



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 2 FOR 7 NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE OF
KENTOR GOLD LTD ORDINARY SHARES AT AN ISSUE PRICE OF \$0.065 PER SHARE
TO RAISE APPROXIMATELY \$8.32 MILLION**

THE RIGHTS ISSUE CLOSES AT 5.00PM (AEST) ON 24 August 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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IMPORTANT INFORMATION

Introduction

This Offer Document is dated 29 July 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 24 August 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 AEST

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 6 August 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 (10 August 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	29 July 2010
Notify option holders of requirement to exercise option to take part in Rights Issue	29 July 2010
Notice sent to Shareholders containing ASX Appendix 3B details, indicative timetable	30 July 2010
Allotment of Placement Shares	4 August 2010
Placement shares commence trading on ASX	5 August 2010
Record Date for the Rights Issue	7.00 pm 6 August 2010
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	10 August 2010
Opening Date for the Rights Issue	10 August 2010
Closing Date for the Rights Issue	5.00 pm 24 August 2010
Shares quoted on a deferred settlement basis	25 August 2010
ASX notified of under-subscriptions	27 August 2010
Issue and allotment of the New Shares for which valid applications have been received and accepted by KGL	30 August 2010
Dispatch of holding statements	1 September 2010
Last day of deferred settlement trading of New Shares under the Rights Issue	1 September 2010
Normal trading of New Shares on ASX expected to commence	2 September 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

29 July 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 would allow you to subscribe for new additional Shares in your company.

KGL is seeking to raise approximately \$8.32 million through the Rights Issue. In addition, KGL has also completed a Placement that raised approximately \$4.23 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 2 New Shares for every 7 Shares held at 7.00 pm on 6 August 2010. The Issue Price of the New Shares will be \$0.065 per New Share. The Issue Price represents a 31.6% discount to the closing market price of Shares on the ASX on 26 July 2010, the last day of trading on ASX before KGL announced that it would conduct the Rights Issue. 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 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 reserve the right to satisfy applications in the Top-Up Offer at their sole discretion.

The Rights Issue closes at 5.00 pm on 24 August 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 continue with 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.

As at the date of this Offer Document, Shareholders equating to 36% of the issued share capital of KGL have committed to take up their entitlements. In addition to this, a number of Shareholders and other investors have committed to subscribe for up to 64.6 million shares of any shortfall that arises under the Rights Issue. The Directors are very pleased by this support and consider that these undertakings, cumulatively totalling \$7.2 million, validate the attractiveness of the Andash Copper Gold Project and provide funding certainty for KGL.

Despite the recent political and social upheavals in the Kyrgyz Republic negatively affecting the timing of KGL's proposed project financing of the Andash Copper-Gold Project, none of the financial institutions with whom we have been discussing the project financing have withdrawn their interest. The Company is anticipating mandating a financial institution to provide the project financing for the Andash Copper-Gold Project in the September quarter of 2010.

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

- Commence site development: September quarter 2010
- Commence mining: June quarter 2011
- Commissioning: March quarter 2012

On 27 June 2010, the Kyrgyz Republic held a referendum and adopted a new constitution pursuant to which the powers of the President were reduced. In addition, Ms Roza Otunbayeva was ratified as the President of the Kyrgyz Republic to ensure stability and continuity ahead of new Presidential elections to be held in November 2011.

KGL is closely monitoring the political situation in the Kyrgyz Republic and remains confident that the government led by Ms Roza Otunbayeva will stabilise the situation and that the parliamentary elections scheduled for early October 2010 will bring further stability to the country.

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

With the exception of Hugh McKinnon, all the Directors of KGL intend to take up their full Entitlement under the Rights Issue. Hugh McKinnon intends to take up half of his Entitlement under the Rights Issue.

If you have any questions in respect of the Offer, please call 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 commend the Rights Issue to you and thank you for your continuing support.

Yours Sincerely,

A handwritten signature in cursive script, appearing to read "John Barr".

