

**20 December 2012**

Australian-based Kentor Gold Limited (ASX: KGL) has entered the ranks of operating gold mining companies in 2012. The Company is progressing a pipeline of advanced projects in Australia and the Kyrgyz Republic.

The Murchison Gold Project in Western Australia - commenced production in mid-2012, with the potential to add gold-copper production from the neighbouring Gabanintha deposit.

The high grade, very low cost Andash Gold-Copper Project in the Kyrgyz Republic - development-ready, awaiting site access and targeting production at 70,000 oz gold and 7,400 tonnes copper pa for an initial six years, with high potential for expansion.

The Jervois Copper-Silver-Gold Project in the Northern Territory - targeting 2014 start-up following current studies into developing the high grade copper-silver resource with potential for gold, magnetite and other base metals.

Issued capital:

140.0 million ordinary shares

5.8 million unlisted options

Market Capitalisation

19 December 2012: \$55 million

Alliance and New Alliance Resource upgrade and increase

Total resource of 945.5Kt @ 2.40g/t gold (1g/t gold cut-off) includes

- **564,300t @ 2.35g/t Gold of Indicated Resource**

Compared to May 2011 resource estimate

- **14% increase in total Resource**
- **20% increase in gold grade**
- **37% increase in contained gold ounces**

Kentor Gold Limited ("Kentor Gold" or "the Company") is pleased to announce that an updated resource estimate has been completed following the recent drilling campaign at the Alliance and New Alliance prospects, part of the Murchison Gold Project in Western Australia.

- The total Indicated and Inferred Resource for Alliance and New Alliance has increased to

945.5Kt @ 2.40g/t gold (1g/t gold cut-off)

Reserve estimation and permitting are nearing completion with production scheduled to commence from this area during the March quarter 2013,



Golder Associates Pty Ltd (Golder) was commissioned by Kentor Gold to update the Mineral Resource estimation for the Alliance and New Alliance Deposits, which are situated at the southern end of the North of Alliance (NOA) line of mineralisation, 50 km south of Meekatharra, Western Australia.

Golder estimated the Mineral Resources for the Alliance and New Alliance Deposits, which are classified in accordance with the requirements of the current Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2004) - the JORC Code.

