



1 April 2011

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 in the Kyrgyz Republic and is targeted to produce annually 70,000 oz gold and 7,400 tonnes copper in concentrate.

Issued capital:

*1,061.6 million ordinary shares
59.6 million unlisted options*

Market Capitalisation

(31 Mar. 2011): \$143 million

Kentor Gold to Make Agreed Takeover Offer for Jinka Minerals Limited

Kentor Gold Limited (Kentor Gold or the Company) and Jinka Minerals Limited (Jinka Minerals) are pleased to announce that Kentor Gold will make an agreed off-market take-over offer for all the issued shares and options of Jinka Minerals, pursuant to the Corporations Act. Jinka Minerals is an Australian gold and base metals exploration company and is a public unlisted company with approximately 1,400 shareholders.

Kentor Gold Managing Director Simon Milroy said: "Kentor Gold's shareholders will be aware of the Company's strategy to seek to acquire advanced exploration and/or development projects. The development of the Andash Gold-Copper Project in Kyrgyzstan remains our priority; however the Jinka projects are a good fit with the existing commodity focus and will allow the Company to diversify outside of Central Asia."

The major projects of Jinka Minerals are:

- 100% of the Burnakura Gold Project, located 50km south of Meekatharra in Western Australia;
- 100% of the Gabanintha Copper-Gold Project, located 45km south-east of Meekatharra in Western Australia; and
- 100% of the Jervois Base Metals Project, located 280km north-east of Alice Springs in the Northern Territory.

Jinka Minerals Managing Director, Dr Michael Ruane said: "Because Jinka Minerals is an unlisted company, security holders have not been easily able to realise the value of their securities in Jinka Minerals. The offer from Kentor Gold represents fair value for Jinka Minerals' assets and provides liquidity to security holders for their stake in Jinka Minerals."

Details of the projects can be found in Appendix 1.

Offer Terms

The terms of the all cash offer are as follows:

- 19.5c for each ordinary share in Jinka held by a security holder
- 3.9c for each option over Jinka shares with an expiry date of 31 July 2011 held by a security holder
- 9.6c for each option over Jinka shares with an expiry date of 31 July 2013 held by a security holder



The offer is conditional, amongst other matters, on 90% minimum acceptance by each class of Jinka Minerals security holders.

Full terms can be found in Appendix 2.

Offer Support

Kentor Gold has entered into an agreement with Intermin Resources Limited (ASX:IRC) (Intermin), Jinka Minerals' major shareholder, in respect of 19.9% of Jinka Minerals' issued shares. Intermin has undertaken to accept the Offer to the extent of 19.9% of the issued shares in Jinka Minerals, *by no later than 5.00pm the next business day* after the Offer is made to Jinka Minerals' Shareholders and has undertaken not to withdraw this acceptance.

Additionally, Jinka Mineral's directors are unanimously recommending the offer to Jinka Minerals security holders in the absence of a superior bid. Subject to a superior proposal being received all the directors of Jinka intend to accept the Offer in respect of all Jinka Mineral's shares each Director holds or controls.

Total Consideration

If successful in acquiring 100% of all of the classes of securities in Jinka Minerals, Kentor will pay out a total of \$7.8 million in cash. Additionally, Jinka Minerals currently has a debt of approximately \$4.9 million to related parties of Jinka Minerals. This debt becomes due and payable upon a change of control of Jinka Minerals. Kentor Gold will source the total acquisition cost (including the repayment of related party debt) of \$12.8 million from its cash reserves which are surplus to the funds required for the development of the Andash Project.

Next Steps

Kentor Gold expects to lodge its offer document with Jinka Minerals, and then to deliver the offer documents to security holders, shortly after this. It is planned that the offer will close in early May unless extended.

Jinka Minerals will prepare and send its target's statement to Jinka Minerals security holders within 15 days of Kentor Gold lodging its offer document.

