



KENTOR GOLD LTD

RIGHTS ISSUE OFFER DOCUMENT

**KENTOR GOLD LTD
ABN 52 082 658 080**

Joint Lead Managers

RBS Morgans Corporate Limited

Helmsec Global Capital Limited



**DETAILS OF A 3 FOR 5 NON-RENOUCEABLE PRO-RATA RIGHTS ISSUE OF
KENTOR GOLD LTD ORDINARY SHARES AT AN ISSUE PRICE OF \$0.13 PER SHARE
TO RAISE APPROXIMATELY \$51.8 million**

THE RIGHTS ISSUE CLOSSES AT 5.00PM (AEDT) ON 9 December 2010

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

If you have any queries, please call your professional adviser or the Kentor Gold Ltd Shareholder Information Line on 1300 551 472 or for international callers, +61 2 8280 7706, Monday to Friday between 8.30 am and 5.30 pm.

Not for distribution or release in the United States or to, or for the account or benefit of, U.S. Persons

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Introduction

This Offer Document is dated 15 November 2010 and has been prepared by Kentor Gold Ltd (“KGL”). It is an important document and requires your immediate attention. It should be read in its entirety. This Offer Document has been prepared under section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) which permits companies to conduct rights issues without preparing a prospectus and lodging it with ASIC.

Your investment decision regarding the Rights Issue should be based on the information contained in this Offer Document, announcements made to ASX by KGL and other information available on the Company’s website at www.kentorgold.com.au. This Offer Document is not financial product advice and has been prepared without taking into account any person’s investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you as a result of any such participation, you should contact your stockbroker, accountant or other professional adviser.

Section 2 of this Offer Document contains detailed information on how to apply for New Shares under the Rights Issue. You should read this information carefully. Your Entitlement and Acceptance Form (accompanying this Offer Document) and payment of Application Monies must be received at the Registry by 5.00 pm on 9 December 2010.

If you do not take up your Entitlement under the Rights Issue (in whole or in part), you will not receive any payment or value for your Entitlement. In particular, as the Rights Issue is non-renounceable, you will not be able to sell your Entitlement on the ASX.

Definitions and currency

Certain terms used in this Offer Document are defined in the Glossary in Section 4 of this Offer Document.

All financial amounts shown in this Offer Document are in Australian dollars unless otherwise stated.

All times and dates refer to AEDT.

Future performance and forward looking statements

Neither KGL nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made under this Offer Document. Forward looking statements, opinions and estimates provided in the Offer Document are based on assumptions and contingencies which are subject to change without notice, as are statements about market, industry and political trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of KGL and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document.

Foreign jurisdictions

This Offer Document has been prepared to comply with the requirements of the securities laws of the Commonwealth of Australia.

The New Shares being offered under this Offer Document are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Subject to the preceding paragraph, no action has been taken to register or qualify the Rights Issue, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia. The distribution of this Offer Document (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The following selling restrictions relate to the issue of New Shares under the Rights Issue:

(a) United States

This Offer Document does not constitute an offer of New Shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person or in any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been or will be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

(b) New Zealand

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the *Securities Act 1978* (New Zealand).

In accordance with relevant New Zealand securities law, a person who, on the Record Date, being 7.00 pm on 23 November 2010, was registered as a holder of Shares with a New Zealand address but who, at the time this Rights Issue and Top - Up Offer opens (25 November 2010) no longer holds Shares, is not eligible to participate in this Rights Issue.

Joint Lead Managers

The Joint Lead Managers:

- have not authorised, permitted, or caused the issue, lodgement, submission, despatch or provision of this Offer Document;
- do not make, or purport to make, any statement in this Offer Document and there is no statement in this Offer Document which is based on any statement by the Joint Lead Managers; and
- to the maximum extent possible by law, disclaim all liability in respect of and otherwise take no responsibility for any of the information contained in this Offer Document.

KEY DATES

The indicative timetable for the Placement and the Rights Issue is as follows:

Event	Date
Announcement of Rights Issue, Offer Document, ASX Appendix 3B and Cleansing Notice lodged with ASX	15 November 2010
Notify option holders of requirement to exercise option to take part in Rights Issue	15 November 2010
Notice sent to Shareholders containing ASX Appendix 3B details, indicative timetable	16 November 2010
Shares commence trading ex-Rights	17 November 2010
General meeting of Shareholders	18 November 2010
DvP settlement and allotment of Placement Shares	19 November 2010
Placement shares commence trading on ASX	22 November 2010
Record Date for the Rights Issue	7.00 pm 23 November 2010
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	25 November 2010
Opening Date for the Rights Issue	25 November 2010
Closing Date for the Rights Issue	5.00 pm 9 December 2010
Shares quoted on a deferred settlement basis	10 December 2010
ASX notified of under-subscriptions	14 December 2010
Issue and allotment of the New Shares for which valid applications have been received and accepted by KGL	17 December 2010
Dispatch of holding statements	17 December 2010
Last day of deferred settlement trading of New Shares under the Rights Issue	17 December 2010
Normal trading of New Shares on ASX expected to commence	20 December 2010

* Dates and times are indicative only and are subject to the Listing Rules. Dates are subject to change at KGL's absolute discretion.

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ANNEXURE

Investor Presentation

CHAIRMAN'S LETTER

15 November 2010

Dear Shareholder

On behalf of the Board of Kentor Gold Ltd (“**KGL**”), I am pleased to invite you to participate in this Rights Issue that will allow you to subscribe for new additional Shares in your company.

Capital Raising

KGL is seeking to raise approximately \$51.8 million through the Rights Issue. In addition, KGL has, during the past week, also completed a Placement which raised gross proceeds of approximately \$13.4 million. The holders of Placement Shares will be entitled to participate in the Rights Issue. Details of the Placement are described further in Section 1.2 of this Offer Document.

In accordance with the terms of this Offer Document, Eligible Shareholders will have the opportunity to subscribe for 3 New Shares for every 5 Shares held at 7.00 pm on 23 November 2010. The Issue Price of the New Shares will be \$0.13 per New Share. The Issue Price represents a 36.6% discount to the closing market price of Shares on the ASX on 10 November 2010, the last day of trading on ASX before KGL announced that it would conduct the Rights Issue and a 31.6% discount to the 1 month volume weighted average price of \$0.19 per Share. New Shares will rank equally from allotment with Existing Shares in all respects.

Importantly, Eligible Shareholders will also be able to apply for Shares in excess of their entitlement through the Top-Up Offer. There is, however, no guarantee of the number of Shares (if any) that will be available for Eligible Shareholders to take up in addition to their entitlement under the Rights Issue. The Directors reserve the right to satisfy any shortfall by way of the Top-Up Offer or by other means and also reserve the right to satisfy applications in the Top-Up Offer at their sole discretion.

The Rights Issue closes at 5.00 pm on 9 December 2010. Further information on how to take up your Entitlement and how to apply for additional New Shares in the Top-Up Offer is provided in this Offer Document.

The proceeds of the Rights Issue and Placement will be primarily used to fund development activities at the Andash Gold-Copper Project in the Kyrgyz Republic. These activities will include detailed engineering design work, procurement activities, site works and the construction of the on-site camp and access roads. The Rights Issue and the Placement are expected to complete the equity financing component in respect of the project. The proceeds will also be used to fund the exploration activities in respect of KGL's option to acquire the neighbouring Aktash Gold-Copper deposit, as well as corporate overheads, working capital requirements and the costs and expenses associated with the Placement and Rights Issue.

Despite the political and social upheavals which occurred earlier this year in the Kyrgyz Republic the Company has successfully executed a mandate in favour of Macquarie Bank Limited to provide a project debt facility of up to \$50 million. Macquarie Bank Limited is currently in the process of carrying out due diligence in respect of the Andash Gold-Copper Project ahead of providing a committed letter of offer, which is expected to be forthcoming in January 2011.

The current development timetable for the Andash Gold-Copper Project is:

- Commence site development: March quarter 2011
- Commence mining: June quarter 2011
- Commissioning: March quarter 2012

Political Developments

Consequent upon the political and social upheavals earlier this year, the Kyrgyz Republic held a referendum on 27 June 2010 and adopted a new constitution. Ms Roza Otunbayeva was ratified as the President of the Kyrgyz Republic thus ensuring stability and continuity ahead of new Presidential elections to be held in November 2011.

