



## 21 July 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 is targeted to annually produce 70,000 oz gold and 7,400 tonnes copper in concentrate. At Savoyardy, Kentor Gold plans further intensive exploration to increase an existing high grade gold Resource for future mine development.*

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### Issued capital:

393 million ordinary shares  
60.6 million unlisted options

### Market Capitalisation

(20 July 2010): \$37 million

### Contact

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## KENTOR SECURES OPTION OVER THE AKTASH GOLD-COPPER PROJECT

- **8km from Kentor's planned Andash gold-copper mine**
- **Potential to extend Andash mine life and increase production**

Kentor Gold Limited (Kentor or the Company) is pleased to announce that it has entered into a Letter of Intent with regard to an exclusive option to purchase 100% of the Aktash gold-copper deposit located just 8km from the planned Andash gold-copper plant site. Hellman and Schofield have established an Exploration Target\* for the Aktash deposit under the JORC guidelines of 2 to 5 million tonnes of ore grading 2 to 3.5g/t Au, 0.3 to 0.7% Cu and 8 to 12g/t Ag.

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

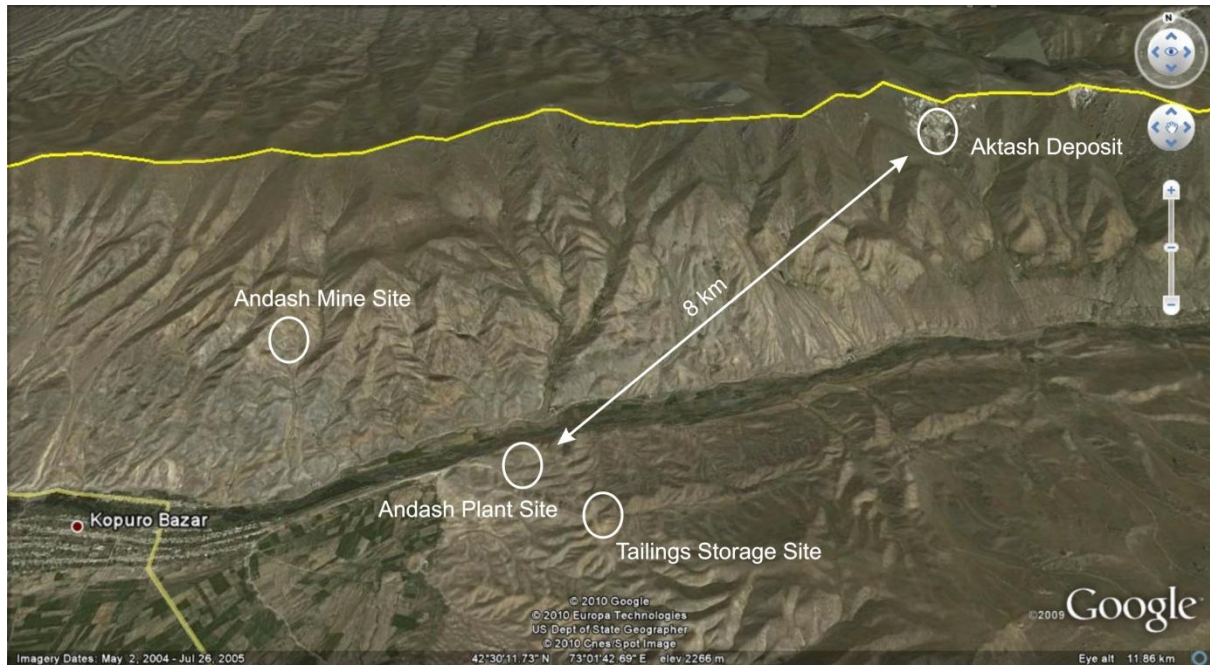
Managing Director Simon Milroy said: "Securing an option over Aktash has meant that we have a further opportunity to increase the life of operations at Andash. Evaluation of the Andash project has been based on the Andash #1 orebody alone. We have potential to add reserves at Andash #2, Andash #3, Nahodka, Jerganak, Chonkyshto, Toktonysai, and now at Aktash as well."

