



Central China Goldfields plc

Option Agreement over Cikoleang Gold Project in Indonesia

15 December 2009

High-Grade Indonesian Gold Project

Central China Goldfields plc is pleased to announce that it has signed an exclusive option agreement over the Cikoleang Gold Property in the Banten Province, Indonesia with a local partner company PT Fino Bersaudara (“Fino”) with a view to entering a definitive joint venture agreement within six months. The directors are very encouraged by what they have seen so far and will now conduct extensive due diligence before committing the Company’s resources under the joint venture. The early indications are positive though and it is the current intention that the Company will seek to expand, define and fast track this gold property towards early production.

Cikoleang Gold Property

The gold property is located approximately 100km southwest of Jakarta, the capital of Indonesia, in Banten Province within the famous Bayah Dome gold mining area. This historic location hosts the Cikotok, Cirotan and Gunung Pongkor mining operations.

The Cikoleang property is directly adjacent to the presently closed Cikotok gold mine which has been operated since the Dutch colonial times until recently when it was operated by the Indonesian State Company Aneka Tambang.

Cikoleang has areas of exposed intermediate sulphidisation epithermal veins, up to 1.5m wide, reporting high gold values of up to 77 grammes per tonne (g/t). Additionally one area identified by Central China Goldfields plc has 1m wide lead-zinc-silver veins running up to 35% zinc.

Grab samples of ores exploited by local artisanal miners, reviewed by Central China Goldfields plc, returned between 4.12g/t to 22.2g/t gold. Veins sampled returned between 1g/t to 3g/t gold. High amounts of silver are associated with these rocks in places running up to 398g/t. A single sample of lead-zinc-silver ore returned 24% zinc and 105g/t silver.

So far the veins at Cikoleang are reported to be 300 metres long with vein ranging from under 1m to 1.5m width.

The terms of the Agreement

Central China Goldfields plc will conduct detailed geological, legal and financial due diligence during an exclusive six months Option Period where. GGG will pay Fino US\$ 45,000 upon signing. After that there will be monthly payment of US\$ 5,000 starting on month 3 for a total of US\$ 20,000. Should GGG decided to form a Joint Venture, GGG will pay additional US\$ 10,000 upon signing. GGG’s total exposure during the first six months Option Period is US\$ 75,000.

Subject to due diligence Joint Venture terms are as follows:

- GGG will own 75% and Fino will own 25% of the Joint Venture company over the Cikoleang Project.
- GGG will fund the first US\$ 2 million of expenditure.
- Beyond US\$ 2 million expenditure both parties will contribute pro rata with the JV proportions.
- In the event of Fino deciding it does not wish to contribute its interest will be diluted in proportion down to 12.5%.
- Fino's interest is then held constant at 12.5% unless GGG buys their JV share based on a mutually agreed price.

Further Gold and Copper Opportunities in Indonesia and the Philippines

The Company is still actively reviewing a number of gold and copper opportunities with a view to acquiring assets which can be fast tracked towards early production.

Receipt of Funds from the sale of Nimu

The Company also announces that it has received the second payment from the sale of the Nimu Project into its Chinese subsidiary.

Review of Chinese Operations

Following the acquisition of the option over Cikoleang Gold Property the board of Central China Goldfields plc have been reviewing the Company's remaining Chinese operation, Dong Mao Huo. In the light of the slower than expected progress being made by our joint venture partner, the board are considering withdrawing from this project to better focus the Company's resources on prospects, such as Cikoleang, which have the potential to generate significant value for shareholders. Once a withdrawal has been formally completed the Company then will inform shareholders once a final decision has been made.

Nominated Adviser Name Change

The Company also wishes to announce that with effect from 26 November 2009, the Company's Nominated Adviser changed its name from Hanson Westhouse Limited to Westhouse Securities Limited.

Technical information in the Company news releases has been reviewed and approved by Ciceron "Jun" Angeles (MSc. FAusIMM, CPGeo) the Company's Technical Director. He is qualified as a Competent Person under the Code for the Reporting Mineral Exploration Results, Mineral Resources and Mineral Reserves, 2004 ("The Reporting Code") prepared by the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

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