No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of those laws. See "Plan of Distribution".

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Centerra Gold Inc. at 1 University Avenue, Suite 1500, Toronto, Ontario, Canada M5J 2P1 (telephone: (416) 204-1953) and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

Secondary Offering December 21, 2009

CENTERRA GOLD INC.

$908,339,338

88,618,472 Common Shares

This short form prospectus qualifies the distribution (the "Offering") by Cameco Corporation ("Cameco" or the "Selling Shareholder") of 88,618,472 common shares ("Common Shares") of Centerra Gold Inc. ("Centerra" or the "Company") at a price of $10.25 per Common Share (the "Offering Price"). These Common Shares, along with 25,300,000 Common Shares to be released from custodial arrangements to Kyrgyzaltyn JSC ("Kyrgyzaltyn"), a joint stock company owned by the Government of the Kyrgyz Republic (the "Kyrgyz Government"), upon the successful completion of the Offering pursuant to the Agreement on New Terms (as hereinafter defined) represent Cameco's entire interest in Centerra. See "The Selling Shareholder". Centerra will not be entitled to any of the proceeds from the sale of the Common Shares offered by this short form prospectus. All expenses incurred in connection with the preparation and filing of this short form prospectus will be paid by the Selling Shareholder.

The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange ("TSX") under the trading symbol "CG". The closing price of the Common Shares on the TSX on December 7, 2009, being the last day the Common Shares traded prior to the announcement of this Offering, was $12.60.

Price: $10.25 per Common Share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Selling Shareholder(1)
Per Common Share	$10.25	$0.41	$9.84
Total	$908,339,338	$36,333,574	$872,005,764

Note:

(1) Before deducting the expenses of the Offering, estimated at $650,000, which, together with the Underwriters' fee, will be paid by the Selling Shareholder.

An investment in the Common Shares is subject to certain risks. Prospective investors should carefully consider the risk factors described in this short form prospectus under "Risk Factors".

Prospective purchasers should rely only on the information contained or incorporated by reference in this short form prospectus. Centerra, the Selling Shareholder and the Underwriters have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this short form prospectus. The Common Shares are being offered only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted.

(continued on next page)

(continued from cover)

The Offering Price was determined by negotiation between Cameco, on the one hand, and CIBC World Markets Inc. ("CIBC"), RBC Dominion Securities Inc. ("RBC"), BMO Nesbitt Burns Inc. ("BMO"), Scotia Capital Inc. ("Scotia"), HSBC Securities (Canada) Inc. ("HSBC"), Morgan Stanley Canada Limited, National Bank Financial Inc. ("National Bank"), TD Securities Inc. ("TD"), UBS Securities Canada Inc., BNP Paribas (Canada) Securities Inc. ("BNP"), Canaccord Financial Ltd., Desjardins Securities Inc., GMP Securities L.P., Macquarie Capital Markets Canada Ltd. and Salman Partners Inc. (collectively, the "Underwriters"), on the other hand. The Underwriters may offer the Common Shares at a lower price than stated above. Subject to applicable laws, in connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares at levels which might not prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when sold by the Selling Shareholder, and delivered to and accepted by the Underwriters, in accordance with the conditions contained in an underwriting agreement dated December 14, 2009 (the "Underwriting Agreement") among Centerra, the Selling Shareholder and the Underwriters and subject to the approval of certain legal matters on behalf of Centerra by Stikeman Elliott LLP, on behalf of the Selling Shareholder by Osler, Hoskin & Harcourt LLP, and on behalf of the Underwriters by Borden Ladner Gervais LLP. See "Plan of Distribution".

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on December 30, 2009 or on such other date as Centerra, the Selling Shareholder and the Underwriters may agree, but in any event not later than January 15, 2010 (the "Closing Date"), and that one or more certificates representing the Common Shares will be available for delivery on the Closing Date.

CIBC, RBC, BMO, Scotia, HSBC, National Bank, TD and BNP (collectively, the "Connected Underwriters") are affiliates of Canadian chartered banks or other financial institutions that, among others, have provided the Selling Shareholder with certain credit facilities and/or have provided the Selling Shareholder with other credit accommodations or are counterparties to certain currency swaps or other derivatives transactions with the Selling Shareholder. Receipt of the net proceeds of the Offering by the Selling Shareholder may enable it not to borrow amounts it might otherwise have borrowed under such credit facilities or other credit accommodations. Consequently, the Selling Shareholder may be considered to be a "connected issuer" of the Connected Underwriters under applicable securities laws. See "Plan of Distribution".

Centerra's head and registered office address is 1 University Avenue, Suite 1500, Toronto, Ontario, Canada M5J 2P1. Centerra's website is www.centerragold.com and Centerra's telephone number is (416) 204-1953.

The head office, registered office and principal place of business of the Selling Shareholder is located at 2121 – 11th Street West, Saskatoon, Saskatchewan, Canada S7M 1J3 and the telephone number is (306) 956-6200.

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CURRENCY AND EXCHANGE RATE INFORMATION

The Company presents its consolidated financial statements in United States dollars. Unless otherwise indicated, all references to "$" in this short form prospectus refer to Canadian dollars. References to "U.S.$" in this short form prospectus refer to United States dollars.

The noon exchange rate on December 18, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was $1.00 to U.S.$0.9365.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the Annual Information Form (the "Centerra AIF") of Centerra dated March 10, 2009, for the financial year ended December 31, 2008;

(b) the Audited Consolidated Financial Statements of Centerra, together with the notes thereto and the auditors' report thereon, for the financial year ended December 31, 2008;

(c) Management's Discussion and Analysis of Centerra for the financial year ended December 31, 2008;

(d) the Unaudited Consolidated Financial Statements of Centerra, together with the notes thereto, for the nine months and quarter ended September 30, 2009;

(e) Management's Discussion and Analysis of Centerra for the nine months and quarter ended September 30, 2009;

(f) the Management Information Circular of Centerra dated March 27, 2009 prepared in connection with the annual meeting of shareholders held on May 5, 2009;

(g) the material change report of Centerra dated May 1, 2009 in respect of the execution of the Agreement on New Terms for the Kumtor Project (the "Agreement on New Terms") among Centerra, Kumtor Gold Company CJSC ("KGC"), Kumtor Operating Company CJSC ("KOC"), the Kyrgyz Government, Kyrgyzaltyn and the Selling Shareholder;

(h) the material change report of Centerra dated June 19, 2009 in respect of the completion of the transactions contemplated by the Agreement on New Terms;

(i) the material change report of Centerra dated June 19, 2009 in respect of the suspension of the main operating licenses at Centerra's Boroo mine;

(j) the material change report of Centerra dated July 29, 2009 in respect of re-instatement of the main operating licenses at Centerra's Boroo mine;

(k) the material change report of Centerra dated October 5, 2009 in respect of Centerra's revised gold production guidance at Centerra's Kumtor mine; and

(l) the material change report of Centerra dated December 11, 2009 in respect of Centerra's update to its reserves and resources.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Centerra at 1 University Avenue, Suite 1500, Toronto, Ontario, Canada M5J 2P1 (telephone (416) 204-1953) or by accessing the disclosure documents available through the internet on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Any documents of the type referred to above (excluding confidential material change reports) as well as any business acquisition reports filed by Centerra with securities commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this short form prospectus and prior to the termination of this Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute a part of this short form prospectus.

FORWARD-LOOKING STATEMENTS

Information contained in this short form prospectus or incorporated by reference herein which is not a statement of historical facts may be "forward-looking information" for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information. Material assumptions used to forecast production and costs include those described in the "Outlook" sections of Centerra's annual and interim management's discussion and analysis. Factors that could cause actual results or events to differ materially from current expectations include, among other things: gold prices, replacement of reserves, reduction in reserves related to geotechnical risks, ground movements, political risk, nationalization risk, changes in laws and regulations, civil unrest, labour unrest, legal compliance costs, reserve and resource estimates, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, costs associated with reclamation and decommissioning, defects in title, seismic activity, cost and availability of labour, material and supplies, increases in production and capital costs, permitting and construction to raise the tailings dam height and increase the capacity of the existing Kumtor tailing dam, costs associated with the movement of ice and waste at the Kumtor mine, the ability to renew and obtain licenses, permits and other rights, costs associated with the resolution of issues at the Boroo mine raised by the Mongolian General Department of Specialized Inspection ("SSIA") concerning alluvial reserves and matters relating to the suspension of the Boroo licenses in June 2009, the potential impact of Mongolian legislation prohibiting mineral activity in water basins and forest areas on the Gatsuurt project, the threatened termination of the stability agreement with the Mongolian Government in relation to the Boroo mine, the receipt of a final permit to operate the heap leach operation at the Boroo mine, illegal mining, enforcement of legal rights, decommissioning and reclamation cost estimates, future financing and personnel.

Reserve and resource figures included or incorporated by reference in this short form prospectus are estimates and Centerra can provide no assurances that the indicated levels of gold will be produced or that Centerra will receive the gold price assumed in determining its reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Centerra believes that these reserve and resource estimates are well established and the best estimates of Centerra's management, by their nature reserve and resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable.