WH John Barr AM, MAICD
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 2 New Shares for every 7 Shares held as at the Record Date of 7.00 pm on 6 August 2010 at an issue price of \$0.065 per New Share. Eligible Shareholders may also apply for additional shares under the Top-Up Offer.

The Rights Issue is non-renounceable. This means that Shareholders who do not take up their Entitlements by the Closing Date of 5.00 pm on 24 August 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 54,951,722 Shares to sophisticated and professional investors to raise a further \$4.23 million at \$0.077 per Share. 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 be able to on-sell 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 Copper-Gold Project which include detailed engineering design work, procurement activities, site works and the construction of the on-site camp and access roads;
- (b) working capital requirements; and
- (c) any 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. However, as at the date of this Offer Document, the Company has undertakings from existing and new shareholders to subscribe for up to \$7.2 million under the Rights Issue by way taking up their Rights Issue Entitlements and commitments to subscribe for any shortfalls under the Top - Up Offer.

The Company currently has approximately \$5.3 million in cash at bank as at the date of this Offer Document and has raised net proceeds of approximately \$4.23 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 in the short term to reduce its proposed expenditure on development activities at the Andash Gold Copper Project. This expenditure will 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 26 July 2010, the day immediately prior to announcement of the Placement and the Rights Issue	393,011,481
Number of Placement Shares to be issued	54,951,722
Maximum number of New Shares to be issued under the Rights Issue	127,989,487
Maximum number of Shares on issue following the Placement and the Rights Issue	575,952,690

1.5 Eligible Shareholders

Eligible Shareholders are those holders of Shares who:

- (a) are registered as, a holder of Shares as at the Record Date, being 7.00 pm on 6 August 2010 and continue to be a registered holder of Shares as at the Opening Date, being 10 August 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 10 August 2010 and is expected to close at 5.00 pm on 24 August 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 by 10 August 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.

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) KGL 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% 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.

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 5.00pm AEST on 24 August 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 2 New Shares for every 7 Shares held at 7.00 pm on the Record Date, 6 August 2010, at the offer price of \$0.065 per New Share.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 7 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 the Closing Date of 5.00 pm on 24 August 2010, you will be allotted your New Shares on 30 August 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 24 August 2010 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore 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 \$0.065 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 24 August 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 Australia 2001

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 that KGL currently holds an 80% participation interest in) and the gold exploration and development activities conducted by it. Some of these company specific risk factors include:

(i) 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 Bakiev. He was replaced by President Roza Otunbayeva ("**Ms Otunbayeva**"), who has since called for new parliamentary elections to take place in early October 2010.

More recently during June 2010, the Kyrgyz Republic has been the subject of inter-ethnic unrest in the south of the country - the events of which have been widely reported throughout global media agencies. Despite such events, the referendum scheduled to take place on 27 June 2010 went ahead and on that day, 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. 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 stabilise the situation and will be successful in conducting parliamentary elections scheduled for early October 2010. However, KGL cannot provide assurance that the systems of government and the political system will stabilise and remain stable.

(j) 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.

(k) 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.

(l) 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:

- (a) successful conclusions to bankable feasibility studies;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (d) securing and maintaining title to tenements and compliance with the terms of those tenements;
- (e) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (f) 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.

(m) 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
AEST	means Australian Eastern Standard 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, 24 August 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
Joint Lead Managers	means RBS Morgans Corporate Limited and Helmsec Global Capital Limited
Issue Price	means \$0.065 per New Share
KGL or Company	means Kentor Gold Ltd ACN 082 658 080
Listing Rules	means the listing rules of the ASX

Term	Definition
New Share	means a Share issued under the Rights Issue
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 27 July 2010
Opening Date	means 9.00 am, 10 August 2010
Placement	means the offer of 54,951,722 Placement Shares at an issue price of \$0.077 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, 6 August 2010
Registry	means Link Market Services Limited
Rights Issue	means the 2 for 7 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

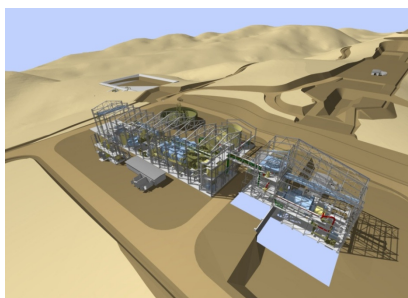
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Overview

