



Quarterly Activities Report Period Ended 30 June 2013

- Focus on Jervois Copper-Silver-Gold Project
 - Planning for drilling program to increase Resource
 - Pre-feasibility study of enlarged project
- Strengthening cash position

Overview

During the quarter, Kentor Gold Limited (Kentor Gold or the Company) focussed on the Jervois Copper-Silver-Gold Project in the Northern Territory following the planned sale of the Andash Gold-Copper Project in the Kyrgyz Republic and the closure of the Murchison Gold Mine in Western Australia.

A drilling program is planned to increase the Resource at the high potential Jervois project, as part of a pre-feasibility study.

The anticipated proceeds from the Andash sale, together with Australian R & D rebates and returned environmental bonds, enabled the Company to plan work at Jervois on the basis of a strong cash position.



Australia

Jervois Copper-Silver-Gold Project, NT (Kentor Gold 100%)

Copper-silver: Inferred Resource of 13.5 million tonnes @ 1.3% copper and 25.8 g/t silver for a total of 170,416 tonnes copper and 11.6 million oz silver at a 0.5% copper cutoff.

Gold: Initial gold Inferred Resource of 12.5 million tonnes @ 0.17 g/t gold for 69,000 oz gold at a 0.5% copper cutoff.

Lead-zinc: Resource includes 1 million tonnes @ 2.6% lead and 2.2% zinc for 26,000 tonnes lead and 22,000 tonnes zinc contained within the copper mineralisation at the Green Parrot and Bellbird North deposits.

Planning continued for a 20,000m RC and diamond drilling program to commence in August designed to increase the size of the Resource at Jervois. The exploration programme consists of step out drilling around the known ore bodies to increase the resource and a separate exploration programme designed to test new targets around the exploration lease.

Historical Induced Polarisation (IP) data was reprocessed and is shown on Figure 1 below. The data shows chargeability anomalies that correlate well with the known resources at both Marshall and Reward. The results show a continuation of the chargeability anomaly to the south of Marshall and a second, large chargeability anomaly to the east of the Reward lode. Both of these areas will be tested in the upcoming drilling programme.

