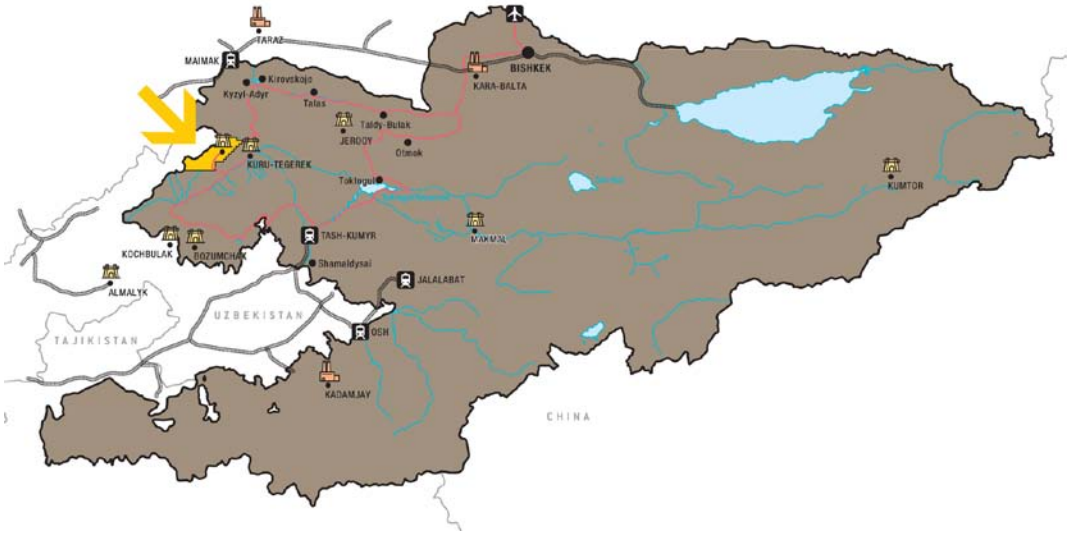
CHAARAT GOLD HOLDINGS LIMITED
("Chaarat" or the "Company")

RESULTS OF PRE-FEASIBILITY STUDY

Road Town, Tortola, British Virgin Islands (30 June 2011)

Chaarat Gold Holdings Limited (AIM – CGH), the AIM quoted exploration and development company with assets in the Kyrgyz Republic, is pleased to announce the results of an encouraging Pre-Feasibility Study ("PFS") for the explored section of its 100% owned Chaarat gold Project (the "Project") located in Western Kyrgyzstan.



HIGHLIGHTS

- Mine life estimated on current resources of 13 years
- Mine has the potential to produce in excess of 200,000 ounces per annum in full production
- Cash operating cost estimated at $501*/ounce

* all figures in United States dollars, unless otherwise noted

Dekel Golan, CEO of Chaarat, commented: *"The prefeasibility study is a substantial milestone in the long process of unlocking the value of the Chaarat deposit, and demonstrates the robustness of the project and points the way to its development. Furthermore the Company remains enthusiastic that these positive results can be significantly improved with more work which can increase the resource and reserve base and reduce costs.*

"The Company is currently in the process of building an early stage production unit for the Tulkubash project with the objective of eliminating a lot of the uncertainty related to the infrastructure status of the project and easing concerns related to the perception of doing business in the Kyrgyz Republic. The Company is comfortable that the fundraising completed earlier this year will be sufficient to build the Tulkubash project and that additional equity finance will not be required for this phase."

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PRE-FEASIBILITY STUDY

The prefeasibility study was compiled by SNC-Lavalin South Africa (Pty) Ltd in conjunction with Chaarat employees in the Kyrgyz Republic and in the UK.

The operation described in the PFS is based initially on open pit followed by underground mining, milling of the ore and its preparation for gold leaching by pressure oxidation technology. The gold will be leached via a Carbon-in-Leach ("CIL") extraction circuit. The mine will operate at an average production rate of 1.718 Mt of ore per annum after a commissioning period of six months. Over the 13 years life of mine production will average about 202,000 ounces of gold annually at a cash operating cost estimated at $501/ounce.

The financial analysis has been based on a gold price of $1,250/ounce which reflects a lower price than current market value. No allowance has been made for inflation or escalation. The discount rate used was 8%.

