



Target's Statement

Your Directors each recommend that you ACCEPT the Offers in the absence of a Superior Proposal.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES
YOUR IMMEDIATE ATTENTION**

If you are in doubt as to its contents, you should consult your legal, financial or other professional adviser

This Target's Statement has been issued by Jinka Minerals Limited (ACN 131 851 404) in response to the off-market takeover bid made by Kentor Gold Ltd (ACN 082 658 080) for all of your Shares and Options in Jinka.

CORPORATE DIRECTORY

Directors

Dr Michael Ruane (Non-Executive Chairman)
Mr Cyrille van Heyst (Non-Executive Director)
Mr Colin McCavana (Non-Executive Director)

Company Secretary

Ms Bianca Taveira

Website

www.jinkaminerals.com.au

Principal Place of Business

159 Stirling Highway
NEDLANDS WA 6009
Telephone: 08 9386 7258
Facsimile: 08 9386 9473

Solicitors

Fairweather Corporate Lawyers
Ground Floor
1 Havelock Street
WEST PERTH WA 6005

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: 08 9315 2333
Facsimile: 08 9315 2233

KEY DATES

Announcement Date	1 April 2011
Bidder's Statement lodged with ASIC	1 April 2011
Date of Offers (beginning of Offer Period)	6 April 2011
Date of this Target's Statement	21 April 2011
Close of Offer Period (unless extended or withdrawn)	7.00pm (Melbourne time) 6 May 2011

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IMPORTANT INFORMATION

This Target's Statement (**Target's Statement**) dated 21 April 2011 is given by Jinka Minerals Limited (ACN 131 851 404) (**Jinka**) under Part 6.5 Division 3 of the Corporations Act in response to the Offers made by Kentor Gold Ltd (ACN 082 658 080) (**Kentor**) for all ordinary shares (**Shares**) and options over ordinary shares (**Options**) issued by Jinka pursuant to the Bidder's Statement dated 1 April 2011 (**Bidder's Statement**).

A number of defined terms are used in this Target's Statement. These terms are explained in the Glossary in section 11.

Your Directors recommend that Security Holders read this Target's Statement in full. This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of each Security Holder. You may wish to seek independent financial and taxation advice before making a decision whether or not to accept the Offers for your Jinka Securities.

This Target's Statement contains forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the mining industry as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of Jinka, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on those statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

A copy of this Target's Statement has been lodged with ASIC. ASIC and its officers takes no responsibility for the content of this Target's Statement.

Except where disclosed otherwise, the information on Kentor in this Target's Statement has been obtained by Jinka from the Bidder's Statement, announcements by Kentor to ASX and other publicly available information. Jinka and its Directors are unable to verify the accuracy or completeness of the information on Kentor. Accordingly, Jinka does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia and New Zealand may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on, and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Jinka has collected your information from the Jinka register of security holders for the purpose of providing you with this Target's Statement. The type of information Jinka has collected about you includes your name, contact details and information on your shareholding in Jinka. Without this information, Jinka would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in public register. Your information may be disclosed on a confidential basis to Jinka's related bodies corporate and external service providers (such as the share registry of Jinka and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Jinka, please contact Security Transfer Registrars Pty Ltd of 770 Canning Highway, Applecross, WA, 6153 or on + 61 8 9315 2333.

Security Holders with any queries in relation to the Offers should contact the Company on +61 8 9386 7258 or go to www.jinkaminerals.com.au.

CHAIRMAN'S LETTER

Dear Security Holder,

On 1 April 2011, Kentor Gold Ltd (**Kentor**) announced an agreed off market cash takeover offer for all of the securities of Jinka Minerals Limited (**Jinka**). The formal offers were made in the Bidder's Statement prepared by Kentor dated 1 April 2011 (**Offers**). Kentor is offering you:

- \$0.195 per Share for each of your Shares.
- \$0.039 for each of your 2011 Options.
- \$0.096 for each of your 2013 Options.

You should recently have received the Bidder's Statement from Kentor setting out the detailed terms of the Offers. A copy of the Bidder's Statement is also available on Jinka's website at www.jinkaminerals.com.au and through the ASX website at www.asx.com.au (ASX code: KGL).

