional meetings being held as required to consider particular issues or conduct specific reviews between regularly scheduled meetings. Between January 1, 2005 and December 31, 2005, the Board of Directors held 8 meetings.

Along with those matters which must by law be approved by the Board, key strategic decisions are also submitted by management to the Board for approval. In addition to approving specific corporate actions, the Board reviews and approves the reports issued to shareholders, including annual and interim financial statements, as well as materials prepared for shareholders' meetings. The Board also approves the Corporation's overall business strategies and annual business plans for achieving its objectives.

The fundamental responsibility of the Board is to supervise the management of Centerra's business and affairs with a view to sustainable value creation for all shareholders. Centerra's Board promotes fair reporting, including financial reporting, to shareholders and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls.

The Board is, among other matters, responsible for the following:

- selection, appointment, evaluation and, if necessary, termination of the Chief Executive Officer and senior management;
- adoption of a strategic planning process and approval of strategic plans;
- risk management policies and procedures;
- policies and procedures regarding the integrity of financial reporting and information management;
- oversight of estimates of Centerra's reserves by management;
- human resources policies;
- health, safety and environmental policies;
- disclosure policies and procedures;
- corporate governance; and
- certain other matters which may not be delegated by the Board under applicable corporate law.

The Board has adopted a formal written mandate which clarifies these responsibilities and complements the written mandates of each of the committees. A copy of the Board's mandate can be found on Centerra's website at www.centerragold.com and is also available in print upon request.

The Board has appointed a non-executive, independent director as Chair, which allows the Board to function independently of management. Mr. James has held this position since 2004. The Chair is principally responsible for overseeing the operations and affairs of the Board. His responsibilities include leading, managing and organizing the Board, consistent with the approach to corporate governance adopted by the Board from time to time; confirming that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently from management; acting as a liaison between the Board and senior management, including acting as an advisor to and sounding board for the Chief Executive Officer; and working with the Chief Executive Officer, the chair of the Nominating and Corporate Governance Committee and the Corporate Secretary to further the creation of a healthy governance culture within Centerra. The Board has adopted a position description for the Chair of the Board, which sets out the duties and responsibilities of the Chair. This position description is reviewed by the Board from time to time. The position description for the Chair of the Board is contained in the Board's mandate. The Board's mandate also provides that the chair of each committee is responsible for determining the agenda, and the frequency and conduct of the meetings of that committee.

The Board has also adopted a position description for Centerra's Chief Executive Officer which sets out the duties and responsibilities of the Chief Executive Officer. This position description is reviewed by the Board from time to time.

The Board receives reports on Centerra's operating activities as well as timely reports on certain non-operational matters, including insurance, legal, corporate governance and financial matters.

Directors are provided an opportunity to meet individually in work sessions with senior management to obtain further insight into the operations of the Corporation and its subsidiaries, and are involved on a regular basis in discussions with management. Each Board committee may engage outside advisors at the expense of the Corporation. Individual directors are also free to consult with members of senior management whenever so required and to engage outside advisers, at the expense of the Corporation, with the authorization of the Nominating and Corporate Governance Committee. To ensure that the Board is able to discharge its responsibilities independently of management, independent directors may meet separately as requested by any independent director.

Composition of the Board

The names of Centerra's current and proposed directors, together with their age, municipality and country of residence, year first elected or appointed as a director, principal occupation, other principal directorships and committee memberships are set out under "Business to be Transacted at the Meeting – Election of Directors". Also indicated for each director is the number of common shares beneficially owned, directly or indirectly, by the director or over the director exercised control or direction on December 31, 2005 and, as of the same date, the number of DSUs credited to the account of the director and the number of options held by each director.

Centerra's Board is comprised of a majority of independent directors. Centerra's Board has assessed the independence of each director. In determining independence, the Board examined and relied on the definition of independence in NI 58-101. After considering a wide variety of factors and information disclosed by each director, the Board has determined that of the nine directors, five are independent.

- One of the directors, Mr. Homeniuk, is not independent because he is a member of management of Centerra.
- Two of the directors, Mr. Grandey and Mr. Rogers, are not independent because they are members of management of Cameco, the Corporation's indirect parent corporation.
- One of the directors, Mr. Djakypov, is the President of Krygyzaltyn, which has significant ongoing arrangements with Centerra as discussed under the heading "Interests of Management and Others in Material Transactions" in the AIF.
- Messrs. James, Austin, Auston, Spross and Webb are each independent.

