

## **Chaarat Gold Holdings Limited**

(“Chaarat” or “the Company”)

### **Drilling and Resource Estimate Update for the Contact Project**

Road Town, Tortola, British Virgin Islands (7 July 2011)

Chaarat (AIM-CGH), the gold exploration and development company operating in the Kyrgyz Republic, is pleased to announce the results of six holes drilled in the Contact Project of Chaarat. Results from these holes bring the updated estimate of the gold resource to 4.736Moz grading 4.28g/t across the Chaarat Project, compared to 4.406Moz grading 4.2g/t announced on 7 February 2011, an increase of 7.5%. The resource within the Contact Project, which forms part of the Chaarat Project, has risen to 2.331Moz from 2.001Moz in February, an increase of 16.5%.

The Contact Project comprises the two main sections of the Contact Zone (C4600 and C5300). It is proving to be a significant mineralised body, which could itself support a major mining operation.

#### **HIGHLIGHTS**

- Total JORC compliant resource across the Chaarat Project, compiled by Wardell Armstrong International, now stands at 4.736Moz, an increase of 7.5% from the announcement on 7 February 2011
- Resource in Contact Project increased by 16.5% to 2.331Moz (at 2g/t cut-off)
- Proportion of Indicated: Inferred increased significantly to 61.4% : 38.6% from 52.5% : 47.5%
- Ongoing drilling provides encouragement that mineralisation continues along strike and down dip

#### **Dekel Golan, CEO, commented:**

*“During the winter season the Company continued drilling from underground drill chambers in order to increase and improve the resource of the Contact Project. The increase in the size of the resource estimate is particularly pleasing as is the general increase in grade at depth. The Company intends to continue drilling the Contact Project during the current summer season and increase drilling underground during the winter season after the drilling in the Tulkubash zone has been completed.*

*“We believe the Contact Project has significant unlocked potential which can be improved with our better understanding of grade distribution and zoning.”*

## Selected results from the Contact Project

<b>Drill hole #</b>	<b>From m</b>	<b>To m</b>	<b>Intersected width m</b>	<b>True width m</b>	<b>Grade Au g/t</b>
UG-29	249.50	273.50	24.00	14.00	3.61
including	254.00	263.00	9.00	5.25	6.8
UG-31	165.00	169.50	4.50	2.75	7.53
UG-416	213.00	226.50	13.50	10.70	6.17
UG-417	375.00	382.50	7.50	5.63	11.06
UG-603	474.00	501.00	27.00	18.90	3.60
including	480.00	498.00	18.00	12.60	4.35

## Resource Update

Wardell Armstrong International has compiled an updated resource estimate on the Chaarat Project, incorporating the results of the further drilling on the Contact Project at a cut off grade of 2.0 g/t. Details of the resource update are set out below:

	<b>Indicated Koz</b>	<b>Grade g/t</b>	<b>Inferred Koz</b>	<b>Grade g/t</b>	<b>Total Koz</b>	<b>Average grade</b>
February 2011	1,050	4.30	951	4.20	2,001	4.25
July 2011	1,431	4.38	900	4.33	2,331	4.36
Change %	+36.30		-5.40		+16.50	

## **Further information about the Company:**

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## **Note to Editors:**

### **Competent Person**

The Competent Person with overall responsibility for this press release, and who has reviewed the information contained herein, is Sunit Patel, M.Sc. (Geology), FGS, GSSA, who is an employee of Chaarat. Sunit is an exploration geologist with 22 years of experience in the resource industry who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration.

### **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 Kiziltash Project (comprising the Contact Project and the Main Zone) and the Tulkubash project situated within the Middle Tien Shan Mountains of Kyrgyzstan, which form part of the Tien Shan gold belt. The Company has delineated a JORC compliant mineral resource of 4.736Moz at a grade of 4.28g/t gold across both projects. Chaarat's key objective is to become a low cost gold producer; with initial production from the Tulkubash project, targeting annual production of over 200,000 ounces per annum as the Kiziltash Project comes on stream.

### **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.

## Detailed drilling results

DH No.	Project	Section	From m	To m	Intersected width m	True width m	Au g/t
UG-30	CP	4720	27.00	34.50	7.50	5.80	2.54
UG-30	CP	4720	202.50	222.00	19.50	15.08	2.09
including	CP	4720	213.00	216.00	3.00	2.32	4.27
UG-30	CP	4720	240.00	243.00	3.00	2.32	2.09
UG-30	CP	4720	258.00	267.00	9.00	6.96	3.20
UG-29	CP	4800	3.00	12.00	9.00	5.25	3.11
UG-29	CP	4800	227.00	230.00	3.00	1.75	2.23
UG-29	CP	4800	249.50	273.50	24.00	14.00	3.61
including	CP	4800	254.00	263.00	9.00	5.25	6.80
UG-29	CP	4800	282.50	287.00	4.50	2.50	2.53
UG-31	CP	4800	0.00	3.00	3.00	1.65	2.37
UG-31	CP	4800	15.00	18.00	3.00	1.65	2.51
UG-31	CP	4800	145.00	154.50	9.50	5.50	2.76
UG-31	CP	4800	162.00	169.50	7.50	4.34	4.90
including	CP	4800	165.00	169.50	4.50	2.75	7.53
UG-31	CP	4800	177.00	178.50	1.50	1.00	3.51
UG-31	CP	4800	184.50	186.00	1.50	1.00	3.84
UG-31	CP	4800	231.00	232.50	1.50	1.00	16.89
UG-603	CP	4960	78.00	81.00	3.00	2.10	2.22
UG-603	CP	4960	463.50	471.00	7.50	5.25	4.05
including	CP	4960	465.00	471.00	6.00	4.20	4.67
UG-603	CP	4960	474.00	501.00	27.00	18.90	3.60
including	CP	4960	480.00	498.00	18.00	12.60	4.35

UG-417	CP	5280	262.50	274.50	12.00	9.00	2.85
including	CP	5280	264.00	267.00	3.00	2.25	4.14
UG-417	CP	5280	283.50	292.50	9.00	6.75	2.03
UG-417	CP	5280	325.50	331.50	6.00	4.50	2.56
UG-417	CP	5280	334.50	340.50	6.00	4.50	3.18
UG-417	CP	5280	349.50	354.00	4.50	3.40	3.36
UG-417	CP	5280	375.00	382.50	7.50	5.63	11.06
UG-416	CP	5440	213.00	226.50	13.50	10.70	6.17
UG-416	CP	5440	247.50	250.50	3.00	2.38	6.65

## Glossary of Technical Terms

“Au”	chemical symbol for gold
“cut-off grade”	the lowest grade value that is included in a resource statement. It must comply with JORC requirement 19: “ <i>reasonable prospects for eventual economic extraction</i> ” the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification
“g/t”	grammes per tonne
“Inferred Resource”	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
“Indicated Resource”	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

“JORC”	The Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the “JORC Code” or “the Code”). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
“Koz”	thousand troy ounces
“Mineral Resource”	a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
“Moz”	million troy ounces
“oz”	troy ounce (= 31.103477 grammes)