- ASX-listed company focused on gold and copper projects in Kyrgyz Republic
- Core asset: the Andash gold-copper project
 - Part of the world class Tien Shan gold belt
 - JORC resource (Measured and Indicated): 19.2Mt @ 1.1g/t Au for **0.68Moz Au**, 0.4% Cu for **77Kt Cu**
 - JORC reserve 16.0Mt for **0.54Moz Au**, **63Kt Cu**
 - Very low cash costs (US\$29/oz after Cu credits)
 - Definitive Feasibility Study completed March 2010
 - Mining licence issued & mining equipment purchased
- Board & Management
 - Track record of bringing projects to production
 - 12 years operational experience in Kyrgyz Republic



Overview (cont'd)

- Current strategy
 - Bring Andash Zone 1 into production
 - Aggressive drilling programme on exploration prospects
 - Increase mine life via resource/reserve expansion
 - Obtain JORC resource classification on Zones 2 and 3
- Corporate overview

Capital Structure		Market statistics	
Shares currently on issue	393.0 million	Current share price (26/07/2010)	\$0.095
Options currently on issue	59.6 million	30 day VWAP	\$0.081
Cash at bank (Current)	A\$5.3 million	52 week low / high	\$0.056-0.185
Major Shareholders	Macquarie Bank (6%)	Market capitalisation (undiluted)	\$37.3 million

Offer Details

- Placement and Rights Issue to raise up to a total of A\$12.6 million
- Placement
 - Issue of up to 55 million shares at A\$0.077 to raise up to A\$4.2 million
 - 18.9% discount to closing price of \$0.095 on 26 July 2010
 - Completed on 29 July 2010
- Rights Issue
 - 2 : 7 rights issue for the issue of up to 128 million shares at A\$0.065 to raise up to A\$8.3 million
 - 31.6% discount to closing price of \$0.095 on 26 July 2010
 - Facility for shareholders to take up shortfall (if any)
 - Target completion 30 August 2010

Key Dates

Event	Date
Announcement of Rights Issue	29 July 2010
Notify option holders of requirement to exercise option to take part in Rights Issue	29 July 2010
Notice sent to Shareholders containing ASX Appendix 3B details, indicative timetable	30 July 2010
Allotment of Placement Shares	3 August 2010
Placement shares commence trading on ASX	4 August 2010
Record Date for the Rights Issue	7:00pm, 6 August 2010
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	10 August 2010
Opening Date for the Rights Issue	10 August 2010
Closing Date for the Rights Issue	24 August 2010
Shares quoted on a deferred settlement basis	25 August 2010
ASX notified of under-subscriptions	27 August 2010
Issue and allotment of the New Shares for which valid applications have been received and accepted	30 August 2010
Dispatch of holding statements	1 September 2010
Last day of deferred settlement trading of New Shares under the Rights Issue	1 September 2010
Normal trading of New Shares on ASX expected to commence	2 September 2010

2. DETAILS OF OFFER AND USE OF FUNDS

Use of Funds

- Andash exploration A\$1.0m
- Andash early site works A\$1.0m
- Andash engineering and procurement A\$8.8m
- Corporate and overheads A\$1.2m
- Total A\$12.6m
- 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 copper-gold project which includes detailed engineering work, procurement activities, site works and the construction of the on-site camp and access
 - (b) working capital requirements; and
 - (c) costs and expenses associated with this Rights Issue and the Placement.
- There is no guarantee that all of the projected proceeds of the Rights Issue will be raised. The Company has approximately \$5.3 million in cash at bank as at the date of this presentation, and is seeking to raise net proceeds of approximately \$4.0 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 proposed allocation of expenditure to working capital shall be reduced proportionately by the amount of the shortfall.
- Investors should note that should there be a substantial shortfall under the Rights Issue, the Company will be required in the short term to reduce its proposed expenditure on development activities at the Andash Project. This expenditure will then need to be funded by either debt or equity at a future date.

