



## 7 February 2012

*Kentor Gold (ASX: KGL) is an Australian-based, emerging mid-tier gold company with advanced projects in Australia and the Kyrgyz Republic.*

*Formed in 1998 and listed on the ASX in 2005, the Company expects to commence high grade gold production at the Murchison gold project in mid 2012..*

*At **Jervois** in the Northern Territory, the Company is studying the feasibility of developing a large, high grade copper-silver resource with potential for the production of gold and other base metals.*

*In the Kyrgyz Republic, Kentor Gold is ready to proceed with the development of the Company's 80% owned high grade, very low cost **Andash** Gold-Copper Project once site access has been obtained. Andash is targeted to produce 70,000 oz gold and 7,400 tonnes copper pa for an initial six years, with high potential for expansion.*

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### **Issued capital:**

106.2 million ordinary shares

2.7 million unlisted options

### **Market Capitalisation**

6 February, 2012: \$134 million

## **Kentor Gold approves Murchison Gold Project, W.A. (Burnakura and Gabanintha)**

- **Production to begin in June 2012**
- **Marks Kentor's commencement as gold producer**

The Board of Kentor Gold Limited ("Kentor Gold" or "the Company") has approved the development of Phase 1 of the **Murchison Gold Project**.

The newly named **Murchison Gold Project** encompasses the gold assets owned by Kentor Gold in the Murchison region of Western Australia and comprises the Burnakura gold and Gabanintha gold-copper projects.

The **Murchison** project will commence production in June 2012 as the first phase of a four-phase expansion strategy.

- Initial production is scheduled at a rate of 24,000 ounces of gold a year from a combination of open pit and underground mining at Burnakura over an initial three and a half years. However, further exploration drilling is expected to increase production and extend mine life. Work is well advanced on re-activating the former mine and plant. Good metallurgical performance is expected, the previous operation having achieved 94% gold recoveries from the on-site processing of underground ore. Capital cost of this first phase is \$14.8 million of which \$2 million has already been spent.
- The second phase, targeted to commence during 2013, will be the addition of a parallel heap leaching operation which will increase the production for minimal additional capital from already acquired equipment, and lower the operating cost.
- The third phase will be an expansion of the CIP plant from 260,000 to 500,000 tonnes a year.
- The fourth phase will be the flotation of copper-gold ore to produce a copper concentrate.

The first phase has a forecast cash operating cost of \$1,223 per ounce. While high due to the low initial throughput rate of the process plant, the cost is expected to reduce significantly in the



second phase with the small additional capital cost and in the subsequent phases.

The ore fed to the plant during the first phase averages 3 g/t gold.

### **Recruitment**

Key roles of General Manager, Mining Manager, Process Manager and Commercial Manager have been filled. Candidates have also been identified for a significant number of operational roles and will be engaged progressively over the next 3 months.

