

15th January 2010



KENTOR GOLD LTD

ACN 082 658 080

Gold Resource increased at Savoyardy

- **Indicated and Inferred Resource of 41,000 ounces (210,000 tonnes at 6.1 g/t using a cut off grade of 3 g/t Au)**
- **Expanding exploration program in 2010 to enlarge Resource further**

Kentor Gold Limited (ASX Code: KGL) (Kentor Gold or the Company) is pleased to announce an updated resource estimate for the Savoyardy Gold Project in the Kyrgyz Republic.

The resource estimate has been reported in compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code) and is based on 66 diamond drill holes for 5906.3m and 23 underground channel sample lines for 329.6m in the Rudny area of the Savoyardy exploration licence (Figure 1.).

The mineralisation continues along strike and down dip with further diamond drilling planned during 2010 to increase the size of the resource.

The resource was estimated using Multiple Indicator Kriging and is shown in Table 1 at a cut off grade of 3g/t gold. The estimates have been based on the assumption that the deposit will be mined by underground hand held mining methods using the existing development and possible hand sorting of ore. The new resource estimate has shown a 15% increase in gold ounces over the previous resource estimate.

Table 1. Savoyardy Resource Estimate

Category	Tonnes	Gold g/t	Ounces
Indicated	119,000	6.2	23,800
Inferred	91,000	5.9	17,200
Total	210,000	6.1	41,000

There is exploration potential for another 5,300 to 6,200 ounces in the immediate vicinity of the known lodes at the Rudny Prospect. The 7 km of strike between Rudny and the Chinese border remains highly prospective and will be the target for further exploration during 2010.

Commenting on the announcement, Managing Director of Kentor Gold, Mr Simon Milroy, said:

"The resource estimate represents a further step towards Kentor Gold becoming a mid-tier gold producer with increases in both the size and confidence of the resource with more than half of the contained ounces now in the indicated category."

"In 2010, an intensive exploration program at Savoyardy will parallel the development of the Andash gold-copper mine."

"With Andash now moving towards production in 2011, we are taking the opportunity at Savoyardy to establish through exploration a substantial, high grade future gold project rather than pursuing plans for early small scale mining.

"In addition to increasing the confidence of the resource estimates for Savoyardy additional exploration potential occurs along strike to both the north and south of the current deposit.

"Previously developed underground exploration drives and cross cuts provide immediate access to the two near parallel and near vertical lodes that comprise the current ore body (see Figure 2).

"In addition, we will continue to explore the 270km² Savoyardy exploration licence which contains another 10 known gold occurrences. Our 2010 program will be aimed at both improving confidence in the resource estimate and increasing the resource base for the project."

