



30 June 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.

Issued capital:

*393 million ordinary shares
60.6 million unlisted options*

Market Capitalisation

(29 June 2010): \$31 million

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ANDASH GOLD-COPPER PROJECT UPDATE

A referendum in the Kyrgyz Republic, in which Kentor Gold Limited (Kentor or the Company) plans to develop the Andash Gold-Copper Project, has endorsed the adoption of a new constitution for the country.

The successful completion of the referendum on 27 June could be seen as a significant milestone on the path to full parliamentary democracy for the Kyrgyz Interim Government which was brought to office through a popular uprising on 7 April.

The Kyrgyz Central Election Committee has reported that nationwide turnout to the polls for the referendum was close to 70%, with preliminary counting showing a "yes" vote of more than 90% of those who voted. Independent observers have stated that they were satisfied with the conduct of the referendum. Full parliamentary elections are now scheduled for no later than 10 October 2010.

The violence in the south of the country which resulted in tragic deaths and the disruption of many people's lives now appears to have subsided. It is reported that all refugees have returned from Uzbekistan and that a humanitarian relief program is underway.

The Andash project is located in the country's north-west and preliminary development work on the project has not been affected to any serious extent.

The current project schedule provides for a mandate to provide the debt funding during the September 2010 quarter and for construction to be undertaken over the next 18 months leading to the commissioning of the Project in the March quarter of 2012.

The economics of the already strong Project improved significantly recently as a result of increases in gold recovery and concentrate grade achieved in further metallurgical test work. As announced on 4 June,

- Annual production over the initial six-year mine life is now forecast to average 70,000 oz gold and 7,400 tonnes copper, increases of 17% and 9% respectively
- The projected gold cash cost has fallen to US\$29/oz. This cost (after copper credits) includes treatment and refining charges and royalties.
- The capital cost has been reduced by 6% to \$96 million



- The base case Net Present Value (after tax) has increased to more than US\$200 million at recent metal prices.

Kentor has the advantage of having developed considerable central Asian expertise with a long standing presence in the Kyrgyz Republic where the Company has had a strong locally based management team.

Kentor Gold Managing Director, Simon Milroy, commented:

“The Kyrgyz Republic is already a significant gold producer with substantial undeveloped mineral resources. We are encouraged by the outcome of Sunday’s referendum and look forward to pursuing our plans to develop the Andash project. While not under-estimating the task ahead for the Kyrgyz nation, we believe the determination of its moderate leadership, with the declared support and aid of major powers and international agencies, will create a future in which Kentor will be able to operate successfully.”

For further information, visit the Kentor website at www.kentorgold.com.au or contact:

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