



PRESS RELEASE 2010-05-28
Central Asia Gold AB (publ)

Notice to attend the annual general meeting
In Central Asia Gold AB (publ.)

(NGM: CAG)

The shareholders in Central Asia Gold AB (publ.) ("Company") are hereby given notice to attend an annual general meeting on Monday 28 June 2010 at 3.00 p.m. in IVA's conference center at Grev Turegatan 16 in Stockholm. Registration for the meeting commences at 2.30 p.m.

NOTICE

Shareholders wishing to participate in the meeting must:

- (i) Be entered in the shareholders' register kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organization) on the record day Monday 21 June 2010. Shareholders who have had their shares registered in the name of a nominee must, well in advance of 21 June 2010, through the nominee, temporarily register the shares in their own name in order to be entitled to participate in the meeting.
- (ii) Notify the Company of their attendance no later than 21 June 2010, via e-mail at address agm@centralasiagold.se or via letter to Central Asia Gold AB, Engelbrektsplan 2, 4 tr, 114 34 Stockholm. Notification must include full name, personal ID number or corporate registration number, address and telephone number and, if applicable, information about proxy, representative and assistant. In order to facilitate entry to the meeting, notification should, when appropriate, be accompanied by powers of attorney, registration certificate and other authorization documents. Forms for power of attorney can be downloaded from the Company's website www.centralasiagold.se.

PROPOSED AGENDA

- 1) Opening of the annual general meeting
- 2) Election of the chairman of the meeting
- 3) Preparation and approval of the voting register

- 4) Approval of the agenda
- 5) Election of one or two persons to attest the minutes of the meeting
- 6) Determination of whether the meeting has been duly convened
- 7) Presentation of the annual report and audit report and the consolidated accounts and group audit report and in connection with this address by the chairman of the board and the managing director
- 8) Resolution on:
 - a) adoption of profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet,
 - b) allocation regarding the Company's profit/loss in accordance with the adopted balance sheet, and
 - c) discharge of liability for the board members and the managing director
- 9) Adoption of remuneration and other compensation to the board of directors
- 10) Adoption of remuneration to the auditor
- 11) Adoption of the number of board members
- 12) Election of board members and chairman of the board and election of auditor
- 13) Resolution on election committee
- 14) Resolution on guidelines for remuneration to the executive management
- 15) Withdrawal of a resolution to amend the articles of association
- 16) Resolution to amend the articles of association regarding share capital limits
- 17) Resolution to reduce the Company's share capital
- 18) Resolution to amend the articles of association regarding share capital limits and number of shares
- 19) Resolution on issue of shares with preferential rights
- 20) Resolution on authorization to the board to resolve on issues of shares relating to an oversubscription option
- 21) Resolution on authorization to the board to resolve on issues of shares related to compensation for issue guarantees
- 22) Resolution on authorization to the board to resolve on issues in relation to strategic acquisitions
- 23) Resolution on issue of warrants for the purposes of an incentive programme
- 24) Resolution to amend the articles of association regarding limits for number of shares
- 25) Resolution on consolidation of shares
- 26) Resolution on authorization to the board to resolve on issues of shares enabling consolidation of shares

27) Closing of the annual general meeting

PROPOSALS BY THE BOARD OF DIRECTORS

Item 2. Election of the chairman of the meeting

The election committee, comprised of Peter Lindh (representing Bertil Holdings Ltd.), Roger Hassanov (representing Greypson Investments Ltd.), Jörgen Durban (representing AB Landå), Viggo Leissner (representing Spencer Group) and Lars Guldstrand, Chairman of the Board, has not proposed of a chairman to the annual general meeting in such time that it could be included in this notice. The company will publish the proposal of the election committee regarding this in due time before the annual general meeting.

Item 8b. Resolution on allocation of profit/loss for 2009

The board of directors and the managing director propose that the Company's non-restricted equity of SEK 244 280 000 is carried forward and that no dividend is paid for the financial year.

Item 9 – 12. Election of board members, auditor etc.

Items 9, 11 and 12. The Company was not informed of the election committee's proposals to number of board members, composition of the board of directors, and remuneration to the board members and proposal for an auditor in such time that this could be included in the notice. The Company will publish the election committee's proposal regarding this in due time before the annual general meeting.

Item 10: It is proposed that remuneration in accordance with an approved invoice shall be paid to the auditor.