Parliamentary elections were successfully held on 10 October 2010 and although no one political party obtained a clear majority, five eligible parties are in negotiations to form a coalition government. I am pleased to advise that, in the mean time, the interim Government's principle focus continues to be on the establishment of parliamentary democracy. Needless to say, KGL is closely monitoring the political situation in the Kyrgyz Republic and is pleased to report that the president, Ms Otunbayeva has publicly stated her plans to increase both foreign investment and economic activity and also to fast track the development of the mining industry.

The political and social upheaval in the Kyrgyz Republic earlier this year has also given rise to examination of certain transactions which occurred under the rule of the previous Government. This included transactions which occurred between the minority shareholders in AMC. However, I can confirm that KGL's interest in AMC is not under threat. KGL has always conducted its business with utmost integrity in every jurisdiction within which it operates and will continue to do so.

Before making an investment decision, you should carefully consider the risks that affect KGL specifically and the general risks associated with the mining and exploration industry, and the location, in which it operates. Further details of the risks affecting the Company are set out in Section 3.1 of this Offer Document.

All the Directors of KGL intend to take up either their full or part of their Entitlement under the Rights Issue.

If you have any questions in respect of the Offer, please call either the KGL Shareholder Information Line on 1300 551 472 (toll free from within Australia) or +61 2 8280 7706 (from outside Australia) or consult your stockbroker, accountant, solicitor, tax adviser or other professional adviser.

Whilst the Directors cannot guarantee the future performance of the Shares, I recommend the Rights Issue to you and thank you for your continuing support.

Yours Faithfully,



WH John Barr AM
Chairman

1. DETAILS OF THE RIGHTS ISSUE

1.1 Introduction

The Rights Issue is a non-renounceable pro-rata offer to Eligible Shareholders to acquire 3 New Shares for every 5 Shares held as at 7.00pm on the Record Date of 23 November 2010 at an issue price of \$0.13 per New Share. Eligible Shareholders may also apply for additional shares under the Top-Up Offer.

As the Rights Issue is non-renounceable, Shareholders who do not take up their Entitlements by 5.00pm on the Closing Date of 9 December 2010 will not receive any payment or value for those Entitlements, and their proportionate equity interest in KGL will be diluted.

New Shares issued pursuant to the Rights Issue will be fully paid and will rank equally with existing Shares.

1.2 Placement

The Company has also undertaken a Placement of 86,854,904 Shares to sophisticated and professional investors to raise a further \$13,414,150 at \$0.155 per Share.

The issue of the Placement Shares is subject to and conditional upon Shareholders voting in favour of the resolution that is to be put to them on 18 November 2010. This resolution is to seek the ratification of the previous issue of Shares to clients of the Joint Lead Managers on 29 July 2010 for the purposes of Listing Rule 7.4 and for all other purposes.

The holders of the Placement Shares will be entitled to participate in the Rights Issue. It is intended that the Company will rely on section 708A(5) and comply with 708A(6) of the Corporations Act so that the recipients of the Placement Shares will not be prevented from on-selling the Placement Shares without a disclosure document.

1.3 Use of Proceeds

In combination with the funds raised from the Placement, capital raised under the Rights Issue will be used by the Company to fund:

- (a) development activities at the Andash Gold-Copper Project which includes detailed engineering design work, procurement activities, site works and the construction of the on-site camp and access roads;
- (b) exploration activities in respect of the tenements that are the subject of the KGL's option to acquire the neighbouring Aktash Gold-Copper deposit;
- (c) corporate costs and overheads;
- (d) working capital requirements; and
- (e) costs and expenses associated with this Rights Issue and the Placement.

The Rights Issue is not underwritten and therefore there is no guarantee that all the projected proceeds of the Rights Issue will be raised.

The Company currently has approximately \$13.1 million in cash at bank as at the date of this Offer Document and has raised gross proceeds of approximately \$13.4 million under the Placement. Should the Company receive less than the full subscription amount under the

Rights Issue (and any placement of shortfall), the Company's proposed allocation of expenditure to working capital shall be reduced proportionately by the amount of the shortfall.

Shareholders should note that should there be a substantial shortfall under the Rights Issue, the Company will be required to reduce its proposed expenditure on development activities at the Andash Gold-Copper Project in the short term. Further expenditure would then need to be funded by either debt or equity at a future date.

1.4 Effect of Placement and Rights Issue on KGL

The effect of the Placement and Rights Issue on the capital structure of KGL will be as follows:

Shares	Number
Number of Shares on issue as at 14 November 2010, the day immediately prior to announcement of the Placement and the Rights Issue	576,952,690
Number of Placement Shares to be issued	86,542,904
Maximum number of New Shares to be issued under the Rights Issue	398,097,356
Maximum number of Shares on issue following the Placement and the Rights Issue	1,061,592,950

1.5 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares as at 7:00pm on the Record Date of 23 November 2010 and continue to be a registered holder of Shares as at the Opening Date of 25 November 2010;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of, any U.S. Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Rights Issue.

If you are an Eligible Shareholder, you may do either of the following:

- (a) take up all or part of your Entitlement (see Section 2 'How to Apply'); or
- (b) do nothing, in which case all of your Entitlement will lapse and you will receive no value or payment for your Entitlement.

Eligible Shareholders may also apply for New Shares under the Top-Up Offer.

As further explained in paragraphs 1.12 and 1.13, the Rights Issue is not being extended to any Shareholder with a registered address outside Australia and New Zealand.

1.6 Commencement of the Rights Issue

The Rights Issue opens on 25 November 2010 and is expected to close at 5.00 pm on 9 December 2010. Eligible Shareholders wishing to acquire New Shares under the Rights Issue will need to complete the Entitlement and Acceptance Form which is expected to be mailed to Eligible Shareholders on 25 November 2010.

1.7 Applications

Detailed information on how to apply for New Shares is set out in Section 2 of this Offer Document. Applicants are encouraged to submit their Entitlement and Acceptance Forms, and pay the requisite Application Monies due as soon as possible after the Opening Date.

No allotment or issue of New Shares will be made under this Offer Document until the proceeds of the Rights Issue have been received by KGL and permission has been granted for official quotation of the New Shares on ASX. KGL has applied to ASX for quotation of the New Shares.

1.8 Rights Issue not Underwritten

The Rights Issue is not underwritten. In the event of a shortfall, the Directors reserve the right to place any shortfall at their sole discretion, within 2 months of the Closing Date. In placing any shortfall, the Directors will take into account the application made under the Top - Up Offer as well as any priority shortfall commitments. Any decisions on how to allocate the shortfall will be at the sole discretion of the Directors and the Joint Lead Managers.

1.9 Top-Up Offer

Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Rights Issue ("**Top-Up Offer**"). Listing Rule 7.11.4 and Section 708AA(13)(a) of the Corporations Act (as inserted by ASIC Class Order 08/35) permit KGL to make an additional offer of New Shares that may be comprised in any shortfall. It is a condition of the Top-Up Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Rights Issue. New Shares which might otherwise have been offered to persons outside Australia and New Zealand are not included in the Top-Up Offer. In addition:

- (a) the Top-Up Offer is only made to Eligible Shareholders;
- (b) there is no guarantee that any application in the Top-Up Offer will be successful and the Directors reserve the right to issue any shortfall by way of the Top-Up Offer or by other means and reserve the right to satisfy applications in the Top-Up Offer at their sole discretion;
- (c) the Top-Up Offer has the same Closing Date;
- (d) the issue price of New Shares under the Top-Up Offer is the Issue Price; and
- (e) the Directors will not issue New Shares under the Top-Up Offer where to do so would result in a breach of the Corporations Act or the Listing Rules.

Eligible Shareholders who are unsuccessful in the Top-Up Offer or whose application is only part accepted will have their excess Application Monies returned as soon as practicable after the Closing Date.

1.10 Offer Management Agreement

Under the Offer Management Agreement, subject to certain conditions precedent, the Joint Lead Managers have agreed to place the Placement Shares and any shortfall shares under the Top - Up Offer. In respect of the Placement, the Company has agreed to pay the Joint Lead Managers a capital raising fee of 5% (plus GST) of the proceeds raised under the Placement. In respect of the Rights Issue, the Company has agreed to pay the Joint Lead Managers 5% (plus GST) of the proceeds raised under the Rights Issue. In addition, as set out in paragraph 1.17, the Company has agreed to pay a stamping fee of 1.5% (plus GST) in respect of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application (capped at \$300 per application).

