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Centerra Gold's IPO Closes

New Company is North America's 6th Largest Gold Producer

TORONTO, CANADA, June 30, 2004 – Centerra Gold Inc. announced today that the initial public and secondary offering of its common shares has closed and trading has begun on the Toronto Stock Exchange (TSX) under the symbol CG. It is the largest mining company initial public offering on the Toronto Stock Exchange (TSX) in seven years.

A total of 16.3 million shares were sold at a price of \$15.50 per share. This included five million treasury shares issued by Centerra. Also included was a secondary offering by Kyrgyzaltyn JSC, which is owned indirectly by the government of the Kyrgyz Republic and which sold 7.5 million shares, and by Central Asia Gold Limited which sold 3.8 million shares, representing a total offering of about \$253 million. Gross proceeds to Centerra total \$77.5 million.

“In 12 years we have become the largest Western-based gold producer in the former Soviet Union and Central Asia, with large, modern operations in the Kyrgyz Republic and Mongolia,” said Len Homeniuk, President and CEO. “We welcome the new growth opportunities that this offering opens up for Centerra.”

About Centerra

Centerra Gold 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 over 850,000 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 sixth largest North American based gold producer. Centerra is based in Toronto, Canada.

About the Offering

The company has granted the underwriters of the offering an option, exercisable for 30 days from today's closing, to purchase up to an additional 1.875 million treasury shares.

At the closing of the offering today, but prior to the exercise of the over-allotment option, Centerra has 70.2 million common shares outstanding. Cameco Gold Inc. and its wholly-owned subsidiary own 38.0 million shares (54%); Kyrgyzaltyn JSC owns 11.3 million shares (16%); International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) each own 1.5 million shares (2% each) and the public owns 17.7 million shares (25%).

The offering 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.

Proceeds will be used to fund exploration, development and acquisitions, to terminate hedging arrangements as opportunities arise, to repay demand promissory notes owing to IFC and EBRD and for general corporate purposes, as outlined in Centerra's prospectus dated June 22, 2004.

The securities referenced by this news release will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy common shares of Centerra Gold Inc. in any jurisdiction.

Technical reports on the company's operating mines in the Kyrgyz Republic and Mongolia are available at www.sedar.com.

For further information please call:

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www.centerragold.com

Forward-Looking Information

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.