3. KYRGYZ REPUBLIC

Central Asia

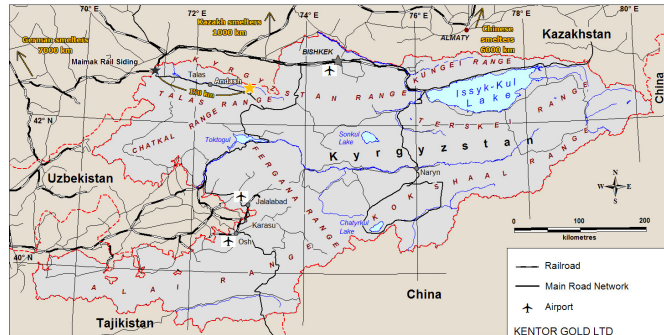
- Kentor planning to own the second major minerals development in the country
- Kentor's long in-country presence likely to materialise future acquisition opportunities



3. KYRGYZ REPUBLIC

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:
 - Gold Fields
 - Santos
 - Centerra Gold
 - Chaarat Gold
 - Manas Resources



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KENTOR GOLD LTD

3. KYRGYZ REPUBLIC

Political Situation in Kyrgyz Republic

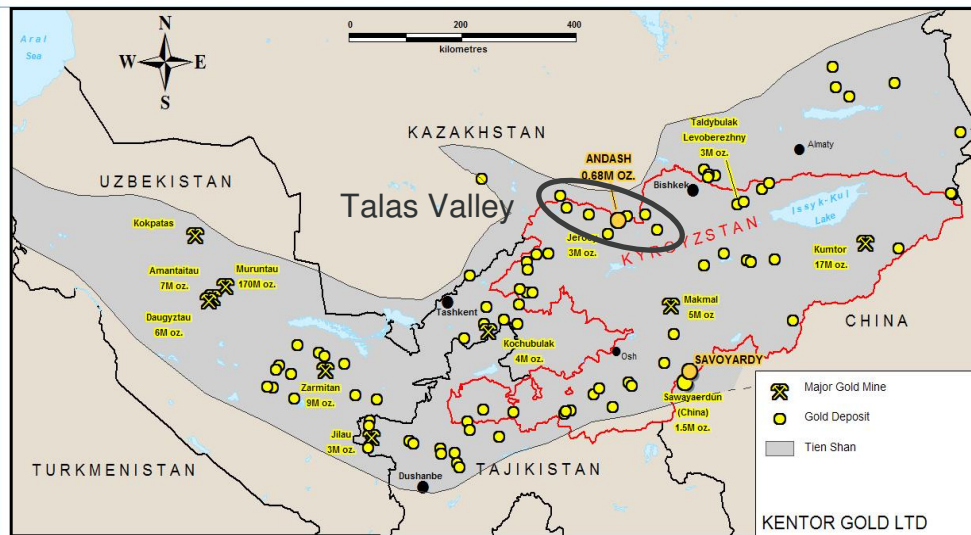
- April 2010 Revolution - overthrow of corrupt government
- Interim government appointed
- Rosa Otunbaeva appointed as interim President
- June 2010 ethnic violence in south of country between Uzbek and Kyrgyz
- 27th June 2010 successful referendum to adopt new parliamentary style democracy and to formally appoint Otunbaeva as the President
- 70% voter turn out and 90.4% voted in favour
- Parliamentary elections scheduled early October 2010
- The country is emerging from the crisis with a strong, legally and democratically elected government in place

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3. KYRGYZ REPUBLIC

Tien Shan Gold Belt



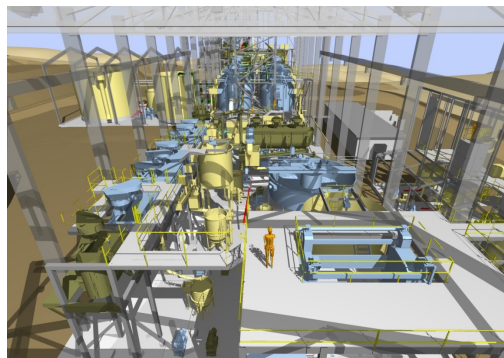
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KENTOR GOLD LTD

