

Chaarat Gold Holdings Ltd

("Chaarat" or "the Company")

Chaarat reports wide, high grade mineralisation from underground drilling programme at its C5300 Project Area

Road Town, Tortola, British Virgin Islands (5 August 2008).

Highlights

UG_DH 170 intersected 15.71 metres at 5.17 g/t Au

UG_DH 171 intersected 7.60 metres at 7.65 g/t Au

UG_DH 175 intersected 7.00 metres at 5.70 g/t Au

UG_DH 176 intersected 11.50 metres at 6.28 g/t Au

Chaarat (AIM:CGH) is pleased to announce very encouraging results from the underground drilling programme targeting the Contact Zone mineralisation on the C5300 Project Area at its 100% held Chaarat Licence Area in West Kyrgyzstan.

The Contact Zone is one of three mineralised zones being explored in the Chaarat Licence Area. The Contact Zone's C5300 Project Area is one of the higher potential areas and has a JORC compliant indicated and inferred mineral resource of 0.91 million ounces of gold at a grade of 4.44 g/t (as at 22 April 2008). The Company expects that the results published today, in conjunction with additional drilling completed since April 2008 will increase Chaarat's resource.

A JORC compliant indicated and inferred mineral resource of 3.14 million ozs of gold at a grade of 4.41 g/t was estimated for the Chaarat Property as at 22 April, 2008, combining the resources from the three zones; namely, Contact Zone, Main Zone and Tulkubash Zone.

Dekel Golan, CEO of Chaarat, commented "These excellent results confirm management's view of the significant potential of the Contact Zone, particularly at the C5300 Project Area. Of considerable importance is the good continuity and projectability demonstrated by the drilling. This feature allows us to pursue, with increased confidence, our intention to establish a low cost bulk mining operation on these wide zones of mineralisation. The access provided by the adit will enable us to greatly accelerate the drilling operation and the delineation of additional resources in this area.

The drilling was undertaken from an adit, which has been excavated to facilitate year-round drilling of the mineralisation at depth and to provide exposure for geological and rock mechanics studies and access to material for a bulk metallurgical sample.

Table-1: Drilling Results

Drill Hole	Drilled from (metres)	Drilled to (metres)	Length (metres)	True width (metres)	Au g/t
UG_DH_170	46.50	70.50	24.00	15.71	5.17
UG_DH_171	66.00	81.00	15.00	7.60	7.65
UG_DH_172	69.00	79.50	10.50	3.89	3.88
UG_DH_172	84.00	124.50	40.50	19.00	3.53
including	105.00	115.50	10.50	4.93	4.62
UG_DH_173	85.50	94.50	9.00	4.10	3.36
UG_DH_174	79.50	90.00	10.50	5.69	3.46
UG_DH_175	103.50	121.50	18.00	7.00	5.70
UG_DH_176	66.00	75.00	9.00	2.35	3.93
UG_DH_176	87.00	110.00	23.00	11.50	6.28
including	93.00	103.50	10.50	5.25	9.69
UG_DH_177	91.50	146.35	54.85	21.00	2.97
including	91.50	97.50	6.00	2.49	5.21
and	141.00	146.35	5.35	2.05	4.32
UG_DH_178	75.00	90.00	15.00	7.65	4.21

Due to topography and the dip of the Contact Zone mineralised body, the drilling of the mineralisation at depth is more effectively achieved from underground stations. Accordingly an adit was developed which penetrates the mineralised zone and two drill chambers have been developed in the foot wall (Drill Chamber 1) and in the hanging wall. Drifting is currently taking place, parallel to the mineralised body, to facilitate additional drilling of the strike extension of the mineralised body.

The nine drill holes, for which results are reported here, were drilled from Drill Chamber 1, which is located 78 metres into the foot wall of the mineralised body, to probe down dip continuity of the mineralised zone intersected by the adit and by surface drill holes. All of these holes intersected significant mineralisation, which is associated with sulphides, sericite-carbonate-quartz alteration and quartz veinlets. The location of the mineralisation corresponds well with the projections which were based on the surface drilling results in the same area.

QA/QC PROCEDURES

Sampling Methodology and Quality Control

All samples are sent to the Alex Stewart laboratory in Kyrgyzstan, accredited by the UK Accreditation Service for sample preparation and assays. All samples with gold content above 1 g/t are then submitted to Genalysis, Australia, a NATA ISO/IEC 17025 accredited laboratory for analysis by fire assay. Only results received from Genalysis are reported here and are included in the Mineral Resource database. In each batch of samples, 5% of the samples assayed are blanks and 5% are international standards (OxE-56, SG-31, OxL-54, SJ-39, OxL-63 & SN-38) prepared by ROCKLAB, New Zealand.

Competent Person

The Competent Person with overall responsibility for this press release is Jed Diner, P.Geo., M.Sc., who is a consultant to and VP Exploration of Chaarat Gold. Mr. Diner is an exploration geologist with 27 years experience in the resource industry, who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and was supervisor to the work which is the subject of this release. Mr. Diner has been involved in the Chaarat project since 2004.

Chaarat Gold

Chaarat Gold Holdings is an exploration company founded for the purpose of developing the Chaarat Licence Area and was admitted to AIM on 8 November 2007. Chaarat is planning to complete a pre-feasibility study by the first half of 2009.

The rights to Chaarat Licence Area are 100% held by the Company and the Licence Area is situated within the Middle Tien Shan Mountains of Kyrgyzstan, which form part of the Tien Shan gold belt. In April 2008 Chaarat announced a total resource of 3.14 million ounces of gold at 4.41 g/t.

In June 2008, Chaarat announced the results of a positive scoping study which indicated the economic viability of a low cost, bulk mining operation, targeting an average life of mine, annual production rate of 210,000 ounces of gold, with a cash cost of \$378 per ounce (including by-product credits) for a capital cost of \$320 million. This would give the project a net present value of \$158 million, assuming a 10% discount rate and a gold price of \$750/oz, and further indicates an internal rate of return of 20.3% for the project.

The mineralisation in the Contact Zone is hosted in a wide shear zone and is known to extend for at least 10 kms on strike on the contact between the underlying Ordovician Chaarat Formation (siltstones and sandstones) and the overlying Devonian Tulkubash Formation (quartzites). The wide mineralised zones dip at 50-60 degrees to the NW. The gold mineralisation is associated with sulphides, sericitic alteration and minor quartz veinlets.

Disclaimer

This press release includes forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Chaarat's control that would cause the actual results, performance or achievements of Chaarat to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Chaarat's present and future business strategies and the environment in which Chaarat will operate in the future. Any

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