This Target's Statement sets out your Directors' formal response to the Offers. Your Directors unanimously recommend that you ACCEPT the Offers in the absence of a Superior Proposal. Each of your Directors intend to accept the Offers in respect of all Shares and Options they own or control absent a Superior Proposal. Interim, the holder of approximately 35.13% of Jinka, has accepted the Offers for 19.9% of Jinka.

The key reasons why your Directors recommend you ACCEPT the Offers in the absence of a Superior Proposal include the following:

- The Offers are at an attractive price.
- The Offers are for all of the Shares and Options on issue and is in the form of cash.
- The Offers provide Jinka Security Holders with an opportunity to sell their holdings in the Company. Currently, this is difficult to do as Jinka is an unlisted company.

A full discussion of the reasons for your Directors' recommendation (see section 4 of this Target's Statement), as well as other matters that may be relevant to your decision whether to accept the Offers, is set out in this Target's Statement. I encourage you to read this Target's Statement in its entirety, the Bidder's Statement and, if required, obtain advice from your broker, financial adviser or other professional adviser.

To accept the Offers, you must complete, sign and return the Acceptance Form in accordance with the instructions set out in the Application Form by no later than 7.00pm (Melbourne time) on 6 May 2011 (unless extended).

Your Directors will keep you informed of any further developments in relation to the Offers. If you have any questions, please consult your professional adviser or call the Company on +61 8 9386 7258.

Yours sincerely

Dr Michael Ruane
Chairman
Jinka Minerals Ltd

1. SUMMARY OF THE OFFERS

Kentor has made an off market offer for all of your Jinka Securities. Further details on Kentor are contained in section 2 of the Bidder's Statement.

The Offers consist of three separate offers to acquire all of your Jinka Securities on the Offer Terms. The Offers consist of the following:

- An offer to acquire your Shares at a price of \$0.195 per Share.
- An offer to acquire your 2011 Options at a price of \$0.039 per 2011 Option.
- An offer to acquire your 2013 Options at a price of \$0.096 per 2013 Option.

Full terms of the Offers are set out in section 8 of this Target's Statement and section 5 of the Bidder's Statement.

The Offers are conditional upon certain conditions (**Offer Conditions**), summarised as follows:

- Kentor receives valid acceptances for each of at least 90% of each of the outstanding Shares, 2011 Options and 2013 Options by end of the Offer Period.
- All regulatory approvals are obtained and there is no action by any person or government agency which may prevent the Takeover Bid as contemplated by the Takeover Implementation Agreement.
- No event occurring which has a material adverse effect on Jinka.
- No material change of control rights.
- Jinka does not make an untrue statement in a public document filed with ASIC.
- No prescribed occurrence (as set out in the Corporations Act) occurring.

See section 8.2 of this Target's Statement and section 5.7(d) of the Bidder's Statement for further details of the Offer Conditions.

Payment for acceptances of the Offers will be made within 1 month after the later of receipt of your Acceptance Form and the date on which the Offers become unconditional (and in any event, on or before 21 days after the end of the Offer Period).

The Closing Date of the Offers is 7pm (Melbourne time) on 6 May 2011, unless the Offer Period is extended by Kentor or by operation of the Corporations Act. Any such extension will be announced in accordance with the Corporations Act.

Your Directors unanimously recommend that you ACCEPT the Offers in the absence of a Superior Proposal. To accept the Offers complete, sign and return the Acceptance Form in accordance with the instructions set out in the Bidder's Statement and the Acceptance Form. See section 5.3 of the Bidder's Statement for more information.

2. KEY REASONS TO ACCEPT THE OFFERS

This section summarises the key reasons why Security Holders may wish to accept the Offers. It should be read in conjunction with the remainder of the Target's Statement and the Bidder's Statement. Security Holders should consult with their legal, financial or other professional advisers if necessary.

