



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Earns US\$0.17 per Share in the First Quarter of 2005

Toronto, Canada, April 29, 2005: Centerra Gold Inc. (TSX: CG) today reported net earnings of \$12 million or \$0.17 per share in the first quarter of 2005 on production of 213,450 ounces of gold. The cash operating cost was \$211 per ounce of gold. In the first quarter of 2004, the Company reported net earnings of \$8 million or \$0.20 per share on production of 76,945 ounces of gold. The lower earnings per share result year-over-year reflects the increased number of shares outstanding following Centerra's restructuring and IPO in June, 2004.

Cash generated from operations, net of working capital changes and other operating items, amounted to \$37 million in the first quarter of 2005. This compares to \$3 million generated in the same period of 2004.

The increase in net earnings and cash from operations resulted from an increased share of production at Kumtor, a full quarter of operations at Boroo and higher spot and realized prices.

First Quarter Highlights

- Production of 213,450 ounces of gold surpassed forecast by 10%
 - Cash operating cost was \$211 per ounce of gold
 - Maintained record of uninterrupted production since 1997 at Kumtor
 - Cash on hand was \$185 million at March 31; no long-term debt
 - Exploration investment totaled \$5 million as the intense drilling continued at all sites
 - Increased resources at the Gatsurt deposit; initiating feasibility study in May, 2005
 - The political unrest experienced in the Kyrgyz Republic in March has subsided; Presidential elections have been scheduled for July 10, 2005; the Kumtor mine experienced no adverse effect on operations as a result of the unrest
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Commentary

Len Homeniuk, President and CEO, commented “Strong, steady operations at both mines combined with our leverage to the gold price drove the results for the quarter. Furthermore, our unit cash cost remained among the lowest in the industry.

Going forward, we are focused on maintaining steady operations at the mines, cost-containment, building the reserves for the future and additional growth through selective acquisitions.”

Financial Summary

Total production of 213,450 ounces exceeded forecast as a result of higher than expected head grades and recoveries. Mine production in the first quarter of 2004, on a 100% basis and excluding two months of pre-production at Boroo, totaled 192,280 ounces. As a result of the higher production, increased ownership of both mines and a 14% improvement in the realized gold price, revenues increased \$66 million year-over-year to total \$92 million in the first quarter of 2005.

Using the Gold Institute standard, Centerra’s total cash cost per ounce of gold was \$211 for the first quarter of 2005. The comparative cash cost for the same period last year was \$182 per ounce.

Gross profit was \$23 million in the quarter compared to \$10 million a year ago.

Cash flow from operations was \$37 million, exceeding the amount generated a year ago by almost \$34 million.

Capital expenditures in the first quarter of 2005 amounted to \$4 million of which \$3 million was spent on the maintenance projects. Centerra’s cash position was \$185 million at the end of the period. The Company has no long-term debt or gold hedge positions.

Centerra Gold became a public company on June 30, 2004. Its predecessor company, Cameco Gold Inc., was a division of Cameco Corporation (Cameco), which held a one-third interest in Kumtor, a 53% interest in Boroo, a 62% interest in REN and a 73% interest in Gatsuurt. Since June 30, 2004, Centerra’s ownership interests consist of a 100% interest in the Kumtor mine, a 95% interest in the Boroo mine, a 62% interest in the REN deposit and a 100% interest in the Gatsuurt property. For accounting purposes, Centerra’s consolidated statements reflect proportional consolidation for the Kumtor mine and full consolidation for the Boroo mine for the first quarter of 2004 and full consolidation for both operations for the first quarter of 2005.

Exploration Update

In a separate release on April 29, 2005, Centerra announced the addition of 387,000 ounces of indicated resources at its 100%-owned Gatsuurt deposit in Mongolia. The updated estimate now stands at 11.3 million tonnes at an average grade of 3.5 grams per tonne (“g/t”) gold for a total of 1,277,000 ounces of contained gold. Additional inferred resources are estimated at 2.2 million tonnes at an average grade of 3.0 g/t gold for a total of 210,000 ounces of contained gold.

As a result of the expansion of the deposit and encouraging metallurgical testwork, Centerra's Board of Directors approved the initiation of a feasibility study on the development of the project. The study is scheduled to begin in May, 2005 and will be completed before the 2005 year-end. The Gatsuurt deposit is 35 km southeast of Centerra's Boroo mine which went into commercial production in 2004.

Drilling activities continued as planned at the other targets in Centerra's exploration program.

Political Situation in the Kyrgyz Republic

Parliamentary elections held in the Kyrgyz Republic on February 28, 2005 precipitated a number of political events. As a result, the then President, Mr. Akayev, submitted his resignation under allegations of election fraud and Presidential elections have been scheduled for July 10, 2005. During this period of political unrest, the Kumtor operation did not experience any adverse effect.