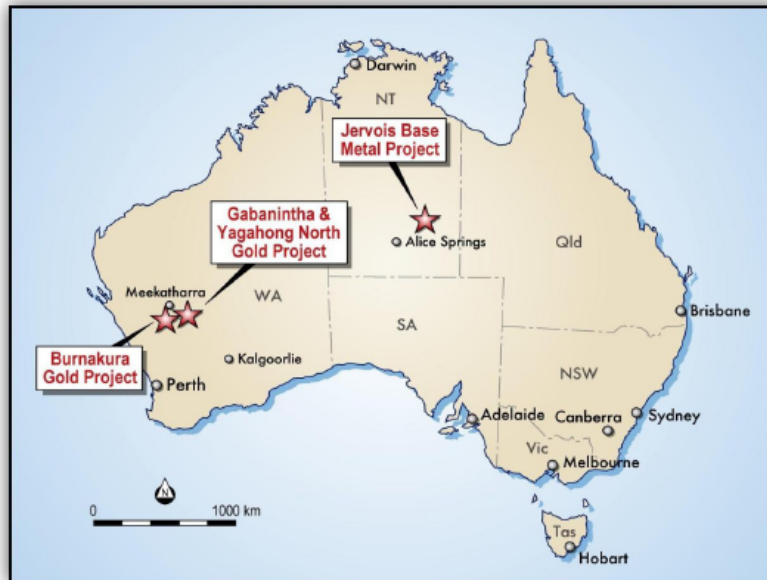
For further information contact:

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Managing Director
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Email: info@kentorgold.com.au



Appendix 1

Jinka Minerals Limited



Burnakura (100%)

50km south of Meekatharra

Gabanintha (100%)

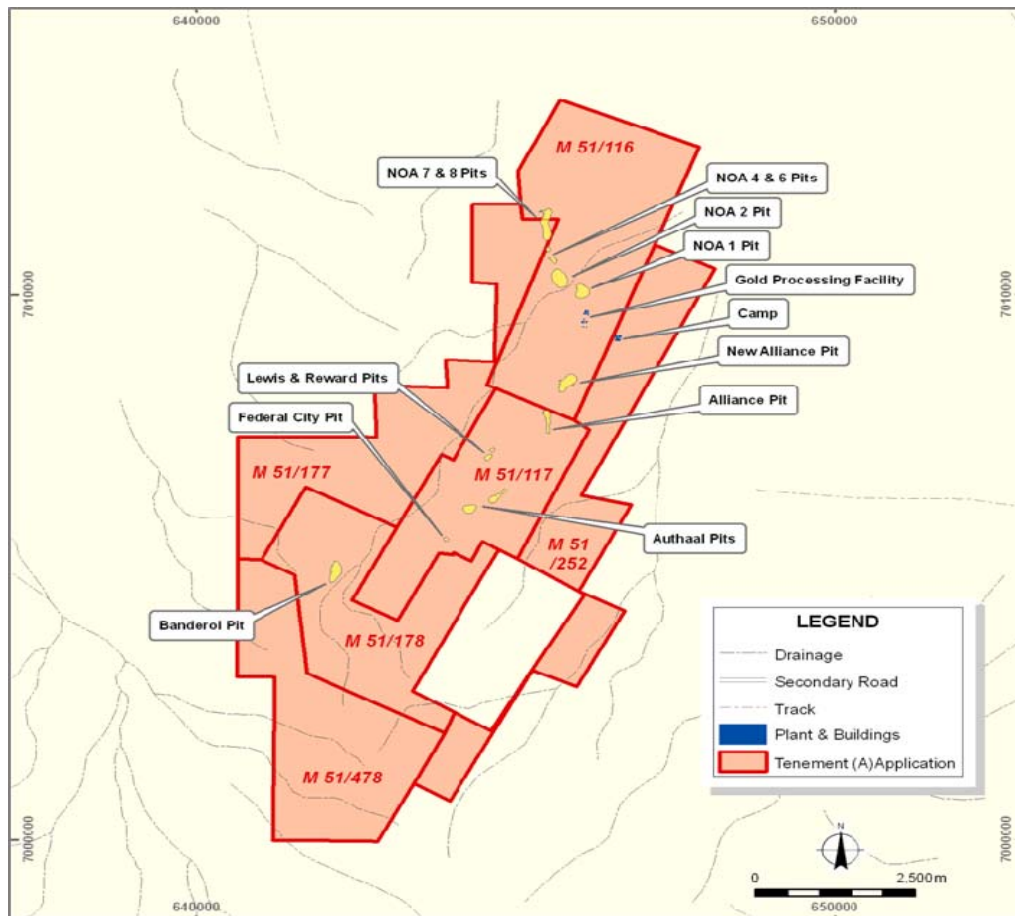
45km southeast of Meekatharra

Jervois (100%)

