



## 15 November 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.*

## Contact

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## PRO - RATA RIGHTS ISSUE

### **'CLEANSING NOTICE' UNDER SECTION 708AA(2)(f) AND 708AA(7) OF THE CORPORATIONS ACT**

This notice is given by Kentor Gold Ltd ("Company") under section 708AA(2)(f) and 708AA(7) of the Corporations Act 2001 (Cth) ("Act") as modified by ASIC Class Order 08/35.

On 15 November 2010, the Company announced a non-renounceable pro-rata rights issue to eligible shareholders to acquire 3 new shares ("New Shares") for every 5 shares held as at the record date (being, 7.00pm on 23 November 2010) ("Rights Issue").

In addition to being able to apply for New Shares under the Rights Issue, 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 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, other eligible shareholders under the Rights Issue.

The Company has also undertaken a placement of 86.5 million shares to sophisticated and professional investors to raise a further \$13.4 million at \$15.5c per share. The holders of the placement shares will be entitled to participate in the Rights Issue.

An offer document relating to the Rights Issue and the Top-Up Offer together with an Entitlement and Acceptance Form will be despatched to all shareholders on 25 November 2010.

The Company will offer the New Shares and the Top-Up Offer for issue without providing a disclosure document to investors in accordance with section 708AA of the Act as modified by ASIC Class Order 08/35.



For the purposes of section 708AA(2)(f) and 708AA(7) of the Act, the Company advises that:

1. the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, the Company has complied with:
  - a) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - b) section 674 of the Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act apart from that described below; and
5. the issue of New Shares pursuant to the Rights Issue is not expected to have any material effect or consequence on the control of the Company, but is dependant on a number of factors including investor demand. However:
  - a) if all shareholders take up their rights for New Shares, the Rights Issue will have no effect on the control of the Company; and
  - b) to the extent that any shareholder fails to take up their rights for New Shares under the Rights Issue, that shareholder's percentage holding in the Company will be diluted by those other shareholders who take up some or all of their rights for New Shares or participate in the Top-Up Offer.

The Rights Issue will not be underwritten.

The Company is currently in negotiations with a third party for the acquisition of another gold project in Central Asia. The negotiations are, at this stage incomplete, but the acquisition is likely to be structured as an option to purchase contingent upon the necessary due diligence. Although the negotiations are well progressed there is still no guarantee that a final agreement will be reached between the parties.

Further details regarding the Rights Issue are set out in the offer document.

Yours sincerely,

**KENTOR GOLD LTD**