✓ **The Bid values Jinka at an attractive price**

Kentor is offering to pay \$7.8 million in cash to acquire all Jinka Securities on issue. If the Bid succeeds, approximately \$4.9 million of Jinka's debt will be repayable within a short period. Accordingly, the Bid values Jinka's assets at approximately \$12.8 million, a premium of 48% to the book value of Jinka's assets as at 31 December 2010.

✓ **The Offers are a cash bid of the Jinka Shares and Options on issue**

The Offers are cash being:

- \$0.195 per Share for each of your Shares.
- \$0.039 for each of your 2011 Options.
- \$0.096 for each of your 2013 Options.

✓ **The Offers provide Security Holders with liquidity**

Currently Jinka is an unlisted public company hence it is difficult for Security Holders to trade their Jinka Securities. The Offers by Kentor enable Jinka Security Holders to sell all of their Jinka Securities for cash if they wish.

✓ **The Offers provide an excellent return to Security Holders on their investment in Jinka**

Approximately 50% of the Shares and Options were issued to Security Holders at zero cost in August 2009 as a return of capital by Reward. The balance were issued pursuant to a capital raising by Jinka in February 2010 at an issue price of 15 cents per Share with a free attaching 2013 Option.

In this context, the Offers will provide Security Holders of Jinka Securities a return on their investment in the Company.

✓ **Jinka's Directors unanimously recommend that Security Holders accept the Offers in the absence of a Superior Proposal**

The Directors unanimously recommend that Jinka Security Holders accept the Offers in the absence of a Superior Proposal. They do so for the reasons set out in this Target's Statement. In doing so, they have had regard to risks for both the Company and its Security Holders if the Bid is not successful.

✓ **Consequences if Offers are not accepted**

There may be adverse consequences for Jinka Security Holders if they do not accept the Offers.

Notwithstanding the Board of Jinka believes that the Company's projects are high quality, Jinka currently has no working capital and is reliant upon short term loans from Dr Ruane and Reward to fund its activities. Without capital it is unable to realise the potential of its assets and to meet holding costs on its assets for an extended period of time.

If the Offers are not accepted, Jinka may remain as an unlisted public company for an extended period of time making it difficult for Jinka Security Holders to trade their Jinka Securities.

Jinka is engaged in exploration for mineral deposits and there are risks in holding Jinka Securities. Exploration is inherently high risk and may not result in successful discoveries in which case the value of Shares and Options in the Company may decrease in value.

✓ **Support from Intermin Resources Limited**

Intermin is Jinka's largest shareholder, holding approximately 35.1% of Jinka's Shares (on a fully diluted basis). Intermin has accepted the Offer for 5,942,308 Shares, or approximately 19.9% of Jinka's issued share capital.

Intermin intends to accept the Offers for the balance of its Jinka Securities in the absence of a Superior Proposal.

Dr Ruane, Jinka's Chairman, is a director of Intermin and owns or controls approximately 33.8% of Intermin. Jinka owes Dr Ruane approximately \$4,215,000. This debt will become repayable upon a change of control of Jinka. See section 7.7 of this Target's Statement for further information.

If you are in any doubt as to the action that you should take in relation to the Offers, you should consult a professional adviser. In particular, the tax consequence of accepting the Offers will depend upon the circumstances of individual Security Holders. You should consult your tax adviser if you need further information regarding the tax consequences of acquiring, holding or disposing of Jinka Securities.

3. FREQUENTLY ASKED QUESTIONS

What is Kentor offering for my Jinka Securities?

Kentor is offering:

- (a) \$0.195 for each Share;
- (b) \$0.039 for each 2011 Option; and
- (c) \$0.096 for each 2013 Option.

What choices do I have as a Jinka Security Holder?

As a Security Holder you have the choice to either:

- (a) accept the Offers for all of your Jinka Securities; or
- (b) choose not to accept the Offers, in which case you do not need to take any action.

Security Holders should carefully consider the important issues set out in this Target's Statement.

What do your Directors recommend?

Your Directors unanimously recommend that you ACCEPT the Offers for your Jinka Securities, absent a Superior Proposal.

What do the Directors intend to do with their Jinka Securities?

The Directors each intend to accept the Offers, absent any Superior Offer.