Punkt 13. Adoption of principles on the appointment of the election committee

The election committee proposes that a new election committee shall be appointed before the annual general meeting 2011 in accordance with the previously adopted principles, i.e. that the Company shall have an election committee comprising of the chairman of the board and four members, each representing one of the four owners with the largest voting power. Thus, the shareholders with the largest number of votes will be contacted based on the Company's list of registered shareholders (by group), which is provided by Euroclear Sweden AB, per 31 October 2010. Shareholders which are not registered by Euroclear Sweden AB, and wish to exercise their rights, shall notify the chairman of the board and shall be able to verify the ownership. As soon as possible after the end of October, the chairman of the board shall contact the four largest shareholders above and ask them to appoint one member each. If any of the shareholders waives its right to elect a member of the election committee, the next shareholder by size shall be given

the opportunity to elect a member. The names of the owner representatives and the names of the shareholders which they represent shall be made public no later than six months prior to the annual general meeting. The election committee's term of office shall last until a new election committee has been appointed. The chairman of the election committee shall, unless the members otherwise agree, be the member who represents the largest shareholder. If a member leaves the election committee before its work is completed and if the election committee considers that there is a need to replace this member, the election committee shall appoint a new member. No remuneration shall be paid to the members of the election committee. The election committee may charge the Company reasonable costs for travelling and investigations.

The election committee shall submit proposals to the annual general meeting for: (i) election of the chairman of the meeting, (ii) number of board members, (iii) election of chairman of the board and board members, (iv) remuneration to the board, divided between the chairman and the other members, (v) any remuneration for committee work, and (vi) election and remuneration to auditors and alternate auditors (if applicable). In addition, the election committee shall submit a proposal to a resolution for the appointment of a new election committee.

Item 14. Resolution on guidelines for remuneration to the executive management

The board of directors proposes that the annual general meeting approves the guidelines for remuneration to the executive management of Central Asia Gold group ("Group"), essentially containing the following:

The guidelines shall apply to remuneration and other employment terms and conditions for the managing director and other members of the Group's management ("Group Management").

Guidelines

The guidelines shall apply to all employment contracts which are entered into after the meeting's resolution and in those cases where amendments are made to the existing terms and conditions after this point in time. The Company shall aim to offer a total remuneration, which is reasonable and competitive based on the circumstances in the individual country. The remuneration shall vary in relation to the performance of the individual and the Group. It is proposed that the total remuneration to the Group Management shall consist of the components stated below.

Fixed salary

The fixed salary ("Base Salary") shall be adjusted to the market and be based on responsibility, competence and performance. The fixed salary shall be revised every year.

Variable salary

The variable salary shall relate to the Company's return on capital, growth of reserves and production, and specific goals within each executive's area of responsibility. The variable salary shall be paid annually and shall amount to a maximum of twice the annual Base Salary.

Longterm incentives

The board of directors intends, on a regular basis, to assess the need for a long-term incentive programme which shall be proposed to the annual general meeting.

Insurable benefits

Old-age pension, healthcare benefits and medical benefits shall, if applicable, be prepared in a manner which reflects the rules and practice in the home country. If possible, the pension plans shall be premium determined. In individual cases, depending on the tax and/or social insurance laws which apply to the individual, other adjusted pension plans or pension solutions may be approved.

Other benefits

The Company shall be able to provide individual members of the Group Management or the entire Group Management with other benefits. These benefits shall not constitute a substantial part of the total remuneration. The benefits shall further correspond to what is normal on the market.

Termination and severance pay

Notice of termination of employment shall be no more than twelve months upon termination initiated by the Group and no more than six months upon termination initiated by a member of the Group Management.

In individual cases, the board of directors shall be able to approve of severance pay in addition to the period of notice. Severance pay may only be paid out upon termination by the Company or when a member of the Group Management resigns due to a significant change of his/her working conditions, which means the he/she cannot perform adequately.

Derogation from the guidelines

The board of directors shall be entitled to derogate from these guidelines if special reasons exist in an individual case.

Item 15. Withdrawal of a resolution to amend the articles of association

The board of directors proposes that the change of § 7 second paragraph in the articles of association meaning that notice by publication in Svenska Dagbladet is not necessary, adopted at

the annual general meeting 2009, is withdrawn since the change of notice according to Swedish Company Law (SFS 2005:551) has not yet come into force.

Item 16. Resolution to amend the articles of association regarding share capital limits

The board of directors proposes that the annual general meeting makes a resolution on change of the Company's articles of association § 4 so that the share capital limits are changed from "a minimum of SEK 150 000 000 and a maximum of SEK 600 000 000" to "a minimum of SEK 15 000 000 and a maximum of SEK 60 000 000".

