



Kentor Gold Ltd

Highlights of interview....

- **Plans for further Resources at new Australian assets.**
- **Explains why that can be done quickly.**
- **Hence, explains how early development & production is possible in Australia.**
- **Discusses the most valuable of these new assets.**
- **Andash in Kyrgyz Republic remains main focus.**

Date of lodgement:

8 June 2011

Title:

“Company Insight – Plans for early gold-copper production in Australia”

Record of interview:

companyinsight.net.au

Kentor Gold Ltd (ASX code: KGL) announced on 12 May the successful takeover of Jinka Minerals Limited (Jinka) and only three weeks later announced an initial gold Resource at one of the former Jinka projects, Burnakura, in Western Australia, and a targeting of gold production within 12 months. What are your major objectives to progress the Jinka assets and add value?

Managing Director, Simon Milroy

We felt that the fastest way that we could add value to each of the assets and get an early feel for the potential at each of them was to calculate JORC resources for each of the three projects. All of the projects have sufficient drilling to go straight to a JORC resource. Going through the process also shows up where further drilling will add the most value.

companyinsight.net.au

You have already announced on 30 May a JORC Resource of 500,000 ounces at Burnakura (Meekatharra district, Western Australia). How were you able to do this so quickly?

Managing Director, Simon Milroy

We commenced the resource estimation as soon as we had agreed the takeover terms with the vendors of Jinka. During the takeover period we worked with Jinka to ensure all planned work continued uninterrupted to avoid any delays in the drill programmes. We have commenced an airborne geophysical survey at Gabanintha, the other WA gold project near Burnakura, to allow the planned drilling programme at Gabanintha to be well targeted.

We are also moving quickly at Jervois, in the Northern Territory, where the drilling programme we announced three weeks ago has already commenced.

companyinsight.net.au

Which of the three projects do you consider of potentially most value in the longer term? Why?

Managing Director, Simon Milroy

Although the Western Australian gold projects will be the first into production, Jervois is potentially the most valuable in the long term. The project contains high grade copper – gold mineralisation adjacent to high grade silver, lead, zinc mineralisation outcropping in numerous areas over a 12km strike length. The drill defined mineralisation is open along strike and down dip. The deepest hole on the licence still returned high grade copper and gold.

companyinsight.net.au

How long will it take to establish JORC Resources at the other projects and to add to Resources at Burnakura?

Managing Director, Simon Milroy

We expect to have the initial JORC Resource estimates available for Gabanintha and Jervois around the end of this month. Updates to each of these estimates will take place towards the end of this calendar year when we have completed the planned drill programmes.

companyinsight.net.au

Can you outline the status of each project?

Managing Director, Simon Milroy

At Burnakura, we are doing a four month feasibility study and will then commence the work needed to modify and re-commission the plant.

At Gabanintha we will commence a feasibility study. The mineralisation at Gabanintha contains copper as well as gold. The concept that we are investigating is to add some flotation capacity to the front of the Burnakura plant which is only 20km away. We would then float a copper-gold concentrate to remove the copper. This should allow the remaining gold to be recovered in the CIP plant.

At Jervois we will be doing a pre-feasibility study this year followed by a feasibility study next year. The concept at Jervois is an open pit operation feeding ore to a flotation plant to produce copper-gold concentrate and separate lead and zinc concentrates for sale to third party smelters.

Jervois is located approximately 200km east of the Alice Springs to Darwin rail line, hence the export of concentrates should be relatively straight forward.

companyinsight.net.au

What about the timing and the potential rates of production?

Managing Director, Simon Milroy

We are very fortunate that all three projects are located on granted mining licences and not subject to native title. This means that the timeline to development is much faster than a greenfields discovery. The Burnakura plant was placed on care and maintenance less than

two years ago, hence we anticipate that restarting the operation will be relatively easy. We are targeting having it back in production by June next year.

