



30 May 2011

Kentor Gold Limited (ASX: KGL) is an Australian-based company that is engaged primarily in the exploration and development of gold, base metals and geothermal energy 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. Kentor Gold is also targeting early production at gold-copper projects in Western Australia and the Jervis multi-metals project in the Northern Territory.

Issued capital:

1,062.1 million ordinary shares
58.1 million unlisted options

Market Capitalisation

(29 May, 2011): \$117 million

Initial Gold Resource of over 500,000oz for Burnakura Gold Project, WA

- **High grade component of 3.2Mt @ 2.9g/t for 298,000oz**
- **Mineralisation remains open at depth**
- **Resource upgrading & feasibility study targeting gold production mid 2012**

Kentor Gold Limited (“the Company” or “Kentor Gold”) is pleased to announce an Inferred Resource estimate for the Burnakura Gold Project of 10.6Mt @ 1.5g/t for a total of 516,000oz at 0.5 g/t cut off.

At a 1.5 g/t cut off, the Inferred Resource is estimated at 3.2Mt @ 2.9g/t for 298,000 oz gold (see Table 3).

The estimate follows Kentor Gold’s recent acquisition of Jinka Minerals Limited whose assets comprise the **Burnakura and Gabanintha** advanced gold and copper projects south of Meekatharra in Western Australia, and the copper-gold and silver-lead-zinc project at Jervis in the Northern Territory.

Announcing the estimate, Kentor Gold Managing Director Simon Milroy said:

“This is an excellent initial result. We now have

- a substantial near surface Resource pointing to efficient, low cost mining options,
- mineralisation open at depth offering good prospectivity for more discoveries, and
- an existing processing plant and other infrastructure on site.

“This provides the strong basis for commencing a feasibility study aimed at bringing Burnakura back into production next year.”

As part of the due diligence process for Kentor Gold’s acquisition of Jinka Minerals, Hellman & Schofield Pty Ltd (H&S) was engaged to make an assessment of the mineralisation identified in historical drilling at the Burnakura Gold Project. Building on this recent work,



Kentor further engaged H&S to estimate mineral resources for the Burnakura project.

Burnakura comprises six main deposit areas within a strike length of approximately 8.5 kilometres. The deposits include five southern deposits known as Alliance-New Alliance, Lewis-Reward, Authaal, Federal City and Banderol, and a northern set grouped as the NOA (North of Alliance) deposits and designated as NOA1 to NOA8 (refer Figure 1).

The mining history of the area includes underground mining of the southern areas during the early 1900's, open pit mining of each deposit area in the 1980's and 1990's and underground mining of the NOA2 deposit from 2005 to 2009.



Figure 1 Pit crests, model limits and drill hole traces



A substantial database of historical drilling both within and adjacent to existing pits, was used for estimation of the resource. The total number of RC and diamond drill holes for each deposit area is highlighted in Table 1.

Table 1 Summary of compiled database and limit of modelled depth

		Deposit Area						Total
		NOA	Alliance	Lewis-Reward	Authaal	FederalCity	Banderol	
RC	#	643	566	272	379	118	283	2,261
Diamond	#	181	20	2	26	-	-	229
Total Holes	#	824	586	274	405	118	283	2490
Depth limit of modelled resource	m	160	115	95	130	75	95	

The vast majority of this drilling is shallower than 100m depth and hence constrains the depth extent of the modelled resource. In the case of Lewis-Reward, Federal City and Banderol there is no drilling below 100m (Table 2).

Table 2 Depth of historical drilling

	Maximum Vertical Depth	Proportion of holes			
		>50m	>100m	>150m	>200m
NOA	248	52%	28%	13%	3%
Alliance	125	33%	0.4%		
Lewis	94	20%			
Authaal	116	26%	1%		
FederalCity	70	14%			
Banderol	98	38%			
Combined	248	36%	10%	4%	1%
Excluding NOA	125	28%	0.4%		

Feasibility Study

The feasibility study commenced at Burnakura this week when a full-time engineer engaged by Kentor Gold began work on site, planning the recommissioning and expansion of the existing processing plant.

The existing Burnakura plant (Figure 2) was in operation until October 2009, processing underground ore from NOA2 at an annualised rate of 160-180ktpa. The initial study will be focussed on upgrading the leaching and tailings disposal circuits to enable the plant to process softer, oxidised material sourced from the expansion of existing pits. A throughput of approximately 300ktpa is being targeted as stage one of the processing plant expansion.

The Burnakura site includes all the necessary infrastructure required to recommission the plant including a 3MW power station, a 90-person camp, offices, workshops, warehouse, water supply and a tailings dam.

The feasibility study will target bringing the operation back into production by June 2012.



Figure 2 Burnakura CIL Plant

Exploration and Development

A program of RC and diamond drilling is planned to commence in the September quarter to increase confidence in resource estimates. Although the historical drilling is commonly closely spaced in the resource areas, the planned drilling includes twinning selected historical holes and density measurements of diamond core to confirm reliability of historical data. This initial program will focus primarily on deposits south of the NOA pits including Alliance and New Alliance.