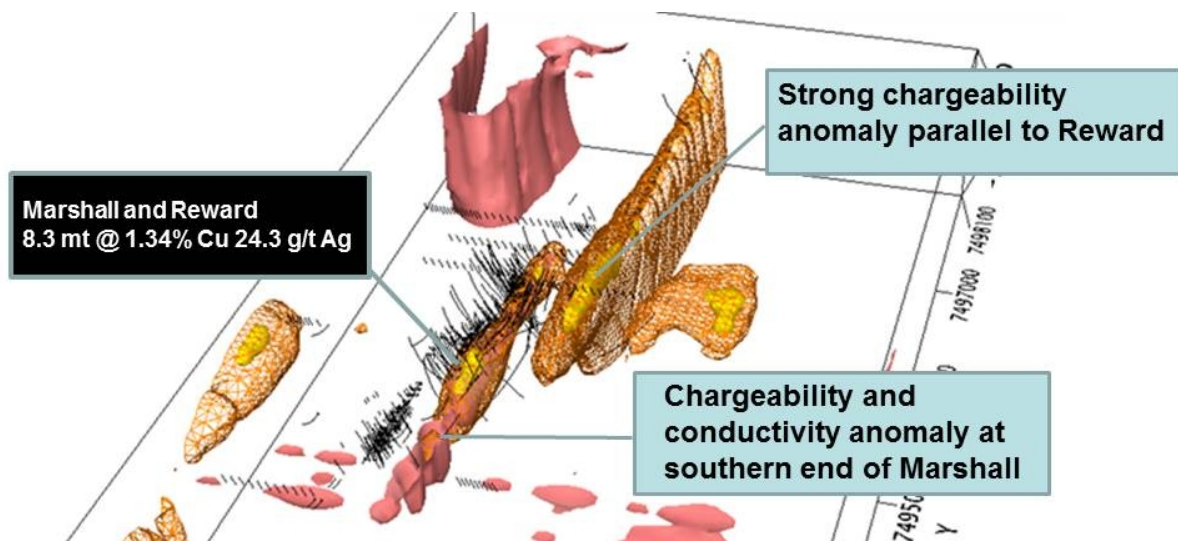


Figure 1. IP Survey results at Jervois

Some areas of the Jervois ore body contain bismuth which can be a penalty element in copper concentrate if present in high levels. Metallurgical test work carried out during the quarter has confirmed that the bismuth can be removed from the concentrate by leaching the concentrate. Further test work is being undertaken to ascertain how successfully the bismuth can be recovered in a saleable form.

31 July 2013



In addition to copper and bismuth, the Jervois ore is already known to contain other potentially economic minerals and elements including gold, silver, lead, zinc, cobalt, tungsten and magnetite. The study includes test work to determine how they can most economically be recovered.

Murchison Gold Mine, WA (Kentor Gold 100%)

A Deed of Company Arrangement (DOCA) was accepted at a meeting of creditors of Kentor Minerals (WA) Pty Ltd (KMWA) on 10 July 2013.

Under the terms of the DOCA the Company agrees to,

- Contribute \$3 million into a DOCA fund for the benefit of KMWA employees and creditors.
- Not participate in any dividend from the DOCA fund.

All creditors' claims against KMWA will be extinguished.

Control of KMWA and all its assets will revert to the Company upon payment of the contribution into the DOCA Fund.

The DOCA makes provision for a further DOCA fund contribution by the Company in the event that a sale of Murchison plant and equipment and tenements are achieved by 31 December 2013.

The DOCA is subject to Kentor Gold completing the sale of the Andash Gold-Copper Project to Robust Resources Limited (Robust), which sale in turn is reliant on shareholder approval at the Company's Annual General Meeting scheduled for 8 August 2013.

The Murchison Gold Mine site is currently on care and maintenance with a single employee at the site.

Kyrgyz Republic

Andash Gold-Copper Project (Kentor Gold 80%)

During the quarter, the Company signed an agreement to sell the Andash project to Robust Resources Limited for a total consideration of \$15m. A deposit of \$1.5m has been received. The sale of the Andash project is subject to the approval of Kentor Gold's shareholders at a meeting to be held on 8 August 2013.

The funds received from the sale of Andash will be used largely for the exploration and feasibility studies of the Jervois project. \$3m will also be used to fund the Deed of Company Arrangement for the Murchison Gold Project.

Bashkol Exploration Licence (Kentor Gold 80%)

Kentor Gold (80%) and the Kyrgyz Geophysical Expedition (KGE) (20%) currently own the Bashkol tenements in the Kyrgyz Republic where extensive high grade gold mineralisation has been discovered. In keeping with the strategy of Kentor Gold concentrating on the Jervois project in Australia, the Company is looking to find a joint venture partner for the project.



Geothermal energy – Solomon Islands

Joint venture partner Geodynamics Limited (Geodynamics) announced on 10 April 2013 that initial exploration studies have confirmed the presence of a high quality geothermal exploration prospect at the Savo Island Prospect in the Solomon Islands.

A resource has been estimated that would be capable of supporting 100% of the current power requirement of the city of Honiara and the nearby Gold Ridge Mine.

In November 2012, Kentor Gold entered into an agreement for Geodynamics to acquire from Kentor Gold up to a 70% interest in two stages in the Savo Island project for a total expenditure of \$5 million. Having completed and funded the first stage, Geodynamics now has a 25% interest in the joint venture along with the operatorship of the project. A feasibility study into the development is now being undertaken.

Corporate

In order to preserve cash and to reflect the reduced activity of the Company, the board of Kentor Gold decided to reduce the remuneration of executive and non-executive directors by 25% in 2013, and not to award bonuses to senior executives for the 2012/2013 financial year. Kentor has also cut corporate costs by reducing staff numbers and overheads.

Chairman of the Board John Barr and Executive Director Hugh Mc Kinnon will not be standing for re-election at the Annual General Meeting.