Customary and usual warranties and representations are given by the Company in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals, compliance with constituent documents, the Corporations Act and the Listing Rules, that this Offer Document does not contain any material statement that is misleading or deceptive and that there is no material omission from this Offer Document. In addition, further warranties and representations are given that the Placement Shares and the Rights Issue shares will rank equally with the Shares and that they will be freely tradeable.

Subject to certain exclusions relating to breaches of the Joint Lead Managers of their principal obligations under the Offer Management Agreement, wilful default, gross negligence or breaches of the law of the Offer Management Agreement, the Company agrees to indemnify the Joint Lead Managers and other members of their respective groups arising as a result of certain circumstances in connection with the Placement or the Rights Issue.

The Joint Lead Managers may terminate the Offer Management Agreement by notice in writing to the Company on the occurrence of a number of customary termination events. These include a breach of a representation or warranty that in the reasonable opinion of the Joint Lead Managers has a material adverse impact on either the prospects of the Company or the price of its Shares, either the ASX's 'Small Resources Index' or the 'All Ordinaries Index' falls to a level that is 10% or more below that as at the date of the Offer Management Agreement or that there is, in the reasonable opinion of the Joint Lead Managers, any material adverse change or any act, omission or thing that could reasonably be expected to result in a material adverse change in the financial position or prospects of the Company or the likelihood of investors to subscribe for the Placement Shares or the shortfall shares under the Top - Up Offer.

1.11 Shareholder enquiries

Eligible Shareholders who have questions regarding the Rights Issue should call the KGL Shareholder Information Line on 1300 551 472 (calls within Australia) or +61 2 8280 7706 (from outside Australia) at any time from 8.30 am to 5.30 pm Monday to Friday. Additional information about the Company is available at the Company's website at www.kentorgold.com.au.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

1.12 Overseas Shareholders

The Offer is being made to Eligible Shareholders with a registered address in Australia or New Zealand only.

In accordance with the Listing Rules and the Corporations Act, KGL has decided that it would be unreasonable to extend the Rights Issue to Shareholders with a registered address in a place outside Australia or New Zealand, having regard to:

- (a) the number of Shareholders with a registered address in those countries;
- (b) the number and value of New Shares that would be offered under the Rights Issue to Shareholders with a registered address in those countries; and
- (c) costs of complying with legal and other regulatory requirements in those countries.

This Offer Document and the Entitlement and Acceptance Form do not constitute an offer, or an invitation to subscribe for New Shares in any place in which it would not be lawful to make such an offer or invitation. Where this Offer Document has been dispatched to Shareholders with a registered address outside Australia and New Zealand and where the relevant jurisdictions laws prohibit or restrict in any way the making of the Offer, this Offer Document is provided for information purposes only.

The return of a duly completed Entitlement and Acceptance Form with the requisite Application Monies, or making a payment of Application Monies by BPAY, will constitute a representation and a warranty by the applicant that there has been no breach of any such laws.

1.13 What is the position with nominees?

The Rights Issue is being made to all Eligible Shareholders. KGL is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

KGL is not able to advise on foreign securities laws.

1.14 Warranties made on acceptance of the Rights Issue

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, or making a payment of Application Monies via BPAY, you will be deemed to have acknowledged, represented and warranted that you are an Eligible Shareholder.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you and each person on whose account you are acting are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person, and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares under the Rights Issue;
- (b) you and each person on whose account you are acting acknowledge that the Entitlements and New Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- (c) you and each person on whose account you are acting have not and will not send any materials relating to the Rights Issue to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

1.15 **Refunds**

Any Application Monies received from Eligible Shareholders for more than their Entitlement of New Shares or from Ineligible Shareholders will be refunded as soon as practicable after the Closing Date. No interest will be paid to applicants on any Application Monies received or refunded.

1.16 **Option holders**

Existing KGL option holders will not be entitled to participate in the Rights Issue unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and are issued Shares on such exercise prior to the Record Date; and
- (b) are eligible to participate in the Rights Issue as a result of being a holder of Shares on the Record Date and otherwise satisfying the eligibility requirements set out in paragraph 1.5.

1.17 **Stamping Fee**

A stamping fee of 1.5% (plus GST) of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application will be payable by the Company, subject to the following conditions:

- (a) the stamping fee will be limited to \$300 in respect of any one Entitlement and Acceptance Form;
- (b) where an Eligible Shareholder lodges more than one Entitlement and Acceptance Form, the fee is only payable on one Entitlement and Acceptance Form;
- (c) if an individual is applying on behalf of more than one beneficial holder, a list of beneficial holders must be provided in order to receive up to the maximum amount of \$300 per beneficial holder;
- (d) stamping fees will only be paid to participating organisations of the ASX (being those entities recognised as full service brokers or non-advisory brokers by the ASX); and

- (e) stamping fees will only be paid on applications where a stamping fee claim form and schedule is submitted to the Registry no later than 5.00 pm AEDT on 9 December 2010. The stamping fee claim form and schedule (including details of how to submit this form) is available from the Registry at the address or telephone number listed in the corporate directory.

2. HOW TO APPLY

2.1 Your Entitlement

Under the Rights Issue, Eligible Shareholders are being offered the opportunity to subscribe for 3 New Shares for every 5 Shares held at 7.00 pm on the Record Date of 23 November 2010 at the Issue Price of \$0.13 per New Share.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 3 New Shares for every 5 Shares held at 7.00 pm on the Record Date. Eligible Shareholders may also apply for additional Shares through the Top-Up Offer.

Fractional Entitlements of 0.5 or greater will be rounded up to the nearest whole number of New Shares. Fractional Entitlements of less than 0.5 will be disregarded. KGL reserves the right to disregard any transfers of Shares undertaken prior to the Record Date which KGL reasonably considers has been undertaken to take advantage of the rounding up of fractional Entitlements of 0.5 or greater.

The Entitlement and Acceptance Form also contains instructions for participation in the Top-Up Offer.

If you have more than one holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding, New Shares issued under the Rights Issue will be fully paid and rank equally with existing Shares.

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where you are holding Shares on behalf of a person who is not an Eligible Shareholder.

2.2 Your Application

If you decide to take up all or part of your Entitlement, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the Entitlement and Acceptance Form. KGL will treat you as applying for as many New Shares as your payment will pay for in full, but no more than your Entitlement.

If you are paying by BPAY, please make sure to use the specific "Biller Code" and unique Customer Reference Number ("**CRN**") on your personalised Entitlement and Acceptance Form. If you receive more than one Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form.

If you take no action you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Rights Issue is non-renounceable and will not be tradeable or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before 5:00pm on the Closing Date of 9 December 2010 you will be allotted your New Shares on 17 December 2010.

KGL reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominee fails to provide information to substantiate their claims.

The Entitlement and Acceptance Form also contains instructions for payment arrangements for the Top-Up Offer.

2.3 **Acceptance of the Rights Issue**

The method of acceptance of the Rights Issue will depend on your method of payment, being either:

- (a) by BPAY; or
- (b) by cheque, bank draft or money order.

Payment by BPAY

For payment by BPAY, please follow the instructions on the Entitlement and Acceptance Form (which includes the Biller Code and your unique CRN). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that if you choose to pay by BPAY:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00 pm on the Closing Date of 9 December 2010. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares will be refunded to you. No interest will be paid on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that Form and return the Form accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Kentor Gold Ltd Rights Issue" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.13 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared

Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid on any Application Monies received or refunded.

Cash payments will **not** be accepted. Receipts for payment will not be issued.

2.4 Mail

The Rights Issue closes at 5.00 pm on the Closing Date of 9 December 2010. To participate in the Rights Issue, your payment must be received no later than this time on that date. Eligible Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Monies using the reply paid envelope provided with this Offer Document, or mail it to:

Kentor Gold Ltd
c/- Link Market Services Limited
GPO Box 3560
Sydney, NSW 2001
Australia

2.5 No brokerage

Shareholders who participate in the Rights Issue will not be charged brokerage or commissions in relation to their acceptance of their Entitlement.

2.6 Stamping Fee

The Company will pay a stamping fee of 1.5% (plus GST) of the value of successful applications pursuant to an Entitlement and Acceptance Form application or BPAY application under the Rights Issue bearing the stamp of a participating organisation of the ASX (being those entities recognised as full service brokers or non-advisory brokers by the ASX) as further described in paragraph 1.17. This is capped at \$300 per application.