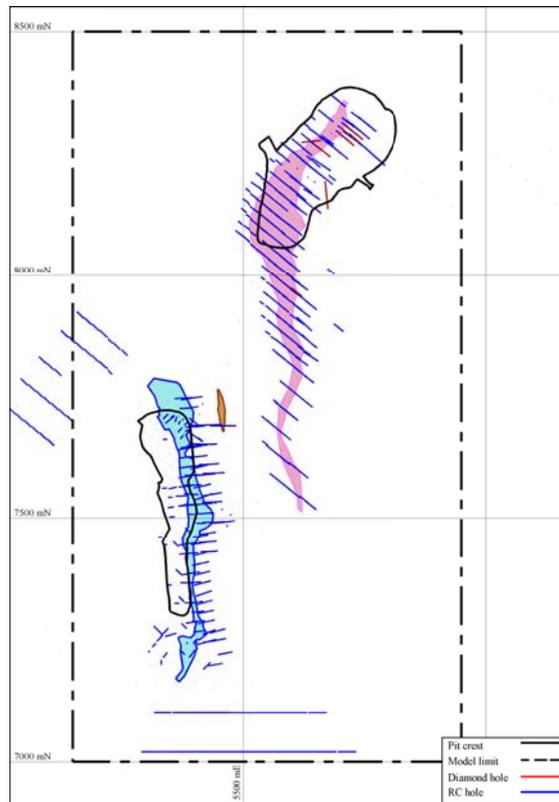


Figure 3 Alliance drilling, pit crests and resource domains at 430 mRL

Although the immediate focus is on upgrading the existing resource, there is significant potential for additional high grade mineralisation especially on the NOA line of deposits. Figure 4 highlights where existing drilling has intersected the mineralised domain. There are significant gaps in existing drilling and potential to extend mineralisation along strike and down dip that will be the target of future drilling programs.

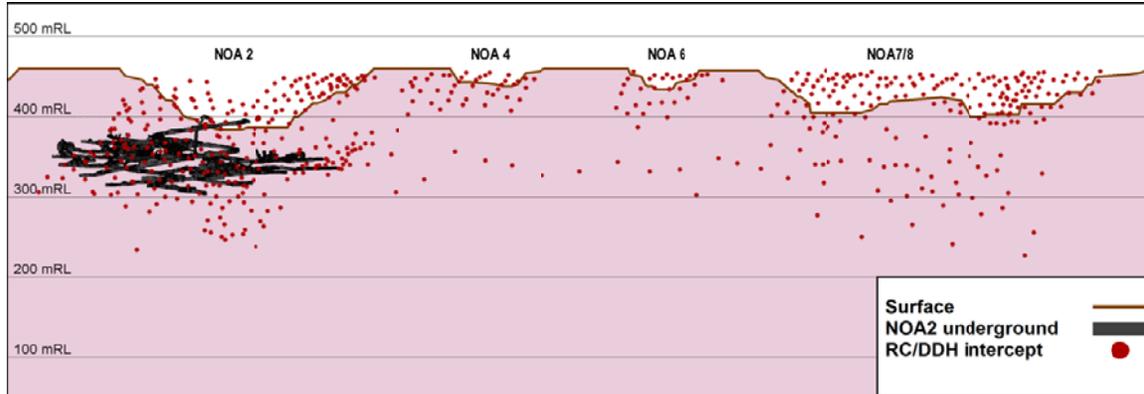


Figure 4 Long section through NOA pits highlighting midpoints of mineralised domain from historical drilling

As previously announced, a reconnaissance air-core drilling program, is planned to test the potential for repetitions of the NOA style mineralisation in a highly prospective and as yet un-drilled area north of the existing NOA pits. Drilling is anticipated to commence in the next few weeks.

Notes to Accompany Resource Estimate

H&S has estimated recoverable resources for Burnakura using Multiple Indicator Kriging (MIK), a method that has been demonstrated to provide reliable estimates of recoverable open pit resources in gold deposits of diverse geological styles. A variance adjustment has been applied to derive estimates of recoverable resources at the scale of an open pit operation with mining selectivity of 4 by 6 by 2.5 metres and grade control sampling on a 5 by 8 by 1 metre pattern.

Although the Burnakura resource drilling includes many areas of relatively close spaced sampling, uncertainty over the reliability of this sampling, the lack of density measurements and oxidation logging has resulted in the current estimates being classified as Inferred. Additional work, including twin hole drilling and density measurement is required to allow higher confidence estimates.

Table 3 provides estimated current resources for Burnakura at a range of cut off grades. The figures in this table are rounded to reflect the precision of estimates and exhibit rounding errors. The estimates shown for NOA are truncated at 160 metres depth. Estimates for the other deposit areas do not extend below 130 metres in depth and are tabulated without depth constraints.

Table 3 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	1.9	1.3	79	0.8	2.0	51	0.4	2.7	35
Lewis 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

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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 2011.