



Chaarat Gold Holdings Ltd

HALF YEAR RESULTS TO 30 JUNE 2009

Chaarat Gold Holdings (AIM: CGH) (“Chaarat” or “the Company”) today announces its half-year financial results for the six months ended 30 June 2009.

Highlights

- Significant progress made in the field with exploration work focused on the C4600-C5300 projects
- Additional drilling results now being interpreted
- Prefeasibility study on schedule for completion during H1 2010
- Successful £2.1m fundraising completed in May
- £5.6m investment by China Nonferrous Metals International Mining Company Limited (“CNMIM”) announced in July – regulatory approval from Chinese Government expected to be received in the next few weeks.

Dekel Golan CEO comments: “2009 has seen a number of significant developments for the company. We look forward to working with CNMIM once all the necessary Chinese approvals are received. The results from the drilling during the current season continue to be positive and indicate both an increased resource and heighten the mineability of the Chaarat deposit. We also look forward to announcing the completion of our Prefeasibility Study before the end of H1 2010. Our host country, the Kyrgyz Republic, continues to improve its support of the mining industry with Centerra and now Gold Fields, present in the country.”

Enquiries:

Chaarat Gold Holdings Ltd: Dekel Golan Linda Naylor	+44 (0) 20 7499 2612 dekel@chaarat.com linda.naylor@chaarat.com
Canaccord Adams Limited: Mike Jones	+44 (0) 20 7050 6500 mike.jones@canaccordadams.com
Smiths Corporate Advisory: Dominic Palmer-Tomkinson	+44 (0) 20 7239 0140 tomkinson@smiths-ca.com
Conduit PR Edward Portman Leesa Peters	+44 (0) 20 7429 6607 ed@conduitpr.com leesa@conduitpr.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 r 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 Ch expectations with regard to these or any change in events, conditions or circumstances on which any such statements are based. 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.

Chief Executive's Report

I am pleased to present Chaarat Gold's Half Year Results for the six months to 30 June 2009.

The first six months of the year are a quiet period typically dedicated to analysing the results of the last exploration season and raising funds for the next. On both fronts significant progress has been achieved.

Fund raising

The Chaarat share price has doubled since the lows to [redacted] it had fallen following the forced sale by one of our shareholders, itself a victim of the global financial crisis. In order to minimise dilution it was agreed by the Board to carry out, as an interim measure, a very small fund raising in May 2009 to raise £2.1 million, most of which was subscribed to by existing shareholders. To complement that, we have reached an agreement with a large Chinese company to invest £5.6 million in Chaarat, at a significant premium to the share price, subject only to Chinese government approval anticipated to be received in the next few weeks. Both the investor, China Nonferrous Metals International Mining Company Limited, and Chaarat will benefit from this arrangement; for CNMIM it gives them exposure to a prospective gold asset in a region they understand well, while for Chaarat it alleviates any further funding requirements until the beginning of 2011 as well as bringing regional support, contacts and knowledge which are critical to a junior [redacted] in Kyrgyzstan. Being a state enterprise CNMIM has now submitted applications for the necessary governmental approvals for the deal and we expect approval during the next few weeks.

The investment by CNMIM ensures that Chaarat will have enough money to take the property through to feasibility study, if we decide so to do. The Company continues to [redacted] means of improving liquidity, and coupled with our operational development, it is hoped this may result in the share price better reflecting the value of the underlying asset.

The results for the half year reflect the reduction in exploration expenditure as the operating loss for the six months to 30 June 2009 was \$2.86m compared to \$4.72m for the six month period to 30 June 2008.

Kyrgyzstan

There have been significant and positive developments in our host country, the Kyrgyz Republic, during the six month period. Centerra and the Kyrgyz [redacted] reached agreement regarding the ownership and profit sharing of the Kumtor gold mine. [redacted] other mining dispute which damaged perceptions of the country involved Aurum Mining, but a civil case which involved its subsidiary has now been successfully resolved.

The careful balancing act of the Kyrgyz government in [redacted] both the Russian as well as the US military air bases in the country reflects an ability to govern and get things done. The election on 23 July returned the incumbent President to power. Whilst concerns have been raised over the electoral process, stability has been maintained and indications are that the country is continuing its attempts to open up to foreign investment.

