



## 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 owns 80%, and has an option to purchase an 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 plans further intensive exploration to increase an existing high grade gold Resource for future mine development*

## Contact

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## KENTOR COMPLETES SUCCESSFUL PLACEMENT AND ANNOUNCES RIGHTS ISSUE

Kentor Gold Limited ("Kentor" or the "Company") (ASX:KGL) is pleased to announce the successful completion of a placement of approximately 55 million new shares at 7.7 cents per share to raise gross proceeds of A\$4.2 million, which will be used to continue the development of the Andash gold-copper project in the Kyrgyz Republic.

The placement was oversubscribed and keenly sought by both professional and sophisticated investors in Australia, Asia and Europe. The placement price represented a 14.0% discount to the 1 month VWAP of 9.0 cents per share.

In conjunction with the placement, Kentor is pleased to announce a non-renounceable rights issue to provide the Company's shareholders with the opportunity to increase their shareholding. Importantly, Kentor has already received undertakings under the rights issue of approximately \$7.2 million.

Helmsec Global Capital Limited and RBS Morgans Corporate Limited are acting as Joint Lead Managers for the placement and rights issue.

The principle terms of the non-renounceable rights issue are as follows:

- Two (2) new fully paid ordinary shares for every seven (7) shares held;
- Issue price of 6.5 cents per share, representing a 27.5% discount to the 1 month VWAP of 9.0 cents;
- A top-up facility will be available allowing eligible shareholders to apply for additional shares over and above their entitlements<sup>1</sup>; and
- If fully subscribed, the rights issue will raise gross proceeds of approximately A\$8.3 million.

Detailed information regarding the rights issue will be sent to shareholders in accordance with the timetable below.

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.



Kentor Managing Director Simon Milroy said:

*“We are delighted with the support shown for our Andash gold-copper project and we welcome to our share register several respected institutional investors in gold. Their decision to join us in developing Andash is a testament to the quality of the project.”*

For further information, visit the Kentor website at [www.kentorgold.com.au](http://www.kentorgold.com.au) or contact:

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## KEY DATES

The indicative timetable for the Placement and the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue, Offer Document, ASX Appendix 3B and Cleansing Notice lodged with ASX	29 July 2010
Allotment of Placement Shares	4 August 2010
Placement Shares commence trading on ASX	5 August 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