*"The grade of the gold mineralization at Aktash is higher than at Andash, hence including ore from Aktash in the feed to the process plant will likely result in increased annual gold production."*



## Location of Aktash

Aktash is located 10km east of the Andash Zone 1 ore body, and 8km east of the planned site of the Andash processing plant. It sits close to the watershed of the Kyrgyzstan Range, adjacent to the international border with Kazakhstan at an elevation of 2,800m. There are no Kyrgyz laws preventing the operation of mines immediately adjacent to international boundaries. Most of the distance from Aktash to the Andash plant site is along an existing road within the valley of the Karakol River.



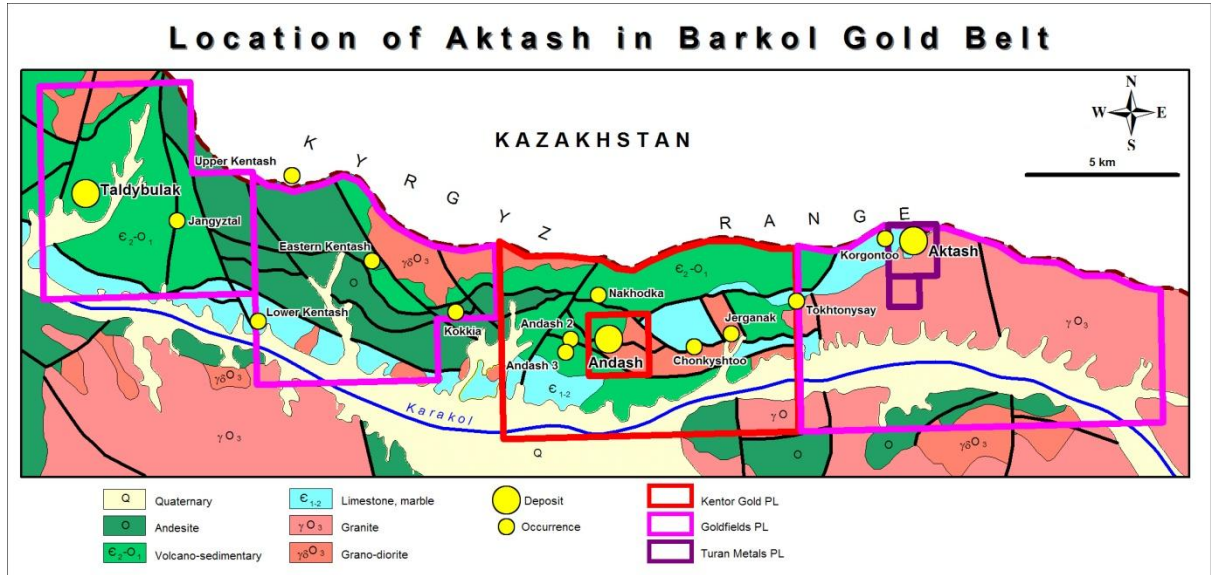
**Figure 1: Location of Aktash with respect to Andash**

## Geology

The Aktash deposit is located within the Caledonian folded region of the Central Kyrgyz Structural Formational Zone between two regional faults. The deposit contains sedimentary-metamorphic and intrusive sequences, with various types of skarns.