Item 17. Resolution to reduce the Company's share capital

The board of directors proposes that the annual general meeting makes a resolution to reduce the Company's share capital with SEK 156,671,484.375 for transfer to non restricted reserves to be used according to a resolution from the annual general meeting and that the reduction is done without cancellation of shares.

Item 18. Resolution to amend the articles of association regarding share capital limits and number of shares

The board of directors proposes that the annual general meeting makes a resolution to change the Company's articles of association § 4 so that the share capital limits are changed from "a minimum of SEK 15 000 000 and a maximum of SEK 60 000 000" to "a minimum of SEK 150 000 000 and a maximum of SEK 600 000 000" and § 5 so that the number of shares are changed from "a minimum of 15 000 000 and a maximum of 60 000 000" to "a minimum of 150 000 000 and a maximum of 600 000 000".

Item 19. Resolution on issue of shares with preferential rights

The board of directors proposes that the annual general meeting resolves on new a share issue in the Company as follows:

1. Each share in the Company shall give right to subscribe for eight new shares.
2. The share capital can, through the issue, be increased with at the most SEK 158,878,125.
3. The number of shares which can be issued is the most 141,225,000 shares.
4. For each new share an amount of SEK 1.60 shall be paid in cash.
5. The shares are to be subscribed on the basis of subscription rights. Subscription without subscription rights can occur.

6. Subscription of shares on the basis of subscription rights shall be made through payment during the period 19 June 2010 to 4 August 2010. Subscription of shares without subscription rights shall be made on a subscription list during the above mentioned period.
7. Payment for allocated shares subscribed without subscription rights shall be made at the latest on 13 August 2010.
8. The subscription and payment periods can be prolonged by the board of directors.
9. If all shares have not been subscribed on the basis of subscription rights the board of directors shall resolve on allocation of shares subscribed without subscription rights. Firstly, allocation shall be made to those that have subscribed for shares on the basis of subscription rights, irrespective of whether the subscriber was a shareholder on the record day or not and, in case of over-subscription, in relation to the number of subscription rights which each subscriber has exercised for subscription of shares and, when this is not possible, through the drawing of lots. Secondly, allocation shall be made to those that have subscribed for shares without subscription rights, and if they cannot be allocated their full subscription, allocation is to be made in relation to the shares which each subscriber has subscribed for, and if this is not possible, through the drawing of lots. Lastly, allocation shall be made to guarantors with in relation to the guarantees provided.
10. The new shares shall entitle to dividend for the first time on the first record day for dividends which occurs after the registration of the new issue with the Swedish Companies Registration Office.
11. Record day for the new issue is 12 July 2010.

Item 20. Resolution on authorization to the board to resolve on issues of shares related to an oversubscription option

The board of directors proposes that the annual general meeting makes resolution to authorize the board of directors, on the condition that the issue with preferential rights of 141,225,000 shares is fully subscribed, for the time until 31 August 2010, with deviation from the shareholders' preferential rights, at one or several occasions resolve on an issue of at the most 25,000,000 shares in the Company. The purpose of the authorization is to satisfy an interest to subscribe for the shares in the Company among persons who have participated in the issue with preferential rights above that did not receive an allocation of all of the shares they had subscribed for and allocation shall in the first place be made to those that subscribed for shares on the basis of subscription rights in such issue. The subscription price shall be SEK 1.60.

Item 21. Resolution on authorization to the board to resolve on issues of shares related to compensation for issue guarantees

The board of directors proposes the annual general meeting to authorize the board of directors, during the time until 31 October 2010, with deviation from the shareholders' preferential rights, at one or several occasions resolve to make a new issue of shares. The right to subscribe for shares in accordance with the authorization shall go to those who have guaranteed the issue with preferential rights above and these persons shall be able to subscribe and pay for shares in the Company through setting off their claims on compensation for the guarantees given in relation to the issue with preferential rights above. The payment shall be done by set off of the claims on compensation for issue guarantees provided in relation to the issue with preferential rights above. The issue price shall be the volume based average value of the Company's shares during the subscription period for the issue with preferential rights above.

Item 22. Resolution on authorization to the board to resolve on issues regarding strategic acquisitions

The board of directors proposes the annual general meeting to authorize the board of directors, during the time until the next annual general meeting, with deviation from the shareholders' preferential rights, resolve to issue new shares, issue warrants and/or convertibles. The resolutions on the basis of the authorization shall result in an increase of the number of shares in the Company with at the most 49,048,698 shares (assuming that all warrants have been exercised and all convertibles converted and before possible recalculations according to their terms and conditions). The resolution may include that payment for the new shares, warrants and convertibles can be made in cash, through set off or through contributions in kind. The board of directors is authorized to in other respects decide on the conditions for a new share issue or issue. The purpose of the authorization is to enable the Company to issue shares to make payment in connection with acquisition of other companies or other assets which the board of directors deems to be valuable for the company. Deviation of the shareholders' preferential rights can occur when a directed issue due to time, business or other similar reason, is deemed to be more attractive to the Company. The issue price shall if a deviation of the shareholders' preferential rights is made be as close to the market value as possible. Issue in accordance with the authorization can be coupled with special conditions according to the Swedish Companies' Act (SFS 2005:551) 2 chapter 5 § 2, items 1, 3 and 5.