280km northeast of Alice Springs



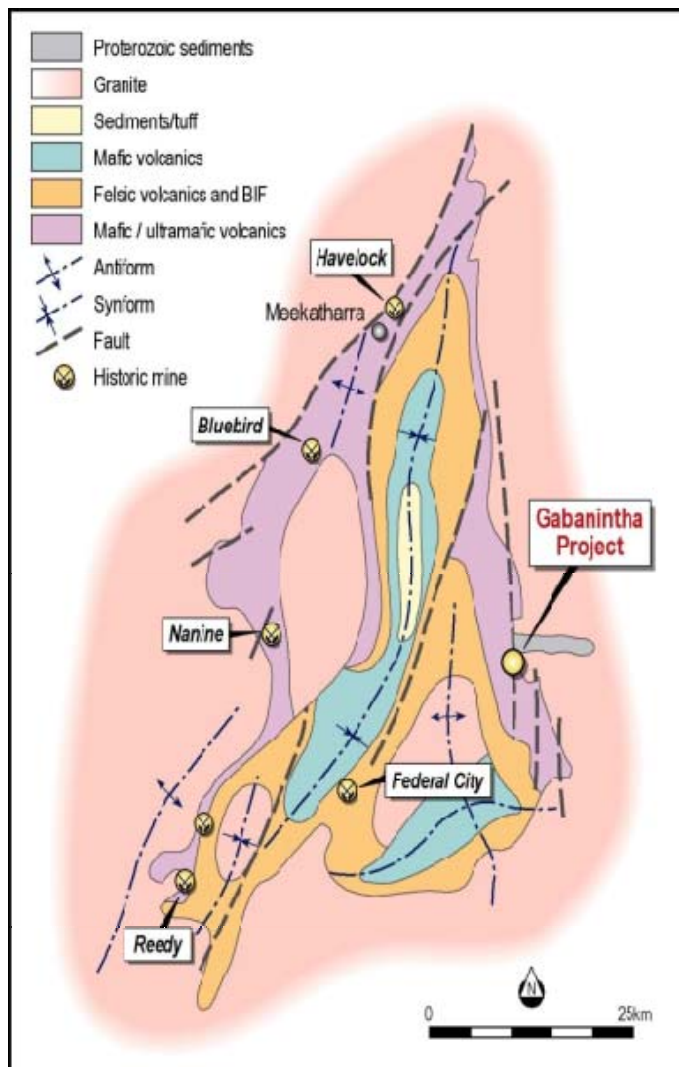
Burnakura Gold Project WA



- 100% interest
- Located 50km south of Meekatharra, WA
- 47.5 km² gold prospective tenements of pre-1994 granted mining leases
- Open pit historic production of **216,250 oz** (1.8 million tonnes at 3.8 g/t)
- Open pit production ceased in 1998 when the gold price fell below A\$440 per oz
- Underground production of **50,637 oz** (264,731 tonnes at 5.95 g/t)
- 160,000 tpa CIL gold plant
- Refurbished ninety-person camp, offices and workshops