How do I accept the Offers?

To accept the Offers you must follow the instructions in section 5 of the Bidder's Statement and return the Acceptance Form to the Share Registry by no later than 7pm (Melbourne time) on 6 May 2011.

How do I reject the Offers?

To reject the Offers, you do not need to do anything.

When do I have to make a decision?

If you wish to accept the Offers, you must do this before its schedule closing date. Kentor has stated that the Offers remain open until 7pm (Melbourne time) on 6 May 2011. It is possible that Kentor may choose to extend the Offer Period in accordance with the Corporations Act. In addition, the Offer Period may be extended automatically in certain circumstances. As required by the Corporations Act, Kentor must, if its voting power increases to more than 50% within the final 7 days of the Offer Period, extend the Offer Period to 14 days after that event.

If you wish to reject the Offers, you do not need to do anything.

What happens if I accept the Offers and a Superior Proposal is made for my Jinka Securities after I accept

If you accept the Offers, you are only able to withdraw your acceptance in limited circumstances – namely, if Kentor varies the Offers in a way that postpones for more than one month the time by which it has to meet its obligations under the Offers (for example, by extending the Offer Period for more than one month while it remains conditional).

Accordingly, if you accept the Offers, you may be unable to accept a Superior Proposal if one arises. At this time, the Directors do not know if such a proposal will arise.

Can I accept the Offers for only some of my Jinka Securities?	Unless you hold the Jinka Securities as trustee or nominee for, or otherwise on account of, more than one person, you cannot accept the Offers for only some Jinka Securities held. See section 5.3 of the Bidder's Statement for more information about accepting the Offers.
Can I be forced to sell my Jinka Securities?	You cannot be forced to sell your Jinka Securities unless Kentor proceeds to compulsory acquisition of Jinka Securities. Kentor will need to acquire at least 90% of each class of Jinka Securities (under the Offers or otherwise) in order to exercise compulsory acquisition rights.
What are the tax implications of accepting the Offers?	<p>A general description of the taxation treatment for certain Australian resident Security Holders accepting the Offers is set out in section 7.8 of this Target's Statement and 6.3 of the Bidder's Statement. You should not rely on those descriptions as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offers for your Jinka Securities. You may, for example, be liable for capital gains tax.</p>
What are the conditions to the Offers?	The conditions of the Offers are set out in section 8.2 of this Target's Statement and section 5.7(d) of the Bidder's Statement.
What happens if I accept the Offers and the Offer Conditions are not satisfied?	<p>If the Offer Conditions are not satisfied and Kentor has not waived the Offer Conditions by the end of the Offer Period, your acceptance of the Offers will be void and of no effect whatsoever. You will then be free to deal with your Jinka Securities in another way.</p> <p>If the Offer Conditions are satisfied or waived before the end of the Offer Period, you will be paid the Offer Consideration by Kentor (see section 8.7 of this Target's Statement).</p> <p>Even where the Offers remain conditional, you cannot withdraw your acceptance before the end of the Offer Period except in limited circumstances (see section 8.6 of this Target's Statement).</p>
When will I receive the consideration if I accept the Offers?	<p>If you accept the Offers, you may have to wait until the earlier of:</p> <ul style="list-style-type: none"> (a) one month after the Offers are validly accepted by you or, if the Offers are subject to a defeating condition, within one month of the Offers becoming unconditional; and (b) 21 days after the end of the Offer Period, provided the Offers have become unconditional, <p>before you will be paid. It is uncertain when (if ever) the Offers will become unconditional.</p>
What should I do if I have any questions?	You should consult with your professional adviser or contact the Company on +61 8 9386 7258.

4. DIRECTORS' REVIEW OF THE OFFERS AND RECOMMENDATION

Your Directors each unanimously recommend that Security Holders ACCEPT the Offers in the absence of a Superior Proposal. They do so for the following reasons:

1. **The Bid values Jinka at an attractive price**

Kentor is offering to pay \$7.8 million in cash to acquire all of the Jinka Securities on issue. If the Bid proceeds, \$4.9 million of Jinka's debt will be repayable within a short period of time. Accordingly, the Bid values Jinka's assets at approximately \$12.8 million.