Centerra has not adjusted resource figures included herein in consideration of these risks and, therefore, Centerra can give no assurances that any resource estimate will ultimately be reclassified as proven and probable reserves or incorporated into future production guidance. If Centerra's reserve or resource estimates or production guidance for its gold properties are inaccurate or are reduced in the future, this could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition. Centerra estimates the future mine life of its operations and provides production guidance in respect of its mining operations. Centerra can give no assurance that mine life estimates will be achieved or that actual production will not differ materially from its guidance. Failure to achieve estimates or production guidance could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of the date of this short form prospectus. Centerra assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

NOTICE REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of Centerra included or incorporated by reference in this short form prospectus have been prepared in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's “*CIM Standards on Mineral Resources and Reserves Definitions and Guidelines*” (the “CIM Guidelines”). The definitions of mineral reserves and mineral resources are set out in Centerra's disclosure of its mineral reserve and mineral resource estimates that are incorporated by reference in this short form prospectus.

Centerra uses the terms “mineral resources”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as to their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of inferred mineral resources will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, investors are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.

BUSINESS OF THE COMPANY

Overview

Centerra was incorporated under the *Canada Business Corporations Act* by articles of incorporation dated November 7, 2002 under the name 4122216 Canada Limited. Centerra changed its name on December 13, 2002 to Kumtor Mountain Holdings Corporation and on December 5, 2003 to Centerra Gold Inc. Centerra's head and registered office address is located at 1 University Avenue, Suite 1500, Toronto, Ontario, Canada M5J 2P1.

Centerra is the successor to substantially all of the gold business previously carried on by Cameco Gold Inc. ("Cameco Gold"), which was a wholly-owned subsidiary of the Selling Shareholder. Centerra is a growth-oriented Canadian-headquartered gold company, focused on acquiring, exploring, developing and operating gold properties in Asia, the former Soviet Union and other markets world-wide. As of December 31, 2008, Centerra had a total of 2,939 employees.

Centerra currently owns and operates two producing gold mines: the Kumtor mine in the Kyrgyz Republic and the Boroo mine in Mongolia. Centerra also has interests in development and exploration properties, the most advanced being its 100% interest in the Gatsuurt property in Mongolia which is located 35 kilometres from the Boroo mine and which is at the development stage.

Substantially all of Centerra's revenues are derived from the sale of gold produced from its mines and the gold prices realized. Gold doré production from the Kumtor mine is purchased by Kyrgyzaltyn, a company wholly owned by the Kyrgyz Government, for processing at its refinery in the Kyrgyz Republic while gold doré produced by the Boroo mine is exported and sold under a contract with a third party. Both sales agreements are based on spot gold prices.

In 2008, Centerra's two mines produced a total of 749,000 ounces of gold, ranking Centerra as an intermediate-sized North American-headquartered gold producer. The average spot price for an ounce of gold in 2008 increased 25% over the average in 2007. This follows year-over-year increases of 16% in 2007 and 35% in 2006.

The Company's costs of production are comprised primarily of the cost of producing gold from its two mines and secondarily from depreciation and depletion. There are many operating variables that affect the cost of producing an ounce of gold. In the mine, costs are influenced by the ore grade and the stripping ratio. The stripping ratio means the tonnage of waste material which must be removed to allow the mining of one tonne of ore in an open pit. Significant costs of mining are diesel fuel and equipment maintenance. In the mill, costs are dependent mainly on the ore grade and on the metallurgical characteristics of the ore (which can impact gold recovery). For example, a higher grade ore would typically contribute to a lower cost per ounce of production. Significant costs of milling are reagents, mill maintenance and energy. Both mining and milling costs are also affected by labour costs, which depend on the availability of qualified personnel in the regions where the operations are located, wage rates in those markets, and the number of people required. Mining and milling activities involve the use of many materials. The varying costs and the amount of materials used also influence the cash costs of mining and milling. The non-cash costs are influenced by the amount of costs related to the mine's acquisition, development and ongoing capital requirements and the estimated useful lives of capital items.

Over the life of each mine, another significant cost that must be planned for is the closure, reclamation and decommissioning of each operating site. In accordance with standard practices for Western-headquartered mining companies, Centerra carries out remediation and reclamation work during the operating period of the mine where feasible in order to reduce the final decommissioning costs. Nevertheless, the majority of rehabilitation work can only be performed following the completion of mining operations. Centerra's practice is to record estimated final decommissioning costs based on conceptual closure plans, and to disclose these costs according to Canadian generally accepted accounting principles. In addition, Centerra has established a reclamation trust fund in respect of the Kumtor mine to pay for these costs (net of forecast salvage value of assets) from the revenues generated over the life of mine. With regard to Boroo, Centerra annually deposits 50% of the upcoming year's reclamation budget into a government account and recovers this money when the annual reclamation commitments are completed.

Recent Developments

Agreement on New Terms

On April 24, 2009, Centerra, KGC, KOC, Cameco, the Kyrgyz Government and Kyrgyzaltyn entered into the Agreement on New Terms which resolved all of the existing disputes among Centerra, Cameco and the Kyrgyz Government with respect to the Kumtor Project. The transactions contemplated by the Agreement on New Terms were completed on June 11, 2009.

The Agreement on New Terms as well as the restated project agreements that were entered into pursuant thereto (the "Restated Project Agreements"), provide for the Kyrgyz Government's full commitment to and support for Centerra's continuing long-term development of the Kumtor Project and the Kyrgyz Government has agreed not to take any action that deprives Centerra or its affiliates of any of their rights in respect of the Kumtor Project.

The Agreement on New Terms and the Restated Project Agreements also expand and extend the Company's existing concession area by approximately 16,000 hectares to include the entire area of its exploration and development license until December 4, 2042 and, with effect from January 1, 2008, replaced the current tax regime applicable to the Kumtor Project with a simplified, new tax regime based upon gross revenue.

On completion of the transactions contemplated by the Agreement on New Terms, Centerra paid the Kyrgyz Government approximately U.S.$22.4 million (which represented the difference in 2008 taxes payable as a result of the application of the new tax regime, an advance on 2009 taxes and an amount payable in full satisfaction of all liabilities and claims of any governmental authority against Centerra and its affiliates in respect of any matter arising prior to the closing date) and issued 18,232,615 Common Shares from treasury to Kyrgyzaltyn in consideration for the undertakings made by the Kyrgyz Government and Kyrgyzaltyn in the Agreement on New Terms and the Restated Project Agreements and the expansion of the current concession area discussed above (collectively, the "Contractual Benefits").

Cameco also agreed to transfer up to 25,300,000 Common Shares to Kyrgyzaltyn, which were placed in a custodial arrangement. The transferred Common Shares are to be released from such custodial arrangement to Kyrgyzaltyn upon the satisfaction of certain conditions, including if the Selling Shareholder's interest in Centerra falls below 10,800,000 Common Shares (the "Share Release Condition"). Upon the successful completion of this Offering, 25,300,000 Common Shares will be released to Kyrgyzaltyn by Cameco. Pursuant to the Restated Project Agreements, Cameco is also entitled to vote 52% of the 18,232,615 Common Shares that Centerra issued to Kyrgyzaltyn until the Share Release Condition occurs and, accordingly, the Selling Shareholder currently has voting control over approximately 52.5% of the outstanding Common Shares and will retain such voting control until the successful completion of this Offering.

Updated Production Guidance

On September 24, 2009, Centerra announced that it had revised its estimate of gold production for 2009 at the Kumtor mine to approximately 500,000 ounces, compared to the previous guidance of 560,000 to 600,000 ounces, as a result of accelerated waste and ice movement into the Kumtor mine Central pit above the SB Zone section. On a consolidated basis, including production from Boroo, the Company indicated that, as at September 24, 2009, it expects 2009 gold production of 620,000 to 630,000 ounces, versus prior guidance of 680,000 to 730,000 ounces. Management is working to further stabilize this advanced creep and has implemented a plan to manage accelerated ice and waste movement. See "Recent Developments — Updated Technical Information" and "Risk Factors".

Updated Technical Information

The following description of certain updated technical information relating to Centerra is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of Centerra's material change report dated December 11, 2009.

On December 7, 2009, Centerra announced that it had completed a technical review of its operating mines. In particular, with respect to the Kumtor mine, this review was prompted by geotechnical developments in the Kumtor mine pit, including the ice and waste movement described in greater detail in the Company's material change report dated December 11, 2009. The announcement included updated reserve and resource estimates and life-of-mine plans for both of Centerra's operating mines.

At the Kumtor mine, 1.3 million ounces of gold reserves have been added. After accounting for processing of 409,000 ounces of contained gold to October 31, 2009, Kumtor's proven and probable mineral reserves total 4.9 million ounces of contained gold as at October 31, 2009 (comprised of proven reserves of approximately 1,162,200 tonnes at a grade of 1.3 grams per tonne for approximately 50,000 ounces of contained gold and probable reserves of approximately 44,051,000 tonnes at a grade of 3.4 grams per tonne for approximately 4,874,000 ounces of contained gold). The revised estimates are based on both drilling results and an increased assumed gold price. Based on these estimates, the additional reserves will extend the Kumtor open pit mine-life from 2014 to 2017. The total capital expenditures required to develop these reserves for the Kumtor life-of-mine is estimated at U.S.$483 million, which includes U.S.$179 million of sustaining capital. Kumtor's revised life-of-mine plan incorporates remedial measures to manage the ice and waste movement in the southeast highwall of the Kumtor pit, described in greater detail in the Company's material change report dated December 11, 2009. Kumtor's life-of-mine plan is based only on the open pit mineral reserves and does not include any provision for production from the underground development activities. Work on defining the resources for the Kumtor underground development will continue.