In another positive sign, EBRD has invested over €175 million in more than 50 projects in the

infrastructure, corporate, energy and financial sectors of the Kyrgyz Republic since the beginning of its operations there.

Gold Fields, the world's fourth largest gold producer, farmed in to a large, albeit low grade, project. The presence of two majors, Gold Fields and Centerra, definitely positive news for the mining industry in the Kyrgyz Republic. Both of these moves are important in terms of raising the profile of the country as a credible mining jurisdiction.

Geology

Characteristically, due to weather factors, the first months of the year see less by way of exploration activity and a greater concentration on consolidating data from the previous drilling season and preparing the programme for the June to November period.

The resource calculation prepared by SRK of Johannesburg ORC compliant resource of 3.34 million ounces of gold at an average grade of 4.3 g/t. What has become clear is that certain areas hold very considerable potential, not only in terms of increasing overall resources but, more importantly, in heightening the mineability of Chaarat as a deposit. Such is the area between Projects C5300, where the adit penetrates mineralization of 22.45m in true width at a grade of 5.78g/t Au and C4600, where the last hole drilled during 2008 returned 17.97 metres of true width at a grade of 6.21g/t Au. The 640 metres of strike between those two points, which has been confirmed by additional drilling, has thrown up a very significant opportunity which we now intend to explore. There are grounds for thinking that this large area of mineralization is open on both sides as well as down dip.

The interpretation that has been developed from the data on the T0700 project at Tulkubash, which is located approximately 4600m from the adit at C5300, also suggests a similar significance in its potential. Not only is it a highly prospective target in its own right but, should it meet our hopes, we believe that the depths there could lend itself to open development.

Prefeasibility study

Progress is ongoing on the preparation of the prefeasibility study, now scheduled for completion during the first half of 2010, to enable us to include the current season's exploration results and the new resource calculation. A decision has been taken to suspend work on mine modelling until the end of the season when it is hoped more hardened data from exploration will become available. Work on geo-technological issues and the development of a metallurgical process is, however, going ahead as planned.

CNMIM Deal

China Nonferrous Metals International Mining Co. Limited (www.cnmim.com) is a subsidiary of a large Chinese state entity China Nonferrous Metal Mining (Group) Co Ltd (www.cnmc.com.cn). In discussion with a number of companies, it became clear to us that the opportunity to source engineering work, contractors, equipment and project finance from China is tremendous. It also became clear that Chinese industry is keen to have access to projects either by way of acquiring them or via other forms of investment. Following meetings with a number of companies we came to the conclusion that introducing a Chinese shareholder to the company will be helpful in accessing the

Chinese markets in terms of services and procurement as well as having exposure to a Chinese company which may have an ultimate interest in either acquiring Chaarat or working with the company in a manner that delivers value both to itself and to other shareholders.

CNMIM will join Chaarat as a shareholder and will nominate two directors to the Chaarat Board. We believe that they recognise the value of Chaarat and see it as a project that can either be successfully brought to fruition through their own involvement or, through corporate activity, worked to their advantage in some other way. For shareholders we retain flexibility and a position in which a number of different options can still be pursued.

Directors

Stuart Comline, who has been with us since early 2007, left the board to focus on other opportunities. Stuart will continue to advise the board on areas of his expertise and the Board will continue to benefit from his experience, wisdom, knowledge and great common sense. We wish to thank Stuart for his contribution.

Linda Naylor joined the company as Finance Director. Linda was an audit partner with Grant Thornton and has experience and knowledge of the resource sector.

Dekel Golan
Chief Executive Officer

The Competent Person with overall responsibility and who has reviewed the information in this press release is Mr. Sunit Patel, M.Sc. (Geology), FGS, GSSA, who is an employee of Chaarat Gold. Mr. Patel is an exploration geologist with 21 years of experience in the resource industry who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and was supervisor of the work which is the subject of this release.