OPERATING HIGHLIGHTS OF THE PROJECT

Project Performance [1]

Production Data	
Life of Mine	13 years
Annual plant throughput	1.78Mt
Metallurgical recovery Au	92%
Average annual gold production	202,000oz
Total gold produced	2.48Moz
Operating Costs/ Tonne Ore	
Mining	$41.17/t
Processing	$16.13/t
Tailings treatment	$0.90/t
G&A	$1.50/t
Total Operating Cost/Tonne Ore	$59.70/t
Cash Operating Costs/Ounce Ore	$527/oz
Silver credit not included in cash cost	$26/oz
Capital Cost	
Initial investment capital	$473.7M
Economics @ $1,250/oz Au After Tax	
Net Present Value After Tax @ 0%	$980M
Net Present Value After Tax @ 8%	$354M
Internal Rate of Return After Tax	18.0%
Pay back	4 years

1. For the purpose of this study and in light of the spatial distribution of different types of resource, a certain proportion of inferred resource was included in the economic calculation but was not included in the reserve calculation.

CAPITAL COSTS

Capital costs for the mine infrastructure, on-site process plant, mining operations development and other related items have been estimated using construction data from recently completed projects in the region and are based on quotes from reliable suppliers. Mining costs include pre-stripping of the open pit in preparation for production. Underground costs include portal and access development. Quotations for infrastructure facilities, such as power and the access road, were received from competent suppliers familiar with working in the region. Equipment costs have mostly been based on budgetary quotations received with an appropriate indexation of piping, electricity and metal-works elements.

Investment Capital Cost Estimate

The investment capital cost below includes mine infrastructure during the first year of operation. The initial capital requirement is reduced due to the availability of operational income.

Category	**Prefeasibility Results**
Mining pre production	$51,336,000
Site Development	$48,000,000
Process Plant	$309,595,000
Infrastructure	$60,008,000
Tailings Disposal	$2,325,000
Owner's Costs	$21,047,000
Contingency	$42,094,000
Total	**$534,405,000**

FINANCIAL ANALYSIS

The financial analysis of the Project uses a discounted cashflow model incorporating the mine production schedule, estimated capital and operating costs and local tax and royalty as are currently applied in the Kyrgyz Republic. The financial analysis has been based on a gold price of $1,250/oz which reflects a lower price than current market value. No allowance has been made for inflation or escalation.

Chaarat Gold Project Financial Analysis Summary

Project Data	**Estimated Value**
Life of Mine	13 years
Total gold produced	2.48Moz
Total ore mined	21.9Mt
Initial project capital cost	$473.7M
Cash Operating Cost (years 2-11)	$501/oz
Base Case Gold Price	$1,250/oz
After Tax Net Present Value @ 8%	$354M
After Tax Internal rate of Return	18.0%

Gold Price Sensitivity Analysis

Gold Price/oz	**$1,000**	**$1,250**	**$1,500**
NPV @ 0%	$481 M	**$980M**	$1,495M
NPV @ 8%	$60M	**$354M**	$660M
IRR	9.8%	**18%**	25.5%

PROJECT OVERVIEW

Deposit

The Chaarat deposit (the "Deposit") is a sediment-hosted, intrusion-related, structurally controlled deposit, located in the Tien Shan belt of Kyrgyzstan. The Chaarat Project is located in a mountainous area along the Sandalash River valley, on the western border of Kyrgyzstan. The valley marks the north-easterly trending hinge zone of an anticline, the north-western limb of which consists of a sequence of Upper Proterozoic and Cambrian-Ordovician siliciclastic rocks - the Chaarat formation, which dips at around 50^0 northwest hosts the Chaarat mineralisation. The formation comprises greywacke, sandstone with siltstone, shale, rhythmically bedded siltstone and black shale with limestone lenses and an upper tillite.

The gold mineralisation in Chaarat is defined as “deep epithermal” due to the “epithermal” element suite – Au, Ag, Sb and As, typical of those found in similar deposits within the Tien Shan belt.

Mineralisation is associated with a series of sericiticaly altered sulphide rich lodes, within a quartzitic and shale rich meta-sedimentary succession. The lodes occur in three mineralised structures; the Main Zone, the Contact Zone and the Tulkubash Zone. The mineralised zones are generally developed sub-parallel to the strike and dip at between 45 and 90 degrees. The gold mineralisation is associated with Ag and As mineralisation.

RESOURCE ESTIMATION

The resource estimate announced on 7 February 2011 was compiled from all core drill holes completed on 10 sub-project areas at Chaarat to date. The 282 holes (totalling 57,677 m) included in the 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 45 to 90 degrees to the northwest. In all project areas the mineralisation remains open down dip, and on the majority, also along strike. The bulk of mineralisation has been delineated in three clusters; the Contact project cluster 2,093,000oz the Main Zone cluster (projects M2400, M3000, M3400 and M3900 totalling 1,734,000oz) and the Tulkubash zone (321,000oz).