At the Boroo mine, the technical review resulted in an increase in reserves of 25,000 ounces of contained gold before accounting for processing of 188,000 contained ounces of gold to October 31, 2009 in the Boroo mill and heap leach pad.

At the Gatsuurt project, no changes have been made to the reserve and resource figures or classification from the December 31, 2008 estimate of 1.0 million contained ounces of gold using a gold price of U.S.$675 per ounce. This estimate will be updated at year-end using an U.S.$825 per ounce gold price.

No changes have been made to the resource figures or classification from December 31, 2008 resource estimate at the REN project. As discussed further below, Centerra has entered into a letter of intent to sell its REN interest to a third party.

Mongolian Regulatory Matters

On June 12, 2009, the main operating licenses at the Company's Boroo mine were suspended by the Minerals Resources Authority of Mongolia ("MRAM") following extensive inspections of the Boroo mine operation conducted by the SSIA. In its report, the SSIA expressed its view that a number of deficiencies existed at the Boroo mine. After discussions by Centerra and its subsidiaries with both the MRAM and the SSIA, the suspension of the operating licenses was lifted on July 27, 2009. Despite the lifting of the suspension, several issues arising from the inspections continue to be discussed by Centerra and the Mongolian regulatory authorities.

The SSIA indicated its concern regarding the status of certain mineral reserves, including state alluvial reserves covered by the Boroo mine licenses that are recorded in the Mongolian state reserves registry but for which there are no or incomplete records or reports of mining activity. The Company and the SSIA have conducted detailed surveys to determine the status of such reserves including whether such reserves have been mined by Boroo or a predecessor license holder or have been rendered un-mineable by the Company's operations, for example by placement of overburden on top of such reserves. The Company believes that it has properly reported all of its mining activities since it began operations in 2004. However, alluvial deposits on the Boroo licenses were subject to extensive mining activity prior to Centerra's acquisition of the licenses. On October 23, 2009, the Company received a very significant claim for compensation from the SSIA. The Company disputes the claim. While the Company cannot give assurances, it believes settlement will be concluded through negotiation and will not result in a material impact.

In addition, the SSIA inspections raised a concern about the production and sale of gold from the Boroo heap leach facility. The Company had operated its Boroo heap leach facility under a temporary permit issued by the proper authorities from June 2008 until the expiry of the temporary permit in April, 2009 and paid all relevant royalties and taxes with respect to gold produced from the heap leach facility during that period. The Company believes that it had all necessary permits to carry out its heap leach activities and that any regulatory concerns are unfounded. Centerra is continuing its effort to obtain a final permit for the operation of its heap leach facility at the Boroo mine. The Company understands that this matter has been referred to the Mongolian Ministry of Finance for review but has received no official notice of any concern. See “Risk Factors”.

While the Company is optimistic that it will be able to resolve the issues arising from the SSIA inspections in a satisfactory manner, there can be no assurances of this. See “Risk Factors”.

Under the stability agreement relating to the Boroo mine between the Company and the Government of Mongolia, signed July 6, 1998, as amended (the “Boroo Stability Agreement”), the Company is permitted to offset any value added taxes (“VAT”) that it pays against other taxes payable in respect of its Boroo mine operation. Earlier this year, the Mongolian Ministry of Finance expressed its view that, despite the terms of the Boroo Stability Agreement, Centerra would not in the future be permitted to offset its VAT overpayment against corporate income tax. In response, Centerra has notified the Ministry of Finance that it expects the Mongolian Government to abide by the terms of the Boroo Stability Agreement. In November 2009, Centerra was notified by the Ministry of Finance officials that it would allow Centerra to offset VAT overpayments up to August 31, 2009. Recovery of VAT overpayments from September 1, 2009 onwards may continue to be subject to negotiations with the Ministry of Finance.

On November 2, 2009, Centerra received a letter from the Mongolian Ministry of Finance re-iterating some of the issues raised by the SSIA and indicating that the Boroo Stability Agreement would be terminated if such issues were not resolved within a period of 120 days from the date of the letter. The Company is in discussions with the Ministry of Finance regarding such concerns. While the Company believes that the issues raised by the Ministry of Finance will be resolved through negotiations without a material impact on the Company, there can be no assurance that this will be the case.

Mongolian Law Affecting Licenses

In July 2009, the Mongolian Parliament enacted legislation that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of licenses affecting such areas. Regulations under the new legislation, which will specify the affected licenses, have not been prepared or published. The Company understands that prior to the law becoming effective the Mongolian government will undertake physical surveys and consult with local officials to determine which, if any, existing licenses will be subject to the new law. The legislation provides a specific exemption for “mineral deposits of strategic importance”, and accordingly, the main Boroo mining licenses will not be subject to the law. The Company’s Gatsuurt licenses and its other exploration license holdings in Mongolia are currently not so exempt. However, the Company is reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the law having a limited impact on the Company’s Mongolian activities. See “Risk Factors”.

Gatsuurt Investment Agreement Negotiation

Centerra has recently resumed negotiations with the Government of Mongolia with respect to an investment agreement for the Gatsuurt project which would, among other things, stabilize the tax and legal regime applicable to the development of the Gatsuurt project. In August 2009, the Government of Mongolia repealed its windfall profit tax of 68% in respect of gold sales at a price in excess of U.S.$850 an ounce, with the repeal to take effect on January 1, 2011, which would have been applicable to the Gatsuurt project. See “Risk Factors”.

Sale of REN Project

Centerra has entered into a letter of intent with Rye Patch Gold Corp. (“Rye Patch”) for the sale of Centerra’s interest in the REN project in Nevada, subject to the execution of definitive documentation. The purchase price for the acquisition will be U.S.$42,000,000 payable as follows: (i) U.S.$2,000,000 upon the execution of a definitive agreement; (ii) U.S.$10,000,000 24 months after the execution of the definitive agreement or, at Rye Patch's election, it may issue up to U.S.$5,000,000 in Rye Patch common shares and pay the balance of the U.S.$10,000,000 in cash; and (iii) U.S.$30,000,000 36 months after the execution of the definitive agreement, or, at Rye Patch's election, it may issue up to U.S.$15,000,000 in Rye Patch common shares and pay the balance of the U.S.$30,000,000 in cash.

Rye Patch will perform all of Centerra's obligations under the REN joint venture agreement, including acting as manager. When the purchase price has been paid in full, Centerra will transfer the joint venture interest to Rye Patch's subsidiary, Rye Patch Gold US Inc.

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the share and loan capital of Centerra since September 30, 2009, the date of Centerra's most recently filed interim financial statements.

USE OF PROCEEDS

The net proceeds to the Selling Shareholder from the Offering will be approximately $872,005,764, before deducting the expenses of the Offering. Centerra will not receive any of the proceeds from the Offering.

DESCRIPTION OF SECURITIES

The authorized share capital of Centerra consists of an unlimited number of Common Shares, an unlimited number of Class A non-voting shares and an unlimited number of preference shares, issuable in series, the share conditions of which are summarized below. The following summary does not purport to be complete and reference should be made to Centerra's articles of incorporation, as amended, for the full text of the share provisions.

Common Shares

Each Common Share is entitled to one vote at meetings of shareholders, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Each Common Share is also entitled to receive dividends if, as and when declared by Centerra's board of directors. Holders of Common Shares are entitled to participate in any distribution of Centerra's net assets upon liquidation, dissolution or winding-up on an equal basis per share but subject to the rights of the holders of the preference shares. There are no pre-emptive, redemption, purchase or conversion rights attaching to the Common Shares. As at December 18, 2009, there were 234,857,228 Common Shares outstanding.

Class A Non-Voting Shares

The Class A non-voting shares have the same terms and conditions as Centerra's Common Shares, except that they are non-voting and they are not entitled to any dividends or distributions that can be attributed reasonably to KGC or its assets or operations. There are currently no Class A non-voting shares outstanding as they have been created solely for the purposes of the insurance risk rights plan described below under "Political Risk Insurance Rights Plan".

Preference Shares

The preference shares may be issued at any time or from time to time in one or more series as may be determined by the board of directors. The board of directors is authorized to fix before issue the number, the consideration per share and the designation of and, subject to the special rights and restrictions attached to all preference shares, the rights and restrictions attached to the preference shares of each series. The preference shares of each series rank on a parity with the preference shares of each other series with respect to the payment of dividends and the return of capital on liquidation, dissolution or winding-up. The preference shares are entitled to a preference over the Common Shares and any other shares ranking junior to the preference shares with respect to the payment of dividends and the return of capital. The special rights and restrictions attaching to the preference shares as a class may not be amended without any approval as may then be required by law, subject to a minimum approval requirement of at least two thirds of the votes cast at a meeting of the holders of preference shares to be called and held for that purpose. There are currently no preference shares outstanding.

Political Risk Insurance Rights Plan

Centerra has in place an insurance risk rights plan which applies if an event occurs relating to KGC or its assets or operations at a time when Kyrgyzaltyn is controlled by the Kyrgyz Government and the event is caused by the Kyrgyz Government and results in a payment to Centerra under the political risk insurance coverage. In this event, the following will occur:

- each holder of Centerra's Common Shares will be entitled to exchange its shares for Centerra's Class A non-voting shares;
- Kyrgyzaltyn would irrevocably elect to exchange all of its Common Shares for Class A non-voting shares and it is expected that no other shareholders would elect to do this;
- the holders of Centerra's Common Shares (but not Class A non-voting shares) would be entitled to acquire additional Common Shares for $0.01 per share, with the aggregate number of Common Shares available determined by a formula designed to provide for the holders of Class A non-voting shares to be diluted by an amount that approximates the proceeds received under the political risk insurance; and
- following the exercise of the rights to acquire additional shares by Centerra's Common Shareholders, the Class A non-voting shares will convert back into Centerra's Common Shares.