On April 18, 2005, the acting President and Prime Minister of the Kyrgyz Republic, Mr. K. Bakiev, issued a decree to establish a special commission to inquire into former President Akayev's assets. Centerra's wholly-owned Kyrgyz subsidiary, Kumtor Gold Company, is included in the list of assets subject to the decree. According to an Associated Press story dated April 27, 2005, Deputy Prime Minister D. Usenov, the head of the special commission, stated that Kumtor "is currently under a scheduled tax inspection and will be dropped from the list after the inspection is over." Mr. Bakiev has publicly stated on several occasions that the Kyrgyz Republic will honour its agreements with foreign investors. We do not believe that the activities of the special commission or the routine tax inspection will have a material effect on our assets or operations. The State Auditing Chamber of the Kyrgyz Republic was asked by the prior parliament to provide clarification to it with respect to the Kumtor restructuring in 2004. This restructuring involved the issuance of shares in Centerra in exchange for the interests in Kumtor held by Cameco, Kyrgyzaltyn JSC (a Kyrgyz company wholly-owned by the Kyrgyz government), EBRD and IFC. On April 20, 2005, Kumtor received a letter from the Chamber requesting information with respect to the restructuring. Centerra has agreed to assist the Chamber with its review. We do not believe the activities of the State Auditing Chamber will have a material effect on the Company's assets or operations.

The political situation in the Kyrgyz Republic continues to evolve. We will comment further as developments warrant.

The Centerra operations are significant contributors to the economies of the Kyrgyz Republic and Mongolia and as such the Company will continue to work closely with both Governments.

Outlook 2005 - production

For the full year, total production is forecast at 790,000 ounces of gold. Centerra's share of production is expected to be 780,000 ounces, an increase of over 25% from 2004 due to the increased ownership level in both mines and a full year of operations at Boroo.

Qualified Person

The technical data under the heading "Exploration Update" were prepared by Centerra's geological and mining engineering staff under the supervision of Robert S. Chapman, P. Geo., Centerra's Vice President, Exploration and Technical Director Mergers & Acquisitions, who is a Qualified Person for the purpose of National Instrument 43-101.

Conference Call

Centerra invites you to join its first-quarter conference call on Friday, April 29, 2005 at 2:00 p.m. Eastern time. The call is open to all investors and the media. To join the call, please dial **(416) 641-6710** or **(1-800) 379-4140** (Canada and U.S.). Alternatively, an audio feed will be available on www.centerragold.com. A recorded version of the call will be available on www.centerragold.com shortly after the call, and via telephone until midnight on Friday, May 6, 2005 by calling (416) 626-4100 or (1-800) 558-5253 and using passcode 21242979.

About Centerra

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

Statements contained in this news release which are not historical facts are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; equipment failure; unexpected geological or hydrological conditions; political risks arising from operating in certain developing countries; imprecision in reserve estimates; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies; including trade laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks.

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

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

Management's Discussion and Analysis

The following discussion of the financial condition and results of operations of Centerra Gold Inc. (Centerra or the Company) for the three months ended March 31, 2005 should be read in conjunction with the audited consolidated financial statements and the notes of the Company which are included in the 2004 Annual Report and the Annual Information Form. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and, unless otherwise specified, all figures are in United States dollars. The 2004 Annual Report and the Annual Information Form are available at www.centerragold.com and www.sedar.com.

Consolidated first quarter results

For accounting purposes, Centerra's consolidated first quarter 2005 results reflect fully consolidated interests in the Kumtor and Boroo mines, a 62% interest in REN and a fully consolidated interest in Gatsurt.

Highlights – Centerra

Financial Highlights	Three Months Ended March 31,	
	2005	2004
Revenue - \$ millions	91.7	25.8
Gross profit - \$ millions ⁽¹⁾	23.4	9.6
Net earnings - \$ millions	12.2	7.7
Cash flow from operations - \$ millions	36.8	3.3
Sales volume – ounces ⁽²⁾	219,970	68,491
Ounces poured ⁽²⁾	213,450	76,945
Average realized price - \$/oz ⁽³⁾	417	365
Gold spot market price - \$/oz - average for period	427	408
Total cash cost - \$/oz ⁽⁴⁾	211	182
Earnings per common share - \$ - basic and diluted	0.17	0.20
Weighted average shares outstanding – basic - (thousands)	72,080	38,149

(1) Gross profit is defined as total revenues less cost of sales and depreciation, depletion and reclamation.

(2) Comprising one-third of Kumtor to June 22, 2004 and 100% thereafter, and 100% of Boroo from March 1, 2004.

(3) Net of the effect of gold hedges.

(4) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP measure – Total cash cost".

Gold production and revenue

Revenue increased to \$91.7 million in the first quarter from \$25.8 million in the same quarter last year. Production of 213,450 ounces was significantly higher than the 76,945 ounces produced in the first quarter of 2004 as a result of two factors:

- At the end of the second quarter of 2004, Centerra increased its ownership of the Kumtor mine from 33.3% to 100% and now reports the full production volume; and
- Commercial production at the Boroo mine began on March 1, 2004.

Centerra realized an average gold price of \$417 per ounce for the first quarter (including the amortization of \$2.2 million of deferred hedges), a significant increase over the \$365 per ounce realized in the same quarter in 2004. This increase was due to higher spot gold prices that averaged \$427 per ounce, compared to \$408 per ounce in the prior year quarter, and the elimination of the Company's hedge position.

Centerra's gold production is unhedged. The impact of prior closures of the hedge position is discussed below under "Gold hedging and off-balance sheet obligations".