Figure 1. 2009 Drillhole Location Map

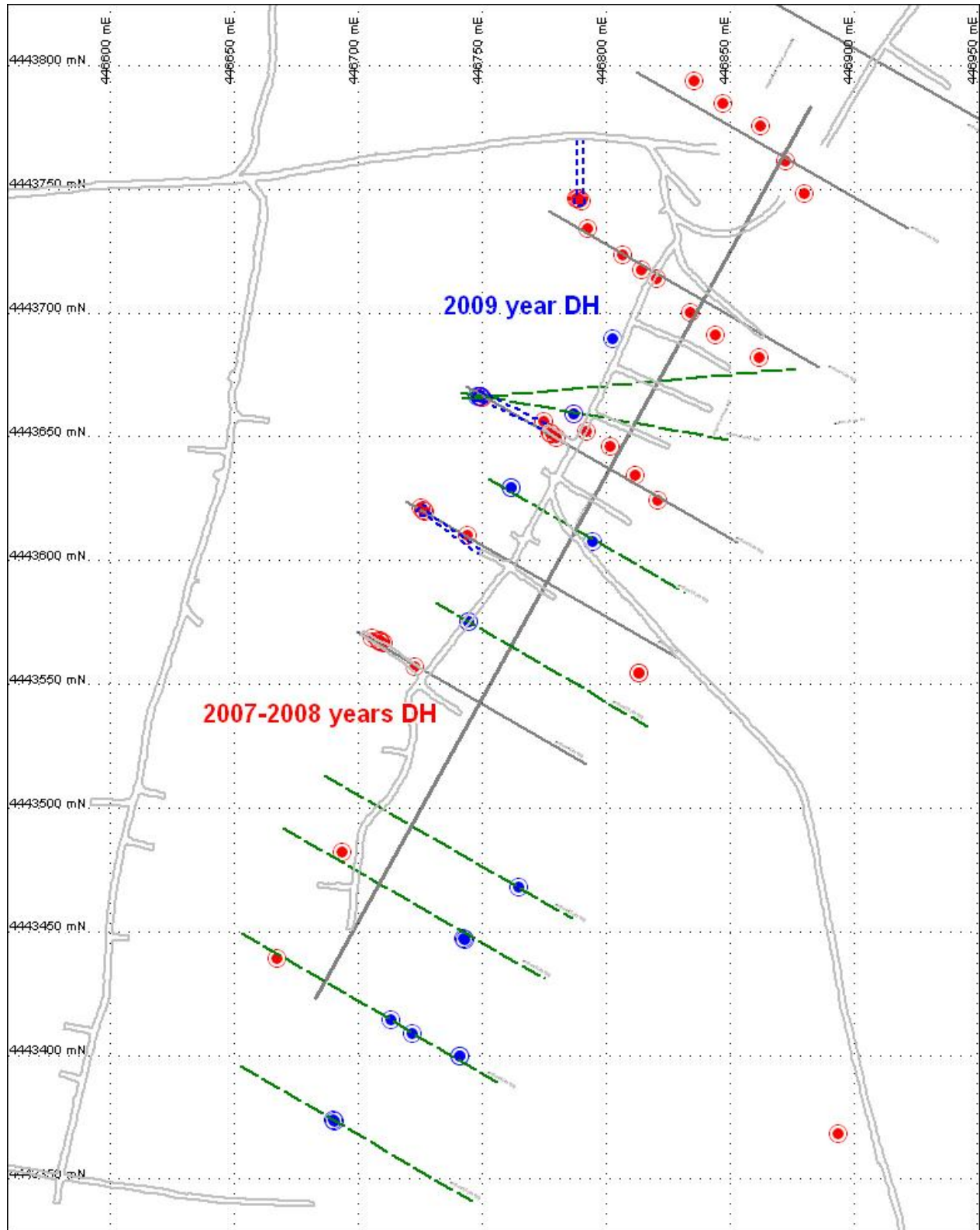