### **Heap Leach Scoping Study**

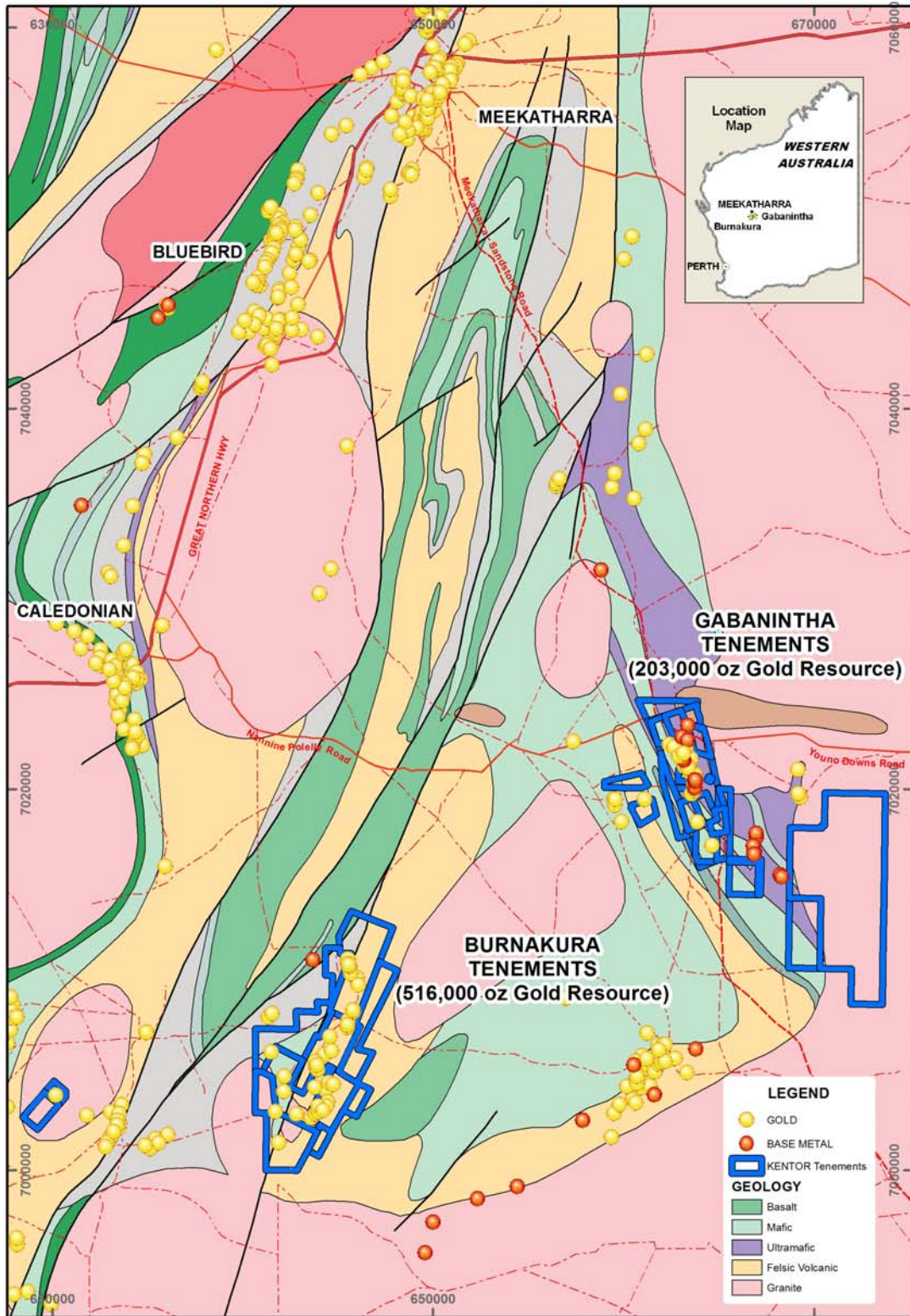
The heap leach plant from the Indee Gold Mine in W.A. was purchased and relocated to the Burnakura Mine site in 2011. The elution plant and gold room from Indee are presently being installed at the Burnakura CIL plant.

Recoveries from coarse bottle roll tests have been very encouraging with results from the -12.5mm crushed samples showing consistently high recoveries (80-90%). Percolation results for Lewis, Reward and NOA oxide samples range from good to excellent. Further test work is required on material from Authaal and other pits.

### **For further information contact:**

Mr Simon Milroy  
Managing Director  
Phone: (07) 3121 3206  
Email: [info@kentorgold.com.au](mailto:info@kentorgold.com.au)

Mr. David Waterhouse  
Investor Relations  
Phone (03) 9670 5008  
Email: [dwaterhouse@waterhouseir.com.au](mailto:dwaterhouse@waterhouseir.com.au)



# MURCHISON GOLD PROJECT





Kentor Gold has announced an initial Inferred Resource at Burnakura of 10.6 million tonnes @ 1.5 g/t gold for a total of 516,000 oz gold at a 0.5 g/t cut off, including a high grade component of 3.2 million tonnes @ 2.9 g/t for 298,000 oz gold at a 1.5 g/t cut off.

The Company has also announced an initial inferred Resource for Gabanintha of 4.5 million tonnes @ 1.4 g/t gold for a total of 203,000 oz gold at a 0.5 g/t cut off, including a high grade 1.3 million tonnes @ 2.9 g/t for 121,000 oz gold at a 1.5 g/t cut off. The Resource also includes 450,000 tonnes @ 0.5% copper. Gabanintha is located just 20 km to the east of Burnakura.

The information in this report that relates to mineral resource estimation for Gabanintha and 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