2.7 No cooling off period

Cooling off rights do not apply to an investment in New Shares under the Rights Issue. You cannot withdraw your application once it has been accepted. Further, Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.

2.8 Investment decision

The Rights Issue is being made under provisions of the Corporations Act which allow rights issues to be made without preparing a prospectus lodged with ASIC. As a result, it is important for Eligible Shareholders to read and understand the information on KGL and the Rights Issue made publicly available, prior to accepting all or part of their Entitlement. In particular, you should read this Offer Document, KGL's annual reports, ASX announcements, and other announcements made available on the Company's website at www.kentorgold.com.au.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. KGL is not licensed to provide financial product advice in respect of the New Shares. This Offer Document does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether it is a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If you have any queries as to whether participation in the Rights Issue is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

3. ADDITIONAL INFORMATION

3.1 Risks

The historic share price performance of the Shares provides no guidance as to the Company's future share price, performance.

There are a number of risks, both specific to KGL and general investment risks, which may materially and adversely affect the future performance of KGL and the value of its Shares.

KGL has taken steps to put in place safeguards and appropriate systems and actions to mitigate risks but it cannot guarantee that these safeguards and systems will be effective.

Some risks are outside the control of KGL and its Directors and cannot be mitigated. This section describes a number of risks associated with an investment in New Shares. Shareholders should note that this list of risks is not exhaustive as it is not possible to identify all risks.

None of the Directors, KGL or any person associated with KGL guarantees the performance of KGL, the performance of New Shares offered under the Rights Issue, the payment of dividends or the market price at which the New Shares and Shares will trade.

Shareholders should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Prior to making a decision in respect of taking up Entitlements, you should read this Offer Document in its entirety and any other information provided to you by KGL carefully and consider the following risk factors.

It should be noted that the risks set out below are risks to which you are already exposed in relation to your existing shareholding in KGL.

General risk factors

Shareholders should be aware that there are risks associated with any investment listed on ASX. The value of New Shares may rise above or fall below the Issue Price, depending on the financial condition and operating performance of KGL. Further, the price at which Shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of KGL and over which KGL and its Directors have no control. These external factors include:

- (a) economic conditions and business climate in Australia and overseas, in particular, the Kyrgyz Republic;
- (b) stock market fluctuations;
- (c) liquidity of Shares and the lack of an active market for Shares;
- (d) dilution of shareholding due to future capital raisings;
- (e) changes in fiscal, monetary, regulatory and other government policies;
- (f) geo-political conditions such as acts or threats of terrorism or military conflicts;

- (g) sovereign risk issues; and
- (h) any future changes to tax laws or accounting standards.

Company specific risk factors

Investors should also be aware that there are certain risk factors that are specific to KGL and AMC (being the Company that holds the relevant licences in respect of the Andash Gold-Copper Project and the entity in which KGL currently holds an 80% participation interest) and the gold exploration and development activities conducted by it. Some of these company specific risk factors include:

(a) Country risks

AMC and the Andash Gold-Copper Project are located in the Kyrgyz Republic. The Kyrgyz Republic is a less developed country with associated political, economic, legal and social risks. In particular, the Kyrgyz Republic has experienced varying degrees of political and social difficulties during recent times.

In April 2010, nation wide protests led to the resignation and expulsion of the former President Kurmanbek Bakiyev. He was replaced by President Roza Otunbayeva (“**Ms Otunbayeva**”), who called for new parliamentary elections to be held.

Following a referendum that was held on 27 June 2010 the Kyrgyz Republic adopted a new constitution pursuant to which the powers of the President were reduced. Additionally, the appointment of Ms Otunbayeva as President was ratified and Ms Otunbayeva will hold office for a limited term until 31 December 2011 to ensure stability and continuity ahead of new Presidential elections scheduled to be announced during November 2011.

Parliamentary elections were held on 10 October 2010. No one political party obtained a clear majority, however negotiations are currently under way among five eligible parties to form a coalition government.

KGL’s gold exploration and development activities are affected in varying degrees by political stability and government regulations relating to foreign investment, social unrest, corporate activity and mining businesses. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation and sovereign risk in Central Asia and the former Soviet Union.

The Government of the Kyrgyz Republic has entered into contracts with AMC or granted permits, licenses or concessions that enable it to conduct exploration or development activities. Notwithstanding these arrangements, the ability of KGL to conduct its activities is subject to AMC obtaining and/or renewing permits or concessions, changes in laws or government regulations or shifts in political attitudes beyond the control of AMC and KGL.

There can be no guarantee that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in the Kyrgyz Republic will not be amended or replaced in the future to the detriment of the Andash Gold-Copper Project and the business conducted by KGL.

Additionally, there can be no assurance that the assets of AMC will not be subject to nationalisation, requisition or confiscation, whether legitimate or not, by any authority or body. While there are often provisions for compensation and reimbursement of

losses to investors under such circumstances, there is no assurance that such provisions would effectively restore the value of the original investment of KGL. As at the date of this Offer Document, the Directors are not aware of any such proposals.

KGL is closely monitoring the political and social situation in the Kyrgyz Republic and remains confident that the interim Government will promote stability in the country and successfully install a democratically elected government. However, KGL cannot provide assurance that the systems of government and the political system will stabilise and remain stable.

(b) Minority participants in AMC

KGL advised the market on 28 October 2010 that the Talas Interdistrict Court had made a finding in relation to the 20% minority interest in AMC not held by KGL.

KGL has now received a copy of the judgment of the Court and is able to disclose that the General Prosecutor's Office ("GPO") sought, and the court found in favour of the GPO, to invalidate transactions between Aurum Mining plc (Aurum) and Investcenter Talas, LLC (ICT) on the basis that those parties did not comply with the Strategic Objects legislation. The effect of this decision, which is subject to appeal, is that ownership of the 20% minority interest of AMC is to revert to Kaldora Company Limited (a 100% subsidiary of KGL). Kaldora Company Limited must then offer the Kyrgyz Government 20% of AMC on the same terms of the initial transfer, namely 50,000 SOM (approximately AUD\$1,000).

Before the official findings of the Court were published, Aurum and ICT expressed to KGL their discontent with the orders made by the Court and with the fact that documents relating to these transfers were provided by AMC to the Deputy Prime Minister at his request.

The Company's interest in AMC is not in jeopardy or under threat.

(c) Licences / permits

Processing of routine renewals and amendments to terms of exploration permits and mining licences are also awaiting the formation of the new Government. Under the Kyrgyz Sub-Soil Law, exploration permits must be renewed annually and permits relating to the Andash exploration licence are due for renewal as of 31 December 2010. Additionally, AMC is seeking to obtain an amendment to the terms of its mining licence. Currently the mining licence requires the commencement of production in 2011. KGL has requested this be amended to match the scheduled production in 2012.

(d) Land access

The process to obtain approval from the local council of the Kopuro Bazar village, located near the Andash Project site, to enable the Andash Project to proceed is still ongoing. Progress toward obtaining such approval has slowed and the success of KGL in obtaining access will be reliant upon formation of the central Government. Project development and exploration activities can not commence until approval by the council is obtained. KGL has also been active in seeking the engagement of the local community and as part of its community development program is in the process of establishing a micro-finance scheme to assist villagers in sustainable development. To date a majority of households in the village have signed up to the micro finance scheme and we continue to build support for the project across a

broad front. The Company has also planned to provide a 1% royalty to community development projects in the local village, district and province. This has been included in the financial model.

(e) Environmental risks

The operations and proposed activities of AMC are subject to laws and regulation concerning the environment. In the Kyrgyz Republic, the Company's operations and activities are subject to the environmental laws and regulations of the Kyrgyz Republic. As with most exploration projects and mining operations, the activities of AMC are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KGL and AMC attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) Resource Estimations and Production Estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should AMC encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the operations of AMC.

(g) Exploration, development, mining and processing risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) successful conclusions to bankable feasibility studies;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (iv) securing and maintaining title to tenements and compliance with the terms of those tenements;
- (v) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of AMC.

(h) Key Personnel

The success of KGL depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate in the metals and mining industry, particularly in the Kyrgyz Republic and the ability of KGL to retain its key executives.

3.2 **Dividends**

The future dividend levels of KGL will be determined by the Board having regard to the operating results and financial position of KGL and there is no guarantee that any dividends will be paid or, if paid, that they will be paid at previous levels. No dividends are currently contemplated to be paid in the near term.