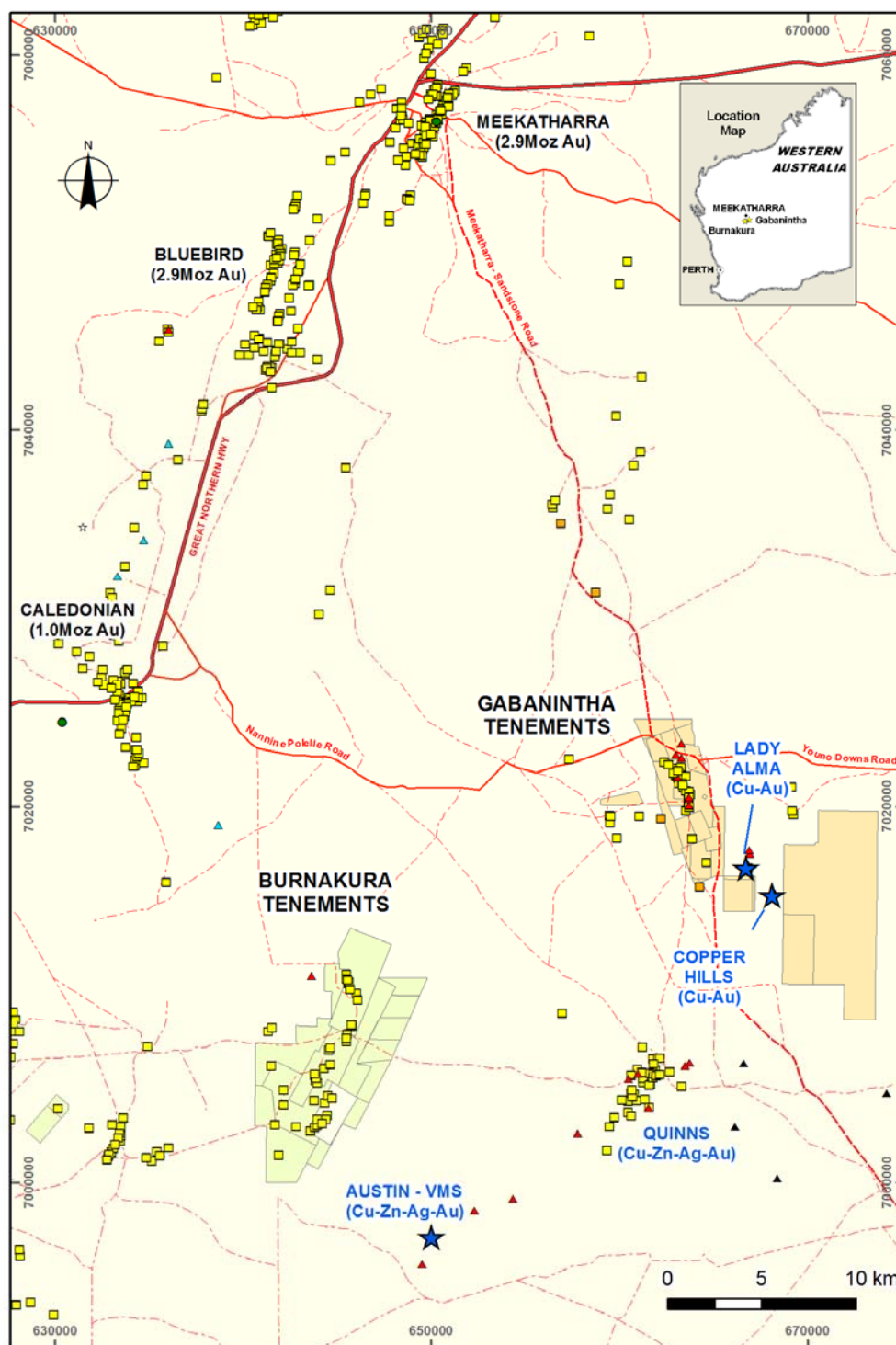


Figure 1 Murchison Gold Project Location Plan



Geology

The Alliance and New Alliance deposits are located within the Archaean Murchison Supergroup which consists of the Luke Creek and Mount Farmer Groups. Mafic volcanic and intrusive rocks represent approximately 70% of the area and 20% consists of felsic volcanic and volcanoclastic rocks. Banded Iron Formation (BIF), ultramafic and epiclastic rocks make up the remaining 10% of the area. Structurally the project area is adjacent to the Burnakura fault (a regional NE-trending lineament). At least five deformational events are recorded. Gold deposition occurred during the development of N to NNE trending shear zones and faults (D4 event) which are dated at 2650-2600 Ma.