Cost of sales

Cost of sales increased to \$51.7 million in the quarter from \$11.4 million in the same period of 2004 due to an increased ownership in Kumtor, the start of commercial production at Boroo and the higher cost of consumables. On a unit basis, the total cash cost per ounce was \$211, up from \$182 in 2004, mostly due to lower gold production at Kumtor reflecting lower grade ore fed to the mill.

Depreciation, depletion and reclamation

Depreciation, depletion and reclamation increased to \$16.7 million from \$4.7 million in the prior year quarter due to an increased ownership in Kumtor and the start of commercial production at Boroo. On a per unit basis, depreciation and amortization for the first quarter of 2005 of \$78 per ounce was unchanged from the comparable quarter of 2004..

Exploration

Exploration and development costs increased to \$5.2 million from \$1.5 million in the prior year period reflecting the enhancement of the program in support of the Company's growth objective to increase reserves at and around its existing mines.

Interest and other

Interest and other expenses reflected a small net recovery in the quarter similar to the same period in 2004. The Company has no outstanding interest-bearing debt.

Administration

Administration costs for the first quarter were \$3.7 million compared to \$1.0 million in the same period last year. The increase reflects Centerra's current status as a public, stand-alone entity.

Net earnings

Net earnings for the first quarter of 2005 were \$12.2 million or \$0.17 per share compared to \$7.7 million or \$0.20 per share for the same period in 2004. This improvement is primarily due to an increased share of production at Kumtor, the start-up of Boroo and higher gold prices. The lower earnings per share result year-over-year reflects the increased number of shares outstanding following Centerra's restructuring and IPO in June, 2004.

Liquidity and capital resources

Cash flow from operations was \$36.8 million for the quarter compared to \$3.3 million for the prior year first quarter. The increase resulted from higher realized gold prices, the increased ownership at Kumtor and the start of commercial production at Boroo.

Cash used in investing activities in the first quarter of 2005 was \$4.5 million, compared to minimal spending in the same quarter of 2004. The increase reflects \$4 million of maintenance capital spending, the higher ownership interests, and investments in projects to increase productivity.

Cash on hand was \$184.9 million at the end of the quarter, of which \$68.4 million was held in Canadian funds.

Centerra has sufficient cash to carry out its business plan in 2005, including its growth strategy. This cash comes from the initial public offering of Centerra shares, operating cash flows and existing cash reserves.

Share capital

As of March 31, 2005, Centerra had 72,079,605 shares outstanding and 200,183 share options outstanding under its stock based incentive plans.

Contractual obligations

There have been no significant changes from the contractual obligations identified in the MD&A included in the 2004 Annual Report.

Gold hedging and off-balance sheet obligations

The deferred charges, net of deferred revenue, related to the closing of the gold hedges in 2004, will be recognized in future periods. During the first quarter, \$2.2 million of these deferred charges were recorded in the income statement.

<i>\$ millions</i>	Total
Balance as at December 31, 2004	8.2
Amortized in Q1 2005	(2.2)
Balance as at March 31, 2005	6.0

At March 31, 2005, deferred charges on the balance sheet totaled \$6 million and are expected to be amortized as follows:

Recognition of Deferred Charges (net of deferred revenue)

<i>\$ millions</i>	Q1	Q2	Q3	Q4	Total
2005		1.0	1.1	1.1	3.2
2006	1.9	(0.6)	0.4	0.6	2.3
2007	0.5	--	--	--	0.5
Total					6.0

Market Update

The spot market gold price averaged and closed the quarter at \$427 per ounce.

Mine Operations

Operating and financial results of the Kumtor and Boroo mines are shown on a 100% basis. With the completion of the Kumtor restructuring and the acquisition of the AGR minority interest in the second quarter of 2004, Centerra owns 100% of Kumtor and 95% of Boroo.

Kumtor – 100% basis

The Kumtor open pit mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by a Western-based producer. It has been operating since 1997 and produced over five million ounces. During the quarter, Kumtor experienced two lost-time injuries involving exploration contractors. There were no environmental exceedances during the period.

Kumtor Operating Results	Three Months Ended March 31,	
	2005	2004
Sales volume – ounces	151,105	153,402
Revenue - \$ millions	64.3	59.7
Tonnes mined - 000s	19,348	20,773
Tonnes ore mined – 000s	1,170	596
Tonnes milled - 000s	1,435	1,414
Average mill head grade - g/t ⁽¹⁾	3.7	4.7
Recovery - %	81.4	82.3
Ounces recovered	138,283	174,975
Ounces poured	141,558	173,004
Total cash costs - \$/oz ⁽²⁾	235	181
Capital expenditures - \$ millions	2.2	0.2

⁽¹⁾ g/t means grams per tonne.

⁽²⁾ Total cash cost is a non-GAAP measure and is discussed under “Non-GAAP measure – Total cash cost”.

Revenue

In the first quarter of 2005, revenue increased to \$64.3 million as an increase in the average realized price to \$425 per ounce was partially offset by lower production. Production was 141,558 poured ounces, 18% lower than the prior year quarter due primarily to ore grades averaging 3.7 g/t compared to 4.7 g/t in 2004.