The dividend policy of KGL will be determined in light of a number of factors including, most importantly, the profitability of its business and the terms of the financing arrangements of KGL. The profitability of KGL will be affected by such matters as its trading performance, level of borrowings, tax paid and the various risk factors set out above.

3.3 **Taxation law**

Set out below is a summary of the Australian tax implications of the Rights Issue for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets. The summary below does not necessarily apply to Eligible Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not necessarily apply to Eligible Shareholders whose Shares are held through an employee share plan or whose Shares are held as revenue assets or trading stock.

The summary below also does not take account of the individual circumstances of any particular Eligible Shareholder. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Eligible Shareholders who are residents of New Zealand for New Zealand tax purposes should seek their own advice.

The summary below is based on the law in effect as at the date of this Offer Document.

Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

Acceptance of Entitlements

Eligible Shareholders who accept their Entitlements and subscribe for New Shares will acquire those shares with a cost base for capital gains tax (“**CGT**”) purposes equal to the

Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares. Eligible Shareholders will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares.

New Shares

Eligible Shareholders who accept their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares, an Eligible Shareholder that is an individual, trust or complying superannuation fund must have held the New Shares for at least 12 months after that date before the disposal occurs (in addition to satisfying any other conditions affecting the ability of the Shareholder to benefit from the CGT discount).

Other Australian taxes

No Australian Goods and Services Tax (“**GST**”) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

3.4 Information availability

Eligible Shareholders in Australia and New Zealand may obtain a copy of this Offer Document during the period of the Rights Issue on the Company’s website at www.kentorgold.com.au or by calling the KGL Shareholder Information Line on 1300 551 472 (within Australia) or +61 2 8280 7706 (from outside Australia) at any time from 8.30 am to 5.30 pm Monday to Friday during the Rights Issue period. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document including the Annexure.

A replacement Entitlement and Acceptance Form can be requested by calling the KGL Shareholder Information Line.

3.5 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Rights Issue that is not contained in this Offer Document.

Any information or representation that is not in this Offer Document may not be relied on as having been authorised by KGL, or its related bodies corporate in connection with the Rights Issue. Except as required by law, and only to the extent so required, none of KGL, or any other person, warrants or guarantees the future performance of KGL or any return on any investment made under this Offer Document.

3.6 Privacy

KGL and the Registry advise that Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of KGL. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Your personal information may be disclosed to KGL. You can obtain access to your personal information by contacting the Registry at the address or telephone number listed in the corporate directory. The Registry's privacy policy is available on its website (<http://www.linkmarketservices.com.au/public/help/privacy.html>).

3.7 Governing law

This Offer Document, the Rights Issue and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Queensland, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

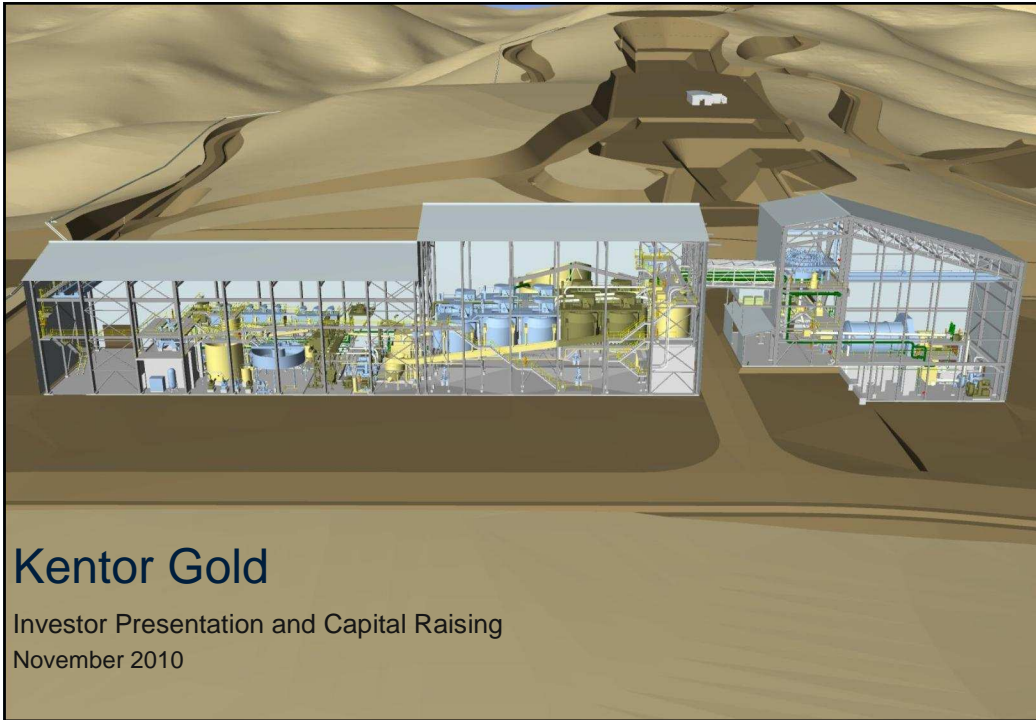
4. GLOSSARY

Term	Definition
AEDT	means Australian Eastern Daylight Time
AMC	means Andash Mining Company, a limited liability company registered in the Kyrgyz Republic
Application	means an application for New Shares lodged in accordance with the instructions in this Offer Document and the Entitlement and Acceptance Form
Application Monies	means a payment or payments made to subscribe for New Shares
ASIC	means the Australian Securities and Investments Commission
ASX	means ASX Limited ABN 98 008 624 691 or, as the context requires, a financial market operated by it
Board	means the Board of Directors of KGL as at the date of this Offer Document
BPAY	means BPAY Pty Limited ABN 69 079 137 518
Closing Date	is 5.00 pm, 9 December 2010
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Directors	means the directors of the Company
Eligible Shareholders	has the meaning given in paragraph 1.5
Entitlement	means the number of New Shares for which an Eligible Shareholder is entitled to subscribe
Entitlement and Acceptance Form or Form	means the personalised entitlement and acceptance form accompanying this Offer Document which Eligible Shareholders may use to apply for New Shares
Ineligible Shareholders	means all Shareholders other than Eligible Shareholders
Issue Price	means \$0.13 per New Share
Joint Lead Managers	means RBS Morgans Corporate Limited and Helmsec Global Capital Limited
KGL or Company	means Kentor Gold Ltd ACN 082 658 080
Listing Rules	means the listing rules of the ASX
New Share	means a Share issued under the Rights Issue

Term	Definition
Offer	means the offer of New Shares made under the Rights Issue
Offer Document	means this document including the Annexure in relation to the Offer
Offer Management Agreement	means the offer management agreement entered into between the Joint Lead Managers and the Company on or about 11 November 2010
Opening Date	means 9.00 am, 25 November 2010
Placement	means the offer of 86,542,904 Placement Shares at an issue price of \$0.155 each to sophisticated and professional investors referred to in this Offer Document
Placement Shares	means the Shares issued in accordance with the Placement
Record Date	means the time and date for determining entitlements to participate in the Rights Issue, being 7.00 pm, 23 November 2010
Registry	means Link Market Services Limited
Rights Issue	means the 3 for 5 non-renounceable pro-rata rights issue to subscribe for New Shares at the Issue Price set out in this Offer Document and the Entitlement and Acceptance Form
Securities Act	means the <i>United States Securities Act of 1933</i>
Share	means a fully paid ordinary share in the capital of KGL
Shareholder	means a registered holder of Shares
Shareholding	means all of the Shares held by a relevant Shareholder
Top-Up Offer	means the offer described in paragraph 1.9
U.S. Person	is as defined in Regulation S of the Securities Act

ANNEXURE

Investor Presentation



Kentor Gold

Investor Presentation and Capital Raising
November 2010

KENTOR GOLD

Overview

Corporate Summary

ASX Code	KGL
Share price (10/11/10)	A\$0.205
52 week high / low	A\$0.06 – A\$0.22
Shares on issue	~577 million
Options on issue	~59.6 million
Market capitalisation	A\$118.3 million
Debt	Nil

Top shareholders

Top shareholders	Percentage holding
KMP Investments	8.6%
Bank Julius Baer	5.1%
Macquarie Securities	3.6%
Board & Management	4.0%