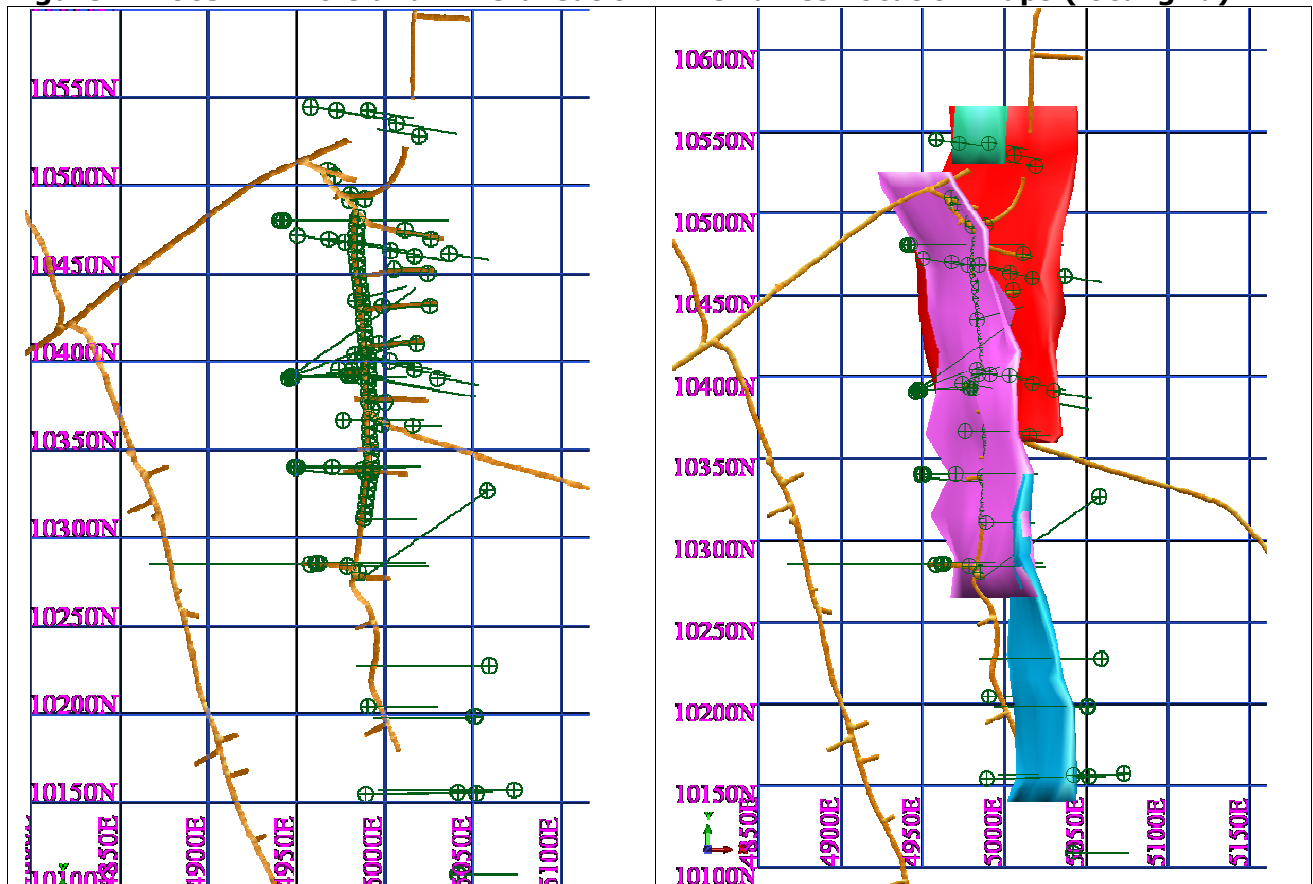
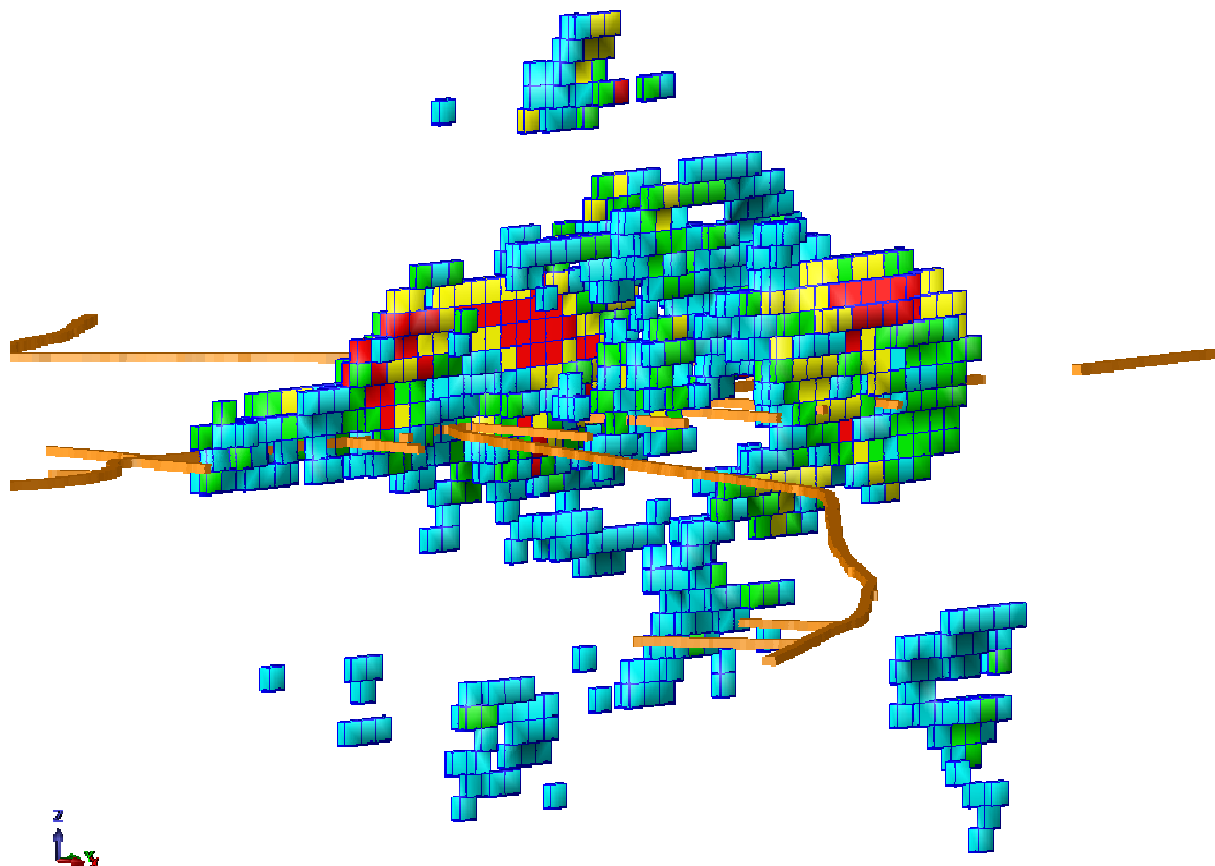