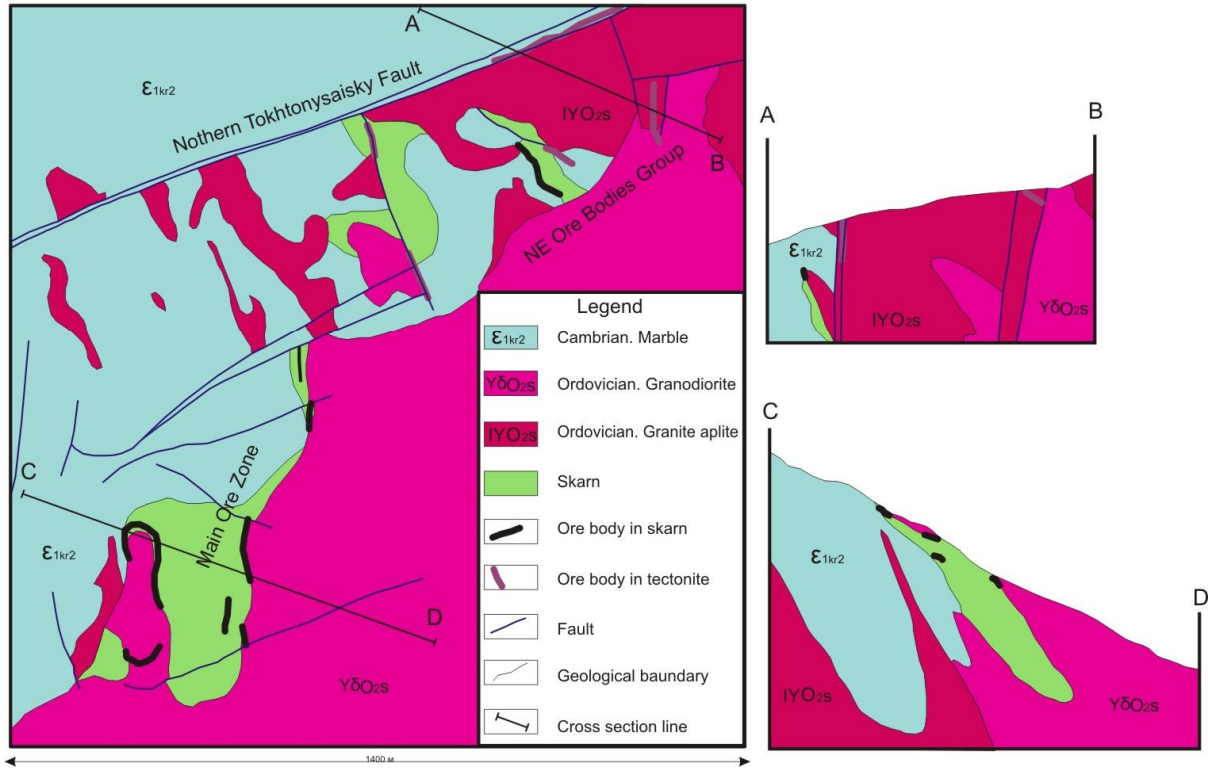
Hellman and Schofield reported that mineralization was described in the literature as "comprising chalcopryrite, bornite, magnetite and gold as fine grained disseminations and veinlets in the host limestones and around the margin of later intrusive dykes and sills. Skarn bodies generally dip 35o to 45o and can be up to 70m thick with a range of mineralogy that includes garnets, which are often related to the higher gold grades. The mineralisation has been identified to occur over a strike length of 1.5km. Identified resources based on the Soviet Union classification (1981) amounted to 41 mineral zones using a 1g/t gold cut off. The size range of the mineralised zones is from 80 to 260m in length, 32 to 180m in down dip extent with thickness ranging from 3.5 to 12.45m. Some of the mineral zones have potential to coalesce into a single body of mineralisation."

The dip of the orebodies generally parallels the slope of the hillside.



**Figure 2 Location of the Aktash Deposit**

### Aktash Deposit Schematic map



**Figure 3 Aktash Schematic Geology Map**





Exploration and assessment work at Aktash has been conducted in two phases, from 1990 to 1993, and from 2006 to 2009. Adits have been driven on three levels, with a total of 2,500 metres of underground development. 59 drillholes have been completed, from both surface and underground, with assays on 785.6m of core being included in the data base.

According to the Hellman and Schofield review, the Exploration Target\* at Aktash is:

**2 to 5Mt @ 2 to 3.5g/t Au, 0.3 to 0.7% Cu and 8 to 12g/t Ag**

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

There is additional exploration potential for porphyry copper mineralisation associated with fine grained diorites, quartz diorites and granodiorites similar to Andash at the northern end of the deposit close to the Kazakhstan border.

## **Commercial Terms**

Kentor Gold Limited has entered into a Letter of Intent with the local owner of the licence for an exclusive option to purchase the Aktash licence for a period of 18 months following satisfactory completion of due diligence investigations. The option payments are US\$200,000 for the first year, and US\$200,000 for the remaining period. During the option period, Kentor has an obligation to drill a minimum of 1,500 metres. Payment for exercising the option will be based on a JORC-compliant resource calculation, and has been agreed at:

- US\$19 per ounce of gold
- US\$105 per tonne of copper
- US\$0.30 per ounce of silver

*The data in this report that relates to Exploration Potential for the Aktash Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.*

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

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