Kyrgyzaltyn has also agreed that, following the determination by Centerra's board of directors that an event has occurred that could reasonably result in this plan being triggered and for so long as such event continues or until the process described above has been completed, it will not transfer its shares or exercise any voting rights in respect of its shares or be entitled to receive any dividends or distributions on its shares that can be attributed reasonably to KGC or its assets or operations or distributions from KGC during such period. The plan will continue in effect until terminated by Centerra's board of directors based on a determination that it is no longer necessary or desirable having regard to, among other things, the extent of Centerra's operations based in the Kyrgyz Republic.

THE SELLING SHAREHOLDER

The following table sets forth information with respect to the Selling Shareholder's ownership of Centerra's securities, as of the date hereof and as adjusted to reflect the sale of 88,618,472 Common Shares pursuant to the Offering and the transfer of 25,300,000 Common Shares from the Selling Shareholder to Kyrgyzaltyn pursuant to the Agreement on New Terms.

		Common Shares Owned, Controlled or Directed Prior to the Offering(1)		Common Shares Owned, Controlled or Directed After the Offering(1)	
Name	**Type of Ownership**	**Number**	**Percentage**	**Number**	**Percentage**
Cameco Corporation	Of record and beneficially	113,918,472 (owned)	48.5%(2)	Nil	0%
Cameco Corporation	Of record and beneficially	123,399,432 (voting control)	52.5%(3)	Nil	0%

Notes:

(1) At present, the Selling Shareholder owns 113,918,472 Common Shares. However: (i) pursuant to the Agreement on New Terms, 25,300,000 of the Selling Shareholder's Common Shares will be released from custodial arrangements to Kyrgyzaltyn upon the occurrence of the Share Release Condition; and (ii) pursuant to the Restated Project Agreements, Centerra issued 18,232,615 Common Shares to Kyrgyzaltyn, but the Selling Shareholder is entitled to vote 52% of such Common Shares until the Share Release Condition is satisfied. Accordingly, the Selling Shareholder currently has voting control over approximately 123,399,432 Common Shares, representing, 52.5% of the outstanding Common Shares and will retain such voting control until the successful completion of this Offering.

(2) 48.1% on a fully-diluted basis.

(3) 52.1% on a fully-diluted basis.

RISK FACTORS

An investment in the Common Shares involves certain risks. Before making an investment decision, prospective investors should carefully review the risk factors relating to Centerra's business and other conditions that may have a material impact on the financial condition of Centerra referenced in this short form prospectus (including the documents incorporated by reference). If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations or cash flows could be adversely affected, the trading price of the Common Shares could decline and all or part of any investment may be lost. Additional risks and uncertainties not currently known to the Company, or that are currently deemed immaterial, may also materially and adversely affect the Company's business operations, prospects, financial condition, results of operations or cash flows.

Risk Factors Relating to the Business of Centerra

Centerra's business is sensitive to the volatility of gold prices

Centerra's revenue is largely dependent on the world market price of gold. Gold prices are subject to volatile movements over time and are affected by numerous factors beyond Centerra's control. These factors include: global supply and demand; central bank lending, sales and purchases; expectations for the future rate of inflation; the level of interest rates; the strength of, and confidence in, the U.S. dollar; market speculative activities; and global or regional political and economic events, including the performance of Asia's economies.

If the market price of gold falls and remains below variable production costs of any of Centerra's mining operations for a sustained period, losses may be sustained, and, under certain circumstances, there may be a curtailment or suspension of some or all of Centerra's mining and exploration activities. Centerra would also have to assess the economic impact of any sustained lower gold prices on recoverability and, therefore, the cut-off grade and level of Centerra's gold reserves and resources. These factors could have an adverse impact on Centerra's future cash flows, earnings, results of operations, stated reserves and financial condition.

Centerra's principal operations are located in the Kyrgyz Republic and Mongolia and are subject to political risk

All of Centerra's current gold production and reserves are derived from assets located in the Kyrgyz Republic and Mongolia, countries that have experienced political difficulties in recent years including, in the Kyrgyz Republic, a revolution in March 2005 that resulted in the ouster of the long-time incumbent President. Accordingly, there continues to be a risk of future political instability.

Centerra's mining operations and gold exploration activities are affected in varying degrees by political stability and government regulations relating to foreign investment, social unrest, corporate activity and the mining business in each of these countries. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation in Central Asia and the former Soviet Union. The relevant governments have entered into contracts with Centerra or granted permits, licenses or concessions that enable it to conduct operations or exploration and development activities. Notwithstanding these arrangements, Centerra's ability to conduct operations or exploration and development activities is subject to obtaining and/or renewing permits or concessions (including a permanent license with respect to the Boroo heap leach operations and a certificate of temporary land use in relation to its concession area around the Kumtor mine), changes in laws or government regulations or shifts in political attitudes beyond Centerra's control.

There can be no assurance that industries deemed of national or strategic importance like mineral production will not be nationalized. Government policy may change to discourage foreign investment, renationalization of mining industries may occur or other government limitations, restrictions or requirements not currently foreseen may be implemented. There can be no assurance that Centerra's assets will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by any authority or body. While there are often provisions for compensation and reimbursement of losses to investors under such circumstances, there is no assurance that such provisions would effectively restore the value of Centerra's original investment. Similarly, Centerra's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, labour legislation, mine safety, and annual fees to maintain mineral properties in good standing. There can be no assurance that the laws in these countries protecting foreign investments will not be amended or abolished or that these existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above. Furthermore, there can be no assurance that the agreements Centerra has with the governments of these countries will prove to be enforceable or provide adequate protection against any or all of the risks described above.

Centerra has made an assessment of the political risk associated with each of its foreign investments and currently has political risk insurance covering its investments in the Kyrgyz Republic which is intended to mitigate a portion of any losses. The Company does not currently have political risk insurance covering its investments in Mongolia. From time to time, Centerra assesses the costs and benefits of maintaining such insurance and may not continue to purchase the coverage. Furthermore, there can be no assurance that the insurance would continue to be available at any time or that particular losses Centerra may suffer with respect to its foreign investments will be covered by the insurance. These losses could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition if not adequately covered by insurance.

Centerra's reserves may not be replaced

The Kumtor and Boroo mines are currently Centerra's only sources of gold production. Based on the current life-of-mine plan, Kumtor will be depleted by 2017. At Boroo, the oxide mill ore will be depleted in 2010, and the heap leach ore will be depleted in 2015. Additionally, if the BIOX™ facility is not constructed, the Boroo transitional ores would be depleted by 2013. If Centerra's existing mineral reserves (including reserves at the Gatsuurt deposit in Mongolia) are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at Kumtor or Boroo or through the acquisition or development of an additional producing mine, this could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition, including as a result of requirements to expend funds for reclamation and decommissioning. Although Centerra is actively engaged in programs to increase mineral reserves and expand the life-of-mine at both Kumtor and Boroo, as well as to develop and mine the Gatsuurt deposit in Mongolia, there can be no assurance that these programs will be successful.

Centerra may experience further ground movements at the Kumtor mine

On July 8, 2002, a highwall ground movement at the Kumtor mine resulted in the death of one of Centerra's employees and the temporary suspension of mining operations. The movement led to a considerable shortfall in 2002 gold production because the high-grade Stockwork Zone was rendered temporarily inaccessible. Consequently, Centerra milled lower-grade ore and achieved lower recovery rates. In February 2004, movement was also detected in the southeast wall of the open pit and a crack was discovered at the crest of the wall. In February 2006, there was further movement detected in the southeast wall of the open pit. In July 2006, there was ground movement in the northeast wall of the open pit that required the adoption of a new mining sequence at Kumtor and resulted in lower than anticipated gold production in 2006. In the first quarter of 2007, minor slope movement was detected in the waste dump above the SB Zone highwall in the Central Pit. Deformation cracks in the waste rock above the till focused attention on wall instability seated in the glacial till between the waste dumps and the underlying bedrock. Drilling has indicated that further push backs of the Kumtor pit will encounter unfrozen, water saturated till. The outer face of the till is frozen and hence the water behind the slope face is pressurized. The depressurization and dewatering programs which were established at the mine in 2008 and continuously operated since, have reduced the hydrological content of the waste dump and the till. The till dewatering program has improved the geotechnical strength of the till. The step out wells have been planned to further intersect ground water that may contribute to the hydrological characteristics. If depressurization of the till and of the underlying rocks cannot be achieved, a flatter slope angle will be required which could lead to a reduction of the mineral reserves mineable by open pit. For a description of these incidents, see "Centerra's Properties — Kumtor Mine — Mining Operations — Geotechnical Issues Affecting the Kumtor Open Pit" in the Centerra AIF.

Although extensive efforts are employed by Centerra to prevent further ground movement, there is no guarantee against such movements. A future ground movement could result in a significant interruption of operations. Centerra may also experience a loss of reserves or a material increase in costs, if it is necessary to redesign the open pit as a result of a ground movement. The consequences of a ground movement will depend upon the magnitude, location and timing of any such movement. If mining operations are interrupted to a significant magnitude or the mine experiences a significant loss of reserves or materially higher costs of operation, this would have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra will experience further waste and ice movement at the Kumtor mine

During 2009, continued movement of waste and ice from the South East Ice Wall into the Kumtor Central pit above the SB Zone section required the mining of ice and waste which reduced the production of ore. While management has developed a plan to manage this movement there is no guarantee that these efforts will avert further negative impact on the Company's expected production, costs and earnings.

