



Mediaportal Report

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► **CRITERION**

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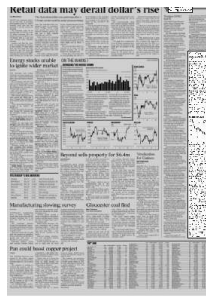
► **The Australian - www.theaustralian.news.com.au
Westpac (WBC) \$24.55**

ASSUMING David Morgan's swivel-chair in February, new Westpac CEO Gail Kelly embraced and extended Morgan's last act: a line-by-line review of the bank's lending exposures. Any why wouldn't she? Kelly had every incentive to distance herself from any...

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CRITERION

with TIM BOREHAM
Central Asia Resources (CVR)
19c

CENTRAL Asia chief Jason Stirbinskis is over Borat jokes as his company moves a step closer to gold production in the glorious republic of Kazakhstan. "I've heard them all before," he protests between sips of fermented horse's urine.

Actually, Stirbinskis doesn't touch the stuff, but otherwise feels at home in the former Soviet yoke. And so too should gold miners, given the Government is encouraging foreign investment in what's a proven gold province.

Kazakhstan, he adds, is no Borat backwater. Central Asia's four tenements are close to the business capital of Almaty and also close to roads, high voltage power and a ready workforce.

Central's ground is also unpopulated and not exactly hilly. "You think the Nullarbor is flat. This country redefines the concept," he says.

Central shares had a lacklustre run after listing last July at 25c in a \$5 million raising, but have spiked since the start of April after a resource upgrades.

Central Asia now claims 800,000oz (mainly inferred) across four prospects, all shallow deposits suited for open-pit mining. Two, Kepken and Altyntas, both have a touch under 300,000oz and while the grades aren't spectacular the ore bodies are open in all directions.

Central's initial cash-flow hopes are based on Uenke Bulak, a smaller deposit (55,000oz gold, 1.9 million oz silver) slated for production by late 2009. "It's small, low-cost and relatively low-risk," Stirbinskis says. "The real game is Kepken and Altyntas." A feature of Central's

\$3.5 million exploration effort is that it's piggy-backed off data from earlier work done by Soviet drillers. "Twinning" these holes (drilling one nearby) proved the numbers to be more precise than goose-stepping soldiers at a Kremlin May Day parade.

Stirbinskis says management has a number of production options at Uenke Bulak, which will have a mine life as short as two years. The company is likely to use a mobile processing plant developed by a Ballarat firm.

Another option is toll processing: Central Asia's tenements are close to the larger, locally run Akbakai mine.

Stirbinskis estimates the mine will cost \$11-12 million and pay for itself in a year. A bankable feasibility study is due in the December quarter.

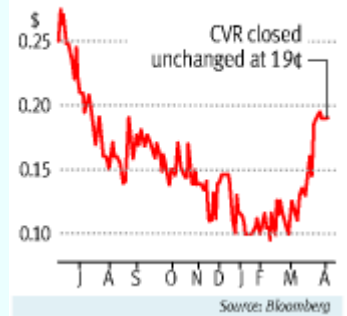
We rate Central Asia, market cap \$8 million, as a **speculative buy**. In the words of Kazakhstan's best-known envoy,

"is nice, is good" if the company reaches its potential.

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IS NICE IS GOOD



Source: Bloomberg