4. ANDASH PROJECT

Overview

- Kentor ownership increased to 90% (10% under option)
- Advanced gold-copper project
- JORC Resource and Reserve
- Feasibility study complete
- Mining licence issued
- Mining equipment purchased
- Detailed engineering commenced
- Recruitment commenced
- Targeting production early 2012



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KENTOR GOLD LTD

Overview (cont'd)



- Easy topography
- Good road access
- Nearby power
- Nearby water
- Nearby rail

Above: View from Andash orebody looking south

Project Funding

- In advanced discussions with international banks re project debt
- Targeting 50% debt and 50% equity
- Expect to mandate a bank to provide debt in current quarter

4. ANDASH PROJECT

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		█	✓								
Update & Optimise DFS		█	█	✓							
Project Finance			█	█	█						
Construction						█	█	█	█	█	
Commissioning											█

4. ANDASH PROJECT

Feasibility Study Results March 2010

- 1.5mtpa to 3mtpa throughput
- Simple and conventional open pit and flotation plant
- 3 stage crush, grind, float process
- Average annual production:
 - 70,000 oz Au and 7,400t Cu
 - High grade concentrate
24.5% Cu and 72 g/t Au
- No deleterious elements
- Resource/reserve expansion to significantly increase mine life



Project Improvements post the DFS

- Increased gold recovery by 3.5%
- Increased the concentrate grade from 22% Cu to 24.5% Cu
- Deferred the regrind mill to stage 2
- Recently acquired larger ball mill than planned in the Definitive Feasibility Study (DFS) – higher throughput
- Optimising the mining schedule
- Improving the design



Capital Cost

- Brand new equipment to provide more reliable and efficient performance
- Expected to support significant mine life increases upon resource upgrades
- Includes all expenses to the beginning of ramp up of Stage 1.0 to 1.5 mtpa
- Phase 2 plant will increase throughput to 3.0 mtpa (US\$29m)

Description	Phase 1 (1.5mtpa)
Process Plant	US\$61.5m
Mining – direct and indirect	US\$1.2m
Tailings management facilities	US\$3.2m
Owner's and Infrastructure	US\$24.9m
Contingency	US\$5.8
Total	US\$96.6m

4. ANDASH PROJECT

Project Economics (KGL 90%)

- Cash cost US\$29/oz Au (after Cu credits and royalty)
- Initial mine life 6 years
- Base Case NPV US\$130m (US\$1,000/oz Au & US\$2.75/lb Cu)
- At current prices, NPV US\$191m
- NPV increases by 56% by adding additional 6.0 mt of ore (2 years)

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	2.50	2.75	3.00	3.25	3.50
800	56	69	83	97	110	124
900	79	93	107	120	134	148
1,000	103	116	130	144	157	171
1,100	126	140	154	167	181	194
1,200	150	163	177	191	204	218
1,300	173	187	200	213	228	241