Although extensive efforts are being employed by Centerra to manage further waste and ice movements, there is no guarantee that such efforts will be successful or that further waste and ice movements will not adversely affect operations at the Kumtor mine. Future movements could result in a significant interruption of operations or impede access to ore deposits. Centerra may also experience a loss of reserves or a material increase in costs if it is necessary to redesign the open pit as a result of waste and ice movements. The consequences of further waste and ice movement into the Kumtor Central pit will depend upon the extent, location and timing of any such movement. If mining operations are interrupted to a significant magnitude or the mine experiences a significant loss of reserves or materially higher costs of operation, this would have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Changes in, or more aggressive enforcement of, laws, regulations and government practices could adversely impact Centerra's business

Mining operations and exploration activities are subject to extensive laws and regulations. These relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response and other matters.

Compliance with these laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mines and other facilities. It is possible that the costs, delays and other effects associated with these laws and regulations may impact Centerra's decision as to whether to continue to operate existing mines, ore refining and other facilities or whether to proceed with exploration or development of properties. Since legal requirements change frequently, are subject to interpretation and may be enforced to varying degrees in practice, Centerra is unable to predict the ultimate cost of compliance with these requirements or their effect on operations.

In this regard, the Mongolian Parliament has passed a new Minerals Law that, among other things, empowers Parliament to designate mineral deposits that have a potential impact on national security, economic and social development or deposits that have a potential of producing above 5% of the country's GDP as deposits of strategic importance. The state may take up to a 50% interest in the exploitation of a minerals deposit of strategic importance where state-funded exploration was used to determine proven reserves and up to a 34% interest in an investment to be made by a license holder in a mineral deposit of strategic importance where proven reserves were determined through funding sources other than the state budget. The Mongolian Parliament has also recently passed a law prohibiting mineral prospecting, exploration, and mining in water basins and forest areas in Mongolia, which would have the effect of revoking any issued licenses covering such areas. See "Recent Developments — Mongolian Law Affecting Licenses".

The Boroo Stability Agreement affords Boroo protection against these laws, but Centerra's Gatsuurt project does not yet have any such benefits. Centerra has been in discussions with the Government of Mongolia to obtain an investment agreement for the development and mining of the Gatsuurt project which would stabilize the tax regime applicable to Gatsuurt, and including whether such new mineral laws will apply to Gatsuurt. There can be no assurance that the negotiations will be successful. In addition, Centerra holds other exploration and mining licenses in Mongolia which are not subject to the Boroo Stability Agreement and which may not be subject to any investment agreement to be entered into for Gatsuurt, and therefore these exploration and mining licenses may become subject to such new Mongolian mining laws.

On June 12, 2009, the main operating licenses at the Company's Boroo mine were suspended by the MRAM following extensive inspections of the Boroo mine operation conducted by the SSIA. In its report, the SSIA expressed its view that a number of deficiencies existed at the Boroo mine. After discussions by Centerra and its subsidiaries with both the MRAM and the SSIA, the suspension of the operating licenses was lifted on July 27, 2009. Despite the lifting of the suspension, several issues arising from the inspections continue to be discussed by Centerra and the Mongolian regulatory authorities.

In particular, on October 23, 2009, the Company received a very significant claim for compensation from the SSIA in respect of certain mineral reserves, including state alluvial reserves covered by the Boroo mine licenses, that are recorded in the Mongolian state reserves registry but for which there are no or incomplete records or reports of mining activity. The Company disputes the claim. While the Company is attempting to settle this claim through negotiation, there can be no assurance that such negotiation can be successfully concluded and any failure to do so could have a material adverse impact on Centerra. In addition, the SSIA inspections raised a concern about the production and sale of gold from the Boroo heap leach facility. The Company understands that the foregoing matter has been referred to the Mongolian Ministry of Finance for review but has received no official notice of any concern.

Furthermore, on November 2, 2009, Centerra received a letter from the Mongolian Ministry of Finance re-iterating some of the issues raised by the SSIA and indicating that the Boroo Stability Agreement would be terminated if such issues were not resolved within a period of 120 days from the date of the letter. The Company is in discussions with the Ministry of Finance regarding such concerns. While the Company believes that the issues raised by the Ministry of Finance will be resolved through negotiations with the authorities without a material impact on the Company, there can be no assurance that this will be the case.

The foregoing uncertainties and changes in governments, regulations and policies and practices could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Current and future litigation may impact the revenue and profits of the Company

The Company may, currently or in the future, be subject to claims (including class action claims and claims from government regulatory bodies) based on allegations of negligence, breach of statutory duty, public nuisance or private nuisance or otherwise in connection with its operations or investigations relating thereto. While the Company is presently unable to quantify its potential liability under any of the above heads of damage, such liability may be material to the Company and may materially adversely affect its ability to continue operations.

Centerra's reserve and resource estimates may be imprecise

Reserve and resource figures are estimates and no assurances can be given that the indicated levels of gold will be produced or that Centerra will receive the price assumed in determining its reserves. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Centerra believes that the reserve and resource estimates included are well established and reflect management's best estimates, by their nature reserve and resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove unreliable.

Furthermore, fluctuations in the market price of gold, as well as increased capital or production costs or reduced recovery rates may render ore reserves uneconomic and may ultimately result in a reduction of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time.

No assurances can be given that any resource estimate will ultimately be reclassified as proven or probable reserves.

If Centerra's reserve or resource figures are inaccurate or are reduced in the future, this could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra's production and cost estimates may be inaccurate

Centerra prepares estimates of future production and future production costs for particular operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour availability; access to the mine; facilities and infrastructure; sufficient materials and supplies on hand; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out Centerra's activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of orebodies and the processing of new or different ore grades; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, floods, earthquakes, pit wall failures and cave-ins; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures and currency exchange rates. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Centerra's future exploration and development activities may not be successful

Exploration for and development of gold properties involve significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting gold from ore. Centerra cannot ensure that its current exploration and development programs will result in profitable commercial mining operations or replacement of current production at existing mining operations with new reserves. Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically.

Centerra's ability to sustain or increase present levels of gold production is dependent in part on the successful development of new orebodies and/or expansion of existing mining operations. The economic feasibility of development projects is based upon many factors, including the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection; and gold prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. Centerra also conducts feasibility studies that derive estimates of capital and operating costs based upon many factors, including anticipated tonnage and grades of ore to be mined and processed; the configuration of the orebody; ground and mining conditions; expected recovery rates of the gold from the ore; and anticipated environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from Centerra's best estimates. It is not unusual for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated. These uncertainties could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra's future prospects may suffer due to enhanced competition for mineral acquisition opportunities

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, Centerra may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Centerra will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. Centerra's inability to acquire such interests could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. Even if Centerra does acquire such interests, the resultant business arrangements may not ultimately prove beneficial to Centerra's business.

Gold mining is subject to a number of operational risks and Centerra may not be adequately insured for certain risks

Centerra's business is subject to a number of risks and hazards, including environmental pollution, accidents or spills; industrial and transportation accidents; unexpected labour shortages, disputes or strikes; cost increases for contracted and/or purchased goods and services; shortages of required materials and supplies; electrical power interruptions; mechanical and electrical equipment failure; changes in the regulatory environment; natural phenomena, such as inclement weather conditions, floods, earthquakes, pit wall failures, tailings dam failures and cave-ins; encountering unusual or unexpected climatic conditions that may or may not result from global warming; and encountering unusual or unexpected geological conditions.

While Centerra takes measures to mitigate the foregoing risks and hazards, there is no assurance that these risks and hazards will not result in damage to, or destruction of, Centerra's gold properties, personal injury or death, environmental damage, delays in or interruption of or cessation of production from Centerra's mines or in its exploration or development activities, costs, monetary losses and potential legal liability and adverse community and/or governmental action, all of which could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

In March 2008, an unplanned shutdown of the ball mill at Kumtor was required to repair the ring gear which had failed. The repair was completed in late March and the ball mill returned to full operation. The successful repair of the ring gear is considered a temporary repair which will require full replacement; this was originally planned for the third quarter of 2009. This replacement has been postponed until late in the second quarter of 2010 to enable uninterrupted processing of higher-grade material in the first quarter of 2010. The Company's expectation is that the temporary repair will be sufficient to sustain operation until then.

Similarly, the maintenance and change out of the Kumtor SAG mill liner which was scheduled for the third quarter of 2009 has been postponed until early in the third quarter of 2010. However, should the current liner and/or the ring gear not last until the rescheduled date for replacement or maintenance, an unplanned shutdown would be required which may have an adverse impact on Centerra's production, future cash flows, earnings, results of operations and financial condition.

The Kumtor tailings dam design was initially approved by the Kyrgyz authorities to elevation 3,670 metres. Subsequent to this approval, it was determined by the Kyrgyz authorities that additional construction permits and authorizations would be required in connection with the raising and the operation of the tailings facility. The tailings dam crest is currently at elevation 3,661 metres. The next tailings dam raising is scheduled for 2010 which will raise the elevation of the tailings dam to 3,664 metres. A tailings dam with 3,670 metres elevation would be sufficient to contain all the tailing generated in the current life of mine plan to 2017. While the Company has obtained the necessary permits and authorizations in the past in connection with tailings dam raises, there are no assurances that such permits and authorizations can be obtained in the future or obtained in the timeframe required by the Company. If all necessary permits and authorizations are not obtained, delays in, or interruptions or cessation of Centerra's production from the Kumtor mine may occur, which may have an adverse impact on Centerra's future cash flows, earnings, results of operations or financial condition.