As at 31 December 2010, Jinka's assets had a book value of \$8.56 million, including \$4.32 million of capitalised exploration expenditure. The Offers represent a premium of 48% to the book value of Jinka's assets.

2. **The Offers are a cash bid for the Jinka Shares and Options on issue**

The Offers are cash being:

- \$0.195 per Share for each of your Shares.
- \$0.039 for each of your 2011 Options.
- \$0.096 for each of your 2013 Options

3. **The Offers provide Security Holders with liquidity**

Currently Jinka is an unlisted public company. Therefore, it is difficult for Security Holders to trade their Jinka Securities. The Offers by Kentor enable Jinka Security Holders to sell all of their securities for cash if they wish.

4. **The Offers provides an excellent return to Security Holders on their investment in Jinka**

Approximately 50% of the Jinka Shares and Options were issued to shareholders at zero cost in August 2009 as a return of capital by Reward. The balance were issued pursuant to a capital raising by Jinka in February 2010 at an issue price of 15 cents per Share with a free 2013 Option.

In this context, the Offers will provide holders of Jinka Securities a return on their investment in the Company.

5. **Consequences if Offers are not accepted**

There may be adverse consequences associated with not accepting the Offers.

Jinka will remain an unlisted public company with limited opportunities to sell your Jinka Securities.

There are specific risks in relation to the operations and financing of Jinka as a stand alone entity that you would continue to be exposed to if you do not accept the Offers, including:

- Security Holders will have full exposure to the exploration and development risks associated with its projects, and will not benefit from the infrastructure capacity, exploration and development expertise or financial strength of Kentor (see section 7.2 of this Target's Statement for further details).
- Jinka will need to finance the development of its projects, resulting in a strong probability that Jinka will need to raise additional funds, potentially through an issue of equity at a discount to the current value of the Jinka Securities which could dilute your investment in Jinka.
- If you do not accept the Offers and Kentor declares the Offers unconditional without receiving acceptances resulting in it being entitled to at least 90% of all Shares, you will remain a minority shareholder in Jinka. The possible implications of being a minority shareholder include:
 - Kentor may be in a position to control the composition of Jinka's board of directors and senior management, as well as the strategic direction of the Company;
 - the Jinka Securities will remain an illiquid investment;
 - there may be a reduced likelihood of a subsequent takeover bid for Jinka from a party other than Kentor.

See section 3 of the Bidder's Statement for details of Kentor's intentions in these circumstances.

If you do not accept the Offers and Kentor receives acceptances resulting in it being entitled to at least 90% of each class of securities then Kentor will be entitled, and currently intends, to acquire your Jinka Securities via compulsory acquisition (see section 8.8 of this Target's Statement for further details).

6. **Support from Intermin Resources Limited**

Intermin is the largest holder of Jinka with approximately 35.1% of the issued share capital.

Intermin has executed a Pre Bid Deed agreeing to sell 5,942,308 fully paid Jinka Shares to Kentor representing 19.9% of Jinka's Shares.

The directors of Intermin believe that the Offers are of good value and unanimously resolved that Intermin accept the Offers for all of its Jinka Securities in the absence of a Superior Proposal prior to the closing date of the Offers.

5. YOUR CHOICE AS A JINKA SECURITY HOLDER

5.1 Accept the Offers

You may elect to accept the Offers. Acceptance may only be in respect of all your Jinka Securities.

The Bidder's Statement contains details of how to accept the Offers and encloses the Acceptance Form which you must complete and return.

Note that there may be tax consequences for you if you accept the Offers. Please refer to section 7.8 of this Target's Statement and 6.3 of the Bidder's Statement for a general outline of the tax implications of accepting the Offers.

5.2 Do nothing

If you do not wish to accept the Offers you do not need to take any action.

6. INFORMATION ON JINKA

6.1 Background

Jinka is a gold and copper-base metals exploration company with strategic ground holdings at Burnakura and Gabanintha in Western Australia and the Jervois Range in the Northern Territory. The three projects are known to host mineralisation and have supported mining operations in the past.