The higher average realized price was due to higher gold spot prices and the elimination of gold hedges in 2004.

Cost of sales

The cost of sales was \$39.8 million compared to \$9.2 million in the first quarter of 2004.

Total cash costs per ounce increased to \$235 in the first quarter of 2005 from \$181 for the same quarter in 2004, a result of a lower average grade fed to the mill and the higher cost of consumables.

Exploration

Exploration expenditures totaled \$2.6 million for the quarter. The expenditures relate primarily to ongoing drilling in the immediate vicinity of the open pit and in the Southwest Zone. See also "Exploration program update".

Boroo - 100% basis

The Boroo open pit gold mine began commercial production on March 1, 2004. The operation experienced one lost-time injury in the three months ended March 31, 2005. There was one environmental incident which occurred when the cyanide concentration in the tailings exceeded the permitted level.

Boroo Operating Results	Three Months Ended March 31,	
	2005	2004
Sales volume – ounces ⁽¹⁾	68,865	17,357
Revenue - \$ millions	27.4	5.9
Tonnes mined – 000s	4,297	1,305
Tonnes ore mined – 000s	466	174
Tonnes milled – 000s	472	153
Average mill head grade (g/t)	5.0	4.4
Recovery - %	93.8	94.5
Ounces recovered ⁽¹⁾	70,879	20,434
Ounces poured ⁽¹⁾	71,892	19,277
Total cash cost - \$/oz ⁽²⁾	165	184
Capital expenditures - \$ millions	2.3	0

(1) Does not include pre-commissioning production or sales volumes for January and February 2004 of 27,703 ounces.

(2) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP measure – Total cash cost".

Revenue

Sales of 68,865 ounces of gold at an average realized gold price of \$399 per ounce, generated revenue of \$27.4 million. The average head grade of ore feed to the mill was 5.0 g/t.

Cost of sales

Cost of sales was \$11.8 million. Total cash costs were \$165 per ounce in the quarter.

Exploration

Exploration expenditures in Mongolia totaled \$1.8 million of which \$0.5 million was spent to drill targets in the immediate mine area. See also “Exploration program update”.

Exploration program update

- At the Kumtor mine site, nine drills were active in the area of the main pit. During the quarter, 23 holes were completed totaling 8,563 metres, with most of the activity in the northern part of the pit.
- In the Southwest Zone at Kumtor, two drills were active and completed five exploration holes testing for a northern strike extension to the deposit.
- At the Boroo mine site, two drills were active and completed 55 exploration holes mostly in the vicinity of Pit #6.
- At the Gatsuurt deposit, 21 drill holes were completed in the Central Zone and 4 holes tested the Main Zone. An updated resource estimate was completed and shows an additional 387,000 ounces of gold reporting to the Indicated Resources category. Further details are provided in a separate release “Centerra Gold Issues Update on the Gatsuurt Deposit” dated April 29, 2005.
- At the REN property in Nevada, the \$3.5 million Phase 1 drilling program was started and is ongoing. Results are expected in the second quarter.

The technical data under the headings “Exploration program update” and “Outlook for 2005 – Exploration” were prepared by Centerra’s geological and mining engineering staff under the supervision of Robert S. Chapman, P. Geo., Centerra’s Vice President, Exploration and Technical Director Mergers & Acquisitions, who is a Qualified Person for the purpose of National Instrument 43-101.

Other Financial Information

Related party transactions

Cameco Corporation

Centerra and its subsidiaries maintain inter-company advances to and from Cameco and several of its subsidiaries to fund operations. These advances, which are non-interest bearing and payable on demand, will be repaid in the ordinary course of business.

Effective April 1, 2004, Centerra entered into an administrative services agreement with Cameco whereby Cameco has agreed to provide services and expertise to Centerra in return for reimbursement of all of its direct and indirect costs relating to these services.

As a result of the above items, the balance owing to Cameco at March 31, 2005 was \$4.5 million with \$218,000 of services provided by Cameco during the first quarter of 2005.

Kyrgyzaltyn and the Government of the Kyrgyz Republic

The table below summarizes 100% of the management fees, royalties and concession payments paid by the Kumtor Gold Company (“KGC”) to Kyrgyzaltyn or the Government of the Kyrgyz Republic and the amounts paid by Kyrgyzaltyn to KGC according to the terms of the Gold and Silver Sales Agreement between Kumtor Operating Company, Kyrgyzaltyn and the Government of the Kyrgyz Republic. For periods prior to the restructuring, the Centerra financial statements reflect one-third of the charges.

Related Parties in the Kyrgyz Republic	Three Months Ended March 31	
	<u>2005</u>	<u>2004</u>
	\$ thousands	
Management fees to Kyrgyzaltyn	227	183
Concession payments to Kyrgyz Republic	604	614
Total	831	797
Gross gold and silver sales to Kyrgyzaltyn	65,136	61,993
Deduct: refinery and financing charges	(705)	(614)
Net sales revenue received from Kyrgyzaltyn	64,431	61,379

Non-GAAP measure

Total cash cost

This MD&A presents information about total cash cost of production of an ounce of gold for the operating properties of Centerra. Except as otherwise noted, total cash cost per ounce is calculated by dividing total cash costs, as determined using the industry standard published by the Gold Institute, by gold ounces produced for the relevant period.