Kentor Gold resumed trading on the ASX on 11 July 2013.

At the end of June, the Company had a cash balance of \$2.3m. The Company received a Research and Development rebate from the Australian Taxation Office of \$449,594 on 27th June, and in July \$997,000 was released when the environmental bonds associated with the Murchison Gold Project were returned.

Outlook

Kentor Gold is going forward with a high quality project, a strong cash position and an active program of exploration and feasibility leading to project development.

Kentor Gold will be focussed on developing the Jervois Copper-Silver-Gold Project in the Northern Territory. As soon as the funds are received from the sale of the Andash project, a 20,000 metre RC and diamond drilling program is scheduled to commence at Jervois in August. The aim of this drilling program is to increase the size of the Resource at Jervois.

Other studies will also resume at the same time leading towards the completion of a pre-feasibility study in early 2014 followed by a full definitive feasibility study by the end of 2014.



For further information contact:

Mr Simon Milroy
Managing Director
Phone: (07) 3071 9003

Competent Person

The data in this report that relates to Jervois Mineral Resource Estimates 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 Director of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

The data in this report that relates to Jervois cut off grades and mining assumptions is based on information evaluated by Mr Simon Milroy who is a 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 Milroy is a full-time employee of Kentor Gold Limited and he consents to the inclusion in the report of the cut off grades and mining assumptions in the form and context in which they appear.

The data in this report that relates to exploration results for Jervois is based on information compiled by Rudy Lennartz, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kentor Minerals (NT) Pty Ltd. Mr. Lennartz has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to 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. Mr. Lennartz has consented to the inclusion of this information in the form and context in which it appears in this report.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Kentor Gold Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	0	5,036
1.2 Payments for		
(a) exploration and evaluation	(543)	(1,388)
(b) development	(30)	(1,963)
(c) production*	(0)	(7,559)
(d) administration	(1,279)	(2,025)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	26	55
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	450	450
Foreign Exchange differences	-	-
	(1,376)	(7,394)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) purchase options	-	-
(c) other fixed assets	-	(114)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	1,447	1,447
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	1,447	1,333
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	71	(6,061)

*A portion of underground mine development costs have been allocated to production.

Appendix 5B
Mining exploration entity quarterly

1.13	Total operating and investing cash flows (brought forward)	71	(6,061)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	71	(6,061)
1.20	Cash at beginning of quarter/year to date	2,203	8,333
1.21	Exchange rate adjustments to item 1.20	2	4
1.22	Cash at end of quarter	2,276	2,276

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	223
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration and expenses paid to executive and non-executive directors for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter Kentor Minerals (WA) a whole owned subsidiary of Kentor Gold remained under the care of Administrators.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

In the quarter Kentor Gold's JV partner in Kentor Energy, Geodynamics has earned a 25% interest as a result of committing \$489,193 to complete an initial scoping study and resource report.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash inflow/(outflow) for next quarter

	\$A'000
4.1 Exploration and evaluation	(1,680)
4.2 Investment/Development	(762)
4.2 Deed of Company Arrangement	(3,000)
4.3 Operations Revenue	-
4.31 Operations Costs	-
4.4 Admin	(746)
4.5 Asset Disposal	13,500
4.6 Capital Raising (net of costs) <small>(Corporate facility being negotiated)</small>	-
Total	7,312

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	903	830
5.2 Deposits at call*	1,373	1,373
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)*	2,276	2,203

*Deposits at call includes \$1,373,500 provided as security against environmental bonds and bank guarantees.

Appendix 5B
Mining exploration entity quarterly

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions			
7.3	+Ordinary securities	140,040,563		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through share consolidation			
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>	4,704,842	Unlisted Options	Exercise price	Expiry date
7.8	Issued during quarter				
7.9	Expired during quarter				
7.10	Decrease through consolidation				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

K. Anderson

Sign here: Date: 31/07/2013.....
(~~Director~~/Company secretary)

Print name: ...Kylie Anderson.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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