

## **Chaarat Gold Holdings Limited Fundraising of £2.9 million**

Road Town, Tortola, British Virgin Islands (23 September 2010)

- Issue of 6,860,000 new ordinary shares at 42p
- Proceeds to be used to accelerate the development of the Tulkubash oxide project towards production.

Chaarat Gold Holdings Limited (AIM: CGH) (“Chaarat” or the “Company”), the gold exploration and development company operating in the Kyrgyz Republic, is pleased to announce that the Company, through its broker Westhouse Securities Limited, has raised approximately £2.9 million (before expenses) through the issue of 6,860,000 new ordinary shares of US\$0.01 each (the “Placing Shares”) at a placing price of 42 pence per share (the “Placing”).

### **Use of Proceeds**

Work on the pre-feasibility study has crystallised the development strategy of the Company. The strategy rests on two lynch-pins; fast development of the oxide segment of the deposit (the “Tulkubash Project”) and the concurrent preparation for development of the larger sulphide section (the “Main and Contact Projects”).

The funds raised will be used to commission a Feasibility Study and carry out other activities which will accelerate the development of the Tulkubash Project with the objective of commencing production by the end of 2011.

A better understanding of the mining conditions at the Main and Contact Projects has enabled the Company to design a drilling programme focused on the development of specific mineable blocks underpinning the desired production rate of approximately 200,000 ounces per annum.

Following the issue of the Placing Shares there will be 141,333,900 ordinary shares of US\$0.01 in issue. The Placing Shares will, following allotment, rank pari passu in all respects with the existing issued shares. The Placing Shares will be issued under the existing power granted to the Directors to allot shares. The Placing is expected to be completed at 8.00 a.m. on 24 September 2010 on admission of the Placing Shares to trading on AIM.

Commenting on the Placing, Dekel Golan, CEO of Chaarat, said:

*“The continuing support from our existing shareholders at near market price is extremely gratifying. The funds raised will be used to accelerate our plans for the development of the Tulkubash oxide project towards production in 2011 which will provide early cash flow ahead of the development of the main orebody.”*

Pursuant to the subscription agreement dated 10 July 2009 between Chaarat and China Nonferrous Metals Int'l Mining Co Ltd ("CNMIM"), Chaarat is required to give notice to CNMIM if it intends to issue any Chaarat shares for cash or non cash consideration. CNMIM may within 15 business days of receipt of the notice give written notice to require Chaarat to issue such number of Chaarat shares to CNMIM on the same terms as the Placing Shares, as is necessary to maintain the percentage holding of CNMIM prior to the Placing. CNMIM has given notice that it wishes to maintain its shareholding at 19.9% following the Placing announced on 1 July 2010 and the completion of the Kyrex acquisition announced on 27 July 2010. The shares will be issued in due course. The required notice in respect of the issue of the Placing Shares will be sent to CNMIM and a further announcement made, if appropriate.

**Further information about the Company:**

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**Note to Editors:**

**About Chaarat Gold**

Chaarat Gold is an exploration and development company operating in the Kyrgyz Republic. The Company's main activity is the development of the Chaarat Gold Project situated within the Middle Tien Shan Mountains of Kyrgyzstan which form part of the Tien Shan gold belt. The Company has thus far delineated a JORC compliant mineral resource of 4.009 Moz at a grade of 4.14 g/t gold. A scoping study demonstrating the economic viability of the Chaarat Gold Project was completed at the end of 2008. The Company is currently in the process of compiling a pre-feasibility study. Chaarat's objective is to become a low cost gold producer targeting production of over 200,000 ounces per annum by early 2013. In addition, the Company has identified the potential of establishing an early stage, low cost, partially open pit mine at the Tulkubash oxide project for initial production in Q4 2011.

**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 forward-looking statements speak only as at the date of this document. Chaarat expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in Chaarat's expectations with regard to these or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this press release may not occur either partially or at all.