



CENTRAL ASIA RESOURCES LIMITED

16 July 2009

METALLURGICAL RESULTS FURTHER BOOST TO DALABAI PROJECT

Key points

- Column test produces impressive gold recovery of 77%
- Detailed design of heap leach facility nearing completion
- On track to commence development this year, pouring gold mid 2010.

Central Asia Resources Limited ("Central Asia" or "the Company" ASX:CVR) is pleased to announce very encouraging results from its second round of metallurgical tests for its Dalabai prospect in the Republic of Kazakhstan.

Test Results

A 102kg sample was collected from fresh diamond drill core from between 25m and 60m below surface. The sample underwent a battery of tests including 2.1m high column tests to further validate the viability of heap leaching methods on Dalabai ore. The results include –

- Head grade – 2.21g/t gold and 18.74g/t silver.
- Gold recovery of 77% - Ore crushed to 15mm and column leached for 28 days
- Low lime and moderate cyanide consumption.
- No agglomeration of ore required

Central Asia's Managing Director, Jason Stirbinskis said "We are extremely pleased with the results – strong recoveries, fast reaction kinetics, low reagent consumption and no need for the additional complexity and cost of agglomeration".

The results are consistent with earlier tests conducted on near surface ore.

Detailed Engineering nearing completion

The Company recently signed an MOU with Steelstruct Engineering Group to design, fabricate, construct and commission a 0.5Mtpa heap leach facility at the Dalabai prospect. The work will be undertaken by Weldtec International Pte Ltd ("Weldtec") an associated company based in Thailand. The formal contract, which is being drafted, will be between Weldtec and CVR and will be finalised before the end of August.

Weldtec has directed considerable expertise to the project and fast tracked detailed engineering, a critical precursor to permitting requirements and preliminary earthworks due to start in Q4.

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Mr Stirbinskis added “The Company is on target to commence development this year, be mining early next year and pouring gold in less than 12 months. This will make CVR the only Australian Company producing Gold in Kazakhstan”.

Risk minimisation

Central Asia Resources is dedicated to the effective management, mitigation and minimisation of project risk. The recent metallurgical results offer further re-assurance that Dalabai ore has a low process risk. The Company has incorporated risk mitigation strategies into its production strategy, these include

- Engaging Weldtec as experienced quality providers or high-end processing equipment to reduce technical or process risk.
- Developing Dalabai – a low capex opportunity that has a history of production, existing infrastructure and is ideally located near major transport, a town and similar infrastructure to minimise total capital requirements and construction complexity.
- Transferring funding requirements and a large portion of capital risk to Weldtec and tying their reward entirely to efficient production of gold
- Developing Dalabai ahead of the Altyntas project, which is a much larger project requiring significantly greater upfront capital commitment.

Altyntas production strategy

The Company’s second intended production site is Altyntas, a much larger project 360km North West of Kazakhstan’s largest city. To-date the Company has focussed on 25% of the area of interest to generate the current Resource (Fig 1). Approximately \$1M has been budgeted for further exploration of Altyntas over the next 18 months and it is expected the Resource will improve significantly over this time period.

Cut Off	Category	Tonnes '000 t	Au ^{CUT-100} g/t	Au ^{CUT-100} Oz
0.7	Indicated	1,757	1.89	106,889
	Inferred	5,156	2.40	397,113
	Total:	6,913	2.27	504,002

Fig 1: Altyntas Resource announced 25/06/09

The Company is targeting production at Altyntas in 2012.

It is likely that some of the major capital items required for Dalabai are compatible with the Altyntas process flow and as such some of the Dalabai infrastructure has been designed with Altyntas parameters in mind. For example: The crushing circuit at Dalabai will have a capacity of 1Mtpa, twice the size of what is required at Dalabai, but an appropriate size for production operations at Altyntas.

The integrated Dalabai / Altyntas production strategy leveraging common equipment not only reduces the upfront capital demand for Altyntas but also reduces construction time and risk and therefore potentially positively impacts project economic metrics such as NPV and payback.

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Metallurgical test work was completed under the supervision of Mr Gary Patrick, an external consultant to the Company. Mr Patrick has sufficient experience, which is relevant to this style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Patrick consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Dr Waldemar Mueller who is a consultant to Central Asia Resources Limited. Dr Mueller is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Mueller consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Statements regarding Central Asia Resources' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Central Asia Resources' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Central Asia Resources' will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Central Asia Resources' mineral properties

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Background – Central Asia Resources Limited

Central Asia holds

- 95% interest in Alytn-Tas LLP which holds the Altyntas, Kepken and Kengir licences;
- 90% interest in Onzhas Ltd which indirectly holds the Dalabai licence,
- 60% interest in Buguty-Palm LLP which holds the Uenke Bulak licence, and
- 90% interest in Altynsai-Geo Ltd which holds the Bizhe licence.

All prospects are located in the Republic of Kazakhstan with the minority interests held by Kazakhstani companies. All prospects are predominately prospective for near surface Gold and were the subject of exploration by Soviet workers from the 1960s to the mid-1990s. Several other drilling and exploration programs were conducted on the prospects prior to being acquired by Central Asia Resources.

With the exception of Bizhe, all prospects have progressed to 'Commercial Discovery' status under Kazakhstani law and as such hold long term mining licences. Bizhe is less advanced and remains classed as 'Exploration' status.

The Company's project areas are close to Almaty, the largest city in Kazakhstan and has well established road, rail and telecommunications infrastructure.

In April 2008 the Company announced Resource Estimates for Altyntas, Kepken, Kengir and Uenke Bulak. In July 2008 Central Asia commenced an 18 month program focussed on extensional drilling and prospect evaluation. The Company has a strategic plan focussed on the investigation, development and realisation of Dalabai and Altyntas gold prospects.

The company is targeting production at Dalabai mid 2010.

Prospect	CVR Ownership	Total Ounces (oz)	CVR Portion (oz)	Metal
Altyntas	95%	608,232	577,820	Gold
Kepken	95%	438,344	416,427	Gold
Kengir	95%	127,000	120,650	Gold
Uenke Bulak	60%	55,000	33,000	Gold
	60%	1,900,000	1,140,000	Silver
Dalabai	90%			Gold
Bizhe	90%			Gold
Gold Total		1,228,576	1,147,897	Gold
Silver Total		1,900,000	1,140,000	Silver

Figure: Prospect and company inventory

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