Consolidated income statement*For the six months ended 30 June*

		6 months to 30 June 2009 (unaudited) USD	6 months to 30 June 2008 (unaudited) USD	12 months to 31 December 2008 (audited) USD
Exploration expenses		(1,512,461)	(2,997,849)	(8,244,068)
Administrative expenses		(932,472)	(1,381,708)	(2,461,734)
Share options expense	5	(385,189)	(357,598)	(752,345)
Other operating expenses		(33,524)	14,569	(34,998)
Operating loss		(2,863,646)	(4,722,586)	(11,493,145)
Financial expense		-	(247,475)	(645,972)
Financial income		106,880	178,239	226,753
Loss for the period, attributable to equity shareholders of the Parent		(2,756,766)	(4,791,822)	(11,912,364)
Loss per share (basic and diluted) – USD cents	2	(0.04)c	(6.67)c	(16.57)c

All amounts relate to continuing activities.

**Consolidated statement of comprehensive income
and expense***For the six months ended 30 June*

		6 months to 30 June 2009 (unaudited) USD	6 months to 30 June 2008 (unaudited) USD	12 months to 31 December 2008 (audited) USD
Loss for the period, attributable to equity shareholders of the Parent		(2,756,766)	(4,791,822)	(11,912,364)
Other comprehensive income:				
Exchange differences on translating foreign operations		(64,874)	(13,357)	(187,829)
Total comprehensive income for the period		(2,821,640)	(4,805,179)	(12,100,193)

Consolidated balance sheet

At 30 June

	30 June 2009 (unaudited) USD	30 June 2008 (unaudited) USD	31 December 2008 (audited) USD
Assets			
Non-current assets			
Intangible assets	73,470	25,628	99,473
Property, plant and equipment	1,667,202	2,064,833	2,022,414
Other receivables	-	38,388	-
	1,740,672	2,128,849	2,121,887
Current assets			
Inventories	27,057	294,167	59,587
Trade and other receivables	212,876	1,706,812	434,610
Cash and cash equivalents	2,850,852	7,004,269	1,375,445
	3,090,785	9,005,248	1,869,642
Assets held for sale	-	-	39,562
	3,090,785	9,005,248	1,909,204
Total assets	4,831,457	11,134,097	4,031,091
Liabilities and equity			
Equity attributable to shareholders			
Share capital	911,780	718,834	718,834
Share premium	18,700,475	15,665,928	15,665,928
Other reserves	12,162,011	11,405,955	11,782,189
Foreign currency reserve	(660,762)	(421,416)	(595,888)
Retained losses	(26,641,110)	(16,787,682)	(23,889,711)
	4,472,394	10,581,619	3,681,352
Current liabilities			
Trade payables	127,911	481,972	69,525
Accrued liabilities	231,152	70,506	280,214
	359,063	552,478	349,739
Total liabilities and equity	4,831,457	11,134,097	4,031,091

Consolidated cash flow statement*For the 6 months ended 30 June*

	6 months to 30 June 2009 (unaudited) USD	6 months to 30 June 2008 (unaudited) USD	12 months to 31 December 2008 (audited) USD
Operating activities			
Loss for the period before and after tax	(2,756,766)	(4,791,822)	(11,912,364)
Adjustments:			
Amortisation expense - intangible assets	26,003	2,671	21,791
Depreciation expense - property plant and equipment	313,075	256,757	613,029
Loss on disposal of property plant and Equipment	34,864	5,838	19,701
Finance income	(4,883)	(179,498)	(226,753)
Share based payments	385,189	357,598	752,345
Foreign exchange	(174,477)	247,475	618,990
Decrease/(Increase) in inventories	(24,012)	181,679	416,259
Decrease/(Increase)in accounts receivable	345,283	(965,027)	393,189
(Decrease)/Increase in accounts payable	18,418	(23,233)	(225,972)
Net cash flow used in operations	(1,837,306)	(4,907,562)	(9,529,785)
Investing activities			
Purchase of computer software	-	(23,560)	(116,467)
Purchase of property plant and equipment	(70,217)	(1,129,357)	(1,642,604)
Proceeds from sale of equipment	40,000	2,644	41,885
Purchase of assets held for sale	-	-	(39,562)
Loans issued	-	-	(93,316)
Loans repaid	8,557	-	53,360
Interest received	4,186	179,498	219,084
Net cash used in investing activities	(17,474)	(970,775)	(1,577,620)
Financing activities			
Proceeds from issue of share capital	3,357,258	-	-
Issue costs	(129,765)	-	-
Net cash from financing activities	3,227,493	-	-
Net change in cash and cash equivalents	1,372,713	(5,878,337)	(11,107,405)
Cash and cash equivalents at beginning of the period	1,375,445	13,128,822	13,128,822
Effect of changes in foreign exchange rates	102,694	(246,216)	(645,972)
Cash and cash equivalents at end of the period	2,850,852	7,004,269	1,375,445