Approximately 52.7% of the outstanding common shares are held by the Corporation's controlling shareholder, Cameco Gold, and approximately 15.7% of the outstanding common shares are held by Kyrgyzaltyn.

Under the terms of the Shareholders Agreement, so long as Kyrgyzaltyn continues to hold 5% or more of Centerra's outstanding Shares, Cameco Gold and its affiliates will vote their Shares for the election or appointment of one nominee designated by Kyrgyzaltyn to Centerra's Board of Directors and Centerra has agreed to include in Centerra's proposed slate of directors nominated for election at each annual or special meeting one Board nominee designated by Kyrgyzaltyn. In addition, so long as Cameco Gold and its affiliates hold 5% or more of Centerra's outstanding Shares, Kyrgyzaltyn will vote its Shares for the election or appointment of that number of nominees designated by Cameco Gold to Centerra's Board of Directors as is proportionate to Cameco Gold's common shareholding percentage.

Committees of the Board of Directors

Each Board committee operates under a written charter that sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. The charters are reviewed annually by the relevant committee and the Nominating and Corporate Governance Committee, which may make recommendations to the Board for changes. Below is a brief description of the responsibilities of each committee.

Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- financial reporting;
- the external auditor;
- the internal auditor;
- compliance with legal and regulatory requirements related to financial reporting and certain corporate policies;
- internal controls over financial reporting and disclosure controls; and
- any additional matters delegated to the Audit Committee by the Board.

The members of the Audit Committee are Messrs. Austin, Auston and James. The Board has determined that all of the Audit Committee members are independent and financially literate as required by applicable securities legislation. Between January 1, 2005 and December 31, 2005, the Audit Committee met 7 times.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- Centerra's overall approach to corporate governance;
- the size, composition and structure of the Board and its committees;
- the identification and recommendation to the Board of qualified individuals for appointment to the Board and its committees;
- orientation and continuing education for directors;
- the limitation of director and officer liability, including indemnities under contract or by-law or pursuant to directors and officers insurance;
- matters involving conflicts of interest of directors; and
- any additional matters delegated to the Nominating and Corporate Governance Committee by the Board.

The members of the Nominating and Corporate Governance Committee are Messrs. Austin, Grandey, James and Webb. Other than Mr. Grandey, each of these directors is independent. Between January 1, 2005 and December 31, 2005, the Nominating and Corporate Governance Committee met 5 times.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- the selection and retention of senior management;
- the compensation of senior management;
- senior management succession and development;
- human resources policies; and
- any additional matters delegated to the Human Resources and Compensation Committee by the Board.

The members of the Human Resources and Compensation Committee are Messrs. Austin, Spross and Webb, each of whom is independent. Between January 1, 2005 and December 31, 2005, the Human Resources and Compensation Committee met 5 times.

Safety, Health and Environmental Committee

The Safety, Health and Environmental Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- the establishment and review of Centerra's safety, health and environmental policies;
- management of the implementation of compliance systems;
- monitoring the effectiveness of Centerra's safety, health and environmental policies, systems and monitoring processes;
- receiving audit results and updates from management with respect to Centerra's health, safety and environmental performance;
- reviewing the annual budget for safety, health and environmental operations; and
- any additional matters delegated to the Safety, Health and Environmental Committee by the Board.

The members of the Safety, Health and Environmental Committee are Messrs. James, Djakypov, Rogers and Spross. Two of these directors are independent. Between January 1, 2005 and December 31, 2005, the Safety, Health and Environmental Committee met 4 times.

Reserves Committee

The Reserves Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- the estimation of reserves by management;
- the review of reserve information before publication; and
- any additional matters delegated to the Reserves Committee by the Board.

The members of the Reserves Committee are Messrs. Auston, Djakypov and Spross. Two of these directors are independent. Between January 1, 2005 and December 31, 2005, the Reserves Committee met 3 times.

Assessment Process

Annually, the Nominating and Corporate Governance Committee reviews the effectiveness of the Board, its Chair and committees and directors through the use of a confidential self-assessment questionnaire completed by each member. The results of the surveys are subsequently discussed by the Board.

