



## ASX / MEDIA ANNOUNCEMENT

31 July 2017

### June 2017 Quarterly Activities Report

Central Asia Resources (ASX: **CVR**) (**the Company**) is pleased to report on its activities for the Quarter ending 30 June 2017 (**the Quarter**).

#### HIGHLIGHTS

- **Dalabai Update**
- **Sale of Altyn-Tas/ Settlement of Convertible Loan**
- **Corporate Update**

#### PROJECTS

##### Dalabai Gold Project

The sale of the Company's main asset to Uroven OMR LLP (Uroven), the Dalabai Gold project, continues to progress towards final completion, which includes requirements for the Company finalising audits on the Dalabai subsidiaries and further tranche payments being made to the Company.

The Company is currently in the process of having its Dalabai subsidiary accounts audited in Kazakhstan for the prior three financial years. These have somewhat been delayed due to a Kazakhstan tax audit on the subsidiaries dating back to 2011, which is due to be completed shortly. The Company expects the Kazakhstan financial account audits for FY2014 and FY2015 to be completed in the current quarter.

The Company is pushing to have final completion reached for the Dalabai sale as soon as possible, which includes further tranche payments being made by the purchaser. The ability to fund further tranche payments is contingent on Uroven mining gold from Dalabai. Uroven have made good inroads at Dalabai and mining has been ongoing since Uroven took control of the Dalabai Gold Project. One of the longer term issues at Dalabai has been the inability to treat resin for desorption at the Dalabai site and thus the Gold resin is shipped a considerable distance and required to be treated by third party desorption. This causes delays in payments being received by the Dalabai owners and obviously affects cash flows. To circumvent further delays in the future for desorption and improving cash flows, the Company understands that measures are being taken to make improvements at Dalabai so that beginning in the next few months, Uroven will install and operate its own desorption equipment at the Dalabai so that the Gold resin can be treated at minesite for desorption which will improve Dalabai cash flows considerably (including reduction of cash costs and timing of payments received for treated resin).

The Directors are aligned to having this asset reach final completion as soon as it possibly can and doing all we can to make this happen.

### **Sale of Altyn Tas (95% owned)/ Settlement of Convertible Loan**

The Altyn Tas project is located 500km north-west of Almaty in the Tien Shen gold province in Kazakhstan. It contains the Altyn Tas, Kepken and Kengir prospects, all located within 40km of Altyn Tas.

As announced on 3 January 2017, the Company reached agreement to settle its outstanding convertible loan amount of AUD 1,930,000 for the transfer of ownership of Altyn Tas asset to the lender, Millstar Holdings SA (Millstar). The transfer of ownership of Altyn Tas releases and discharges the convertible loan repayment obligations. The Company is working with Millstar to finalise this transaction, which should be completed in the current quarter. This aligns with the Company's strategy to divest its Kazakhstan projects, clean up its liabilities and seek new opportunities for the Company.

The transfer of Altyn Tas will occur by way of the sale of holding company Moonstone Holdings Limited, which owns 95% of Altyn Tas. The sale will be subject to relevant approvals to enable completion including CVR shareholder approval.

## **CORPORATE**

### **Future**

As previously stated, the Directors are aligned to making inroads in rectifying the issues in the Company and having CVR re-listed in calendar year 2017.

The Company has to complete all its audits in the relevant Kazakhstan subsidiaries which will then enable audits to be completed in CVR, the parent, before consideration can be given to have the Company trading again. The Company is pushing to have these completed as soon as possible.

CVR is actively reviewing other assets that may be suitable for the Company going forward, whilst cognisant of the fact that it needs to have the Company in proper shape before further acquisitions occur. This includes final completion of the Dalabai and Altyn Tas sales.

We re-iterate that the directors have CVR at the forefront and are working to deliver the Company back to a trading position.

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