

A commitment to high standards



Patrick M. James
Chair,
Board of Directors

GOVERNANCE

Centerra Gold remained firmly on track in 2006, replacing reserves and expanding resources through our exploration success at the south end of the Kumtor pit and heap leach initiative at the Boroo mine. Operational performance continued to be strong and both Kumtor and Boroo enjoyed solid environmental records. During the year, management also continued to pursue strategic acquisition opportunities in a highly disciplined and focused manner.

Emphasizing corporate governance

The Board and management believe that sound and effective corporate governance is essential to Centerra's performance. We understand that creating value for our shareholders both in the short-term and over the longer term is a process that never ends. In carrying out its responsibilities, Centerra's directors hold regular meetings, with additional meetings held as required to consider particular issues or conduct specific reviews. These dedicated and skilled individuals bring a wealth of international experience – in exploration, project development, mining and financial management – that encourages open, productive discussion in all areas affecting Centerra's business.

In addition, Centerra's commitment to sustainable development and its effective Health, Safety and Environmental management systems are strongly supported by the Board.

As we look ahead, I am confident the Board will continue to play a central role in Centerra's long-term success.

Patrick M. James

Chair, Board of Directors

March 19, 2007