The Nominating and Corporate Governance Committee, through the survey and interviews, assesses the operation of the Board and the committees, the adequacy of information given to directors, communication between the Board and management, the effectiveness of the processes of the Board and committees, and the effectiveness of the Board and directors. The committee recommends to the Board any changes needed to enhance performance based upon this assessment process.

Director Qualifications and Board Size

The Nominating and Corporate Governance Committee is responsible for assessing the need for new directors, and the preferred experience and qualifications of new directors. The Nominating and Corporate Governance Committee recommends candidates for initial Board membership and Board members for re-nomination. Recommendations are based on character, integrity, judgment, business experience, record of achievement and any other skills or talents that would enhance the Board and overall management of the business and affairs of the Corporation.

The Nominating and Corporate Governance Committee maintains an understanding of the anticipated tenure of current directors, and the needs of the Board as a whole. Particular candidates are considered in light of the Board's current and anticipated needs. Board members complete annual skills and experience self-assessments, which are reviewed by the Nominating and Corporate Governance Committee to assist in placing Board members on committees where their expertise can best be utilized and also to identify skills and experience gaps important in identifying any new nominees to the Board.

The Nominating and Corporate Governance Committee is aware of the opportunity for its independent members to meet separately as requested by any independent member of the Nominating and Corporate Governance Committee from time to time.

The Board is currently of the view that its optimal size for effective decision-making and committee work is 9 to 10 members.

Centerra provides new directors with orientation materials describing the business of the Corporation, its corporate governance structure and related policies and information. New directors also have meetings with Centerra's Chief Executive Officer, Chief Financial Officer and other senior executives.

Continuing education is provided by management through presentations to the Board and committees when any key business decisions are sought at strategic planning meetings. Board members are encouraged to attend conferences or seminars at Centerra's expense. The conference or seminar can deal with any subject matter that is applicable to the Board member's role on the Board or its committees or to increase the member's knowledge of the Corporation's business. The Corporate Secretary notifies Board members of conferences, seminars or other educational opportunities on pertinent topics.

Director Attendance

All directors are expected to attend Board and relevant committee meetings and the annual meeting of shareholders, except where non-attendance is unavoidable. The attendance records of Centerra's current directors during fiscal year 2005 are set out under "Meeting Attendance".

Compensation of Directors and Officers

The Board believes that compensation for directors should be competitive with the compensation paid to directors of comparable companies. The Human Resources and Compensation Committee reviews directors' compensation annually and makes recommendations to the Board. Directors who are employees of the corporation or any of its affiliates do not receive any compensation for service as directors. Compensation paid to each director during fiscal 2005 is set out under "Compensation of Directors".

Centerra's executive compensation philosophy is described under "Report on Compensation Committee of Executive Officers".

Codes of Ethics

Centerra's Board expects all of Centerra's directors, officers and employees to conduct themselves in accordance with the highest ethical standards.

Centerra's Board has adopted a Code of Ethics for employees which addresses, among other things, avoidance of conflicts of interest, protection of confidential information, compliance with applicable laws, rules and regulations, adherence to good disclosure practices and procedures for employees and third parties to report concerns with respect to accounting and auditing matters. Employees with such concerns may report their concerns directly or, if they so wish, in a confidential or anonymous manner to: (i) the general counsel and corporate secretary of the Corporation, (ii) the chair of the Audit Committee, or (iii) a 24 hour-a-day compliance hotline, a service which is operated by a third party. The process for setting up the compliance hotline is underway and is expected to be completed by June 2006. As set out in the Code of Ethics, an employee who, in good faith, reports a concern regarding accounting matters or a suspected breach of the Code of Ethics is protected from reprisal, such as dismissal, demotion, suspension, threats, harassment or discrimination.

The Board has also adopted a Code of Ethics for directors which sets out the ethical standards that apply to directors in the exercise of their duties. Directors are required to promptly report all actual, potential or perceived conflicts of interest to the Corporate Secretary, who is in turn required to bring such conflicts to the attention of the Nominating and Corporate Governance Committee. Directors may not participate in discussions, deliberations or decision-making in which they have a conflict of interest.

