



NEWS - 11 May 2010

Update

Dear Investors and other interested parties

Since my last update we have made substantial progress at Dalabai including releasing a maiden Resource, and have finished the Altyntas drilling program. We are on schedule and within budget for the development strategy set by the Board last year.

CVR's strategy is focussed on the exploration and development of Dalabai and Altyntas, as these two projects are an ideal combination for transitioning to a production company.

The Company has embarked on a 1:1 renounceable rights issue underwritten by Patersons Securities. The proceeds of the rights issue will be utilised for the construction of the Dalabai mine and heap leach facility, and on-going exploration and investigation of Altyntas and Dalabai prospects. We urge you to take up your rights and be a part of our future.

Dalabai - First production site

Dalabai is a small gold heap leach project conveniently located near infrastructure, and just 2 hours from Kazakhstan's largest city. It offers the perfect introduction to production as it is comparatively low capex and low risk, and we know enough about it to start now!

The ore occurs from surface, averages >1.5g/t, is amenable to simple shallow elongate open pit mining and gives good leach recoveries with fast kinetics.

Dalabai is intended to be a 0.5Mtpa facility capable of producing 20,000oz of gold and 40,000oz of silver per annum for an expected cash cost of under USD\$300/oz. Trial production is targeted to start in Q4 2010 with full production in early 2011.

Further details are available on our website.

Dalabai Resource

Micromine recently completed the maiden JORC Resource for Dalabai (Fig 1). The result confirmed the tonnes and grade assumptions we have been using in our financial models.

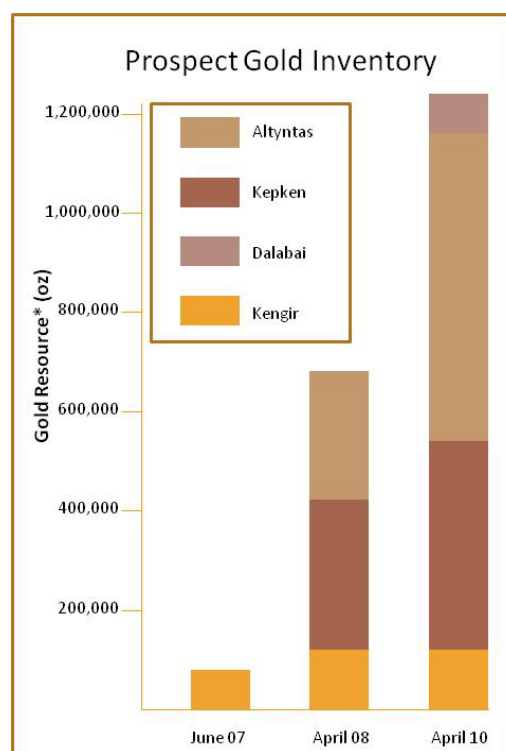
The Resource occurs as 6 elongate zones of mineralisation. In most cases the ore occurs from surface and extends to between 40m and 60m below surface. Some of the zones remain open along strike and therefore have the potential to further contribute to the size of the Dalabai Resource.

Category	Tonnes	Gold grade g/t	Silver grade g/t	Gold oz	Silver oz
Indicated	627k	2.28	22.26	45,983	448,900
Inferred	977k	0.93	15.94	29,140	500,955
TOTAL	1604k	1.46	18.41	75,123	949,854

Figure 1: Dalabai Resource calculated by Micromine using a 0.2g/t cut off which is appropriate given low opex of the heap leach operation and good leach recoveries.

More exploration at Dalabai

We intend to commission an RC drilling program around mid-year, to investigate anomalies from last year's geophysics program and complete some in-fill drilling.



