

Chaarat Gold Holdings Limited

(“Chaarat” or “the Company”)

Proposed Acquisition of Kyrex Limited

Road Town, Tortola, British Virgin Islands (21 June 2010)

Chaarat Gold Holdings Limited (AIM: CGH), announces that it will today post an offer document in relation to the proposed share for share acquisition of Kyrex Limited (“Kyrex”) (the “Offer”).

Kyrex

Kyrex is a private exploration company, incorporated in Guernsey, with four large licence areas in the north west of the Kyrgyz Republic.

The three most prospective assets are Chontash, Mironovskoye and Kyzil Ompul. The proposed acquisition provides an opportunity to add exploration projects to the Chaarat portfolio whilst developing the Chaarat gold project, the Company’s principal asset, towards production.

Further details of the three most prospective assets are set out below:

Chontash

Chontash is a skarn molybdenum-gold-copper deposit which contains potential for a large scale copper gold porphyry deposit.

The licence has been held by Kyrex’s subsidiary since 2006. Significant exploration was undertaken in 2007/08, comprising 12 drill holes totalling over 2,800m and extensive trenching.

In July 2008 SRK Consulting Zimbabwe undertook an exploration property review in which it established a resource estimate, classifying 3.2 million tonnes at a grade of 0.223% molybdenum (Mo) in the Inferred category under the JORC standard, and recommended further exploration work be undertaken on the property. While Chontash has been identified as a molybdenum skarn, the Soviet-era drilling results indicate some potential for significant copper values to the east of the licence area. This potential has been verified by geophysical works as well as a number of drill holes which, when penetrating the skarn, showed gold and copper values. On a regional scale, Chontash appears to be at the southern end of a metallogenic belt of large porphyry copper deposits including Almalyk in Uzbekistan.

Mironovskoye

Mironovskoye is a gold-silver-copper deposit with a strike length of 1.4 km. The deposit was extensively explored during the Soviet-era by driving adits and drifts, with 5 km of underground development being completed in total. The main economic minerals were identified as copper, gold and silver.

Work undertaken by Kyrex indicates that the resource model may have been based on bismuth cut-offs and a grade of 1.2% Cu and 1.7g/t Au could be estimated for a similar tonnage. Mironovskoye is easily accessible and infrastructure is in place with the previously operating gold mine of Taldy Bulak only 30 km to the southwest.

Kyzil Ompul

Kyzil Ompul is an early stage licence area in which a number of small gold, copper, molybdenum, lead and uranium deposits have been delineated by Soviet geological teams. To date Kyrex's exploration has been relatively limited and has focused on base and precious metal prospects previously identified. This has comprised geophysical surveys (IP and magnetic) and trenching and sampling to confirm the Soviet-era data. Chaarat believes that Kyzil Ompul, which means "red hill" in the local language, has reasonable prospectivity for an IOCG (Iron Oxide Copper Gold) type deposit. Future programmes will focus on regional target generation including GIS compilation and interpretation of all data and regional aeromagnetic surveys in order to produce targets for additional exploration.

No significant mineral potential has been defined to date in Kyrex's fourth licence area, Severochontashskaya, where expenditure has been minimal.

Details of the Offer

The terms of the Offer were derived from an independent relative technical valuation of the material mineral assets of Chaarat and Kyrex undertaken by SRK Consulting (UK) Limited ("SRK"). The Company commissioned the valuation as part of its due diligence process.

The Offer comprises 54 fully paid Chaarat ordinary shares of US\$0.01 each (the "Shares") for each Kyrex share. Assuming Chaarat acquires the whole of the issued and to be issued share capital of Kyrex, the aggregate consideration will comprise 11,928,222 Shares, equating to 10.56 per cent. of the Company's current issued share capital.

The Offer will remain open for 15 business days from 22 June 2010. Provided acceptances have been received from shareholders representing at least 75 per cent. of the issued share capital of Kyrex, the drag along provisions in the articles of association of Kyrex will enable Chaarat to acquire the remainder of the issued and to be issued Kyrex shares.

Chaarat has received irrevocable undertakings to accept the Offer from shareholders holding 122,556 Kyrex shares, representing 58.5 per cent. of Kyrex's issued share capital.

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 Offer, as is necessary to maintain the percentage holding of CNMIM prior to the Offer, being 19.9 per cent. The required notice has been sent to CNMIM and the price at which CNMIM will be

required to subscribe for the shares is the mid-market closing price on 18 June 2010 of 40.5p per share.

Related Party Disclosure

Christopher Palmer-Tomkinson, Dekel Golan and Alexander Novak, who are directors of Chaarat, are also directors and shareholders of Kyrex, holding interests of 6.5, 28.0 and 24.0 per cent. of the issued share capital respectively. In addition, Luo Tao and David Tang are not considered independent of the transaction by virtue of CNMIM's right to subscribe for additional equity in the Company in order to maintain its level of shareholding.

The Offer therefore constitutes a related party transaction in accordance with Rule 13 of the AIM Rule for Companies. The independent directors (being Linda Naylor and Oliver Greene), having consulted with the Company's nominated adviser, Westhouse Securities Limited, consider that the terms of the Offer are fair and reasonable insofar as Chaarat shareholders are concerned.

Potential changes to Directors' Interests

Provided the Offer is completed, Christopher Palmer-Tomkinson, Dekel Golan and Alexander Novak will each receive Shares as consideration for their interests in Kyrex. On completion of the transaction, the following changes would occur to their respective shareholdings:

	Previous Shares	Consideration Shares	Total Shares	Percentage of Company's Enlarged Issued Share Capital
Christopher Palmer-Tomkinson	6,675,000	736,344	7,411,344	5.94
Dekel Golan	11,554,033	3,166,722	14,720,755	11.79
Alexander Novak	8,960,400	2,714,958	11,675,358	9.35

On completion, and assuming full acceptance, of the Offer, the Company will have a total of 124,839,225 Shares in issue excluding any Shares to be issued to CNMIM pursuant to its option the terms of which are set out above.

Competent Person

Sunit Patel, M.Sc (Geology) FGS, GSSA, who is an employee of Chaarat and is an exploration geologist with 22 years of experience in the resource industry, has reviewed and approved the information in this announcement.

Enquiries:

Chaarat Gold Holdings Ltd

c/o Central Asia Services Ltd
Dekel Golan
Linda Naylor

+44 (0) 20 7499 2612
dekel@chaarat.com
linda.naylor@chaarat.com

Westhouse Securities Limited
Tim Feather
Richard Baty

+44 (0) 20 7601 6100
tim.feather@westhousesecurities.com
richard.baty@westhousesecurities.com

Mirabaud Securities LLP
Rory Scott

+44 (0) 20 7321 2508
rory.scott@mirabaud.com

Smith's Corporate Advisory
Dominic Palmer-Tomkinson

+44 (0) 20 7239 0140
tomkinson@smiths-ca.com

Conduit PR
Jos Simson
Emily Fenton

+44 (0) 20 7429 6603
jos@conduitpr.com
emily@conduitpr.com

Chaarat

Chaarat is an exploration and development company operating in the Kyrgyz Republic with its current main activity being the development of the Chaarat Gold Project. The Chaarat Gold Project is 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 an initial production of over 200,000 ounces per annum by early 2013.

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.