We are currently doing a short feasibility study looking at the restart of the plant in an expanded capacity. The plant was previously configured to treat the hard underground ore. However, we are planning to mine the softer oxide ore only, hence we are aiming to double the capacity to around 300,000 tpa. As soon as it has been commissioned we will be looking to expand the capacity further to around 500,000 tpa.

We are also planning a separate study to examine a potential heap leach operation at the site to treat the low grade ore.

It is too early to estimate production rates. However, these will be released to the market as we complete each of the studies.

companyinsight.net.au

Can you explain the infrastructure in place?

Managing Director, Simon Milroy

The Burnakura operation includes a CIP plant, power station, tailings dam, water supply, 90 person camp, warehouse, workshop and offices. All of the facilities are in place and are in good condition. The plant is currently missing the elution column and gold room and we anticipate that we can purchase these items on the second hand market.

The site is approximately 30 minutes drive from Meekatharra which has daily commercial air services to Perth.

companyinsight.net.au

What was the gold price when Burnakura and Gabanintha were previously in production? Do you have a rough idea of the capital costs required to get Burnakura and Gabanintha back into production? What about potential operating costs?

Managing Director, Simon Milroy

The open pit mining operations at Burnakura and Gabanintha ceased when the gold price was approximately \$450/oz. The existing drilling shows that the mineralisation continues down dip and along strike from the pits, hence we are confident that with a gold price of \$1,500/oz most of this will now be economic.

Our preliminary estimate is that it will cost approximately A\$5M to get Burnakura back in production. However, the capital and operating cost estimates will be available as soon as we complete the feasibility study.

companyinsight.net.au

How will you fund your plans for the Jinka assets?

Managing Director, Simon Milroy

We are planning to fund the re-commissioning of Burnakura and the exploration programmes at each of the three projects from existing cash reserves.

companyinsight.net.au

You are developing your flagship Andash Gold-Copper Project in the Kyrgyz Republic. Where does Andash rank amongst your expanded project suite, both in terms of priority and the potential to add value for shareholders?

Managing Director, Simon Milroy

Andash remains the main focus for the company. The project is fully funded and ready to go. Resolving the community issues and commencing construction is the number one task for both myself and the rest of the Kentor Team.

companyinsight.net.au

Thank you Simon.

Burnakura Inferred Resource estimates May 2011

	0.5 g/t Au cut off			1.0 g/t Au cut off			1.5 g/t Au cut off		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
NOA	5.3	1.8	307	3.4	2.4	262	2.2	3.0	212
Alliance Lewis	1.9	1.3	79	0.8	2.0	51	0.4	2.7	35
Reward	1.2	1.1	42	0.4	1.8	23	0.2	2.3	15
Authaal	1.2	1.2	46	0.4	2.0	26	0.2	2.8	18
Federal City	0.4	1.7	22	0.2	2.7	17	0.1	3.7	12
Banderol	0.6	1.0	19	0.2	1.5	10	0.1	2.1	7
Total	10.6	1.5	516	5.4	2.2	390	3.2	2.9	298

H&S is a group of consulting geologists providing expert services to the hardrock minerals industry in the fields of exploration, evaluation, resource estimation and optimisation of grade control. The group specialises in application of advanced geostatistical methods to resource estimation and grade control.

The information in this report that relates to mineral resource estimation for Burnakura is based on work completed by Mr Jonathon Abbott who is a full-time employee of Hellman & Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is 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'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Abbott visited the Burnakura project from 20 to 21 April

To read past Company Insights please visit www.companyinsight.net.au

DISCLAIMER: Gryphon Management Australia Pty Ltd trading as Company Insight has taken reasonable care in publishing the information contained in this Company Insight. It is information given in a summary form and does not purport to be complete. This is not advice. The information contained herein should not be used as the basis for making any investment decision. You are solely responsible for any use you choose to make of

the information. You should seek independent professional advice before making any investment decisions. To the fullest extent permitted by applicable law, Company Insight is not responsible or liable for any consequences (including, without limitation, consequences caused by negligence) of any use whatsoever you make of the information, including without limitation any loss or damage (including any loss of profits or consequential loss) suffered by you or a third party as a result of the use.