

# Early mover to cement its advantage

By Lydia Brisbout

Since beginning exploration in July 2006, Central Asia Resources Ltd has established over 800,000 ounces of resources within four gold projects in south eastern Kazakhstan.

**THROUGH WHOLLY-OWNED SUBSIDIARY** Golden Eagle Investment Resources Ltd, Central Asia holds a 95% interest in the Altyn-Tas joint venture, which includes the Altyntas, Kepken and Kengir projects, as well as a 60% interest in the Buguty-Palm JV, which takes in the Uenke Bulak project.

Previous exploration including trenching and drilling has been undertaken at both JVs, located in mineral rich belts that host numerous large gold deposits throughout central Asia.

Managing director and chief executive Jason Stirbinskis is determined to cement the company's early mover advantage.

The Perth-based company plans to carry out a further 20,000 metres of drilling over the coming 12-16 months, ahead of possible feasibility studies earmarked for 2009.

"Up until March this year we had spent \$3.5 million on exploration, and for that we found 800,000 oz of gold," Stirbinskis said.

"That gives you a discovery cost of \$5/oz, which is a fraction of the industry average.

"Currently, we have four diamond rigs working on these prospects, and we have just recently signed a 20,000m drilling contract.

"Given that each hole is only about 200m deep, that is a lot of holes."

The program will mostly focus on extending and infilling mineralisation at the Altyn-Tas JV projects, which were granted "commercial discovery" status and 20 year mining licences in early September.

Under Kazak mining law, after a



*Technical director Dr Waldemar Mueller (left), who worked for the Geological Survey of Kazakhstan for 20 years, and MD Jason Stirbinskis, inspects diamond core from Kepken.*

period of exploration, projects must either be shown to be commercial through an independent assessment similar to a detailed scoping study, or be returned to the government.

Once a project has been declared a commercial discovery, development and production can proceed.

## Next cabs

Drilling will also continue at Central Asia's Uenke Bulak gold-silver project – where it has a 93,000 oz gold equivalent inferred resource – which was promoted to commercial discovery status in early January.

The high grade epithermal lode lies 180 kilometres east of Almaty and contains almost equal value gold and silver mineralisation, surrounded by a lower grade mineralised halo up to 10 times the width of the lode.

Better assays to date have been 17.6m at 5.58 grams/tonne gold and 80.2 g/t silver, 25.8m at 2.75 g/t gold and 33.3 g/t silver (including 9.7m at 5.74 g/t gold and 78.4 g/t silver).

Two drill rigs are now on site to define and infill the mineralisation, which has the potential to be a small scale cashflow operation which could be brought into production by early 2010.

For the time being, the majority of the current drilling program will take place at the high grade Altyntas primary gold project (which contains an inferred 287,000 oz) 360 km north west of Almaty.

Drilling results announced in May

featured 43.6m at 19.3 g/t gold from 6.9m (including 16.4m at 49.6 g/t from 6.9m) and 4.3m at 141 g/t from 10.7m.

Other impressive gold results from the project have been 30.5m at 5.56 g/t (including 14.4m at 10.97 g/t), 39.8m at 2.46 g/t (with 12.1m at 4.98g/t) and 36.9m at 2.46 g/t (with 10.9m at 7.05 g/t).

The mineralisation is located in high grade pockets and is open in all directions. With 16 holes completed since the initial resource in April, an update was now expected in the last quarter of this year.

## Further projects

In between drilling at Altyntas, programs will be conducted at the Kepken prospect 35 km to the north, where inferred resources of 294,000 oz of gold have been delineated. A resource update is expected in December/January.

Mineralisation at the project comprises dispersed gold in weathered zones to about 30m depth, below which primary sulphide ore is associated with black shale.

Better intersections to date have been 18.7m at 2.60 g/t from 58m, 18m at 2.42 g/t from 91.2m, 32.7m at 1.17 g/t from 34.8m and 47.3m at 1.49 g/t from 110m.

The Kengir gold-copper porphyry that sits 12 km north west of Altyntas is a bit more of a mystery, according to Central Asia.

So far a 127,000 oz indicated and inferred gold resource has been estimated, which is sufficient for the deposit to be a satellite feed to Altyntas.

However, the copper potential of the project remains untested, although malachite and azurite mineralogy is evident in core.

Geophysical work is planned for later this quarter to better define the ore body prior to deep drilling to test the copper potential.

Having raised \$13 million of exploration capital in early May, Stirbinskis says the company is fully funded for the next 18 months, which will hopefully take it through to completion of bankable feasibility studies for both JVs.



*Central Asia's core farm in Kazakhstan.*