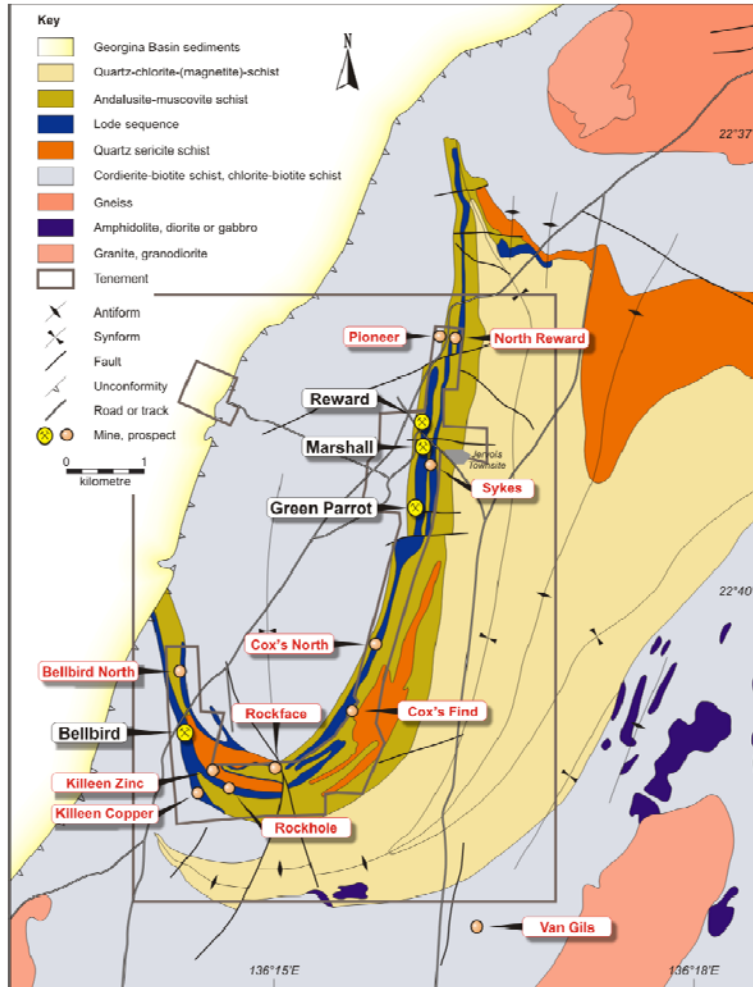
Gabanintha Gold Project WA



- 100% Interest
- Located in the Archean Meekatharra Greenstone Belt of the Murchison Mineral District of WA
- 90km² including abandoned workings of Gabanintha gold mine
- Historic gold production of over **180,000 oz** including open pit historic production, between 1987 and 1991, of 157,800 oz (1.52 million tonnes at 3.23 g/t)



Jervois – Northern Territory



- 100% Interest
- Land holding 38km²
- 12km strike of prospective sequence – “big picture” scenario
- All mining leases granted prior to introduction of Native Title legislation
- Advanced multi-metal prospect with over \$5 million incurred on past exploration



Appendix 2

Offer Terms

(a) Offer Price

\$0.195 for each Jinka Share held by a Security Holder

\$0.039 for each Jinka 2011 Options held by a Security Holder

\$0.096 for each Jinka 2013 Options held by a Security Holder

(b) Offer period

30 days from the date the Offer opens, subject to Kentor's right to extend the period.

(c) Offer is to acquire all Jinka Securities held

A Security Holder may only accept the Offer in respect of all of the Jinka Securities held by that Security Holder.

(d) Offer conditions

The Offer will be subject to the fulfilment or waiver of the following conditions:

Minimum tender condition

At or before the end of the Offer Period there will have been validly deposited under the Offer and not withdrawn at the end of the Offer Period that number of Jinka Securities which constitutes (by number, calculated on a fully diluted basis) at least:

- (a) **90%** of outstanding Jinka Shares;
- (b) **90%** of outstanding Jinka 2011 Options;
- (c) **90%** of outstanding Jinka 2013 Options.

Regulatory approvals and actions by Government Agencies

Before the end of the Offer Period:

- (a) Kentor receives all necessary regulatory approvals, consents and permits (including the Appropriate Regulatory Approvals) and all regulatory conditions have been satisfied in relation to the acquisition of **100%** of Jinka and its subsidiaries on an unconditional basis;
- (e) no act, action, suit or proceeding has been taken before or by any person (including a Government Agency) (including by any individual, company, firm, group or other entity), whether or not having the force of law, in relation to or which may prevent, affect, limit or otherwise change the nature of a Takeover Bid by Kentor for Jinka in the manner contemplated by the Takeover Implementation Agreement;
- (f) no Government Agency:
 - (i) makes any finding, preliminary or final decision, order or decree against Jinka or any of its subsidiaries or fines or otherwise penalises Jinka or any of its subsidiaries;
 - (ii) institutes any action or investigation; or



(iii) announces, commences or threatens any action or investigation,

which has or may have an adverse effect on any one or more of the following; the business, assets, any mining tenements, liabilities, financial or trading position, profitability or prospects of Jinka or any of its subsidiaries.

