



31 July 2012

June 2012 Quarterly Report

Gold explorer and developer Central Asia Resources (ASX: CVR) is pleased to report on its activities from its gold projects in Kazakhstan, Central Asia for the June 2012 quarter.

Highlights

- **First sales revenue received, US \$306,000 for approximately 200 ounces, from Glencore subsidiary Kazzinc for trial processing of ore from the Dalabai Gold Project in Kazakhstan.**
- **Further gold sales of approximately 1005 ounces for US\$1.5M from Dalabai**
- **Additional 500 ounces, from the first two weeks of production in June to be processed by mining services company Dank in Semeny, Kazakhstan**
- **Annual General Meeting (AGM) results received**
- **Memorandum of understanding (MOU) signed with Kazakhstan gold producer JSC AK Altynamas for the processing of ore from CVR's Altyntas, Kengir and Kepken deposits at Altynalmas' nearby Akbakai plant**
- **Higher recoveries from Altynalmas more than offsets toll treatment and trucking costs for ore or concentrate and allows rapid development of Altyntas**
- **Relocation of administration operations to Kazakhstan expected to cut operating costs by \$10 million over the next four years**
- **A second heap leach pad will be constructed in Dalabai to progress target production of 2,000 ounces per month**
- **In-house method for dealing with mercury at Dalabai will be developed to avoid transport and permitting delays associated with contract treatment.**

Dalabai Gold Project

Central Asia Resources announced on 13 June that it reached an agreement with Glencore subsidiary Kazzinc to allow it to sell gold produced from its Dalabai Gold Project in Kazakhstan.

In addition to the agreement with Kazzinc, the Company also received its own export permit, from the Kazakhstan Government, to sell gold.

Having the agreement with Kazzinc as well as the export permit enables the Company to consider and cost all options to determine the most cost-effective and efficient method of selling its gold. The agreement Central Asia reached with Kazzinc allows the sale of gold without the necessity of an export permit.

The Dalabai mine is consistently crushing and stacking in excess of 1,000 tonnes of ore per day. Given ore grade and recoveries, this moves the Company closer to its preliminary goal of producing 1,000 ounces of gold per month. This is 50% of Dalabai's optimal capacity.

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Central Asia announced on 28 May that it received \$306,000 for 200 ounces, from Glencore subsidiary Kazzinc for its first trial processing run at Dalabai.

Additional sales proceeds of US\$1.5 million were received for approximately 1005 ounces of gold, in June. The Company has approximately 1000 ounces from production in June on resin which will be trucked to mining services company Dank in Semey, Kazakhstan for processing.

Following the first sale of gold, more than 800 ounces of gold was sent to a processing facility in Russia to remove 3% mercury contained in the material. An in-house method for dealing with the mercury is being developed as an alternative to relying on contract treatment to avoid any delays caused by transport and permitting in the unlikely event of it happening again.

Central Asia's next step is to construct a second heap leach pad at Dalabai as part of its progress to increase production to 2,000 ounces of gold per month at the plant.

Bizhe

Bizhe is initially being assessed as potential feed for the Dalabai processing facility, which is less than 20km away. In January, CVR announced the results from the first diamond drilling campaign undertaken within the Company's Bizhe "West" target zone. The drilling program comprised 1,008.9m (for 10 widely spaced drillholes) in HQ wireline format. Refer to table 1 below for full results.

The Bizhe "west" target zone is being appraised for its potential end-use as a truckable source of ore for its Dalabai gold-processing facility located approximately 18k's distant.

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Table 1: Prospect and Company Inventory

Prospect	Local Subsidiary	CVR Ownership	Total Ounces	CVR Portion	Metal
Altyntas	Altyn-Tas LLP	95%	598,000	568,100	Gold
Kepken	Altyn-Tas LLP	95%	438,000	416,100	Gold
Kengir	Altyn-Tas LLP	95%	127,000	118,750	Gold
Dalabai	Onzhas Ltd	90%	124,000	111,600	Gold
Bizhe	Altynsai-Geo Ltd	90%	Greenfield		

Table 2: Summary of Mineral Resource Estimates Reported according to JORC Category and Deposit

Deposit	Indicated Category			Inferred Category			Total		
	Tonnes Mt	Grade g/t	Ounces	Tonnes Mt	Grade g/t	Ounces	Tonnes Mt	Grade g/t	Ounces
Altyntas	4.67	0.98	147,000	9.25	1.52	451,000	13.92	1.34	598,000
Kepken	8.01	1.03	264,000	5.75	0.94	174,000	13.76	0.99	438,000
Kengir	1.44	1.30	56,000	1.48	1.4	69,000	2.92	1.35	125,000
Dalabai	2.85	1.06	97,000	1.13	0.74	27,000	3.98	0.97	124,000
Total	16.97	1.04	564,000	17.61	1.27	721,000	34.58	1.16	1,285,000

Altyntas, Kepken and Dalabai are reported at a gold cut-off grade of 0.2g/t gold.

Kengir is reported at a gold cut-off grade of 0.5g/t gold.

The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Duncan Greenaway who is employed by Central Asia Resources Limited. Mr. Greenaway 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'. Mr. Greenaway 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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