Consolidated statement of changes in equity

For the six months ended 30 June

	Share capital USD	Share premium USD	Retained losses USD	Other reserves USD	Translation reserve USD	Total USD
Balance at 31 December 2007	718,834	15,665,928	(11,995,860)	11,048,357	(408,059)	15,029,200
Currency translation	-	-	-	-	(13,357)	(13,357)
Net income recognised directly in equity	-	-	-	-	(13,357)	(13,357)
Loss for the six months ended 30 June 2008	-	-	(4,791,822)	-	-	(4,791,822)
Total recognised income and expense for the six months	-	-	(4,791,822)	-	(13,357)	(4,805,179)
Share options expense	-	-	-	357,598	-	357,598
Balance at 30 June 2008	718,834	15,665,928	(16,787,682)	11,405,955	(421,416)	10,581,619
Currency translation	-	-	-	-	(174,472)	(174,472)
Net income recognised directly in equity	-	-	-	-	(174,472)	(174,472)
Loss for the six months ended 31 December 2008	-	-	(7,120,542)	-	-	(7,120,542)
Total recognised income and expense for the six months	-	-	(7,120,542)	-	(174,472)	(7,295,014)
Share options lapsed	-	-	18,513	(18,513)	-	-
Share options expense	-	-	-	394,747	-	394,747
Balance at 31 December 2008	718,834	15,665,928	(23,889,711)	11,782,189	(595,888)	3,681,352
Currency translation	-	-	-	-	(64,874)	(64,874)
Net income recognised directly in equity	-	-	-	-	(64,874)	(64,874)
Loss for the six months ended 30 June 2009	-	-	(2,756,766)	-	-	(2,756,766)
Total recognised income and expense for the six months	-	-	(2,756,766)	-	(64,874)	(2,821,640)
Share options lapsed	-	-	5,367	(5,367)	-	-
Share options expense	-	-	-	385,189	-	385,189
Issuance of shares for cash	192,946	3,164,312	-	-	-	3,357,258
Share issue costs	-	(129,765)	-	-	-	(129,765)
Balance at 30 June 2009	911,780	18,700,475	(26,641,110)	12,162,011	(660,762)	4,472,394

Notes to the financial statements

1 Dividend

No dividend is proposed in respect of the period.

2 Loss per share

The loss per share is calculated by reference to the loss of USD2,756,766 for the six months ended 30 June 2009 and the weighted average number of shares in issue of 77,038,511 during the period. There is no dilutive effect of share options or warrants.

3 Basis of preparation of financial statements

The unaudited results have been prepared on a going concern basis and on the basis of the accounting policies adopted in the audited accounts for the year ended 31 December 2008 with the exception of the impact of changes to the applicable accounting standards as set out below. The results for the period are derived from continuing activities.

- IAS1 (revised), 'Presentation of Financial Statements' has become effective from 1 January 2009. The revision has resulted in minor changes to the presentation of the primary statements.
- IFRS8, 'Operating segments' effective for annual periods from 1 January 2009. Management does not believe this standard is relevant to the Group disclosures.

The financial information set out in this half-yearly report does not constitute statutory accounts. The figures for the period ended 31 December 2008 have been extracted from the statutory financial statements, prepared under IFRS, which are available on the Group's website www.chaarat.com. The auditor's report on those financial statements was unqualified.

4 Selected accounting policy

Mining exploration and development costs

During the exploration phase of operations, all costs incurred are expensed in the Income Statement as incurred.

