Chaarat Gold Holdings Limited

("Chaarat" or "the Company")

Increase in the Chaarat Gold Project Calculated Resource to 4.406 million ounces

Road Town, Tortola, British Virgin Islands (7 February 2011).

Highlights

- Indicated and Inferred Resource increases by 397,000 ounces from 4.009 million ounces in 2010 to 4.406 million ounces, an increase of 10%

- The resource of the Contact Project (previously C5300 – C4600 now combined to form a single project) within the Kiziltash Project, where the majority of the 2010 drilling took place, increased by 17% to 2.001 million ounces and is open in all directions

Chaarat (AIM-CGH), the gold exploration and development company operating in the Kyrgyz Republic, is pleased to announce an updated estimate of the gold resources at its 100% owned Chaarat deposit to 4.406 million ounces.

During the 2010 exploration season 66 new core drill holes (10,119 metres) have been drilled and subsequently incorporated into the Resource database. The resource was estimated to JORC compliant standards by Wardell Armstrong International ("WAI"), an internationally recognised consulting group, independent of Chaarat.

Dekel Golan CEO comments:
"During 2010, which was a challenging year, our exploration work focused primarily on improving our understanding of the Contact Project (previously C5300 and C4600). These sections have now been combined into one large project which now comprises more than 2 million ounces of gold resource. Exploration work on this section is ongoing and we firmly believe that the Contact Zone will grow to become a significant linchpin for our future production.

"The other area on which we focused this season was the Tulkubash Zone which we intend to fast track to non-refractory production. The mineralisation trend and controls are now much better understood and, with further strike extension and infill drilling to be completed in the coming months, greater understanding of potential production rates should also become available."

Table 1: Summary of Estimated Resources at Chaarat (February 2011)

At 2.0g/t Cut-off		Indicated Resources			Inferred Resources			Total Resources		
		Mass	Gold Grade	Gold Content	Mass	Grade	Content	Mass	Grade	Content
Zone	Project	kt	g/t	Koz	kt	g/t	koz	kt	g/t	koz
KIZILTASH										
Contact Zone	Contact Project	7,585	4.3	1,050	7,080	4.2	951	14,665	4.2	2,001
	C4000	279	3.1	28	591	3.4	64	870	3.3	92
Contact Zone Totals		7,864	4.3	1,078	7,671	4.1	1,015	15,535	4.2	2,093

/Averages										
Main Zone	M2400	1,941	4.5	282	1,882	4.0	244	3,823	4.3	526
	M3000	2,548	4.5	371	2,979	4.1	395	5,527	4.3	766
	M3400	45	3.0	4	913	4.8	140	958	4.7	144
	M3900	621	3.7	74	1,804	3.9	224	2,425	3.8	298
	M4400				321	6.3	65	321	6.3	65
	M5000				413	5.7	76	413	5.7	76
	M6000				927	3.9	117	927	3.9	117
Main Zone Totals /Averages		5,155	4.4	731	9,239	4.2	1,261	14,394	4.3	1,992
TULKUBASH										
Tulkubash	T0700	219	4.6	32	2,280	3.9	289	2,499	4.0	321
Grand Totals/Averages		13,238	4.3	1,841	19,190	4.2	2,565	32,428	4.2	4,406

Quantity and Quality of Data

The Mineral Resource estimate has been compiled from all core drill holes completed on 10 project areas at Chaarat to date and supersedes the resource update announced on 9 March 2010.

The 282 holes included in the Mineral Resource estimate were drilled on the three sub-parallel zones of mineralisation at Chaarat, the Main, the Contact and the Tulkubash Zones, which are characterised by mineralisation up to 37 metres wide and dipping at 55 to 70 degrees to the northwest.

The deepest drill intersection on the Contact Project is 499 metres. On the other nine project areas, included in the Mineral Resource estimate, drilling is limited to depths of between 82 to 350 metres.

