Underwriters exercise Centerra Gold Inc. over-allotment option

TORONTO, CANADA, July 22, 2004 – Centerra Gold Inc. (TSX: CG) announces that the underwriters of its initial public offering have exercised their full over-allotment option to purchase from treasury 1,875,000 common shares of Centerra at CDN$15.50 per share. Net proceeds to Centerra from the exercise of the over-allotment option will be approximately CDN$27.6 million. The closing relating to the exercise of the over-allotment option is expected to take place on July 28, 2004.

Following the closing, Centerra will have 72,079,605 issued and outstanding common shares. Cameco Corporation’s ownership of Centerra’s common shares will decrease to 52.7%, compared to 54.1% prior to the exercise of the over-allotment option, while the other major shareholder, Kyrgyzaltyn JSC, owned indirectly by the Government of the Kyrgyz Republic, will own 15.7% compared to 16.1%. Also, the International Finance Corporation and the European Bank for Reconstruction and Development own about 2.1% each and the public holds the remaining 27.3%.

The initial public offering of Centerra was underwritten by a syndicate led by CIBC World Markets Inc. and BMO Nesbitt Burns Inc. Other syndicate members included RBC Capital Markets, Canaccord Capital Corporation, GMP Securities Ltd., HSBC Securities (Canada) Inc., Scotia Capital Inc. and Salman Partners Inc.

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 estimated for 2004 to produce about 880,000 ounces at a low cash cost of US$190 per ounce. This would rank Centerra as the largest Western-based gold producer in Central Asia and the former Soviet Union and the fifth largest North American based gold producer. Centerra is based in Toronto, Canada.

Additional information
Additional information on Centerra is available on SEDAR at www.sedar.com and the company’s website at www.centerragold.com.
Caution regarding forward-looking statements

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

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

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