4. ANDASH PROJECT

Andash JORC Resource & Reserve

Andash JORC Resource Estimate

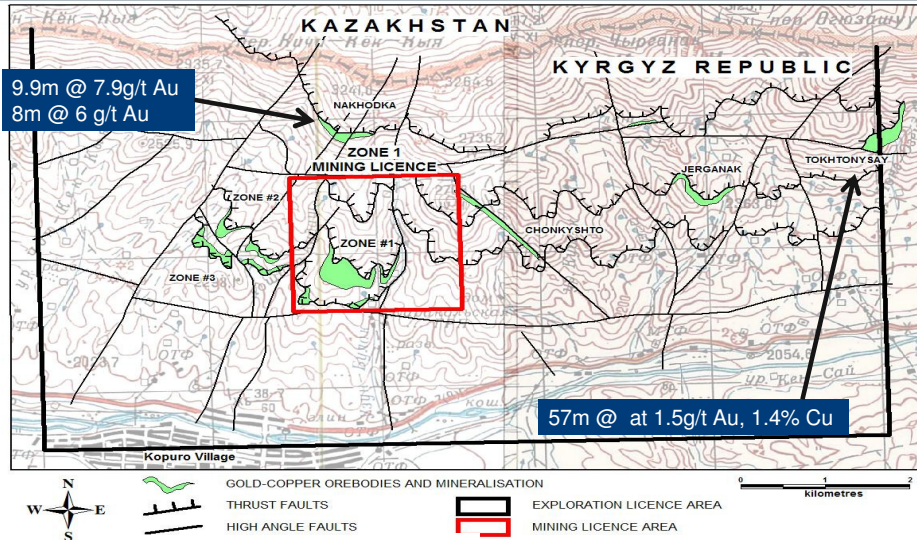
Category	Type	Tonnage (kt)	Grade		Metal	
			Au (g/t)	Cu (%)	Au (oz)	Cu (t)
Measured	Oxide	923	0.88	0.50	26,114	4,638
	Sulphide	3,160	1.21	0.47	122,932	14,900
Indicated	Oxide	810	0.85	0.43	22,136	3,510
	Sulphide	14,305	1.11	0.38	510,507	54,260
Total		19,200	1.10	0.40	679,023	77,300
Inferred	Sulphide	379.6	0.93	0.25	11,350	950

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		15,999	1.05	0.40	539,730	63,486

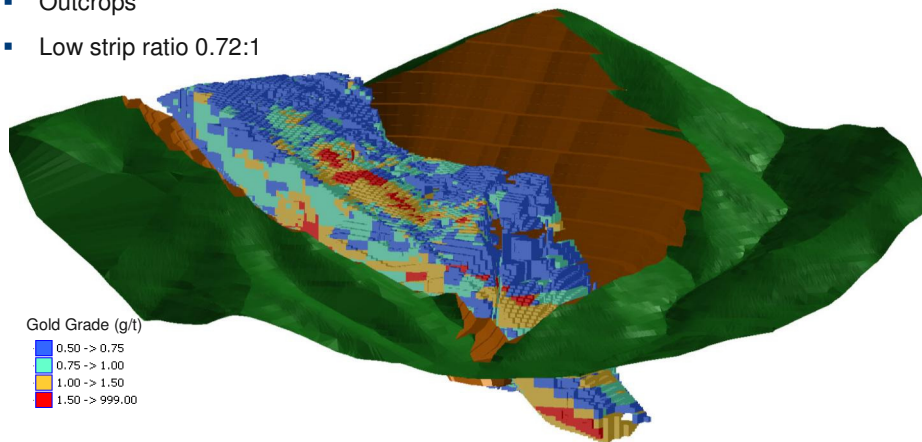
*Ore Reserve estimated using assumptions of US\$525/oz gold and US\$3,000/t copper