The Burnakura Project is located approximately 50km south of Meekatharra in Western Australia. Jinka has a large ground holding of mining leases and owns a 160,000 tonne per annum capacity gold recovery plant. The Burnakura Project has reported historic gold production of approximately 270,000 ounces with significant potential to upgrade the resource base. The plant was upgraded in 2008 and has been on care and maintenance since October 2009. The plant can be upgraded to process 400,000 to 500,000 tonnes of ore per annum, should gold resources of viable grade be defined.

The Gabanintha Project is located 20km east of the Burnakura Project. The Gabanintha Project has recorded historic gold production of over 180,000 ounces. Further drilling will aim to convert known mineralisation at the Gabanintha Project into JORC Code compliant resources.

The Jervois Project is a copper-lead-zinc-silver project located 280km east-northeast of Alice Springs in the Northern Territory. Plenty River Mining Limited commissioned a treatment plant and mine infrastructure in 1981 producing 2,000 tonnes of concentrate grading 50.4% lead, 5.4% zinc, 0.6% copper and 680 g/t silver between 1982 and 1983. Targeted drilling is required to elucidate the full resource potential of this large-scale mineralised system.

6.2 History

Jinka was incorporated on 25 June 2008 as a subsidiary entity of Reward to provide a corporate vehicle for the acquisition and development of the Jervois base metals Project in the Northern Territory and the Gabanintha gold-copper Project in Western Australia. On 17 October 2008 the shareholders of Reward approved the divestment of those projects for a deemed sum of \$2.98 million satisfied by the issue of 14,901,190 Shares and 14,901,190 2011 Options. The 2011 Options have an expiry of 31 July 2011 and exercise price of 20 cents.

In August 2009, following approval by its shareholders, Reward made an in specie distribution of these Jinka Shares (14,901,190 Shares) and 2011 Options (14,901,190 2011 Options) on a pro-rata basis to its shareholders.

On 22 February 2010, the Company issued a prospectus for a 1 for 1 non renounceable rights issue. The rights issue raised \$2.2 million through the issue of 14,901,616 Shares at 15 cents each, together with 1 free attaching 2013 Option for each Share subscribed for. The 2013 Options have an expiry of 31 July 2013 and an exercise price of 20 cents.

On 10 June 2010, the Company acquired the Burnakura Project from ATW Gold Corp Inc. for approximately \$4.25 million and an obligation to pay the sum of approximately \$747,000 for the replacement of environmental bonds held by the Department of Minerals and Petroleum.

Dr Michael Ruane, Jinka's non-executive Chairman, had loaned the Company \$4,265,000 to complete the Burnakura acquisition, including the acquisition of environmental bonds, and for working capital. Reward, a company of which Dr Ruane is a director, has loaned the Company \$400,000, repayable on 6 June 2011. Terms of these loans are summarised in section 7.7 of this Target's Statement.

6.3 The Projects

The Company's Projects comprise the Burnakura and Gabanintha gold Projects located 50km south of Meekatharra, Western Australia and the Jervois copper-base metals Project, located 280km east-northeast of Alice Springs in the Northern Territory (See Figure 1). A brief overview of the Company's mineral projects follows.

