



11 October 2010

ACN 082 658 080

Dear Kate,

Please find below, answers to your letter dated 11 October 2010 specifically relating to the change in the price of the Company's securities from 10.5 cents on 10 September 2010 to a high of 19.5 cents today.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

**Parliamentary elections were held in the Kyrgyz Republic over the weekend. International media are reporting that the elections took place without any violence, tension or voting irregularities indicating that the country may now expect an improvement in political stability.**

**Kentor Gold Limited is in the process of developing the Andash Gold/Copper project which is located in the Kyrgyz Republic.**

**The results of the election will be available within next two or three days after reception of protocols from all election precincts, including those located in remote mountainous areas. Kentor had anticipated providing the market with information relating to the elections once the result was known.**

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

**See above.**

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

**Yes.**

- **Commodity Prices.** The Gold price is in excess of USD\$1350/oz and Copper above USD\$8,100/t. These two commodities will be produced from the Andash project in Kyrgyzstan, with cash production costs forecast to be USD\$29/oz gold.
- **Project Financing:** Kentor Gold has recently mandated Macquarie Bank to provide a debt facility of US\$50m for the Andash Project.
- **Strong Australian Dollar.** The major development costs for the Andash Project will be incurred in US Dollars. The recent strengthening of the Australian dollar reduces the project cost in Australian dollar terms and therefore reduces the dilution from any future equity raisings.
- **Stock Recommendation:** The Australian Small Cap Investigator is recommending subscribers buy Kentor Gold up to 20 cents per share.

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

**The Company can confirm that it is in compliance with the listing rules and in particular Listing Rule 3.1**

**Yours Sincerely**

A handwritten signature in black ink that reads "Kylie Anderson". The signature is written in a cursive style with a period at the end.

**Kylie Anderson**

Company Secretary

Phone: (07) 3121 3206 or 0458 488 009

Email: kanderson@kentorgold.com.au



ASX Markets Supervision Pty  
Ltd  
ABN 26 087 780 489  
Level 45  
South Tower  
525 Collins Street  
Melbourne VIC 3000  
GPO Box 1784  
Melbourne VIC 3001  
Telephone 61 3 9617 8648  
Facsimile 61 3 9614 0303  
www.asx.com.au

11 October 2010

Kylie Anderson  
Company Secretary  
Kentor Gold Limited  
Level 36, Riparian Plaza  
71 Egel Street  
Brisbane

By e-mail only

Dear Kylie

**Kentor Gold Limited (the "Company") RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from 10.5 cents on 10 September 2010 to a high of 19.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [kate.kidson@asx.com.au](mailto:kate.kidson@asx.com.au) or by facsimile on facsimile number 03 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.S.T.) on Tuesday, 12 October 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the 's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*Sent by electronic means without signature*

Kate Kidson

**Principal Adviser, Issuers (Melbourne)**