Andash Licence Area



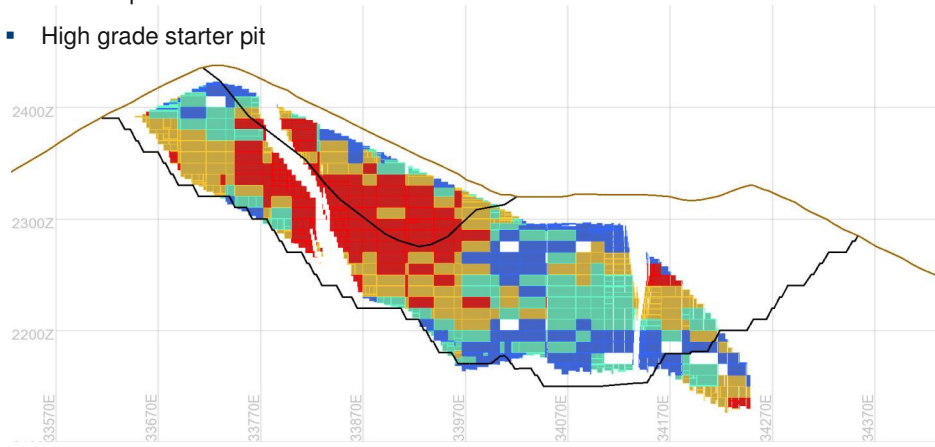
Open Pit and Ore Body

- 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



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KENTOR GOLD LTD

Commissioning of Mining Equipment

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



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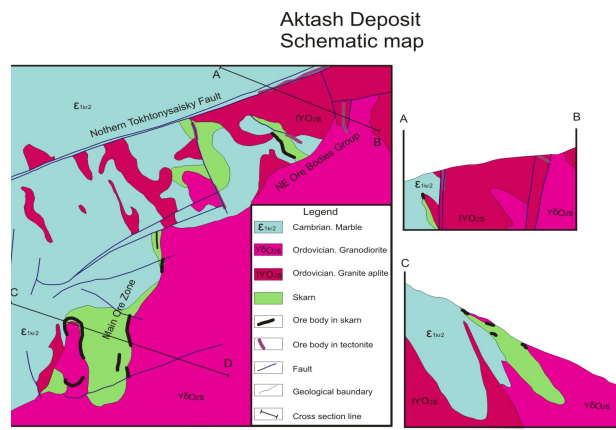
KENTOR GOLD LTD

Commercial Terms of Aktash Option

- 18 month exclusive option, US\$200k for first year, US\$200k for last six months
- KGL obliged to drill 1,500 metres
- KGL to complete JORC compliant 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

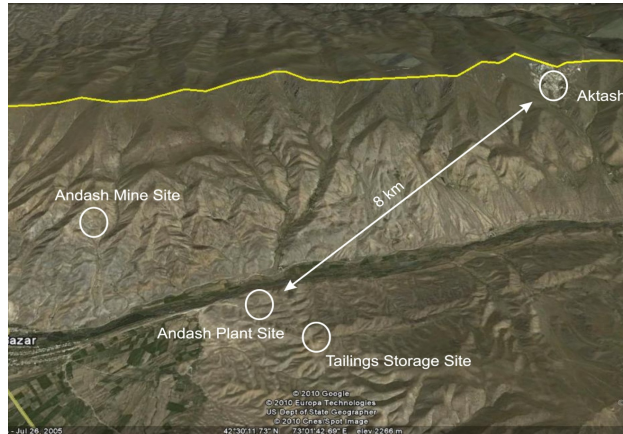
Schematic map of Aktash

- 11,000 metres of drilling to date
- 3 adits developed by Soviets, totalling 2,500m of underground workings
- Hellman and Schofield consider exploration target to be 2 to 5Mt @ 2 to 3.5g/t Au, 0.3 to 0.7% Cu and 8 to 12g/t Ag



5. AKTASH OPTION

Proximity to Andash Project



Location of Aktash Deposit in relation to Andash

6. BOARD & MANAGEMENT

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 boards of Pan Aust and Uranex)



John Taylor B. Eng (Chemical); MBA

Director, Non Executive (John Taylor is currently the MD of Outotec Australasia)

Management Team



Guy Cordingley

General Manager Operations
B. Eng. Mineral Engineering
Copper gold flotation in Vietnam, Ghana, Indonesia, Turkey, Bulgaria and Spain



Gerard Kelly

Chief Financial Officer
Accountant
Ex Group Financial Controller Rio Tinto



Kelvin Russell

General Manager Corporate Finance
Ex Director Mining and Metals Division Australasia Standard Bank



Fred Huston

General Manager Administration
Geologist, Lawyer
Lived in Kyrgyzstan 16 years

Overview

- There are a number of general and specific risks associated with an investment in Kentor
- 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

Overview (cont'd)

- Specific risks
 - Country risks
 - Environmental risks
 - Resource estimations and production estimates
 - Exploration development and processing risks
 - Key personnel
- Please note that this is not an exhaustive list of risks associated with an investment in Kentor
- Further details on the risks listed above are provided in Section 3.1 of the Rights Issue Offer Document

Reasons to Invest

- ✓ Advanced gold-copper project
- ✓ High grade concentrate highly sought after
- ✓ Near-term development (Definitive Feasibility Study complete)
- ✓ Very low cash costs (net cash cost of US\$29/oz after copper credits)
- ✓ 12 years operational experience in Kyrgyz Republic
- ✓ Management has track record in gold-copper projects
- ✓ Strong exploration upside

9. KEY CONTACTS

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.