Figure 2. 2009 Drillhole and Mineralisation Wireframes Location Maps (local grid)



(Mineralisation zones : Lode 4 in purple, Lode 4 South in cyan, Lode 10 in red)

Figure 3. Block grade estimates greater than 3 g/t Au



(Cyan = 3-5g/t; Green = 5-7; Yellow = 7-10; Red>10g/t Au; brown shapes = development)
 (viewpoint is looking slightly down to the west north west)

The gold mineralisation at Savoyardy is structurally controlled mainly within fractured sandstone units within a weakly metamorphosed Devonian clastic sequence. The mineralisation occurs as gold-bearing massive and veined pyrite and arsenopyrite in proximity to fault structures.

Background

The Savoyardy Gold Project is located approximately 145 kilometres southeast of the city of Osh in the Kyrgyz Republic. The Savoyardy project is also adjacent to and along strike from Majestic Gold Corporation's Sawyerdun Project in the Xinjiang Province of China. Majestic Gold Corporation announced a resource of 1.5Moz of gold from the results to date and exploration is continuing.

Exploration trenches and adits constructed at Savoyardy in the 1970's show the presence of high grade gold and antimony contained in a number of structures with widths of up to 27m. The mineralised structures can be traced for over 7 kilometres to the south-west along strike where it meets the Savoyardy exploration licence at the Chinese border.

Kentor Gold has an option to purchase 100% of the Savoyardy project.

About Kentor Gold

Kentor Gold Limited (ASX Code: KGL) is an Australian-based company formed in 1998 as a specialist gold explorer. The Company was listed on the Australian Securities Exchange (ASX) in March 2005 and has diversified into exploration for gold, geothermal energy and base metals in Central Asia, where it has highly regarded, established local management.