At the end of the Offer Period there is not any prohibition at law against Kentor making the Offer or taking up and paying for any Jinka Securities deposited under the Offer.

No Jinka Material Adverse Effect

None of the following occurs, has been announced or becomes known to Kentor:

- (a) an event, change, condition, matter or thing occurs;
- (b) information is disclosed or announced by Jinka or any of its subsidiaries concerning any event, change, condition, matter or thing; or
- (c) information concerning any event, change, condition, matter or thing becomes known to Kentor (whether or not becoming public),

which (either alone or in combination with any other item falling within the above) will have, could reasonably be expected to have or which evidences that there has been a Jinka Material Adverse Effect.

No material change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person or persons having any rights or being entitled to have any rights as a result of any change of control event in respect of Jinka (including Kentor acquiring Jinka Securities) or any of its subsidiaries or assets, to:

- (a) terminate or alter any contractual relations between any person and Jinka or any of its subsidiaries (for this purpose an alteration includes without limitation an alteration of the operations of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
- (b) require the termination, modification or disposal (or offer to dispose) of any interest or asset, corporate body, joint venture or other entity; or
- (c) accelerate or adversely modify the performance of any obligations of Jinka or any of its subsidiaries under any agreements, contracts or other legal arrangement,
- (d) provided that this condition will only be breached to the extent that the relevant rights or entitlements in paragraphs (a), (b) or (c), if exercised or carried out would singly or cumulatively have a material adverse financial effect on Jinka or any of its subsidiaries.

All Ordinaries Index

If at any time between the Announcement Date and the end of the Offer Period (each inclusive), the ASX 'All Ordinaries Index' falls 15% below the value of that index on the trading day immediately prior to the Announcement Date

No untrue statements to ASIC

Kentor does not become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any public document filed by or on behalf of Jinka with ASIC constitutes a Jinka Material Adverse Effect.



No prescribed occurrences

None of the following events happens before the end of the Offer Period:

- (a) Jinka converts all or any Jinka Shares into a larger or smaller number of shares;
- (b) Jinka or a subsidiary of Jinka resolves to reduce its share capital in any way;
- (c) Jinka or a subsidiary of Jinka:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Jinka or a subsidiary of Jinka issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Jinka or a subsidiary of Jinka issues, or agrees to issue, convertible notes;
- (f) Jinka or a subsidiary of Jinka disposes, or agrees to dispose, of the whole, or a substantial part, of its business or assets;
- (g) Jinka or a subsidiary of Jinka charges, or agrees to charge, the whole, or a substantial part, of its business or assets;
- (h) it is resolved that Jinka or a subsidiary of Jinka be wound up;
- (i) a liquidator or provisional liquidator of Jinka or a subsidiary of Jinka is appointed;
- (j) a court makes an order for the winding up of Jinka or a subsidiary of Jinka;
- (k) an administrator of Jinka, or a subsidiary of Jinka, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Jinka or a subsidiary of Jinka executes a deed of company arrangement;
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Jinka or a subsidiary of Jinka; or
- (n) Jinka or a subsidiary of Jinka varies the terms of any employee or Jinka Director or company officer arrangements;
- (o) Jinka or a subsidiary of Jinka makes, or varies the terms of any material capital expenditure or other commitments in excess of the amount in the cash flow projection provided by Jinka to Kentor in aggregate; or
- (p) Jinka or a subsidiary of Jinka increases its level of financial indebtedness (including financial liabilities incurred under finance leases), other than in the ordinary and usual course of business;
- (q) Jinka or a subsidiary of Jinka enters into a transaction with a related party (as defined in the Corporations Act); or
- (r) Jinka or a subsidiary of Jinka becomes a party to, or is threatened with any prosecution, litigation or arbitration other than as a plaintiff or applicant that exposes Jinka or the subsidiary to a potential liability (including legal costs)