



1 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.

Issued capital:

*577 million ordinary shares
59.6 million unlisted options*

Market Capitalisation

28 October 2010: \$107 million

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KENTOR TO PROCEED WITH FULL-SCALE DEVELOPMENT OF ANDASH GOLD-COPPER MINE

- **Low cost, high grade project to lift Kentor to ranks of world gold producers**

Kentor Gold Limited (Kentor or the Company) is pleased to announce that the Board of Directors has decided to proceed with the full-scale development of the Andash Gold-Copper Project in the Kyrgyz Republic.

Announcing the go-ahead, the Chairman of Kentor, John Barr said:

“This significant decision means that Kentor is on line to join the ranks of gold-copper producers with one of the lowest cost gold mines in the world.

“In acquiring and pursuing the development of Andash, Kentor has successfully taken advantage of the unique, long standing presence we have built in central Asia and Kyrgyzstan in particular over more than a decade.

“With the quality of the Andash and related assets and the experience and expertise of our team, we look forward to building a strong and profitable mining and mineral processing business.”

The high grade, low cost Andash Project is scheduled to commence production in early 2012. Initial development is already under way and full-scale development is in the final planning stage with remaining permits expected to be in place by the end of the year.

Annual production is planned to average 70,000 oz gold and 7,400 tonnes copper for an initial six years, with exploration results at several nearby deposits and prospects presenting high potential opportunities to expand and extend the life of the operation.

An exceptionally low gold cash cost of US\$29/oz after copper credits is forecast, including all production, treatment, transport and refining charges and royalties.

Andash enjoys easy topography and good road access, with power, water and rail all nearby. The mine will be a simple, near surface, open pit operation with a 0.72 : 1 waste to ore strip ratio. Conventional crush, grind and flotation processing is proposed, to produce a single, high grade gold-copper concentrate.

The capital cost of the project is estimated at US\$96 million. Project financing is well advanced, with Macquarie Bank appointed to arrange the US\$50 million debt component. Off-take agreements are also under negotiation.