An annual compliance certificate is required to be signed by all directors and employees of Centerra. The Audit Committee receives an annual compliance report for employees, and the Nominating and Corporate Governance Committee receives an annual report on directors' compliance. Issues arising between annual reporting are brought to the attention of the appropriate committee.

Copies of the Codes of Ethics for employees and directors can be found on Centerra's website at www.centerragold.com and are also available in print upon request.

Disclosure and Insider Trading Policy

Centerra's Board has adopted and periodically reviews and updates Centerra's written corporate disclosure and insider trading policy. This policy among other things:

- establishes a process for the disclosure of material information;
- establishes a process for reviewing news releases, corporate documents and public oral statements before they are issued;
- sets out the obligations of Centerra's directors, officers and other employees to preserve the confidentiality of undisclosed material information; and
- sets out the prohibitions applicable to Centerra's directors, officers and other employees with respect to illegal insider trading and tipping.

Shareholder/Investor Communications and Feedback

The Corporation has in place procedures to effectively communicate with its stakeholders, including its shareholders, employees and the general public. The fundamental objective of these procedures is to ensure an open, accessible and timely exchange of information with shareholders, employees and other stakeholders concerning the business, affairs and performance of the Corporation. This includes quarterly conference calls with industry analysts, investors and media representatives in conjunction with the release of the Corporation's financial results, as well as regular presentations to or meetings with industry analysts and with institutional shareholders. Through the Corporation's website, shareholders and other stakeholders may access webcasts of these conference calls and most of the presentations made by the Corporation to the investment community. In addition, the Corporation has in place procedures to ensure that inquiries or other communications from shareholders are answered by an appropriate person in the Corporation.

You may contact the Board or Centerra's independent directors as a group by writing to them c/o Patrick M. James, Chair of the Board of Directors, Centerra Gold Inc., 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Insurance Coverage for Directors and Officers and Indemnification

Centerra's directors and officers are covered under the directors and officers insurance policies of its ultimate parent Cameco. The aggregate limit of liability applicable to those insured directors and officers under the policies is C$100 million inclusive of defence costs. There is no deductible for officers or directors under these policies. Under the policies, Centerra has reimbursement coverage to the extent that it or a subsidiary has indemnified a director or officer in excess of a deductible of C$1 million for each loss. Centerra has agreed to indemnify each director and officer against all costs, charges and expenses reasonably incurred in respect of any action or proceeding to which any such person is made a party by reason of being a director or officer of the Corporation, subject to the limitations contained in the CBCA. The premium paid by Centerra in 2005 was C$350,000.

Centerra's by-laws also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations. Centerra has also entered into agreements with each of its directors and officers providing for indemnification and related matters.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Information regarding interests of informed persons in material transactions can be found under the heading "Interest of Management and Others in Material Transactions" in the AIF. A copy of the AIF can be obtained by securityholders of the Corporation free of charge by contacting the Corporation at 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1, Attention: Corporate Secretary, or (416) 204-1953 or can be found on SEDAR at www.sedar.com.

SHAREHOLDER PROPOSALS FOR NEXT YEAR'S ANNUAL MEETING

The CBCA permits certain eligible shareholders of the Corporation to submit shareholder proposals to the Corporation, which proposals may be included in a management information circular relating to an annual meeting of shareholders. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders of the Corporation to be held in 2007 is January 10, 2007.

ADDITIONAL INFORMATION

Financial information for the financial year ended December 31, 2005, is provided in the Corporation's consolidated financial statements and management's discussion and analysis ("MD&A") which are included in the Annual Report. Securityholders who wish to be added to the mailing list for the annual and interim financial statements and MD&A should contact the Corporation at 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1 or (416) 204-1953.

Copies of the AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the AIF; the Corporation's most recently filed consolidated financial statements, together with the accompanying report of the auditor, and any interim financial statements of the Corporation that have been filed for any period after the end of the Corporation's most recently completed financial year; and this circular are available to anyone, upon request, from the Secretary of the Corporation, and without charge to securityholders of the Corporation.

The Annual Report (including the financial statements and MD&A), the AIF and other information relating to the Corporation is available on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this circular and its sending to shareholders of the Corporation have been approved by the directors of the Corporation.

By Order of the Board of Directors

Frank Herbert

Frank H. Herbert
Corporate Secretary

Toronto, Ontario

March 31, 2006