



## Why Centerra Gold Shares Got Crushed

### Description

*Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.*

**What:** Shares of **Centerra Gold** ([TSX: CG](#)), which operates the Kumtor mine in Kyrgyzstan, plummeted 20% today on reports that a proposal to give its government a 50% stake in the mine was rejected by the country's parliament.

**So what:** Centerra initially made the offer to resolve conflicts over alleged environmental destruction, so today's news naturally reignites worries on Bay Street that Kyrgyzstan may end up nationalizing the mine. To be sure, Centerra has operated Kumtor since 1997 with a fair bit of success, so political headaches aren't exactly new to management.

**Now what:** Centerra believes that the Kyrgyzstan government still supports the September agreement, and plans to discuss the situation further. "Centerra expects to continue discussions with the government with the objective of resolving matters through constructive dialogue," Centerra [said in a statement](#), "however maintains that any agreement to resolve matters must be fair to all of Centerra's shareholders." Of course, given the significant political, operational, and macroeconomic risks that always seem to surround Centerra, average investors would do well to maintain their distance.

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Fool contributor Brian Pacampara does not own shares of any of the companies mentioned at this time. The Motley Fool has no positions in the stocks mentioned at this time.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CG (Centerra Gold Inc.)

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