

Chaarat Gold Holdings Ltd

17 May 2024

**Chaarat Gold Holdings Limited**

("Chaarat" or "the Company")

**Revised Non-Binding Term Sheet Signed with Xiwang International for  
US\$150 million Funding Package to Deliver First Production at Tulkubash Gold Mine**

Chaarat Gold (AIM:CGH), a mining explorer and developer with projects in the Kyrgyz Republic, is pleased to announce that it has entered into a non-binding term sheet (the "Term Sheet") with Xiwang International Company Limited ("XWIC") relating to a US\$150 million funding package which, subject to entering into definitive legal agreements, further advances discussions between the parties and outlines an action plan towards a successful transaction. Completion of definitive legal agreements would provide; full financing for the further development and commencement of production at the Tulkubash Gold Project in Kyrgyz Republic ("Tulkubash"), enabling the restructuring of Chaarat's existing commitments and provide the basis for future potential joint ventures in the gold mining sector.

The Term Sheet progresses the extensive negotiations, and collaboration between the parties, which resulted in the agreement with PowerChina concluded in late 2023 (as previously announced). There is no certainty at this stage that definitive agreements will be concluded, and therefore funding provided, and further announcements will be made as and when appropriate. Discussions also continue with other parties for potential funding of the Group's initiatives and Chaarat also expects to enter into discussions with convertible bond holders regarding the outstanding convertible bonds which are due for repayment on 31 July 2024.

Tulkubash is a 1.01Moz gold deposit which has the potential to become a 95,000oz/annum gold mine. Tulkubash has an initial mine life of six years, however, there remains significant development upside from additional prospects including Karator and Ishakuldy, and the Company is targeting a total mine life exceeding 15 years.

XWIC is an investment company incorporated in the British Virgin Islands and an affiliate of Touchstone Capital Partners. As part of its long-term strategic investment plan, XWIC is looking to create a significant portfolio of mining assets and resources on a global basis by partnering with and providing funding to listed public operating companies with strong governance, focused on disciplined capital allocation and shareholder value creation.

Principal terms of the non-binding term sheet between Chaarat and XWIC are as follows:

- A funding package of US\$150 million in two tranches from XWIC would provide funding into Tulkubash and enable the restructuring of existing commitments
- In return for its US\$150 million investment, XWIC would receive a 60% economic interest in the Tulkubash SPV and Chaarat would retain 40%, the parties have agreed to negotiate in good

faith the further advancement of the Kyzyltash project in due course. Post the transaction XWIC will have full security over Tulkubash and Kyzyltash.

- Power Construction Corporation of China would be appointed as independent contractor for the Engineering, Procurement and Construction, Operation and Maintenance and Mining in accordance with best practices/international standards, working in collaboration with the Chaarat team.
- Funding would be conditional on a political risk insurance ("PRI") policy being provided, discussions on which are progressing.

Next steps are focused on working with XWIC to finalise PRI policies, progression to definitive legal agreements and final investment decision, while at the same time working closely together with the PowerChina team to commence construction activities within a short time frame. Further updates will be provided as and when appropriate.

### **Enquiries**

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## **About Charaat**

Chaarat is an exploration and development company which is advancing the Tulkubash and Kyzyltash Gold Projects in the Kyrgyz Republic. The Company has a clear strategy to build a leading emerging markets gold company through organic growth and selective M&A.

Chaarat aims to create value for its shareholders, employees and communities from its high-quality gold and mineral deposits by building relationships based on trust and operating to the best environmental, social and employment standards.