Total cash costs, as defined in the Gold Institute standard, include mine operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs and capital, development and exploration.

Total cash cost per ounce has been included because certain investors use this information to assess performance and also to determine the ability of Centerra to generate cash flow for use in investing

and other activities. The inclusion of total cash cost per ounce enables investors to better understand year-on-year changes in production costs, which in turn affect profitability and cash flow.

Total cash cost per ounce can be reconciled as follows:

\$ millions, unless otherwise specified	First Quarter, 2005		
	Kyrgyz Republic (Kumtor)	Mongolia (Boroo)	Total
Cost of sales, as reported	39.8	11.8	51.6
Adjust for:			
Refining fees	0.7	-	0.7
By-product credits	(0.5)	(0.1)	(0.6)
Non-operating costs	(1.3)	-	(1.3)
Inventory movement	(5.4)	0.1	(5.3)
Total cash cost – 100%	33.3	11.8	45.1
Ounces poured – 100% (000's)	141.6	71.9	213.5
Total cash cost per ounce	235.2	164.5	211.4

\$ millions, unless otherwise specified	First Quarter 2004		
	Kyrgyz Republic (Kumtor)	Mongolia (Boroo)	Total
Cost of sales, as reported	9.2	2.2	11.4
Adjust for:			
Refining fees	0.2	-	0.2
By-product credits	(0.1)	-	(0.1)
Non-operating costs	0.2	0.8	1.0
Inventory movement	0.9	0.5	1.4
Pre-acquisition operating costs ⁽¹⁾	20.9	-	20.9
Total cash cost – 100%	31.3	3.5	34.8
Ounces poured – 100% (000's)	173.0	19.3	192.3
Total cash cost per ounce	181.1	184.0	181.8

(1) Total cash cost per ounce is calculated on a 100% basis. The adjustment above is needed to increase the pre-acquisition cost of sales, which is recorded at Centerra's share of 33.3%, to the full 100% value.

Outlook for 2005

Centerra's 2005 outlook is based on various assumptions such as equipment productivities and availabilities remaining at historical levels, metallurgical recoveries supporting historical data and test work, costs based on projections of historical and current pricing data, gold market conditions remaining at current levels, political stability and government regulations relating to foreign investments in the countries in which Centerra operates and uses as foundation recently updated reserve models.

On April 18, 2005, the acting President and Prime Minister of the Kyrgyz Republic, Mr. K. Bakiev, issued a decree to establish a special commission to inquire into former President Akayev's assets. Centerra's wholly-owned Kyrgyz subsidiary, Kumtor Gold Company, is included in the list of assets subject to the decree. According to an Associated Press story dated April 27, 2005, Deputy Prime Minister D. Usenov, the head of the special commission, stated that Kumtor "is currently under a scheduled tax inspection and will be dropped from the list after the inspection is over." Mr. Bakiev has publicly stated on several occasions that the Kyrgyz Republic will honour its agreements with foreign investors. We do not believe that the activities of the special commission or the routine tax inspection will have a material effect on our assets or operations. The State Auditing Chamber of the Kyrgyz Republic was asked by the prior parliament to provide clarification to it with respect to the Kumtor restructuring in 2004. This restructuring involved the issuance of shares in Centerra in exchange for the interests in Kumtor held by Cameco, Kyrgyzaltyn JSC (a Kyrgyz company wholly-owned by the Kyrgyz government), EBRD and IFC. On April 20, 2005, Kumtor received a letter from the Chamber requesting information with respect to the restructuring. Centerra has agreed to assist the Chamber with its review. We do not believe the activities of the State Auditing Chamber will have a material effect on the Company's assets or operations. The political situation in the Kyrgyz Republic continues to evolve.

Based on current operations, total production for the year is forecast at 790,000 ounces (compared to 750,000 ounces forecast at the end of 2004), a decline of almost 13% from 2004 as a result of lower grades at the Kumtor mine. Centerra's beneficial production however, is expected to increase to 780,000 ounces from 610,287 in 2004 on account of the increased ownership level in both mines and a full year of operations at Boroo.

The mill head grade at Kumtor is expected to average 3.5 g/t in 2005 compared to 4.4 g/t in 2004. Accordingly, production from the mine is expected to total 520,000 ounces (compared to 512,000 ounces forecast at the end of 2004) at an average cash cost of \$258 per ounce.

At Boroo, production is expected to increase slightly to approximately 270,000 ounces (compared to 250,000 ounces forecast at the end of 2004) reflecting a higher throughput level and comparable mill head grades to 2004 of 4.5 g/t. Total cash cost is forecast to be \$174 per ounce.