The resource database contains 56,458 gold assay records from surface, adit and drill-core samples. In addition, Wardell Armstrong International ("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.

Samples were prepared and assayed at the Stewart Group laboratories in Bishkek. Analysis for gold was done on sawn half core samples using fire assay methods. Standard reference materials, blank and field duplicate samples were inserted prior to shipment from site to monitor the quality control of the assay data. The resource estimate was made from a 3D block model utilising commercial mine planning software. Mineralised shells were generated using a cut off gold grade of 2 g/t. The grade interpolation estimated values for gold using ordinary kriging.

Mineral Resources

Classification	Tonnes '000	Grade g/t Au	Ounces '000
Indicated	13,238	4.30	1,841
Inferred	19,190	4.20	2,565
Total	32,428	4.20	4,406

1. Mineral resources at the Chaarat Project are reported at 2 g/t Au cut-off grade.

2. The contained gold represents estimated contained metal in the ground and has not been adjusted for the metallurgical recoveries of gold.

3. Sunit Patel, M.Sc. (Geology), FGS, GSSA, who is an employee of Chaarat is the qualified person responsible for the Chaarat mineral resource estimate.

Reserve and Resource Estimation

A&B Global Mining, a South African firm specialising in mine design and reserve evaluation, were retained to prepare the reserve estimation for the project. In certain areas of the mineralised body the Indicated and Inferred resources were spatially organised in such a way that the mine design had to include some of the 60% of the inferred resource as mineable material. No inferred resource was included in the Probable reserve, but the mineable portion of the inferred resource was included in the economic analysis of the Project.

The mine design, reserve estimate, mining costs and mining fleet requirements for the project were prepared by A&B Global Mining.

Reserve Statement of the Chaarat project

Classification	Tonnes '000	Grade g/t Au	Au Moz	Grade g/t Ag	Ag Moz
Probable Reserve	12,555	4.02	1.62	12.66	5.11
Mineable Inferred Resource	11,658	3.54	1.33	10.01	3.75
Material considered mineable (Probable reserve and inferred resource)	24,213	3.78	2.95	11.38	8.86

1. The open pit cutoff grade to economic limits has been calculated dynamically by the open pit optimisation software (Datamine NPVS) and for underground 2.41 g/t for cut and fill and 2.29 g/t for sub level open stoping (SLOS) mining method is used. The gold price is assumed to be $1,200/ounce.
2. The reserves evaluation for the open pit and the underground project is scheduled with all resources, and the reserve statement and reserve evaluation was undertaken in accordance with NI43-101 guidelines.

MINING

The mine would be operated as both open pit and underground mining operations to achieve the designed rate of 4,000-5,000 tonnes per day.

Open pit

The open pit mine is designed for conventional multiple open pit operations using 40t dump trucks with 90/35t class excavators for a five year Life of Mine (LOM) to produce at a peak mining rate of 48Mt of material and 1.69Mt of ore per year with production starting from year one. Waste rock will be hauled to a dedicated waste dump adjacent to the open pit. Ore will be transported to the plant through aerial ropeway and trucks on an ongoing basis.

Underground

The deeper extension of the ore bodies at Kiziltash below the economic pit limits would be mined by underground mining operations to produce approximately 17Mt of 15 year LOM. This will involve

approximately 120,000 metres of waste development and 12,000 metres of ore development. The total waste handling would be just over 9Mt.

Drilling will be done with fully mechanised twin and single boom jumbo drill rigs. Loading and hauling will be done by LHD loading (3t/5t) and dump truck hauling (20t).

Mining rate and grade

The mine design was generated in order to maximise the minable material. It has been recognised however, by SNC Lavalin as well as the Company, that it would be beneficial to change the ROM grade at the expense of LOM. A&B Global estimate that the re-design of the mine will reduce the LOM (based on known resource) from 16 to 13 years, but that the resulting grade will be 3.85g/t as against 3.51g/t in the maximised version. The lower LOM with higher grade scenario was used by the Company in the financial models.

Metallurgy

Extensive metallurgical testwork has defined that the most effective gold recovery process for Chaarat is whole ore pressure oxidation followed by cyanidation to produce gold and silver doré. Overall gold recovery using this process has been estimated at 92%. Based on these design criteria a conventional crushing, screening and grinding circuit has been designed using three stages of crushing followed by a ball mill. The milled material after treatment for pH adjustment and pre heating is fed into an autoclave where it is heated under pressure in the presence of oxygen to oxidise the sulphidic minerals. The oxidised material is fed into a CIL battery of tanks where it is stripped of gold. Tailings from the CIL circuit will be detoxified prior to disposal in a conventional tailings dam.

