



29 July 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%, and has an option to purchase and additional 10%, of the Andash Gold-Copper Project which is under development is targeted to annually produce 70,000 oz gold and 7,400 tonnes copper in concentrate. At Savoyard, Kentor Gold plans further intensive exploration to increase an existing high grade gold Resource for future mine development.

Contact

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NON-RENOUNCEABLE RIGHTS ISSUE

Kentor Gold Limited (Kentor or the Company) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of two (2) new fully paid ordinary shares for every seven (7) shares held, at an issue price of \$0.065 cents per share (New Shares) to raise approximately \$8.3 million (Rights Issue).

The Rights Issue will be available to all registered shareholders who hold shares as at 7.00pm, 6 August 2010 (Record Date). Shares issued pursuant to the Rights Issue will rank equally with all shares on issue.

Kentor does not require shareholder approval in relation to the Rights Issue. Pursuant to the provisions in section 708AA of the Corporations Act 2001 (Cth), Kentor is not required to prepare a prospectus in relation to the Rights Issue. Option holders will be notified on 29 July 2010 of the Rights Issue and the need to exercise their options and be a registered holder of shares on the Record Date if they wish to participate in the Rights Issue.

In accordance with the ASX Listing Rules, Kentor has considered the number of shareholders with registered addresses outside of Australian and New Zealand and the size of shareholdings held by these shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Rights issue to those shareholders.

1. Allocations under the top-up facility will be at the sole discretion of Kentor Gold Limited and the Joint Lead Managers and will be subject to any shortfall.



The purpose of the Rights Issue is to raise approximately \$8.3 million excluding raising costs. The funds raised will be used to fund the continued development of the Andash Copper-Gold Project and working capital requirements.

Proposed Timetable for the Rights Issue

Event	Date
Announcement of Rights Issue,	29 July 2010
Lodge Appendix 3B with ASX, Offer Document and Cleansing Notice with the ASX	29 July 2010
Notify option holders of requirement to exercise option to take part in Rights Issue	29 July 2010
Notice sent to Shareholders containing ASX Appendix 3B details, indicative timetable	30 July 2010
Record Date for the Rights Issue	7.00 pm 6 August 2010
Mailing of Entitlement and Acceptance Form to Eligible Shareholders	10 August 2010
Opening Date for the Rights Issue	10 August 2010
Closing Date for the Rights Issue	5.00 pm 24 August 2010
Shares quoted on a deferred settlement basis	25 August 2010
ASX notified of under-subscriptions	27 August 2010
Issue and allotment of the New Shares for which valid applications have been received and accepted by KGL	30 August 2010
Dispatch of holding statements	1 September 2010
Last day of deferred settlement trading of New Shares under the Rights Issue	1 September 2010
Normal trading of New Shares on ASX expected to commence	2 September 2010

The timetable is indicative only and is subject to the Listing Rules. Dates are subject to change at Kentor's absolute discretion.

The Rights Issue is being made without a disclosure document, pursuant to section 708AA of the Corporations Act 2000(1)(Cth). Kentor will prepare and send an offer document to shareholders on 10 August 2010 in accordance with the above timetable.

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Further Information

The Company anticipates that approximately 127,989,487 New Shares will be issued. The New Shares will be issued for 6.5 cents each

A top-up facility will be available allowing eligible shareholders to apply for additional shares over and above their entitlements¹;

Upon completion of the Rights Issue and the Placement and assuming that the existing option holders do not exercise their options, the issued capital of Kentor will comprise approximately 575,952,690 shares and 60,611,358 unlisted options exercisable at prices ranging from 13 cents to 87.5 cents each.

The New Shares will rank equally in all respects with Kentor's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, fractional entitlements of 0.5 or greater will be rounded up to the nearest whole number of New Shares. Fractional entitlements of less than 0.5 will be disregarded.

For further information, visit the Kentor website at www.kentorgold.com.au or contact:

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Managing Director
Phone: (07) 3121 3206
Email: info@kentorgold.com.au

Mr David Waterhouse
Investor Relations
Ph (03) 9670 5008

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Kentor Gold Limited

ABN

52 082 658 080

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-----------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 127,989,487 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes	
5	Issue price or consideration	6.5c per share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Non-renounceable Rights Issue	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	1 September 2010	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number 521,000,968 Including shares to be issued under Rights Issue, excluding Placement Shares	⁺ Class Ordinary Shares

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number 60,611,358	⁺ Class Unlisted Options over shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NA	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No	
12	Is the issue renounceable or non-renounceable?	Non-renounceable	
13	Ratio in which the ⁺ securities will be offered	2 ordinary shares for every 7 ordinary shares held.	
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary Shares	
15	⁺ Record date to determine entitlements	6 August 2010	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	na	
17	Policy for deciding entitlements in relation to fractions	fractional entitlements of 0.5 or greater will be rounded up to the nearest whole number of New Shares. Fractional entitlements of less than 0.5 will be disregarded.	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	United States	
19	Closing date for receipt of acceptances or renunciations	24 August 2010	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	Helmsec Global Capital Limited and RBS Morgans Corporate Limited
23	Fee or commission payable to the broker to the issue	5%
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	1.5% limited to \$300 per Entitlement/Acceptance form
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	10 August 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	29 July 2010
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	NA
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA

⁺ See chapter 19 for defined terms.

- | | | |
|----|---|------------------|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | NA |
| 33 | ⁺ Despatch date | 1 September 2010 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
 (tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)


38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 29 July 2010.....
(Director/Company secretary)

Print name:Kylie Anderson.....

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+ See chapter 19 for defined terms.