Second Quarter 2005 Production and Unit Cost Forecast

Centerra's second quarter production and unit costs are forecasted as follows:

Production <i>Ounces except where noted</i>	2005		2005	2004
	Q1 Actual	Q2 Forecast	Year Forecast	Year Actual
Kumtor production	141,558	135,000	520,000	657,329
Centerra's % interest	100%	100%	100%	--
Centerra's share of Kumtor's production	141,558	135,000	520,000	422,781
Boroo production	71,892	74,000	270,000	245,701
Centerra's % share	95%	95%	95%	--
Centerra's share of Boroo's production	68,297	70,000	260,000	187,506
Centerra's share of total production	209,855	205,000	780,000	610,287

Total cash cost

	2005		2005	2004
	Q1 Actual	Q2 Forecast	Year Forecast	Year Actual
<i>\$ per ounce</i>				
Kumtor	235	252	258	202
Boroo	165	173	174	149
Consolidated	211	224	229	189

Exploration

One of Centerra's foremost priorities in 2005 is to continue to add to its reserves and resources base through its exploration program. Accordingly, the Company has budgeted \$22 million to the program for the year, an approximately 50% increase over the amount invested in 2004.

Activities at Kumtor, Boroo, Gatsuurt and REN are planned as follows:

Kyrgyz Republic

- Additional drilling programs are planned in the vicinity of the main Kumtor pit and the Southwest Zone with a focus on testing for strike extensions to the mineralized horizons. A drilling program is planned in the Sarytor target area to further delineate and extend the known mineralized horizons. The Sarytor target area is located about 1 kilometre to the southwest of the Southwest Zone.
- Exploration work will continue on other target areas such as Bordoo and Akbel.

Mongolia

- At Boroo, drill programs will focus on testing for additional mineralization around the

peripheries of the pits and in filling within the existing drill pattern.

- At the Gatsuurt deposit, drilling programs are planned to test for additional mineralization at the Central Zone and the Main Zone resource areas. Additional metallurgical testwork is in progress and a feasibility study will be initiated during the second quarter.
- Exploration programs will continue to evaluate Centerra's significant land position. Small drilling programs are planned to further explore other early-stage target areas.

United States (Nevada)

- Drilling programs will focus on delineating the extent of the mineralization at the 69 Zone and to test other geological and geophysical target areas on the property.

Administration

Annual administration expenses are expected to amount to approximately \$16 million.

Corporate income taxes

Corporate income taxes in the Kyrgyz Republic are calculated and provisioned at 20% of taxable income. Due to the availability of tax loss carry-forwards to offset taxable income, we do not expect to pay cash income taxes in the Kyrgyz Republic in 2005. Mongolia is in its second year of a three-year tax holiday.

Capital expenditures

The capital requirement in 2005 is forecast at \$35 million including \$10 million of maintenance capital.

Caution regarding forward-looking statements

Statements contained in this news release which are not historical facts are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; equipment failure; unexpected geological or hydrological conditions; political risks arising from operating in certain developing countries; imprecision in reserve estimates; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies; including trade laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks.

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

- end -

Centerra Gold Inc.
Consolidated Financial Statements
For the Quarter Ended March 31, 2005
(Unaudited)
(\$ US)

Centerra Gold Inc.
Consolidated Balance Sheets
(Unaudited)
(In Thousands of US\$)

	Notes	As at	
		Mar 31/05	Dec 31/04
Assets			
Current assets			
Cash		\$ 184,902	\$ 152,591
Accounts receivable		2,696	2,596
Inventories		15,268	22,161
Supplies and prepaid expenses		45,505	47,578
		<u>248,371</u>	<u>224,926</u>
Property, plant and equipment		256,145	267,557
Goodwill		155,520	155,520
Long-term receivables, investments and other		10,521	12,456
		<u>422,186</u>	<u>435,533</u>
Total assets		<u>\$ 670,557</u>	<u>\$ 660,459</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 27,084	\$ 32,023
Provision for reclamation		19,196	18,868
Future income taxes		7,182	5,407
		<u>53,462</u>	<u>56,298</u>
Minority interest		3,092	2,410
Shareholders' equity			
Share capital	2	522,383	522,383
Contributed surplus		29,546	29,503
Retained earnings		62,074	49,865
		<u>614,003</u>	<u>601,751</u>
Total liabilities and shareholders' equity		<u>\$ 670,557</u>	<u>\$ 660,459</u>

Subsequent event (note 7)

See accompanying notes to the consolidated financial statements.

Centerra Gold Inc.
Consolidated Statements of Earnings and Retained Earnings
(Unaudited)
(In Thousands of US\$)

	Notes	Three Months Ended	
		Mar 31/05	Mar 31/04
Revenue from			
Gold sales		\$ 91,730	\$ 24,978
Management fees		-	785
		<u>\$ 91,730</u>	<u>\$ 25,763</u>
Expenses			
Cost of sales		51,650	11,424
Depreciation, depletion and reclamation		16,673	4,716
Exploration		5,161	1,485
Interest and other		(428)	(342)
Administration		3,711	951
		<u>76,767</u>	<u>18,234</u>
Earnings from operations		14,963	7,529
Other expense (income)		-	(541)
Earnings before income taxes and minority interest		14,963	8,070
Income tax expense		2,071	2
Minority interest		683	391
Net earnings		12,209	7,677
Retained earnings (deficit), beginning of period		49,865	(769)
Retained earnings, end of period		<u>\$ 62,074</u>	<u>\$ 6,908</u>
Basic and diluted earnings per common share	3	<u>\$ 0.17</u>	<u>\$ 0.20</u>

See accompanying notes to the consolidated financial statements.