Altyntas Update

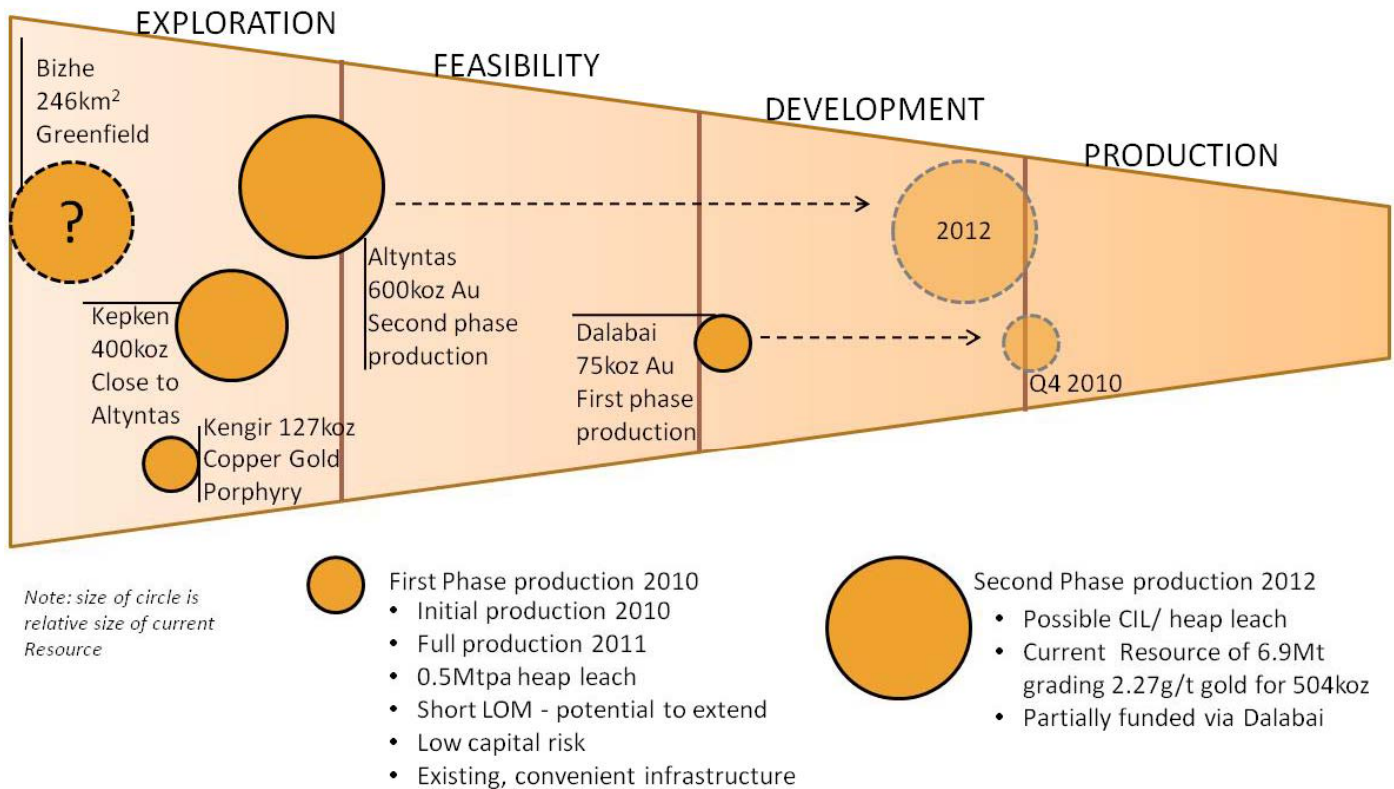
The latest Altyntas drilling program was completed recently. Results received are available on our website.

The program has revealed a substantial amount of deep mineralisation around the nose of the fold that defines the gold mineralisation. The results indicate that the mineralisation continues at considerable depth and therefore increases the probability of finding more high grade ore suitable for under-ground mining. Our deepest intercept to date is 3m @ 3.57g/t Au from 404m in DDH#351.

The Company's scoping study on Altyntas has commenced with the commissioning of significant metallurgical testwork. The majority of the work will be performed by Ammtec in Perth and will explore the potential for heap leaching, conventional CIL and some variations.



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CVR Pipeline

The Company is focussed on its two stage production strategy involving Dalabai and Altyntas, but has other prospects in its pipeline.

Kepken - has a 438,000oz Resource, a portion of which has the potential to provide an additional feed source for Altyntas, just 35km to the South.

Bizhe - a larger prospect that we have just begun exploring, it has structures similar to the gold mineralisation at Dalabai, just 8kms away.

CVR is also open to acquiring additional prospects so as to sustain an evolution of prospects through the company pipeline.

Summary

CVR has ~1.2Moz of Resource across its projects, half of it at Altyntas, its planned second production site.

CVR is progressing with the development of Dalabai. Modelling on Dalabai's maiden Resource predicts a profitable project with cash costs <USD300/oz. Exploration continues, which should extend the 2 year LOM.

CVR is confident that the production strategy involving Dalabai and Altyntas is the optimal path for the company and is committed to successful implementation.

About Kazakhstan

The Republic of Kazakhstan has a stable government (Fitch sovereign risk rating BBB-), an established mining industry and robust laws and legal system. Kazakhstan is the same size as Western Australia, ranks in the top ten producers in copper, gold, silver, lead, zinc and iron, is the worlds largest producer of chrome and uranium, and ranks 11th in oil reserves.

When CVR achieves production it will be the only Australian gold producer in Kazakhstan however, many international companies are active in the country such as Ivanhoe, Frontier Mining, Hambeldon, Alhambra, Areva and Glencore.

Kazakhstan links Europe to Asia and shares borders with Russia and China. Given its strategic location and its enormous economic neighbours, Kazakhstan is well placed to maximise the next economic boom and rise of Asian economies.

DISCLAIMER

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. The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Waldemar Mueller who consults 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.