Although Centerra maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, its insurance may not provide adequate coverage in all circumstances. No assurance can be given that insurance will continue to be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards.

Centerra may also be subject to liability or sustain losses in relation to certain risks and hazards against which it cannot insure or for which it may elect not to insure. The occurrence of operational risks and/or a shortfall or lack of insurance coverage could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra is subject to environmental, health and safety risks

Centerra expends significant financial and managerial resources to comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, "laws") drawn from a number of different jurisdictions. Centerra believes it is in material compliance with these laws. Centerra anticipates that it will be required to continue to do so in the future as the historical trend toward stricter laws is likely to continue. The possibility of more stringent laws or more rigorous enforcement of existing laws exists in the areas of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining sites, restriction of areas where exploration, development and mining activities may take place and other environmental matters, each of which could have a material adverse effect on Centerra's exploration, operations and the cost or the viability of a particular project.

Centerra's facilities operate under various operating and environmental permits, licenses and approvals that contain conditions that must be met and Centerra's right to continue operating its facilities is, in a number of instances, dependent upon compliance with these conditions. Failure to meet certain of these conditions could result in interruption or closure of exploration, development or mining operations or material fines or penalties, all of which could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition. Centerra is unable to quantify the costs of such a failure.

Centerra's properties, including the Gatsuurt project, may be subject to defects in title

Centerra has investigated its rights to explore and exploit all of its material properties, and, except as described below, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked or significantly altered to Centerra's detriment. There can also be no assurance that Centerra's rights will not be challenged or impugned by third parties, including local governments. On December 6, 2006, Gatsuurt LLC commenced arbitration before the Mongolian National Arbitration Court ("MNAC") alleging non-compliance by Centerra's subsidiary, Centerra Gold Mongolia LLC ("CGM"), with its obligation to complete a feasibility study on the Gatsuurt property by December 31, 2005 and seeking the return of the license. Centerra believed that Gatsuurt LLC's position was without merit. CGM challenged the MNAC's jurisdiction and the independence and impartiality of the Gatsuurt LLC nominee to the arbitration panel. Centerra and Gatsuurt LLC have reached an agreement to terminate arbitration proceedings. Further to that agreement CGM paid U.S.$1.5 million to Gatsuurt LLC. On signing of a definitive agreement, but subject to CGM having entered into an investment agreement with the Government of Mongolia in respect of the development of the Gatsuurt project, CGM will make a further non-refundable payment to Gatsuurt LLC in the amount of U.S.$1.5 million. Final settlement with Gatsuurt LLC is subject to the negotiation and signing of a definitive settlement agreement.

Centerra is currently in discussions with the applicable Kyrgyz regulatory authorities regarding a certificate of temporary land use in relation to its concession area in the Kyrgyz Republic. While, Centerra's previous certificate of temporary land use expired on October 1, 2009, the Company expects that a new certificate of temporary land use will be issued, although there can be no assurance that this will be the case.

Although Centerra is not currently aware of any existing title uncertainties with respect to any of its properties except as discussed in the preceding paragraphs, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

There can be no assurance that Centerra will be able to successfully complete negotiations for an investment agreement for Gatsuurt or to complete the development of the mine

There can be no assurance that Centerra will be able to successfully negotiate with the Government of Mongolia a mutually satisfactory investment agreement for the development and operation of the Gatsuurt project. While there is no legal requirement for an investment agreement to be executed before Centerra commences development and mining operations at Gatsuurt, management of the Company believes that it is of fundamental importance for the viability of the project.

Ore production from the Gatsuurt project will be processed at the Boroo mill and accordingly, the Company intends to construct a road linking the two sites. The construction of such road will require, among other things, cooperation from the local government and the acquisition of certain land rights from third parties, all of which cannot be guaranteed to occur on terms acceptable to the Company.

Another matter which may impact on the ability of the Company to successfully develop and operate the Gatsuurt project is the successful negotiation of a definitive agreement with Gatsuurt LLC, the entity that commenced arbitration against Centerra before the MNAC in 2006 alleging non-compliance by Centerra with certain contractual obligations owing to it, as described above. The arbitration proceedings have since been terminated as the parties have agreed in principle on settlement terms, but no definitive agreement has yet been signed.

Centerra's inability to develop and operate the Gatsuurt project could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Centerra's operations in the Kyrgyz Republic and Mongolia are located in areas of seismic activity

The areas surrounding both Centerra's Kumtor mine and Boroo mine are seismically active. While the risks of seismic activity were taken into account when determining the design criteria for Centerra's Kumtor and Boroo operations, there can be no assurance that Centerra's operations will not be adversely affected by this kind of activity, all of which could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra's properties are located in remote locations and require a long lead time for equipment and supplies

Centerra operates in remote locations and depends on an uninterrupted flow of materials, supplies and services to those locations. In addition, Centerra uses expensive, large equipment that requires a long time to procure, build and install. Any interruptions to the procurement of equipment, or the flow of materials, supplies and services to Centerra's properties could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. Access to the Kumtor mine has been restricted on several occasions by illegal roadblocks. See "Centerra's Properties — Material Properties — Kumtor Mine — Environmental — Cyanide Spill" in the Centerra AIF.

Illegal mining has occurred on Centerra's Mongolian properties, is difficult to control, may disrupt its operations and may expose it to liability

Illegal mining is widespread in Mongolia. Illegal miners have and may continue to trespass on Centerra's properties and engage in very dangerous practices, including climbing inside caves and old exploration shafts without any safety devices. Centerra is unable to continuously monitor the full extent of its exploration and operating properties. The presence of illegal miners could also lead to project delays and disputes regarding the development or operation of commercial gold deposits, including disputes with Mongolian governmental authorities regarding reporting of reserves and mine production. The illegal activities of these miners could cause environmental damage (including environmental damage from the use of mercury by these miners) or other damage to Centerra's properties or further personal injury or death, for which Centerra could potentially be held responsible, all of which could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra may be unable to enforce its legal rights in certain circumstances

In the event of a dispute arising at Centerra's foreign operations, Centerra may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Centerra may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

The dispute resolution provisions of: (i) the Restated Investment Agreement among the Kyrgyz Government, on behalf of the Kyrgyz Republic, Centerra, KGC and KOC dated June 6, 2009 and (ii) the Boroo Stability Agreement stipulate that any dispute between the parties thereto is to be submitted to international arbitration. However, there can be no assurance that a particular governmental entity or instrumentality will either comply with the provisions of these or any other agreements or voluntarily submit to arbitration. Centerra's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Centerra faces substantial decommissioning and reclamation costs which may be difficult to predict accurately

At each of Centerra's mine sites, Centerra is required to establish a decommissioning and reclamation plan. Provision must be made for the cost of decommissioning and reclamation. These costs can be significant and are subject to change. Centerra cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If Centerra is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra may experience reduced liquidity and difficulty in obtaining future financing

The further development and exploration of mineral properties in which Centerra holds or acquires interests may depend upon its ability to obtain financing through joint ventures, debt financing, equity financing or other means. There is no assurance that Centerra will be successful in obtaining required financing as and when needed. Volatile gold markets and/or capital markets may make it difficult or impossible for Centerra to obtain debt financing or equity financing on favourable terms or at all. Centerra's principal operations are located in, and its strategic focus is on, Asia and the former Soviet Union, developing areas that have experienced past economic and political difficulties and may be perceived as unstable. This may make it more difficult for Centerra to obtain debt financing from project or other lenders. Failure to obtain additional financing on a timely basis may cause Centerra to postpone development plans, forfeit rights in its properties or joint ventures or reduce or terminate its operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Current global financial condition

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing and bank credit has been negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These and other factors may affect Centerra's ability to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in Centerra's asset values that may be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, or if more extensive disruptions of the global financial markets occur, Centerra's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Currency fluctuations

Centerra's earnings and cash flow may also be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies, such as the Kyrgyz som, the Mongolian tugrik, the Canadian dollar and the Euro. Centerra's consolidated financial statements are expressed in U.S. dollars. Its sales of gold are denominated in U.S. dollars, while production costs and corporate administration costs are, in part, denominated in Kyrgyz soms, Mongolian tugriks and Canadian dollars. Fluctuations in exchange rates between the U.S. dollar and other currencies may give rise to foreign exchange currency exposures, both favourable and unfavourable, which may materially impact Centerra's future financial results. Although Centerra from time to time enters into short-term forward contracts to purchase Canadian dollars, Centerra does not utilize a hedging program to limit the adverse effects of foreign exchange rate fluctuations in other currencies. In the case of the Kyrgyz som and the Mongolian tugrik, Centerra cannot hedge currency exchange risk because such currencies are not freely traded.

Short term investment risks

The Company may from time to time invest excess cash balances in short term commercial paper or similar securities. Recent market conditions affecting certain types of short term investments of some North American and European issuers as well as certain financial institutions have resulted in restricted liquidity for these investments. There can be no guarantee that further market disruptions affecting various short term investments or the potential failure of such financial institutions will not have a negative effect on the liquidity of investments made by the Company.