Centerra Gold Inc.
Consolidated Statements of Cash Flows
(Unaudited)
(In Thousands of US\$)

	Three Months Ended	
	Mar 31/05	Mar 31/04
Operating activities		
Net earnings	\$ 12,209	\$ 7,677
Items not requiring (providing) cash:		
Depreciation, depletion and reclamation	16,673	4,716
Deferred charges recognized	2,224	1,363
Future income tax expense	1,775	-
Other expense	-	(541)
Minority interest	683	391
Other operating items	3,232	(10,306)
Cash provided by operations	36,796	3,300
Investing activities		
Additions to property, plant and equipment	(4,485)	(252)
Proceeds from loan receivable	-	4,223
Redemption of shares, Cameco Ireland	-	22,900
Cash provided by (used in) investing	(4,485)	26,871
Financing activities		
Repayment of long-term debt	-	(6,088)
Repayment to Cameco Corporation	-	(24,708)
Cash provided by (used in) financing	-	(30,796)
Increase (decrease) in cash during the period	32,311	(625)
Cash at beginning of the period	152,591	10,101
Cash at end of the period	\$ 184,902	\$ 9,476

See accompanying notes to the consolidated financial statements.

Centerra Gold Inc.
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The consolidated financial statements of Centerra Gold Inc. (“Centerra”) have been prepared by management in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as the most recent annual consolidated financial statements. The financial statements should be read in conjunction with Centerra's annual consolidated financial statements included in the 2004 annual report.

Centerra became a public company on June 30, 2004. Its predecessor company, Cameco Gold Inc., was a division of Cameco Corporation (Cameco), which held a one-third interest in Kumtor, a 53% interest in Boroo, a 62% interest in REN and a 73% interest in Gatsuurt.

The restructuring of Centerra resulted in the issue of common shares from the following events: 38,149,071 shares issued from the transfer of gold interests by Cameco Gold, 18,789,717 shares issued from the acquisition of the remaining 2/3 interest in Kumtor, 5,204,605 shares issued from the acquisition of an additional 42% in Boroo, 3,061,212 shares issued from the exchange of Kumtor’s subordinated debt and 6,875,000 shares issued from an initial public offering, including the exercise of an over-allotment from the underwriters.

Since June 30, 2004, Centerra’s ownership interests consist of a 100% interest in the Kumtor mine, a 95% interest in the Boroo mine, a 62% interest in the REN deposit and a 100% interest in the Gatsuurt property. For accounting purposes, Centerra’s consolidated statements reflect proportional consolidation for the Kumtor mine for the first quarter of 2004 and full consolidation for the first quarter of 2005.

2. Share Capital

Centerra is authorised to issue an unlimited number of common shares, class A non-voting shares and preference shares with no par value. At March 31, 2005, only common shares had been issued as follows:

Number Issued	2005 (Number of Shares)	2005 (Thousands of \$US)
Beginning and end of period	72,079,605	\$ 522,383

At the start of the period, a total of 107,527 stock options with a strike price of Cdn \$15.50 per share, 61,051 performance share units and 17,291 deferred share units were outstanding.

During the quarter, Centerra granted an additional 92,656 stock options at a strike price of Cdn \$20.12 per share. The compensation expense associated with this stock option series was calculated using the Black-Scholes valuation model, assuming a 6-year term, 34%

Centerra Gold Inc.
Notes to Consolidated Financial Statements
(Unaudited)

volatility and a risk-free rate of return of 3.49%, and is being charged against net income over its vesting period.

Performance share and deferred share units outstanding as at March 31, 2005 were 129,295 and 21,992 respectively.

3. Earnings Per Share Amounts

Basic and diluted earnings per share is determined by dividing net earnings by the basic and diluted weighted-average number of common shares outstanding respectively during the quarter and year.

	Three Months Ended	
	Mar 31/05	Mar 31/04
	(Thousands)	
Basic weighted average number of common shares outstanding	72,080	38,149
Diluted weighted average number of common shares outstanding	72,105	38,149
Basic and diluted earnings per common share	\$0.17	\$0.20

4. Related Party Transactions

Cameco Corporation

Centerra and its subsidiaries maintain inter-company advances to and from Cameco and several of its subsidiaries to fund operations. These advances, which are non-interest bearing and payable on demand, will be repaid in the ordinary course of business.

Effective April 1, 2004 Centerra entered into an administrative services agreement with Cameco whereby Cameco has agreed to provide services and expertise to Centerra in return for reimbursement for all its direct and indirect costs relating to those services.

As a result of the above items, the balance owing to Cameco at March 31, 2005 was \$4.5 million and \$218,000 of services were provided by Cameco under the services agreement during the first quarter.

Kyrgyzaltyn and the Government of the Kyrgyz Republic

The table below summarizes 100% of the management fees, royalties and concession payments paid by Kumtor to Kyrgyzaltyn or the Government of the Kyrgyz Republic and the amounts paid by Kyrgyzaltyn to Kumtor according to the terms of a Gold and Silver Sales Agreement between Kumtor Operating Company ("KOC"), Kyrgyzaltyn and the Government of the Kyrgyz Republic. For periods prior to the restructuring, the Centerra financial statements reflect one-third of these charges in accordance with the accounting described in note 1.