Item 23. Resolution on issue of warrants for the purposes of an incentive programme

Resolution on issue of warrants

The board of directors proposes that the annual general meeting makes a resolution, with deviation of the shareholders' preferential rights, to issue 10,650,000 warrants to its subsidiary LLC Tardan Gold ("Subsidiary"). The warrants are to be subscribed during the period of 5 August 2010 to 12 August 2010. The reason for deviating from the shareholders' preferential rights is that the warrants are to be used for the purposes of an incentive programme, see below. No subscription price shall be paid for the warrants. Each warrant entitles to subscribe for one share. The share capital can, if the warrants are fully exercised, be increased with at the most SEK 11,981,250. For each share a price shall be paid corresponding to the average volume based price of the Company's share during the period of 18 July 2010 to 30 July 2010 multiplied by one point fourtyfour (1.44) rounded to the nearest even ten öre and five öre shall be rounded downwards, provided however, that the price shall never be lower than the share's quota value. The warrants may be exercised during August 2012. The subscribed shares shall entitle to dividend the first time on the first record day for dividends which occurs after the registration with the Swedish Companies Registration Office.

Resolution on incentive programme

The board of directors proposes that the annual general meeting instructs the board of directors to procure that the board of directors of the Subsidiary carry out a sale of warrants subscribed for according to the above as follows:

- (i) In total the offer is to be directed to at the most 25 persons.
- (ii) The persons to receive the offer shall be divided into four groups as follows: COO maximum 2,000,000 warrants, members of the management group (at the most eight persons) maximum 750,000 warrants per person, specialists (at the most seven persons) maximum 250,000 warrants per person, key employees (at the most nine persons) maximum 100,000 warrants per person.
- (iii) The price to be paid for the warrants shall be market value calculated with application of the Black & Scholes model.
- (iv) There shall not be an opportunity for the participants in the programme to acquire more warrants than those offered
- (v) If a person has been offered to participate in the programme and abstains from acquiring warrants, such warrants are not to be offered to any other participant.

Item 24. Resolution to amend the articles of association regarding limits for number of shares

The board of directors proposes that the annual general meeting makes resolution on change of § 5 of the Company's articles of association so that the limits for the number of shares is decreased from "a minimum of 150 000 000 and a maximum of 600 000 000" to "a minimum of 15 000 000 and a maximum of 60 000 000".

Item 25. Resolution on consolidation of shares

The board of directors proposes a consolidation of shares so that 10 shares are consolidated to one share and that the board of directors is authorized to stipulate the record day and carry out the resolution subject to that a guarantor has accepted to supply shares so that no shareholder on the record day for the consolidation is an owner of shares which do not correspond to a whole number of new shares.

Item 26. Resolution on authorization for the board to resolve on issues of shares enabling consolidation of the shares

The board of directors proposes that the annual general meeting authorizes the board of directors for the period until the next annual meeting at one of several occasions to issue maximum 9 shares in the Company. The board of directors shall have the right to make a deviation from the shareholders' preferential rights. The payment for the new shares is to be made in cash. The purpose of the authorization is to secure that the number of shares in the Company is evenly dividable with 10 so that the consolidation above can be carried out.

INFORMATION OF THE TOTAL NUMBER OF SHARES

As of the day of notice, there are 17,653,125 shares and votes in total in the Company.

GENERAL

Accounts, audit reports, statement of the auditor and statement whether the Company has followed the guidelines for remuneration for the executive managers and complete proposals for resolutions according to items 14 – 26 will be kept available at the Company's office at Engelbrektsplan 2, 4 tr, 114 34 Stockholm as of 14 June 2010 and will be sent in connection therewith to the shareholders who so request and state their postal address. The documents regarding the incentive programme according to item 23 will automatically be sent to shareholders who have given notice of participation at the annual general meeting. The documents will also be available on the Company's website www.centralasiagold.se. All of the above documents will also be submitted at the general meeting.

Stockholm May 2010

Central Asia Gold AB (publ)
The Board of Directors

Additional information:

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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 oz 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

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