A subsequent decision to develop a mine property within an area of interest is based on the exploration results, an assessment of the commercial viability of the property, the availability of financing and the existence of markets for the product. Once the decision to proceed to development is made, exploration, development and other costs relating to the project are capitalised and carried at cost with the intention that these will be depreciated by charges against earnings from future mining operations over the relevant life of mine on a units of production basis.

5 Share options

On 9 June 2009 the Company awarded 665,000 share options to staff, at an exercise price of GBP£0.54 per share. The total number of share options outstanding were:

At 31 December 2008	7,375,000
Awarded 30 June 2009	665,000
Lapsed in period	(45,000)
At 30 June 2009	7,995,000

An amount of USD 385,189 was recognised as share based payment expense during the six month period ended 30 June 2009 (six months ended 30 June 2008: USD 357,598; 12 months ended 31 December 2008: USD 752,345).

6 Placing of shares

On 1 May 2009 the Company announced the closing of a Placing of 18,558,281 new Ordinary Shares at 12p per share. Trading of the new shares commenced on the AIM market of the London Stock Exchange on 11 May 2009. The Placing raised USD 3,357,258 before issue costs of USD 129,765.

7 Post Balance Sheet Events

On 13 July 2009 the Company announced the signing of a subscription agreement with China Nonferrous Metals Int'l Mining Co Ltd ("CNMIM"). CNMIM will subscribe for 22,469,289 shares in the Company at 25p per share for a total consideration of £5,617,322. The subscription is subject to the regulatory approval of the Chinese Government, which is expected to be received in September 2009.

On completion CNMIM's shareholding will represent 19.9% of the Company's (non fully diluted) issued share capital. CNMIM will have the right to appoint two directors to the board of the Company as long as its interest in Chaarat does not fall below 15%, and one director as long as its interest does not fall below 10%, in either case for a period exceeding 6 months. Chaarat undertakes that when it issues further shares CNMIM will be invited to participate in order to maintain its level of shareholding on the same terms as offered to other subscribers or, where options are exercised, by reference to the market share price prior to exercise. Chaarat further agreed not to exercise its right to require CNMIM to make a cash offer to shareholders under the Company's articles of association, unless CNMIM reaches a 30% threshold.

Directors and Advisers

Directors

C Palmer-Tomkinson *Non-executive Chairman*
D Golan *Chief Executive Officer*
A Novak *Executive Director*
L Naylor *Finance Director*
O Greene *Non-executive Director*

Company Secretary

Chateau Management Limited
PO Box 693
Hamilton Estate
Charlestown
Nevis
Tel +41 22 316 6620

lee@chateaufid.ch

Registered Office

Palm Grove House
PO Box 438
Road Town, Tortola
British Virgin Islands, VG1110
Registered Number 1420336

Kyrgyz Republic Office

Chaarat Zaav CJSC
Chokmorova Street, 127
720040, Bishkek
Kyrgyz Republic

Web Site

www.chaarat.com

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London, NW1 2EP

Registrars

Capita Registrars
(Guernsey) Ltd
2nd Floor, No 1 Le Truchot
St Peter Port
Guernsey

Depository

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent, BR3 4TU

Principal Bankers

Royal Bank of Scotland
International
Royal Bank Place
1 Glatigny Esplanade
St Peter Port
Guernsey

Nominated Advisor & Broker

Canaccord Adams Limited
Cardinal Place, 7th Floor
80 Victoria Street
London, SW1E 5JL

Solicitors (UK)

Watson, Farley & Williams LLP
15 Appold Street
London, EC2A 2HB

Solicitors (Guernsey)

Ogier
Ogier House,
St. Julien's Avenue
St. Peter Port
Guernsey, GY1 1WA

Solicitors (BVI)

Ogier
Qwomar Complex, 4th Floor
PO Box 3170 Road Town
Tortola
British Virgin Islands, VG 1110

Solicitors (Kyrgyz Republic)

Kalikova & Associates
71 Erkindik Boulevard
Bishkek, 720040
Kyrgyz Republic

Financial PR

Conduit PR
76 Cannon Street
London
EC4N 6AE