

## **Dalabai takes shape**

Claire Svircas

Thursday, 28 May 2009

### **CENTRAL Asia Resources has signed a memorandum of understanding with the Steelstruct Engineering Group to fund and construct a 500 kilotonne per annum heap leach facility at the Dalabai prospect in Kazakhstan.**

The contract includes the design, fabrication, construction and commissioning of the facility.

Steelstruct will fund the construction and commissioning, while ongoing operations will be the financial responsibility of Central Asia.

Construction is expected to start this year, targeting production in early 2010.

The key term of the MOU was the formation of a process company which would own and operate the plant.

Central Asia will be the majority shareholder in the process company, with the minority interest owned by Steelstruct.

"This arrangement has a good mix of reduced risk and increased flexibility for Central Asia," Central Asia financial director Angela Dent said.

"We significantly reduce capital cost risk, funding risk and construction risk by our choice of partner and we increase processing options for our other prospects by being able to toll treat ore, thereby reducing the capital hurdle for each development."

Central Asia managing director Jason Stirbinskis said the company was essentially using Dalabai to establish itself ahead of the larger resource waiting at the Altyntas gold prospect – the company's next likely production site.

"Altyntas is a much larger production opportunity for the company and it will take more time to develop than Dalabai," Stirbinskis said.

"We are therefore pushing to be in production at Dalabai next year while we continue to investigate Altyntas, with the intention of having feasibility studies complete by the end of 2010.

"Much of the plant at Dalabai, such as the 1 million tonne per annum crushing circuit, can be relocated to Altyntas and thus reduce the capital burden to commence operations at this site."

Earlier this week Central Asia announced a 100% increase in the gold resource at Altyntas, which now has an indicated and inferred resource of 16.53 million tonnes grading 1.14 grams per tonne gold for 608,232 ounces of gold.

Central Asia shares were untraded this morning at A7c



Work underway at the Dalabai prospect