

centerra**GOLD**



## **NEWS RELEASE**

(All figures are in United States dollars)

### **Centerra Gold Announces Partnerships in Sustainable Development Initiatives**

**Toronto, Canada, August 5, 2005:** Centerra Gold Inc. (TSX: CG) today announced that it has entered into partnership agreements, with international agencies, on two important sustainable development initiatives in the Kyrgyz Republic and Mongolia. These initiatives are part of the Company's commitment to sustainable development which it believes is essential to support its social license to operate gold mines.

#### **Kyrgyz Republic**

Centerra, the European Bank for Reconstruction and Development ("EBRD") and the International Finance Corporation ("IFC") have entered into a partnership to launch a landmark biodiversity project aimed at protecting the endangered snow leopard in the remote mountains of the Kyrgyz Republic.

The two-year conservation project will improve management and monitoring at the Sary-Chat Ertash Zapovednik nature reserve, which is located close to the Kumtor gold mine. The reserve is also home to the ibex and the rare Marco Polo sheep. The project was developed in partnership with the local communities and will provide training and mentoring to the nature reserve staff in administration, oversight and skills to combat poaching.

The project is jointly funded by the EBRD and IFC with technical cooperation funds from the United Kingdom. Centerra, through its Kyrgyz subsidiary, Kumtor Operating Company, is providing additional financing. EBRD and IFC each own about 2% equity interest in Centerra.

#### **Mongolia**

Centerra and World Vision Canada have signed a partnership agreement to fund and implement a nutrition project aimed at eradicating childhood rickets and anemia in Mongolia. Centerra's commitment is focused primarily in Selenge Province where the Company's Boroo mine operates.

In 2000, World Vision initiated a nutrition program in Mongolia to address high levels of micronutrient malnutrition, particularly iron and vitamin D deficiencies which cause anemia and

rickets. Since then, approximately 26,000 children, aged six months to five years, and 7,000 pregnant women have directly benefited from this program.

## **About Centerra**

Centerra is a growth-oriented, pure-play gold company focused on acquiring, exploring, developing and operating gold properties primarily in Central Asia, the former Soviet Union and other emerging markets. The two gold mines operated by the Company are expected to produce 798,000 ounces in 2005 at a total cash cost of about \$229 per ounce. This ranks Centerra as a leading North American gold producer and the largest Western-based gold producer in Central Asia and the former Soviet Union. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Canada.

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

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

### **For more information:**

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Additional information on Centerra is available on the Company's web site at [www.centerragold.com](http://www.centerragold.com) and at SEDAR at [www.sedar.com](http://www.sedar.com).

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