Centerra's success depends on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel is critical to Centerra's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Centerra's business activity grows, it will require additional key financial, administrative and mining personnel as well as additional operations staff. The Restated Concession Agreement relating to

Centerra's Kumtor operations also requires two thirds of all administrative or technical personnel to be citizens of the Kyrgyz Republic. However, it has been necessary to engage expatriate workers for Centerra's operations in Mongolia and, to a lesser extent, the Kyrgyz Republic because of the shortage of locally trained personnel. Although Centerra believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If Centerra is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

As a holding company, Centerra's ability to make payments depends on the cash flows of its subsidiaries

Centerra is a holding company that conducts substantially all of its operations through subsidiaries, many of which are incorporated outside North America. Centerra has no direct operations and no significant assets other than the shares of its subsidiaries. Therefore, Centerra is dependent on the cash flows of its subsidiaries to meet its obligations, including payment of principal and interest on any debt Centerra incurs. The ability of Centerra's subsidiaries to provide it with payments may be constrained by the following factors: (i) the cash flows generated by operations, investment activities and financing activities; (ii) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which they operate; and (iii) the introduction of exchange controls and repatriation restrictions or the availability of hard currency to be repatriated.

If Centerra is unable to receive sufficient cash from its subsidiaries, it may be required to refinance its indebtedness, raise funds in a public or private equity or debt offering or sell some or all of its assets. Centerra can provide no assurances that an offering of its debt or equity or a refinancing of its debt can or will be completed on satisfactory terms or that it would be sufficient to enable it to make payment with respect to its debt. The foregoing events could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Centerra may experience difficulties with its joint venture partners

Centerra currently operates the REN project through a joint venture with Barrick Gold Corporation, although Centerra has, subject to the execution of a binding definitive agreement, arranged to sell its interest in the REN project to Rye Patch. Centerra also has a number of other joint venture partners and it may in the future enter into additional joint ventures. Centerra is subject to the risks normally associated with the conduct of joint ventures. These risks include disagreement with a joint venture partner on how to develop, operate and finance a project and possible litigation between Centerra and a joint venture partner regarding joint venture matters. These matters may have an adverse effect on Centerra's ability to pursue the projects subject to the joint venture, which could affect its future cash flows, earnings, results of operations and financial condition.

Centerra's largest shareholder following completion of the Offering will be the Kyrgyz Government

Following the completion of the Offering, Centerra's largest shareholder will be Kyrgyzaltyn, which is owned and controlled by the Kyrgyz Government, and which will own approximately 33% of the Common Shares. There can be no assurance that the Kyrgyz Government will not use its influence as the Company's largest shareholder to materially change the direction of the Company. This concentration of ownership may have the effect of delaying or preventing a change in control of the Company, which may deprive the Company's shareholders of a control premium that might otherwise be offered in connection with such a change of control. The Company is aware that Kyrgyzaltyn has received inquiries regarding the potential acquisition of some or all of its Common Shares and the sale by Kyrgyzaltyn of its shareholdings to a third party could result in a new purchasing shareholder obtaining a considerable interest in the Company. Should Kyrgyzaltyn sell some or all of its interest in the Company, there can be no assurance that an offer would be made to the other shareholders of the Company or that the interests of such a shareholder would be consistent with the plans of the Company as described in this short form prospectus or that such a sale would not decrease the value of the Common Shares.

Centerra has been advised that on or prior to the completion of the Offering, Kim Goheen, a nominee of the Selling Shareholder, will step down from Centerra's Board of Directors. Centerra has also been advised that Kyrgyzaltyn will, in accordance with the Restated Shareholders Agreement among Centerra, Cameco and Kyrgyzaltyn dated June 6, 2009, appoint an additional independent director to Centerra's Board of Directors.

Centerra's directors may have conflicts of interest

Certain of Centerra's directors also serve as directors and/or officers of other companies involved in natural resource exploration, development and production and consequently there exists the possibility for such directors to be in a position of conflict.

PRIOR SALES

The following table summarizes the issuance by Centerra of Common Shares or securities convertible into Common Shares during the 12 months preceding the date hereof.

Date	Type of Security	Number of Securities	Issuance/Exercise Price per Security
June 16, 2009	Common Shares	35,000 (issued upon the exercise of options)	$6.71
June 15, 2009	Common Shares	24,831 (issued upon the exercise of options)	$6.71
June 12, 2009	Common Shares	24,831 (issued upon the exercise of options)	$6.71
June 11, 2009	Common Shares	18,232,615	Contractual Benefits(1)
June 5, 2009	Common Shares	11,100 (issued upon the exercise of options)	$6.71
May 25, 2009	Common Shares	67,293 (issued upon the exercise of options)	$6.71
April 29, 2009	Common Shares	143,370 (issued upon the exercise of options)	$5.16
February 17, 2009	Options to acquire Common Shares	816,802	$4.81

Note:

(1) On completion of the transactions contemplated by the Agreement on New Terms, Centerra issued 18,232,615 Common Shares from treasury to Kyrgyzaltyn in consideration for the undertakings made by the Kyrgyz Government and Kyrgyzaltyn in the Agreement on New Terms and the Restated Project Agreements and the expansion of the current concession area discussed above. See "Recent Developments — Agreement on New Terms".

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol "CG". The following table sets forth, for the periods indicated, the reported high and low sales prices and the aggregate volume of trading of the Common Shares on the TSX.

Period	High	Low	Volume
	$	$	
2009			
December 1 — December 18	$15.10	$10.25	30,030,505
November	13.53	7.81	7,494,839
October	8.74	7.05	4,154,413
September	8.01	6.45	6,948,861
August	7.35	6.17	3,620,302
July	6.85	5.12	4,519,758
June	7.72	5.09	6,720,548
May	7.41	6.22	5,811,932
April	7.76	3.92	8,899,419
March	4.73	4.07	4,028,309
February	6.00	3.82	8,909,529
January	5.22	3.21	8,954,550
2008			
December	4.79	1.55	7,979,254

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Selling Shareholder has agreed to sell and the Underwriters have agreed to purchase on December 30, 2009, or on such other date as may be agreed upon but in any event not later than January 15, 2010, 88,618,472 Common Shares at a price of $10.25 per Common Share payable to the Selling Shareholder against delivery of such Common Shares.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, severally obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Selling Shareholder will pay to the Underwriters a fee equal to 4% of the aggregate gross proceeds from the sale of the Common Shares or $0.41 per Common Share, in consideration for their services in connection with the Offering. All other expenses of the Offering will be paid by the Selling Shareholder.

The Underwriters propose to offer the Common Shares initially at the offering price specified on the cover of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Selling Shareholder.

The terms of the Offering were established through negotiation between the Selling Shareholder and the Underwriters.

Centerra and the Selling Shareholder have agreed to indemnify the Underwriters, and their respective directors, officers, employees and agents, against certain liabilities and expenses, including, without restriction, civil liabilities under applicable securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof. Centerra has also agreed to indemnify the Selling Shareholder against certain liabilities and expenses, or to contribute any payments the Selling Shareholder may be required to make in respect thereof. Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice.

Pursuant to rules and policy statements of certain Canadian provincial and territorial securities regulatory authorities, the Underwriters may not, at any time during the period ending on the date the selling process for the Common Shares ends and all stabilization arrangements relating to the Common Shares are terminated, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restrictions are subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels which might not prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and, subject to certain exceptions, may not be offered or sold in the United States. The Underwriters have agreed that they will not offer or sell the Common Shares within the United States, except in accordance with the Underwriting Agreement in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A thereunder. In addition, until 40 days after the Closing Date, an offer or sale of Common Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption or exclusion from the registration requirements of the U.S. Securities Act. The Underwriting Agreement provides further that the Underwriters will not knowingly take any actions that would make the safe harbour provided by Regulation S under the U.S. Securities Act unavailable in connection with the offer and sales of the Common Shares. Certificates representing any Common Shares that are sold within the United States will contain a legend to the effect that the securities represented thereby have not registered under the U.S. Securities Act and may not be resold in the absence of registration under the U.S. Securities Act, or pursuant to an exemption therefrom, or in a transaction to which the registration requirements of the U.S. Securities Act do not apply.

Centerra has agreed not to, for the period commencing on December 14, 2009 and ending on the date that is 90 days after the Closing Date, directly or indirectly, create, issue, offer or sell, or enter into an agreement to create, issue, offer or sell any Common Shares or securities exchangeable or convertible into such Common Shares, or (except in the case of item (iii) below) announce any intention to do any of the foregoing, other than: (i) options or rights granted under Centerra's Share Option Plan and Share Appreciation Rights Plan or any other share compensation plan and shares issued upon the exercise of options or rights granted under such Plans; (ii) securities issued under Centerra's equity based compensation plans; (iii) securities issued in connection with an acquisition of a business or entity by Centerra, or a business combination transaction involving Centerra, provided that any such securities may not be subsequently disposed of until 90 days after the Closing Date, or (iv) securities issued under any existing agreements or instruments already issued or authorized by Centerra and disclosed to the Underwriters.