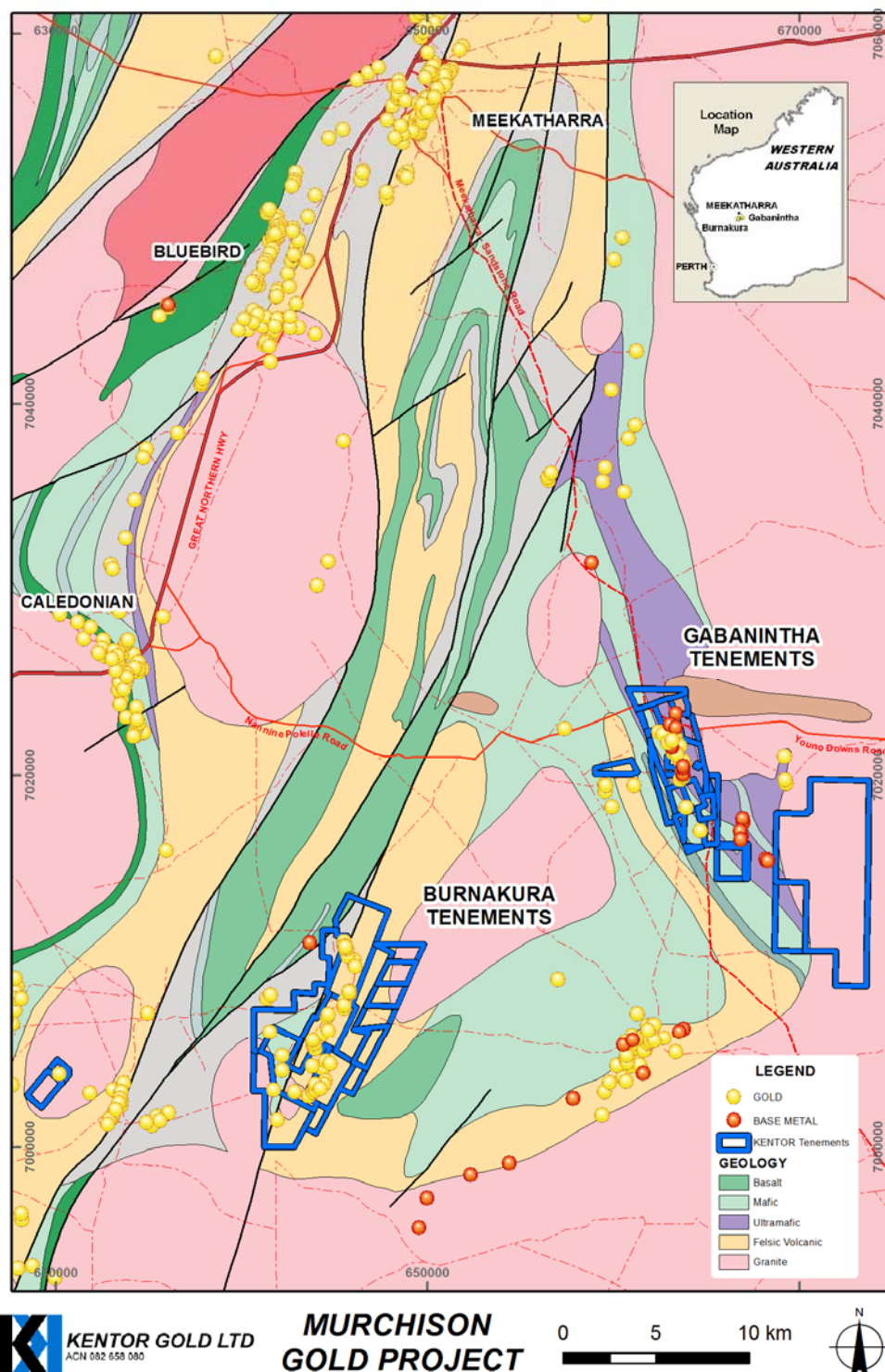


Figure 2 Regional Geology Murchison Gold Project



Previous production and drilling

Gold was discovered at Alliance on the Federal City line in 1897. Historical Mines Department records show that underground production pre 1954 was reported with the nearby New Alliance Gold Mine and amounted to 17 651 tons for 20 356 ounces (35.5 g/t equivalent). Most of the Alliance and New Alliance mineralisation was mined around the turn of the century. There are 2393 drill holes in the area.

Assaying

All drill samples have been analysed for gold (g/t).

Interpretation

Golder was provided with a previous mineralisation interpretation of the Alliance Deposit that was used to guide the update of the mineralisation model. The New Alliance Deposit was interpreted by Golder and reviewed by Kentor.

Alliance Deposit was interpreted on 36 vertical sections oriented west-east along the 600 m of the deposit. The New Alliance Deposit was interpreted on 19 vertical sections oriented NW-SE, along the 300 m of this deposit. The space between the sections was 20 m, but sometimes it was necessary to create 10 m sections, depending on the drill hole grid spacing. Some low grade samples were included in the interpretation to maintain mineralisation continuity.

The model was done using the gold grade and lithology data, when it was available. The total model has nine mineralised domains.

Resource Modelling

The geological block model was constructed using Vulcan software. A parent block size of 5 m (X) by 5 m (Y) by 2 m (Z) was created, and a sub-block size of 1 m by 1 m by 1 m was used to provide adequate boundary resolution for geological domains.

The assay database was flagged using the mineralisation wireframes and compositing was completed at 1 m intervals by breaking the composites at the domain boundaries.

Analysis of the spatial continuity of the data for gold was performed using correlograms for each deposit.

Grade estimation of the Alliance and New Alliance Deposits was carried out using the linear estimation method of Ordinary Kriging (OK) for Au. The OK method uses estimation parameters defined by the variography. Estimates were made for all nine mineralised domains, using the variograms for each deposit. Estimates were also made in the surrounding waste using the Alliance Deposit variography parameters. The estimation was run with top-cut of 30 g/t for all mineralised domains, except for Domain 4, which used 20 g/t.

Resource Statement

Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2004). The in situ Mineral Resource is constrained to the mineralised domains.

The Alliance and New Alliance Deposits resource estimates have been conducted by Mr Alan Miller of Golder, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Miller has sufficient experience in gold deposits to be considered a Competent Person as defined by the JORC Code (2004).

Mineral Resource estimates are based on assay data from drill holes at 18 July 2012. Mineral Resources for the Alliance and New Alliance Deposits are reported at 1 g/t Au in tables below.

Resource for Alliance and New Alliance Deposits at 1 g/t Au Cut-Off



Table 1 Alliance & New Alliance May 2011 Resource Estimate (1g/t Au cut-off)

CLASS	Weathering	Density	Kt	Gold g/t	Gold koz
Inferred	Total	2.01	830	2.0	53.4

Table 2 Alliance & New Alliance Resource Update Nov 2012 (1g/t Au cut-off)

CLASS	Weathering	Density	Kt	Gold g/t	Gold koz
Indicated	Oxide	2.30	546.7	2.36	41.48
	Fresh	2.70	17.6	2.04	1.15
	Total	2.31	564.3	2.35	42.64
Inferred	Oxide	2.30	262.9	2.36	19.95
	Fresh	2.70	118.3	2.73	10.38
	Total	2.41	381.2	2.47	30.27
Total		2.35	945.5	2.40	72.96

This work has resulted in a substantial increase in tonnes (+14%), grade (+20%) and ounces (+37%) and importantly upgraded the resource classification to include 564kt of Indicated material when previously the entire resource was Inferred.