12 month share price



Offer Details

- **Placement and Rights Issue to raise up to a total of A\$65.2 million**
- **Placement**
 - Issue of up to 86.5 million shares at A\$0.155 to raise up to A\$13.4 million (subject to EGM on 18 November 2010)
 - 24.4% discount to closing price of A\$0.205 on 10 November 2010
- **Rights Issue**
 - 3 for 5 non-renounceable rights issue of approximately 398.1 million shares at A\$0.13 to raise up to A\$51.8 million
 - 36.6% discount to closing price of A\$0.205 on 10 November 2010
 - Record date 23 November 2010
 - Top-up Facility for shareholders to apply for additional shares (if available)
 - Placement shares to participate in rights issue

Investment Highlights

Substantial JORC Resources and Reserves	<ul style="list-style-type: none"> ▪ 19.2Mt at 1.1g/t gold for 0.68M oz gold and 0.4% copper for 77.0kt copper – JORC resource (measured and indicated) ▪ 16.0Mt for 0.54M oz gold and 63.5kt copper – JORC reserve (proven and probable)
Attractive Project Economics	<ul style="list-style-type: none"> ▪ Current mine life of 6 years with a minimum potential of 2 years from exploration target ▪ Planned gold production 70,000 oz per year ▪ Planned copper production 7,400 t per year
Project financing completed	<ul style="list-style-type: none"> ▪ Subject to the completion of this raising and the agreement of terms of the debt financing mandated with Macquarie Bank, Kentor will be fully funded to complete the Andash project
Strong progression and development strategy	<ul style="list-style-type: none"> ▪ Definitive Feasibility Study – March 2010 ▪ Additional metallurgical test work – June 2010 ▪ Fast-track development at Andash Zone 1 and obtaining JORC resource classification in secondary Zones ▪ First mover advantage in the Talas region which hosts multiple million ounce deposits
Management on site	<ul style="list-style-type: none"> ▪ Management have an established presence in the country ▪ Hugh McKinnon, who heads the management team in the Kyrgyz Republic, is permanently based in Bishkek (capital city)
Aktash option	<ul style="list-style-type: none"> ▪ Exploration target for the Aktash deposit under the JORC guidelines of 2 to 5 million tonnes of ore grading 2 to 3.5g/t gold, 0.3 to 0.7% copper and 8 to 12g/t gold

Sources and Uses of Funds

Sources	US\$M
Current cash balance	13.1
Macquarie Bank debt facility	50.0
November equity raising (net costs)	62.0
Total	125.1

Uses	US\$M
Andash capital cost (inc. contingency)	94.7
Andash exploration & other costs	3.2
Aklash option	7.0
Corporate and overheads	6.8
Creditors	2.1
Working capital & cash reserves	11.3
Total	125.1



This raising will complete the equity financing component of the Andash Copper Gold Project

Key Dates

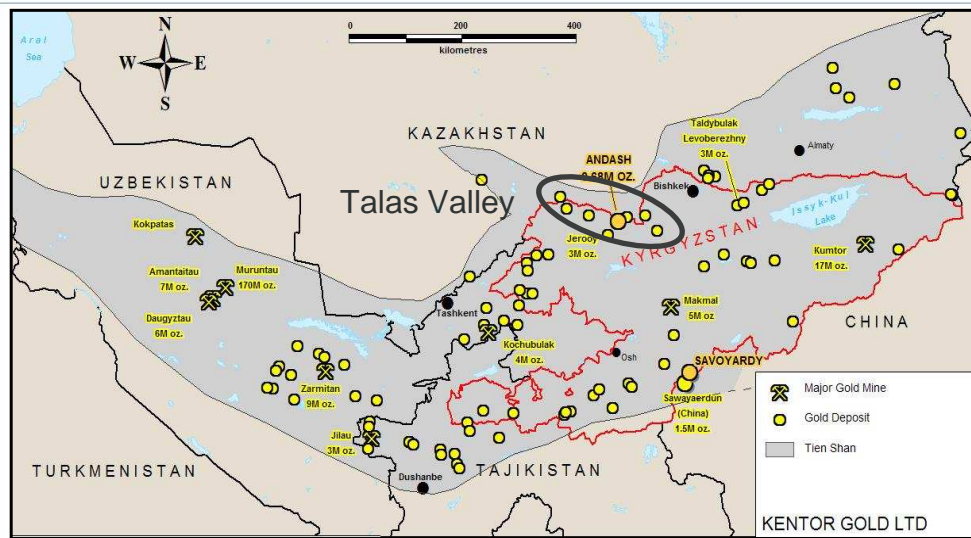
Event	Date
Trading Halt	11-12 November 2010
Announcement of Placement and Rights Issue	15 November 2010
Notify option holders of requirement to exercise option to take part in Rights Issue	15 November 2010
Notice sent to shareholders containing ASX Appendix 3B details, indicative timetable	16 November 2010
Shares commence trading ex-Rights	17 November 2010
Shareholders' meeting to approve Placement	18 November 2010
DvP Settlement and allotment of Placement Shares	19 November 2010
Placement shares commence trading on ASX	22 November 2010
Record Date for the Rights Issue	7:00pm, 23 November 2010
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	25 November 2010
Opening Date for the Rights Issue	25 November 2010
Closing Date for the Rights Issue	9 December 2010
Shares quoted on a deferred settlement basis	10 December 2010
ASX notified of under-subscriptions	14 December 2010
Issue and allotment of the New Shares, dispatch of holding statements and last day of deferred settlement trading of New Shares under the Rights Issue	17 December 2010
Normal trading of New Shares on ASX expected to commence	20 December 2010

**dates are subject to change at the company's discretion*

Central Asia - Kyrgyzstan

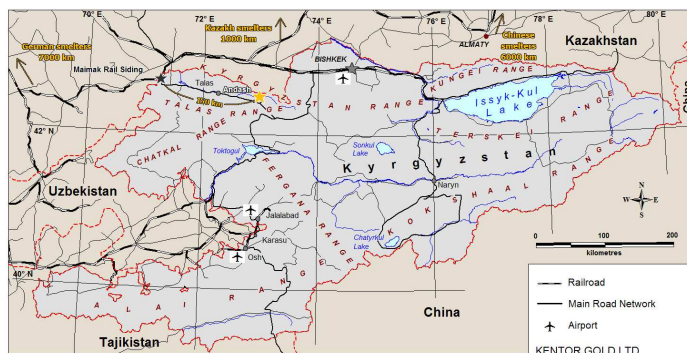


Tien Shan Gold Belt



Kyrgyz Republic

- Country well connected by rail – direct rail access to markets in Kazakhstan, China, Russia and Europe
- Long history of gold mining (Kumtor production 500,000oz per annum)
- Population 5 million
- Other Western companies active in the resources sector include:
 - Centerra Gold
 - Goldfields
 - Santos
 - Manas Resources
 - Chaarat



Political Situation in Kyrgyz Republic

- April 2010 Revolution - overthrow of government
- Roza Otunbaeva appointed as interim President
- June 2010 ethnic violence in south of country between Uzbek and Kyrgyz
- 27th June 2010 successful referendum to:
 - adopt new parliamentary style democracy
 - formal appointment of Otunbaeva as the President
- Parliamentary elections successfully held on 10th of October 2010:
 - 70% voter turnout and 90.4% voted in favour
- The country is emerging from the crisis:
 - Negotiations are continuing between a number of parties to form government
 - Expected to soon have a strong, legally and democratically elected government in place



Remaining permits to be issued

- Renewed environmental and social permit (OVOS)
 - permit was granted in 2007 and requires updating
 - permit application is now being revised to account for minor changes in the project layout since 2007
- Local approval is required by the Kopuro Bazar village council relating to project development
 - Lack of engagement at the local level by the interim national government has slowed negotiations while the government has been focused on establishing parliamentary democracy
 - While this issue has the potential to delay the project, Kentor expects the speed of local permitting to improve following the successful formation of a coalition government
 - Kentor has continued to build local relationships and considers it has become accepted as a responsible member of the community
- Both of the above permits are expected to be in place by the end of the year
- Routine renewal of the Andash Exploration Permit and an amendment to the Mining Lease are still pending. Processing is awaiting the formation of the central government
- Kentor remains hopeful that outstanding items can be completed by end of year, allowing target commissioning in Q1 2012

Overview (cont'd)

- ✓ Easy topography
- ✓ Moderate elevation (~2200m)
- ✓ Good road access
- ✓ Nearby rail (150km)
- ✓ Nearby power (8km)
- ✓ Nearby water