Kentor Gold is working towards the development of two gold mines in the Kyrgyz Republic:

- Andash (Kentor Gold 80%), targeted for production in 2011 at the currently planned rate of 60,000 oz gold and 5,000 tonnes copper per year for eight years - and
- Savoyardy (Kentor Gold option to purchase 100%), where Kentor Gold plans to increase the existing gold Resource through intensive exploration.

For further information, visit the Kentor website at www.kentorgold.com.au or contact:

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Competent Persons Statement:

The data in this report that relates to Exploration Results and Mineral Resources for the Savoyardy Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

Additional Information.

The deposit is a complex structural zone with two sub-parallel lodes, Lode 4 and Lode 10, of semi-massive and stringer sulphide veins hosted predominantly within Devonian-aged calcareous sandstones and siltstones. The current delineation of mineralisation has a 230m strike length with dips 70-80° to the north west. The gold mineralisation is related to intergrown pyrite and arsenopyrite with minor amounts of jamesonite/stibnite.

Drillholes were surveyed by a registered professional surveyor, using a theodolite instrument and local control points. The topography for the deposit is based on 2m surveyed contours measured by the Russian National Survey. However in areas of very steep terrain and cliffs around parts of the Savoyardy deposit no data was available. No downhole surveys were completed for any of the drilling; this is normal Kyrgyz industry practice. One measure of hole deviation involved the intersection of a underground drive at about 90m down the hole which indicated a maximum error of 2.5m of deviation.

The overall average recovery is 93% with most of the poor recoveries from the start of the surface hole and thus recoveries for fresh rock including the mineralisation are generally of the order 96-98%. The Kentor BQ core sampling was completed under geological control tending towards 1m length samples for the complete drillhole. Core was sawn in half with one half sent for analysis.

35 backs sampling traverses for 56m have been excluded from the resource estimate as they only partially sampled Lode 4, however they have been used to imply geological continuity of the lode.

The mineral wireframes are based on a notional 0.2g/t gold cut off in conjunction with anomalous arsenic assay values, lithological boundaries, massive sulphide in the logs and lithogeochemical data. Variography indicated reasonable downhole continuity for the mineralisation and weak grade continuity between drillholes. Multiple Indicator Kriging was used to model unconstrained 2272 1m composites from the drillhole database. The resulting block model was trimmed back using the relevant mineral wireframes. Comparison of the model with data suggests that the approach to domaining is justified with the model honouring the underlying drilling data. The search ellipse had a 70° dip to the local grid west to reflect the geological shape of the mineralisation. The following search parameters were used

Search 1 with 20% Expansion	Pass No 1	Pass No 2	Pass No 3
X	5m	6m	6m
Y	40m	48m	48m
Z	20m	24m	24m
Composite Data Requirements			
Min Data	12	12	6
Max Data	24	24	12
Octants	4	4	2

Density measurements comprised laboratory measurement of single pieces of core from Kentor-nominated consecutive sample intervals for representative holes. The methodology consisted of drying the individual bits of core and then covering them in wax. The Archimedes Method was then used comprising weighing the samples in air and then in water in order to calculate the density.

Rock Unit	No of holes	No of samples	Average Density (t/m³)	Gold Grade Range (g/t)	Average Gold Value (g/t)
Lode 4	4	34	3.73	1.31 to 40.7	12.34
Lode 10	3	35	3.22	1.39 to 71.5	16.62
Host Rock	5	26	2.86	0.91 to 0.003	0.34

The average grade of the intervals selected is twice the grade of the higher gold grade resources and thus modified densities were used ie 3.2t/m³ and 3t/m³ was used for Lode 4 and 10 respectively.

The Kentor QA/QC programme is inadequate and a retrospective check-assaying program is required. Use of standards has indicated under-reporting of the gold grade by approximately 5% for the 2007-2008 drilling program, no standards were used for 2009 drill samples. No check analyses at a second laboratory have been undertaken for any drill program. However, the results from the standards do suggest that any uncertainty in the assay accuracy is in the direction of a modest understatement and it is on this basis that the classification of Indicated has been used for areas with good supporting data density.