



PRESS RELEASE DATED June 29, 2010
Central Asia Gold AB (publ)

At the AGM of Central Asia Gold AB (publ), held on June 28, 2010 the overall current situation of the group was presented by the management, as well as the adopted strategy of increasing the gold production from ore mining instead of alluvial gold production.

The background was also given to the efforts planned for investment in new heap leaching plant in Tardan and increased exploration and evaluation of the new acquisition opportunities.

The AGM approved the income statement and balance sheet as well as the income statement for the group and group balance sheet for the accounting year 2009. The AGM decided not to pay dividends for the accounting year 2009.

Discharge for the accounting year 2009 was granted in respect of Board members Lars Guldstrand, Patrik Perenius, Michael Nunn and Alice Volgina. Discharge for the accounting year 2009 was not granted to the Board member Maxim Kondratyukin and Board member and CEO Preston Haskell, which related to both his role as a Board member and as an executive officer. The shareholders affected by the decision or with a representative affected by the decision did not take part in the decision.

It was decided that the number of directors until the next Annual General Meeting shall be five (5) with no deputies. Furthermore, Preston Haskell, Lars Guldstrand, Patrik Perenius, Michael Nunn, and Alice Volgina were re-elected as Board members.

Lars Guldstrand was re-elected as Chairman of the Board.

It was resolved that remuneration shall only be paid to the independent members of the board of directors Mr. Patrik Perenius and Mr. Michael Nunn, each with SEK 40,000 and that remuneration otherwise would not be paid to the board of directors for the coming period.

PricewaterhouseCoopers AB was elected auditor for the remainder of the current term, with responsible auditor Mr. Martin Johansson. The auditor shall be paid on the approved current account.

It was decided to withdraw the amendment to Articles of Association approved at the AGM in 2009, with regard to the opportunity to change the way of calling to AGM which involved a change of legislation that have not yet been implemented.

It was also decided to issue warrants for the purpose of an incentive program. It was decided in accordance with the proposal with deviation from the existing

shareholders' preferential right to issue 10.65 million warrants to the subsidiary LLC Tardan Gold for further transferring to a limited number of the Group employees.

In accordance with the Board's proposal it was agreed by a new share issue with preferential rights for existing shareholders to increase the Company's share capital by a maximum of 158 878 125 SEK in rights issue of up to 141.225 million shares. The subscription price shall be 1.6 SEK per share. The record date of the issue shall be 12 July 2010.

In addition, it was decided to authorize the Board, provided that the offer is fully subscribed, for the period until 31 August 2010, with preferential rights, to additionally issue maximum 25 million shares for the case if over-subscription in the rights issue would take place. It was further decided to authorize the Board to decide on the issue with preferential rights, in order to allow some strategic acquisitions, as well as to compensate the underwriters of the rights issue.

It was also decided on a number of amendments in the articles of association including the number of shares and limits of the share capital, reduction of the share capital and the consolidation of shares and authorizing the Board to issue a smaller number of shares to support this. All this was done in order to enable appropriate decisions on the rights issue, the issue of warrants and authorizations as described above.

In addition, the proposed principles for remuneration of directors and proposals for the principles of the nominating process were approved.

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Central Asia Gold AB is a Swedish mining company focused on gold production and exploration in Russia in the central parts of Asia. The gold production was initiated in late January 2005 and the assets were as at end of 2008 estimated to encompass some 800,000 troy ounces (1 troy ounce = 31.1 g) of C1/ C2 Russian gold reserves.

Cautionary Statement: Statements and assumptions made in this report with respect to Central Asia Gold AB's ("CAG") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of CAG. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where CAG operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) CAG's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly

between the Russian rouble and the U.S. dollar. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecast in this report. CAG assumes no unconditional obligation to immediately update any such statements and/or forecasts