The plant will be operated continuously with a planned throughput of 1,850,000t per year. Annual gold production will average approximately 202,000oz with a total of 2.48Moz of gold to be recovered over the life of the mine. Doré produced on site will be sold for further refining.

In order to reduce the technological risk, initially or in general, it is possible to add a flotation circuit and process the flotation concentrate by the same POX method. The gold recovery from the concentrate will improve to 95% but as the gold collection to the concentrate will only be 86%-90%, the overall gold recovery was conservatively estimated to be 82% for this scenario. This alternative was not evaluated at the same level of detail as the whole ore treatment.

Infrastructure

Access Road

The Chaarat deposit licence area is situated in the Sandalash River valley in the north west of Kyrgyzstan. The only existing road access was constructed by Soviet Geological Survey teams in the early 1970's. This access road starts in the Chatkal Valley some 23km north of the village Kanysh-Kiya and routes over the Kumbel Pass at 3,250 metres to the Sandalash Valley, a road distance of approximately 30km.

A review of the upgrade of the access road, carried out by local company ECO-Service, has indicated that this original route can be followed and developed with expansion of the hairpin radii and adjustment to the incline angles in several areas. The cost of upgrading the road has been included in the capital cost of the project.

Power Supply

Two main options exist for supplying the required estimate of 25MW external power supply to the Project. Both involve the construction of a 110kV power line. One option is to construct a power line from the Kristal substation through the Chatkal Ridge, a distance of some 160km. The other option is to connect to the northern part of the Kyrgyz Republic grid near the town of Kirovka. The Company has already been granted a power quota from the Kristal location, but as a result of changes in the organisation of the national grid organisation, the northern line towards Kirovka is a cheaper and better option.

Both options require the construction of a 20 km 110KVA power line from the Chatkal valley road to the deposit as well as a distribution network (for mine, plant, camps, etc.) as well as backup generating system. The contract for this line, which is the main construction challenge, as well as the backup generating unit and internal distribution is currently being negotiated and their construction will commence immediately on signing of the contract.

It should be noted that the option of a power line from Kirovka was not included in the PFS work.

Operating Costs

Life of mine operating cost is estimated to be $59.70 per tonne of ore mined, excluding production royalties. This cost leads to a cash cost of production of $501 per oz of gold produced (assuming $26 credit from silver production) for the whole ore processing solution. The numbers include mining, processing, tailings treatment and general and administrative costs.

Risk Analysis

Risk management on all projects and studies is a critical aspect of project management. SNC-Lavalin recognises the significance of analysing risks and opportunities and providing mitigation strategies on an ongoing basis, particularly the risks associated with operating technically advanced circuits in remote locations.

In light of this, SNC-Lavalin provided strong input into the process flowsheet development. The design of the plant was carefully considered to minimise any unnecessary risks. In light of this, the flowsheet is considered to be commercially proven technology. All the primary process units are considered to be low risk.

Next steps

In early 2011 the Company raised a total of $80 million (net) which will enable it to commence the construction of certain elements of the infrastructure and a small capacity mine to treat the free milling segment of the ore. The Company is actively pursuing the strategy of construction of the smaller Tulkubash Project. At the same time significant exploration effort, as well as engineering work, is focused on finding ways to improve the NPV and IRR of the project as a whole.

NOTES

This report combines the input from different sources. The aspects related to the processing plant capital and operating costs have been estimated by SNC-Lavalin South Africa (Pty) Ltd office.

The aspects related to reserve calculation and the associated capital and operating costs have been estimated by A&B Global Mining.

The resource estimate on which the work was based is the resource estimation prepared by Wardell Armstrong International which was announced on 7 February 2011.

The financial analysis to generate net present value, internal rate of return and tax calculations was carried out by the Company.

SNC-Lavalin South Africa (Pty) Ltd, incorporated the infrastructure design, capital and operating costs into the PFS. The resource calculation was done by Wardell Armstrong International.

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 delineated a JORC compliant mineral resource of 4.406Moz at a grade of 4.20g/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.
www.chaarat.com

Disclaimer

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.

Glossary of Technical Terms

"assay"	qualitative or quantitative analysis of a metal or ore to determine its components
"Ag"	chemical symbol for silver
"As"	chemical symbol for arsenic
"Au"	chemical symbol for gold
"CIL"	Carbon–in-Leach
"cut-off grade"	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
"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
"Mt"	million tonnes
"ordinary kriging"	commonly used type of kriging which assumes a constant but unknown grade
"oz"	troy ounce (= 31.103477 grammes)
"Sb"	the chemical symbol for antimony
"swath analysis"	used to validate a block estimate by comparing a selected block with a composite of the data in that block
"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