View from Andash ore body looking south

Development Timetable

Quarter	Sep 2009	Dec 2009	Mar 2010	Jun 2010	Sep 2010	Dec 2010	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012
Due Diligence	█	✓									
Acquisition Funding		█	✓								
Feasibility Study		█	█	✓							
Project Finance				█	█	█					
Construction							█	█	█	█	
Commissioning											█

Feasibility Study Results March 2010

- 1.6mtpa to 3.2mtpa throughput
- Simple and conventional open pit and flotation plant
- 3 stage crush, grind, float process
- Average annual production:
 - 70,000 oz gold and 7,400t copper
 - High grade concentrate
24.5% copper and 72 g/t gold
- No deleterious elements
- Initial mine life 6 years
- Resource/reserve expansion likely to significantly increase mine life



Project Economics (KGL 80%)

- Cash cost US\$29/oz gold (after copper credits and royalty)
- Capital cost US\$96m
- Base case NPV US\$130m*
 - US\$1,000/oz Au & US\$2.75/lb Cu
- At current prices, NPV US\$270m
- Base case NPV increases by 56% by adding additional 6.0 mt of ore (2 years)
- Strong AUD reduces capital cost in AUD terms
- Court orders issued on transfers of minority ownership

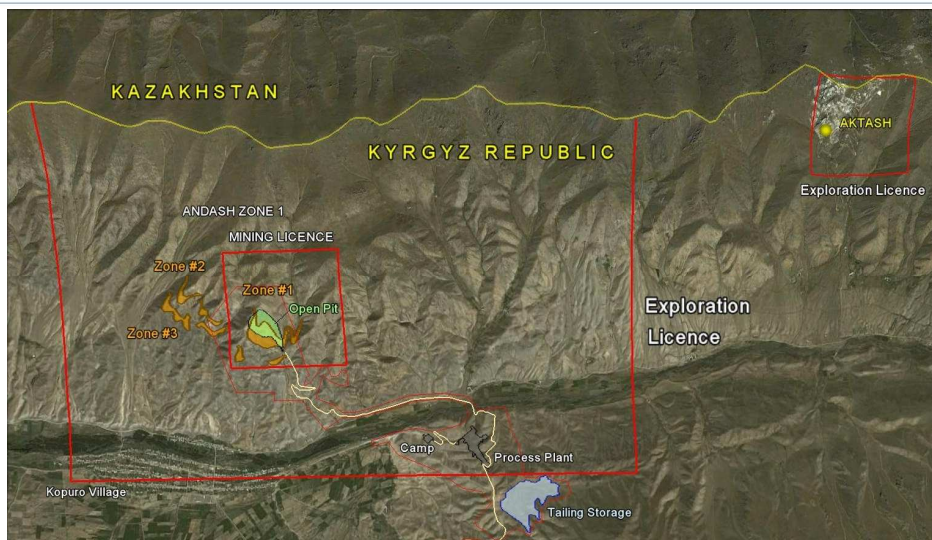
Cost component (US\$/t)	Phase 1 (1.5mtpa)	Phase 2 (3mtpa)
Mining	3.46	3.46
Processing	8.62	7.09
G&A	3.38	1.69
Total	15.46	12.24

Project NPV (US\$)*

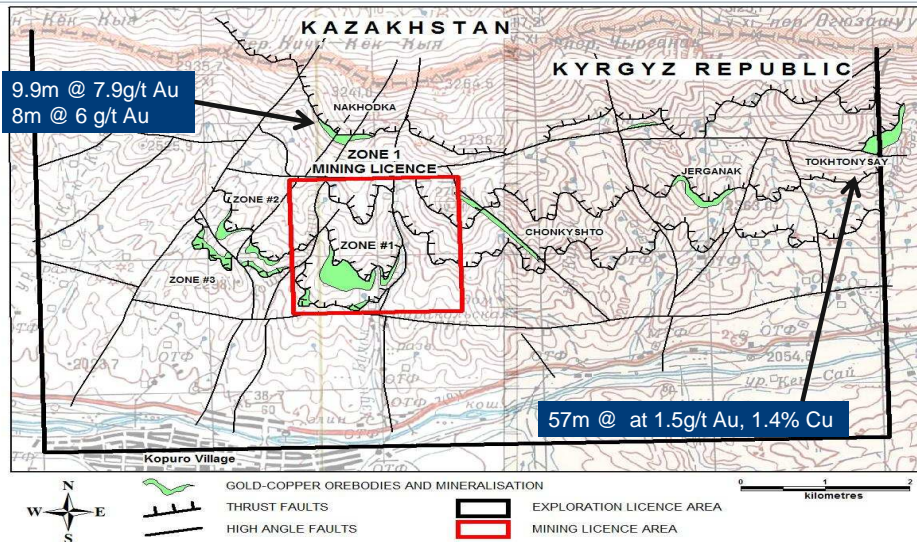
Gold Price (US\$/oz)	Copper Price (US\$/lb)				
	2.25	2.75	3.25	3.75	4.25
800	56	83	110	138	165
1,000	103	130	157	185	212
1,200	150	177	204	231	258
1,400	197	223	251	278	305
1,600	243	271	298	325	352

*Based on 100% of project

Andash and Aktash

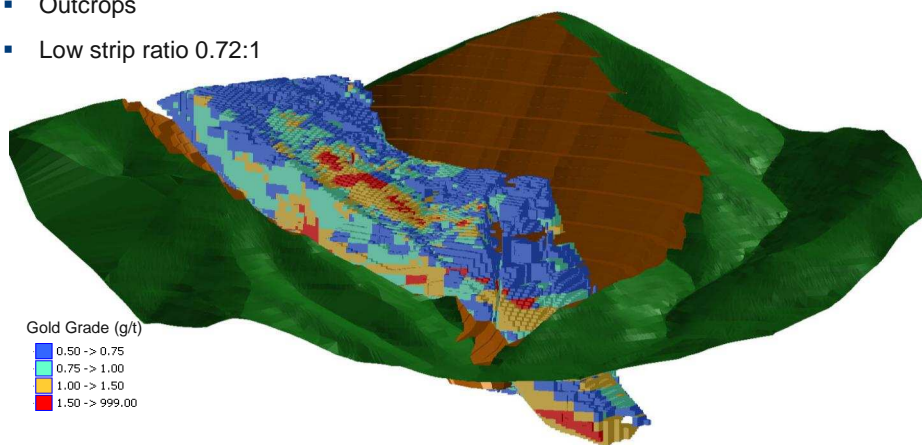


Andash Licence Area



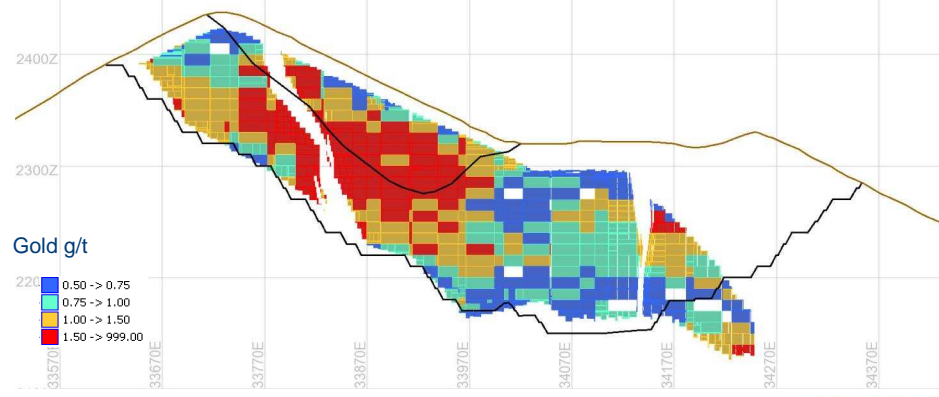
Open Pit and Ore Body

- Wide ore body, bulk mining
- Outcrops
- Low strip ratio 0.72:1



Andash Long Section through Block Model

- Low strip ratio
- Base of pit follows footwall
- High grade starter pit



Andash JORC Resource & Reserve

Andash JORC Resource Estimate

Category	Type	Tonnage (kt)	Grade		Metal	
			Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Measured	Oxide	923	0.88	0.50	26,114	4,638
	Sulphide	3,160	1.21	0.47	122,932	14,900
Indicated	Oxide	810	0.85	0.43	22,136	3,510
	Sulphide	14,305	1.11	0.38	510,507	54,260
Total		19,200	1.10	0.40	679,023	77,300