The Connected Underwriters are affiliates of Canadian chartered banks or other financial institutions that: (i) among others, are members of a syndicate of financial institutions that have provided the Selling Shareholder with a $500 million unsecured revolving credit facility maturing in November 2012 or (ii) have provided the Selling Shareholder with a $100 million unsecured revolving credit facility maturing in February 2011. Certain of such banks or financial institutions (or other affiliates of the Connected Underwriters) have also provided the Selling Shareholder with unsecured uncommitted or demand credit accommodations (including letters of credit) of various types totaling (together with those provided by others) $600 million, and/or entered into currency swaps or other derivatives transactions with the Selling Shareholder. Consequently, the Selling Shareholder may be considered to be a "connected issuer" of the Connected Underwriters under applicable securities laws. As at December 18, 2009, no indebtedness was outstanding under the credit facilities or other credit accommodations referred to above. Receipt of the net proceeds of the Offering by the Selling Shareholder may enable it not to borrow amounts it might otherwise have borrowed under such credit facilities or other credit accommodations.

The Selling Shareholder is in compliance with the terms of, and the financial institutions have not waived any material breach of, the agreements governing the credit facilities, other credit accommodations and swap and other derivatives transactions referred to in the paragraph above since their respective dates of execution. The decision to distribute the Common Shares, including the determination of the terms of this Offering, was made through negotiations between the Selling Shareholder, and the Underwriters. The affiliated lenders, credit accommodation providers or swap or other derivatives providers of the Connected Underwriters did not have any involvement in that decision or determination. The proceeds of the Offering will not be applied for the benefit of the Connected Underwriters or their affiliates, other than as described herein.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of the Common Shares offered hereby described in this short form prospectus may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Common Shares offered hereby that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospective Directive) subject to obtaining the prior consent of the Representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Common Shares shall result in a requirement for the publication by Centerra or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

Each purchaser of the Common Shares offered hereby located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the Common Shares offered hereby, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/ EC and includes any relevant implementing measure in each relevant member state.

Centerra or Cameco have not authorized and do not authorize the making of any offer of Common Shares through any financial intermediary on their behalf, other than offers made by the Underwriters with a view to the final placement of the Common Shares as contemplated in this short form prospectus. Accordingly, no purchaser of the Common Shares offered hereby, other than the Underwriters, is authorized to make any further offer of such Common Shares on behalf of Centerra, Cameco or the Underwriters.

Notice to Prospective Investors in the United Kingdom

This short form prospectus is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Common Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This short form prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this short form prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. This short form prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom.

Notice to Prospective Investors in Switzerland

The Common Shares offered hereby may not and will not be publicly offered, distributed or redistributed on a professional basis in or from Switzerland, and neither this short form prospectus nor any other solicitation for investments in such Common Shares may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. This short form prospectus may not be copied, reproduced, distributed or passed on to others without the Underwriters' prior written consent. This short form prospectus is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Federal Code of Obligations or a listing prospectus according to Article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. Centerra will not apply for a listing of its securities on any Swiss stock exchange or other Swiss regulated market and this short form prospectus may not comply with the information required under the relevant listing rules. The Common Shares offered hereby have not been and will not be approved by any Swiss regulatory authority. The Common Shares offered hereby have not been and will not be registered with or supervised by the Swiss Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on Investment Funds of March 18, 1994 does not extend to acquirers of Centerra's securities.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to Centerra, of Osler, Hoskin & Harcourt LLP, counsel to the Selling Shareholder, and of Borden Ladner Gervais LLP, counsel to the Underwriters, at the date hereof, the Common Shares are qualified investments under the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plan and tax-free savings accounts ("TFSA").

Notwithstanding that the Common Shares may be a qualified investment for a particular trust governed by a TFSA, the holder of the TFSA will be subject to a penalty tax in respect of the Common Shares held in the TFSA if such Common Shares are a "prohibited investment" for the TFSA. The Common Shares will generally be a "prohibited investment" if the holder of the TFSA does not deal at arm's length with Centerra for the purposes of the Tax Act, or the holder of the TFSA has a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in Centerra or a corporation, partnership or trust with which Centerra does not deal at arm's length for the purposes of the Tax Act.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Centerra's auditors are KPMG LLP, Chartered Accountants, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5.

The transfer agent and registrar for the Common Shares is CIBC Mellon Trust Company at its principal offices in Toronto.

INTEREST OF EXPERTS

The disclosure incorporated by reference in this short form prospectus of a scientific or technical nature for Centerra's Kumtor, Boroo, Gatsuurt and REN properties is based on technical reports prepared for these properties in accordance with NI 43-101 of the Canadian Securities Administrators. The technical information has been updated with current information where applicable.

The technical report for the Kumtor mine, dated December 16, 2009, was prepared by Dan Redmond, P. Geo., Tommaso Roberto Raponi, P. Eng., each of whom is a "qualified person" for purposes of NI 43-101 and an employee of Centerra, and Jack Seto, P. Eng. of BGC Engineering Inc., who is a qualified person and independent of Centerra. The technical report for the Boroo mine, dated December 17, 2009, was prepared by Tommaso Roberto Raponi, and Dan Redmond, each of whom is a qualified person and an employee of Centerra. The technical report for the REN project, dated June 15, 2004, was prepared under the supervision of Strathcona Mineral Services Limited ("Strathcona") and written by Graham Farquharson, P. Eng. and Reinhard von Guttenberg, P. Geo. (both of Strathcona) and Mike Lechner, RPG, CPG, of Resource Modeling Incorporated, each of whom is independent of Centerra and a qualified person. The technical report for the Gatsuurt development property dated as of May 9, 2006 was prepared by James W. Hendry, P. Eng., William E. Roscoe, P. Eng. and David A. Ross, P. Geo., each an employee of Scott Wilson Roscoe Postle Associates Inc. ("Roscoe Postle") and each a qualified person who is independent of Centerra. The technical reports have been filed on the SEDAR at www.sedar.com. See "Securities Law Exemption".

Certain mineral reserve and mineral resource estimates and scientific and technical information for Centerra's mineral properties were prepared under the supervision of Ian Atkinson, Certified Professional Geologist, Centerra's Vice President, Exploration, who is a qualified person.

As of December 21, 2009 each of the designated professionals of Roscoe Postle and Strathcona, and each of Dan Redmond, Tommaso Roberto Raponi, Jack Seto, Graham Farquharson, Reinhard von Guttenberg, Mike Lechner, James W. Hendry, P. Eng., William E. Roscoe, David A. Ross and Ian Atkinson beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

The matters referred to under "Eligibility for Investment" and certain other legal matters relating to the Common Shares offered by this short form prospectus will be passed upon on the Closing Date on behalf of Centerra by Stikeman Elliott LLP, on behalf of the Selling Shareholder by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP. At the date hereof, partners and associates of each of Stikeman Elliott LLP, Osler, Hoskin & Harcourt LLP and Borden Ladner Gervais LLP own, directly or indirectly, less than 1% of the Common Shares.

KPMG LLP, Centerra's auditor, is independent in accordance with applicable rules of professional conduct of the Institute of Chartered Accountants of Ontario.

SECURITIES LAW EXEMPTION

The Ontario Securities Commission, as principal regulator under the passport application of discretionary exemptions, has granted to Centerra relief under the securities legislation of the Province of Ontario (which relief is intended to be relied upon by Centerra in all of the other provinces and territories in Canada) from the requirement in Subsection 4.1(a)(v) of National Instrument 44-101 — *Short Form Prospectus Distributions* and Section 4.2(1)(b) of NI 43-101 to file current technical reports required to be filed with a short form prospectus under NI 43-101. For the purposes of the preliminary short form prospectus filed on December 14, 2009, Centerra was not required to file such technical reports. Such technical reports have been prepared by qualified persons as defined under NI 43-101 and have been filed on SEDAR prior to the filing of this short form prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of Centerra Gold Inc. (the "Company") dated December 21, 2009 relating to qualifying the distribution by Cameco Corporation of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of earnings, comprehensive income, retained earnings, cash flows and shareholders' equity for each of the years in the three year period ended December 31, 2008. Our report is dated February 23, 2009.

(signed)
KPMG LLP
Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
December 21, 2009

CERTIFICATE OF CENTERRA GOLD INC.

Dated: December 21, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) STEPHEN LANG President and Chief Executive Officer	(Signed) JEFF PARR Vice-President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) IAN AUSTIN Director	(Signed) BRUCE WALTER Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 21, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CIBC WORLD MARKETS INC.	RBC DOMINION SECURITIES INC.
By: (Signed) DAVID A. SCOTT	By: (Signed) GARY A. SUGAR

BMO NESBITT BURNS INC.

By: (Signed)
JASON NEAL

SCOTIA CAPITAL INC.

By: (Signed)
JEFFREY W. RICHMOND

HSBC SECURITIES (CANADA) INC.	MORGAN STANLEY CANADA LIMITED	NATIONAL BANK FINANCIAL INC.	TD SECURITIES INC.	UBS SECURITIES CANADA INC.
By: (Signed) NICOLE CATY	By: (Signed) MATTHEW HIND	By: (Signed) STEVEN FARBER	By: (Signed) MICHAEL FARALLA	By: (Signed) DAVID SHAVER

BNP PARIBAS (CANADA) SECURITIES INC.	CANACCORD FINANCIAL LTD.	DESJARDINS SECURITIES INC.	GMP SECURITIES L.P.	MACQUARIE CAPITAL MARKETS CANADA LTD.	SALMAN PARTNERS INC.
By: (Signed) RÉJEAN DESMARAIS	By: (Signed) CRAIG G.H. WARREN	By: (Signed) PAUL CARMEL	By: (Signed) MARK WELLINGS	By: (Signed) KENNETH GILLIS	By: (Signed) TERRANCE K. SALMAN