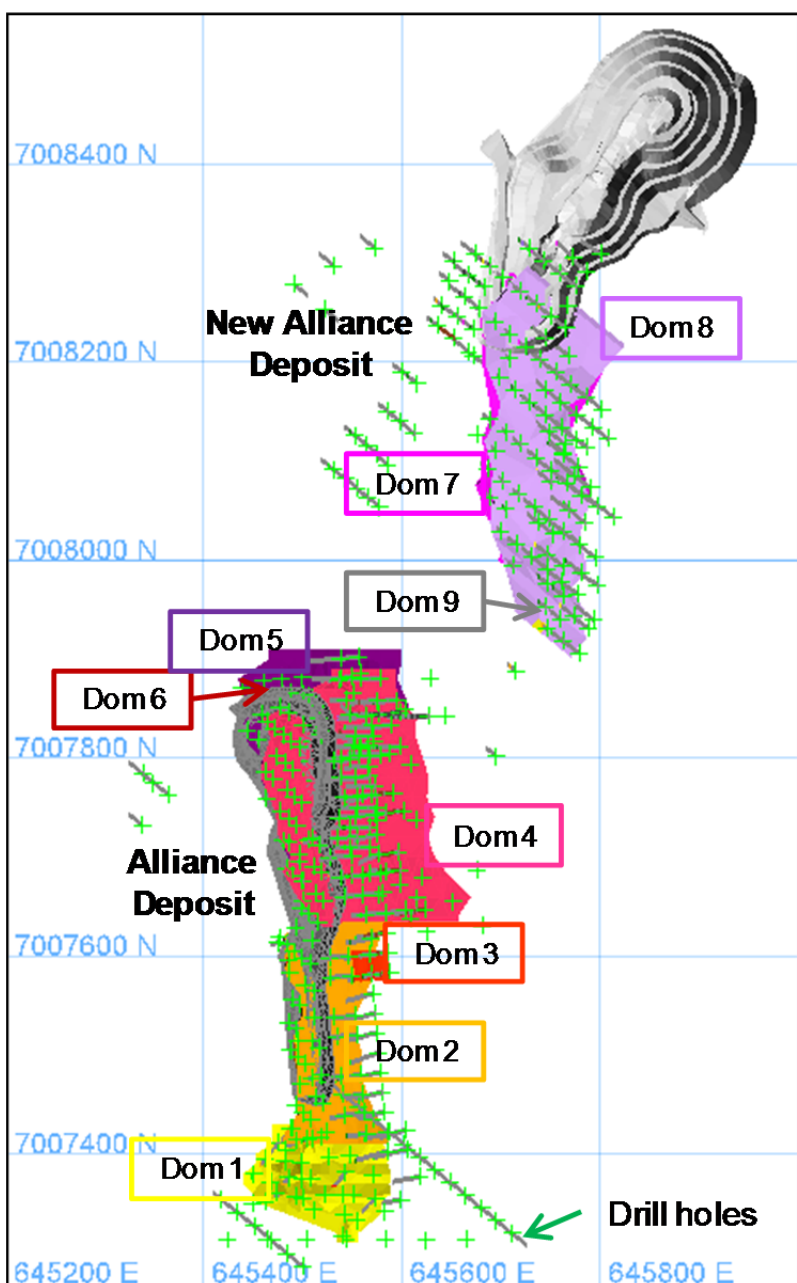


Table 3 Resource by Domain for Alliance and New Alliance Deposits at 1 g/t Au cut-off

Domain	Tonnes (Kt)	Au (g/t)	Density (t/m ³)
Dom 1	61.1	2.61	2.30
Dom 2	81.9	2.14	2.31
Dom 3	6.3	1.62	2.30
Dom 4	194.0	3.35	2.40
Dom 5	170.9	2.64	2.38
Dom 6	5.5	4.32	2.30
Dom 7	251.5	1.74	2.35
Dom 8	171.9	2.01	2.31
Dom 9	2.5	6.27	2.30
Total	945.5	2.40	2.35



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Competent Persons Statement

The information in this report that relates to Mineral Resource estimation undertaken in May

2011 for Burnakura is based on work completed by Mr Jonathon Abbott who at that time was a full-time employee of Hellman & Schofield Pty Ltd. Mr Abbott is a Member of the Australian Institute of Geoscientists and 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.

The information in this report that relates to Mineral Resource estimation undertaken in 2012 for Burnakura is based on work completed by Mr Alan Miller who is a full-time employee of Golder Associates and is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Miller 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 Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Alan Miller has relied on exploration data compiled by Martin Bennett who is the Exploration Manager of Kentor Minerals Limited and a Member of the Australasian Institute of Geoscientists. Martin Bennett 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 JORC Code (2004).