Centerra Gold Inc.
Notes to Consolidated Financial Statements
(Unaudited)

	Three Months Ended	
	Mar 31/05	Mar 31/04
Management fees to Kyrgyzaltyn	\$ 227	\$ 183
Concession payments to the Kyrgyz Republic	604	614
	\$ 831	\$ 797
Gross gold and silver sales to Kyrgyzaltyn	\$ 65,136	\$ 61,993
Deduct: refinery and financing charges	(705)	(614)
Net sales revenue received from Kyrgyzaltyn	\$ 64,431	\$ 61,379

5. Contingencies

On February 3, 2005, a lawsuit in respect of a helicopter accident which occurred in Kyrgyzstan on October 4, 1995 was settled with no financial impact on Centerra.

6. Segmented Information

Centerra has three reportable segments. The Kyrgyz Republic segment involves the operations of the Kumtor Gold Project and local exploration activities, and the Mongolian segment involves the operations of the Boroo Gold Project and local exploration activities. The North American segment involves the head office located in Toronto, loans to each of the mine operations, as well as exploration activities on North American projects.

Geographic Segmentation of Revenue

All production from the Kumtor Gold Project was sold to the Kyrgyzaltyn refinery in the Kyrgyz Republic while production from the Boroo Gold Project was sold to a refinery that is located in Ontario, Canada.

Centerra Gold Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Three months ended March 31, 2005

(millions)	Kyrgyz Republic	Mongolia	North America	Total
Revenue	\$ 64.3	\$ 27.4	\$ -	\$ 91.7
Expenses				
Cost of sales	39.8	11.8	-	51.6
Depreciation, depletion and reclamation	10.8	5.8	0.1	16.7
Exploration	2.6	1.8	0.7	5.1
Interest and other	0.9	-	(1.3)	(0.4)
Administration	0.8	0.5	2.4	3.7
Earnings (loss) before income taxes and minority interest	9.4	7.5	(1.9)	15.0
Income tax expense	2.1	-	-	2.1
Minority interest	-	0.7	-	0.7
Net earnings (loss)	\$ 7.3	\$ 6.8	\$ (1.9)	\$ 12.2
Total assets (excluding PP&E and goodwill)	\$ 91.5	\$ 29.5	\$ 138.0	\$ 259.0
PP&E	155.3	99.0	1.8	256.1
Goodwill	129.7	25.8	-	155.5
Capital expenditures for the quarter	\$ 2.2	\$ 2.3	\$ -	\$ 4.5

Three months ended March 31, 2004

(millions)	Kyrgyz Republic	Mongolia	North America	Total
Revenue	\$ 19.9	\$ 5.9	\$ -	\$ 25.8
Expenses				
Cost of sales	9.2	2.2	-	11.4
Depreciation, depletion and reclamation	3.3	1.4	-	4.7
Exploration	0.2	0.2	1.1	1.5
Interest and other	1.1	0.5	(1.9)	(0.3)
Administration	-	-	0.9	0.9
Other expense (gain)	-	-	(0.5)	(0.5)
Earnings before income taxes and minority interest	6.1	1.6	0.4	8.1
Income tax expense	-	-	-	-
Minority interest	-	0.4	-	0.4
Net earnings	\$ 6.1	\$ 1.2	\$ 0.4	\$ 7.7
Total assets (excluding PP&E)	\$ 19.7	\$ 16.8	\$ 65.8	\$ 102.3
PP&E	37.0	95.7	4.3	137.0
Capital expenditures for the quarter	\$ 0.2	-	\$ 0.1	\$ 0.3

Centerra Gold Inc.
Notes to Consolidated Financial Statements
(Unaudited)

7. Subsequent Events

On April 18, 2005, the acting President and Prime Minister of the Kyrgyz Republic, Mr. K. Bakiev, issued a decree to establish a special commission to inquire into former President Akayev's assets. Centerra's wholly-owned Kyrgyz subsidiary, Kumtor Gold Company, is included in the list of assets subject to the decree. According to an Associated Press story dated April 27, 2005, Deputy Prime Minister D. Usenov, the head of the special commission, stated that Kumtor "is currently under a scheduled tax inspection and will be dropped from the list after the inspection is over." Mr. Bakiev has publicly stated on several occasions that the Kyrgyz Republic will honour its agreements with foreign investors. We do not believe that the activities of the special commission or the routine tax inspection will have a material effect on our assets or operations. The State Auditing Chamber of the Kyrgyz Republic was asked by the prior parliament to provide clarification to it with respect to the Kumtor restructuring in 2004. This restructuring involved the issuance of shares in Centerra in exchange for the interests in Kumtor held by Cameco, Kyrgyzaltyn JSC (a Kyrgyz company wholly-owned by the Kyrgyz government), EBRD and IFC. On April 20, 2005, Kumtor received a letter from the Chamber requesting information with respect to the restructuring. Centerra has agreed to assist the Chamber with its review. We do not believe the activities of the State Auditing Chamber will have a material effect on the Company's assets or operations.

8. Comparative Information

Certain prior year balances have been reclassified to conform with the current year presentation.