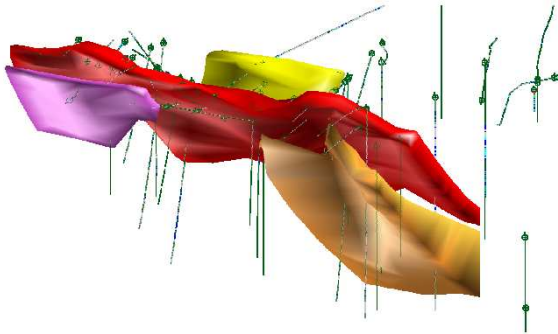
Andash JORC Reserve Estimate

Category	Type	Tonnage (kt)	Grade		Metal	
			Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Proven*	Oxide	1,129	0.77	0.43	27,995	4,867
	Sulphide	2,921	1.17	0.46	110,210	13,408
Probable*	Oxide	1,389	0.68	0.31	30,155	4,315
	Sulphide	10,559	1.09	0.39	371,370	40,896
Total		16,000	1.05	0.40	539,730	63,486

*Ore Reserve estimated using assumptions of US\$525/oz gold and US\$3,000/t copper

Andash Zone 2 and 3

- Explored by adits
- 30 diamond drill holes
- Located 1 km west of Andash Zone 1
- Exploration target of 5 to 10 mt of ore @ 1 to 1.5 g/t gold*



* The potential quantity and grade of the Exploration Target are conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

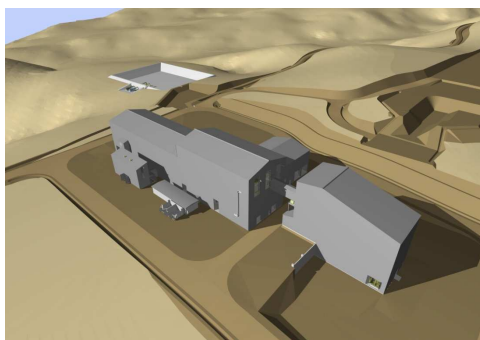
Commissioning of Mining Equipment

- Komatsu Moscow maintenance contract
- All machines commissioned
- New oil and filters
- No major defects found



Project Funding

- Project capital cost US\$96m
- Macquarie Bank mandated to provide project finance debt of US\$50m
- No compulsory hedging

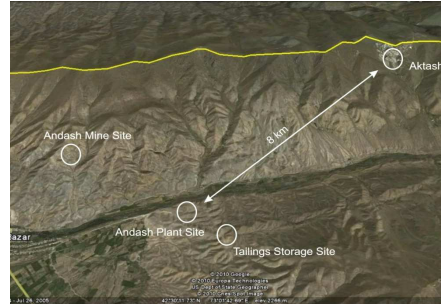


Macquarie Bank Debt Facility

Indicative Terms only – Committed Terms to be advised	
Amount	US\$50 million
Amortisation	Quarterly installments commencing Sept 2012 ending Dec 2015
Mandatory prepayment (cash sweep)	90% initially, then 50% after 50% debt retired
Debt Service Reserve Account	Funded with next scheduled principal and interest payment
Security	First ranking charges over all assets
Insurance	Political Risk Insurance
Hedging	No mandatory hedging
Hedging Facility	US\$6 million – deferred put option premium

Aktash

- 18 month exclusive option
 - US\$200k for first year
 - US\$200k for last six months
- KGL committed to drill 1,500 metres
- KGL to complete JORC resource estimate
- Payment to exercise option to acquire 100%
 - US\$19 per ounce of gold
 - US\$105 per tonne of copper
 - US\$0.30 per ounce of silver
- 11,000 metres of drilling to date
- 3 adits developed by Soviets, totalling 2,500m of underground workings
- JORC exploration target of 2 to 5Mt @ 2 to 3.5g/t Au, 0.3 to 0.7% Cu and 8 to 12g/t Ag



Location of Aktash Deposit in relation to Andash

The potential quantity and grade of the Exploration Target are conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Experienced Board



John Barr AM, MAICD
Chairman, Non-Executive (Former director Oxiana, Transurban, Acacia and Iluka)



Simon Milroy B.Eng (Mining)
Managing Director (Formerly GM Project Development for Pan Aust, former Mining Manager Kingsgate)



Hugh McKinnon B.Eng. (Mining)
Executive Director, Country Manager (Has worked on mining and exploration projects across Central Asia since 1996. Resides in the Kyrgyz capital of Bishkek and speaks Russian)



Andrew Daley BSc (Hons) (Mining)
Director, Non-executive (Andrew has a background in corporate finance and is also on the board of Pan Aust)



John Taylor B. Eng (Chemical); MBA
Director, Non Executive (John Taylor is currently the MD of Outotec Australia)

Key Investor Questions – Andash Project

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Is it there? | <ul style="list-style-type: none"> ✓ Well defined resource (40m x 40m diamond drilling pattern and underground adits) ✓ JORC reserve |
| <ul style="list-style-type: none"> ▪ Can you get it out? | <ul style="list-style-type: none"> ✓ Low strip ratio open pit ✓ Standard flotation ✓ Low technical risks |
| <ul style="list-style-type: none"> ▪ Are there any environmental issues? | <ul style="list-style-type: none"> ✓ Minimal ✓ Can drink the tailings water! |
| <ul style="list-style-type: none"> ▪ Can it be sold? | <ul style="list-style-type: none"> ✓ High grade/ high value concentrate ✓ No penalty elements ✓ Near rail ✓ Next to China |

Risks - General

- **There are a number of general and specific risks associated with an investment in Kentor Gold Limited**
- **General risks:**
 - Economic conditions and business climate in Australia and overseas, including the Kyrgyz Republic
 - Stock market fluctuations
 - Liquidity of shares and the lack of an active market for shares
 - Dilution of shareholding due to future capital raisings
 - Changes in fiscal, monetary, regulatory and other government policies
 - Geo-political conditions such as acts or threats of terrorism or military conflicts
 - Sovereign risk issues
 - Any future changes to tax laws or accounting standards

Risks – Company Specific

- **Specific risks**

- Country risk
- Environmental risks
- Resource estimations and production estimates
- Exploration development and processing risks
- Key personnel

- **Risks associated with the capital raising**

- There is no guarantee that all of the projected proceeds of the Rights Issue will be raised. Should there be an under subscription in the Rights Issue (and any placement of shortfall), the Company's proposed allocation of expenditure to working capital shall be reduced proportionally by the amount of the shortfall
- A substantial shortfall in the Rights Issue will require the Company, in the short term, to reduce its proposed expenditure on development activities at the Andash Project until alternative funding arrangements can be secured.

Risks – Company Specific

- **Talas Interdistrict Court had made a finding on 20% minority interest in the Andash Mining Company LLC (AMC) held by Aurum Mining plc and Investcentre Talas, LLC (ICT).**

- The 20% minority interest in AMC will revert to Kaldora Company Limited (a 100% subsidiary of Kentor Gold Limited)
- Kaldora will then be required to offer the Kyrgyz Government 20% of AMC on the same terms of the initial transfer, namely 50,000 SOM (approximately AUD\$1,000)
- Aurum and ICT have already expressed to Kentor their discontent with the orders made by the Court and with the fact that documents relating to these transfers were provided by Andash Mining Company LLC to the Deputy Prime Minister at his request.

- **Please note that this is not an exhaustive list of risks associated with an investment in Kentor Gold Limited**

- Further details on the risks listed above are provided in Section 3 of the Rights Issue Offer Document

For more information contact

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Forward-Looking Statements:

This presentation includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of Kentor Gold Limited, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Competent Persons Statement:

The Exploration Results, Ore Reserves and Resource estimates in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to 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. Dr. Newall has consented to the inclusion of this information in the form and context in which it appears in this report.

The Exploration Targets in this report is based on information compiled by Simon Tear, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Hellman and Schofield. Mr. Tear has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to 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. Mr. Tear has consented to the inclusion of this information in the form and context in which it appears in this report.

The exploration results in this report are based on information compiled by Simon Milroy, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kentor Gold Limited. Mr. Milroy has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to 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. Mr. Milroy has consented to the inclusion of this information in the form and context in which it appears in this report.

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Company Secretary

Kylie Anderson

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