



#### 4 October 2010

*Kentor Gold Limited (ASX: KGL) is an Australian-based company formed in 1998 as a specialist gold explorer. The Company was listed on the Australian Securities Exchange in 2005 and has diversified into exploration and development of gold, geothermal energy and base metals in Central Asia where it has highly regarded, established local management. Kentor Gold owns 80% of the Andash Gold-Copper Project which is under development and is targeted to annually produce 70,000 oz gold and 7,400 tonnes copper in concentrate.*

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#### **Issued capital:**

*576 million ordinary shares  
60.6 million unlisted options*

#### **Market Capitalisation**

*1 October 2010 86 million*

#### **Contact**

*Simon Milroy - Managing Director  
+61 (0)7 3121 3206*

## **KENTOR GOLD APPOINTS MACQUARIE BANK TO ARRANGE US\$50M DEBT FOR ANDASH GOLD- COPPER MINE DEVELOPMENT**

Kentor Gold Limited (Kentor Gold or the Company) is pleased to announce that Macquarie Bank Limited (Macquarie) has been mandated to provide US\$50M in debt finance towards the construction of the Andash Gold-Copper Project in the Kyrgyz Republic.

Kentor Gold Managing Director Simon Milroy said:

“This is a great vote of confidence in the project and the Company by Macquarie Bank which has provided an Indicative Term Sheet. This is US\$ denominated debt deal, with no hedging, and will give our shareholders the maximum exposure to future upside in both gold and copper prices.”

No compulsory hedging is required by the bank. However, a US\$6M facility forms part of the offer for the acquisition of put options at the discretion of the Kentor board.

Macquarie will now work towards completing its due diligence and obtaining the necessary internal approvals to allow the bank to provide Kentor with a committed letter of offer for the facility.

The debt finance mandate represents an important advance towards the full development phase of the Andash project, key features of which are:

- Capital cost of US\$96M
- Average annual production of 70,000 oz gold and 7,400 tonnes copper for an initial six years with strong extension and expansion potential
- An exceptionally low forecast gold cash cost of US\$29/oz after copper credits and royalty means that Andash is well inside the lowest quartile of costs on a global basis
- First production targeted for early 2012.

For further information, visit the Kentor website at [www.kentorgold.com.au](http://www.kentorgold.com.au) or contact:

#### **Mr Simon Milroy**

Managing Director  
Phone: (07) 3121 3206  
Email: [info@kentorgold.com.au](mailto:info@kentorgold.com.au)

#### **Mr David Waterhouse**

Investor Relations  
Ph (03) 9670 5008