Not a Rights Issue Offer Document:

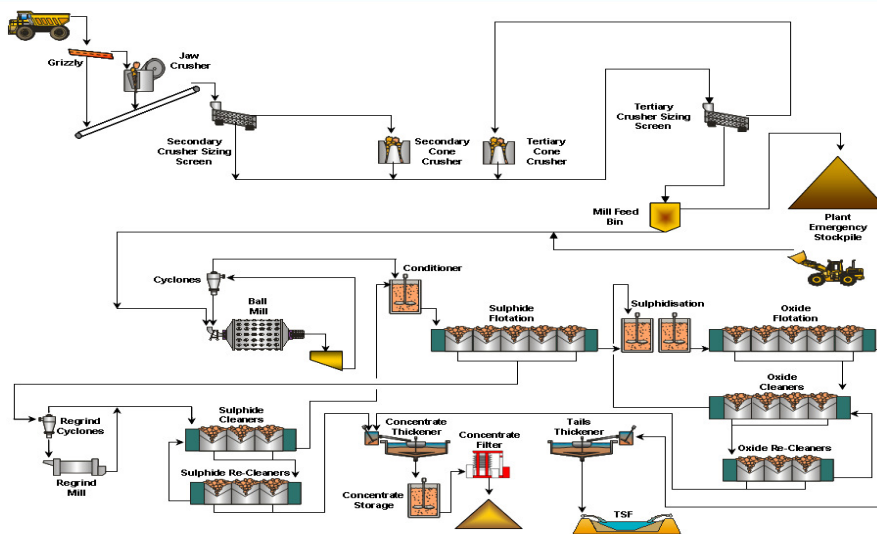
This presentation is not a substitute for the Rights Issue Offer Document. Potential investors must read the Rights Issue Offer Document. You should not act and refrain from acting in reliance on this presentation material. Nothing contained in this presentation constitutes investment, legal, tax or other advice. Before making an investment decision, you should contact your broker or other financial or professional adviser in light of your particular investment needs, objectives and financial circumstances.

Competent Persons Statement:

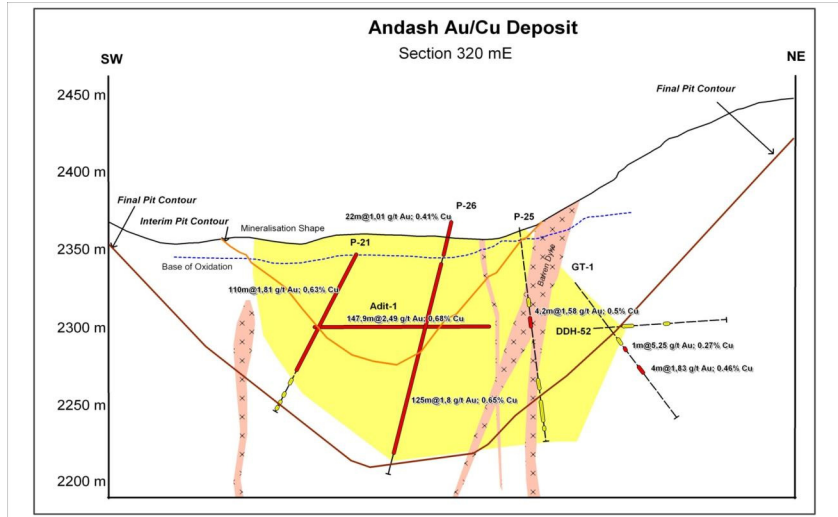
The Exploration Results, Ore Reserves and Resource estimates in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall has sufficient 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.

APPENDIX A – ANDASH PROJECT

Schematic Flow Sheet



Andash Cross Section 320 m E



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ASX code

KGL

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