On all project areas, the mineralisation remains open down dip, and on the majority, also open along strike. Underground drilling will continue from the adit on the Contact Project Area with the aim of increasing the Resource in the coming year, as well as converting the existing Inferred Resources to the Indicated category. Surface drilling will focus on Tulkubash project to upgrade the category of resource so that it can be taken to production at the earliest opportunity.

The Indicated Resource portion of the Main Zone decreased from 1,127,000 to 731,000 ounces. The reason for the decrease is that WAI set more conservative parameters for the definition of Indicated Resource than were applied previously by SRK. Since the drilling during the 2010 season was planned on the basis of the SRK parameters, a number of blocks were no longer classified as Indicated by WAI. With additional infill drilling to be undertaken in the coming months, Chaarat is of the view that a substantial proportion of the Inferred Resource in the Main zone will be converted into the Indicated category.

The Resource database contains 56,458 gold assay records from surface, adit and drill-core samples. WAI has reviewed 4,027 umpire assays, 1,328 results of reference materials and 2,450 blanks sent to three laboratories and concluded that the quality and quantity of data are sufficient to support the Mineral Resource estimates reported herein.

Methodology

The Mineral Resources for the Main and Contact Zones at the Chaarat gold deposit in Kyrgyzstan were estimated by WAI in January 2011 using industry-standard geological modelling and Mineral Resource estimation software.

The revised 2011 estimation has used all available exploration data from previous (2004 to 2010) exploration campaigns, including assays from drill holes, bulldozer-cuts, trenches and underground.

The data was used to develop new, three-dimensional, geological wireframe models for each mineralised zone using a boundary definition cut-off grade of 2g/t Au. Once the 3-D geological solids were built, a two-dimensional estimation was undertaken for the mineralised zones.

WAI used ordinary kriging for the estimation of all sub-zones within the Main and Contact Zones using a block size of 20m by 20m by 10m.

All WAI estimates were validated by comparing the global mean statistics of the sample data with the estimates and a swath analysis exercise, which compared the composite data with the block estimates within a given swath, validating the quality of the local estimates.

WAI has taken into account the data distribution, grade variability, geological interpretations, structure of the variograms and the quality of the estimation in the classification of the Mineral Resource.

The recent infill drilling has demonstrated the depth and width continuity of the geological boundaries of the Main and Contact Zones and has resulted in an increase in the volume of the mineralisation compared with the previous Resource estimates.

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 more than 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 and Tulkubash projects 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 4.406Moz at a grade of 4.2 g/t gold across both deposits. The Company is currently in the process of compiling a Pre-Feasibility study on the Kiziltash project and a Definitive Feasibility Study on the Tulkubash project. Chaarat's objective is to become a low cost gold producer targeting production of over 200,000 ounces per annum by early 2014 from the Kiziltash project with first production from the smaller Tulkubash project in mid 2012.

www.chaarat.com

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.

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Glossary of Technical Terms

"assay"	qualitative or quantitative analysis of a metal or ore to determine its

	components
"Au"	chemical symbol for gold
"cut-off"	the lowest grade value that is included in a resource statement. It must comply with JORC requirement 19: "*reasonable prospects for eventual economic extraction*" 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, equivalent to parts per million
"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
"kriging"	an inverse distance weighting technique where weights are selected via the variogram according to the samples' distance and direction from the point of estimation. The weights are not only derived from the distance between samples and the block to be estimated, but also the distance between the samples themselves. The kriging estimates are controlled by the variogram parameters which are interpreted from the data
"Measured Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"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 sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
"Moz"	million troy ounces
"ordinary kriging"	commonly used type of kriging which assumes a constant but unknown grade
"oz"	troy ounce (= 31.103477 grammes)
"t"	tonne (= 1 million grammes)
"variogram"	a method of displaying and modelling the difference in grade between two samples separated by a distance "h", called the "lag" distance. It provides the mathematical model of variability with distance and is used during kriging
"wireframe"	this is created by using triangulation to produce an isometric projection of, for example, a rock type, mineralisation envelope or an underground stope. Volumes can be determined directly of each solid