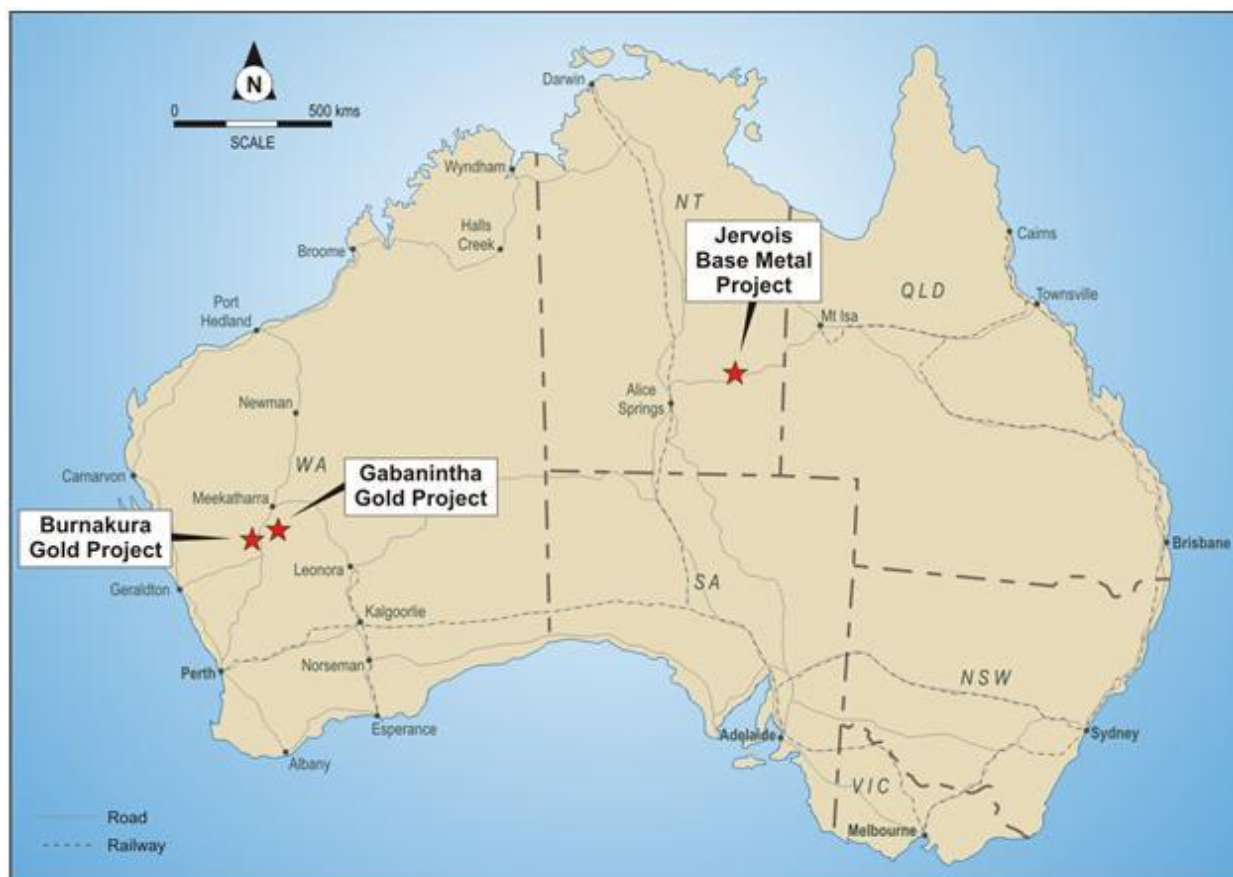


Figure 1 Jinka Minerals Project Locations

6.4 Burnakura Project

The Burnakura Project is located approximately 50km south of Meekatharra, Western Australia. The area has supported substantial gold mining operations in the past. Historical gold production at Burnakura is reported to be approximately 270,000 ounces from the treatment of 2.06 million tonnes of ore grading 4.0 grams per tonne. This gold production included underground operations between 2005 and 2009, which reportedly produced 50,637 ounces of gold from 264,731 tonnes of ore grading 5.95 grams per tonne. Open pit production ceased in 1998 when the gold price fell below A\$450 per ounce.

Underground development at Burnakura commenced early in 2005. The plant and camp were installed by November 2005 and operated until October 2009 when the operation was placed on care and maintenance pending the development of additional underground deposits.

Exploration data available indicates that significant gold mineralisation exists at Burnakura. Infill drilling will aim to elevate the mineralisation outlined at some fifteen separate prospects to JORC Code compliant status and commence a feasibility study. With the sustained increases in the gold price it is believed these prospects warrant renewed exploration.

The Company has acquired a large ground holding (47.5km²) of granted mining tenements, a 160,000 tonne per annum CIL gold recovery plant and refurbished camp that can accommodate up to 90 personnel.

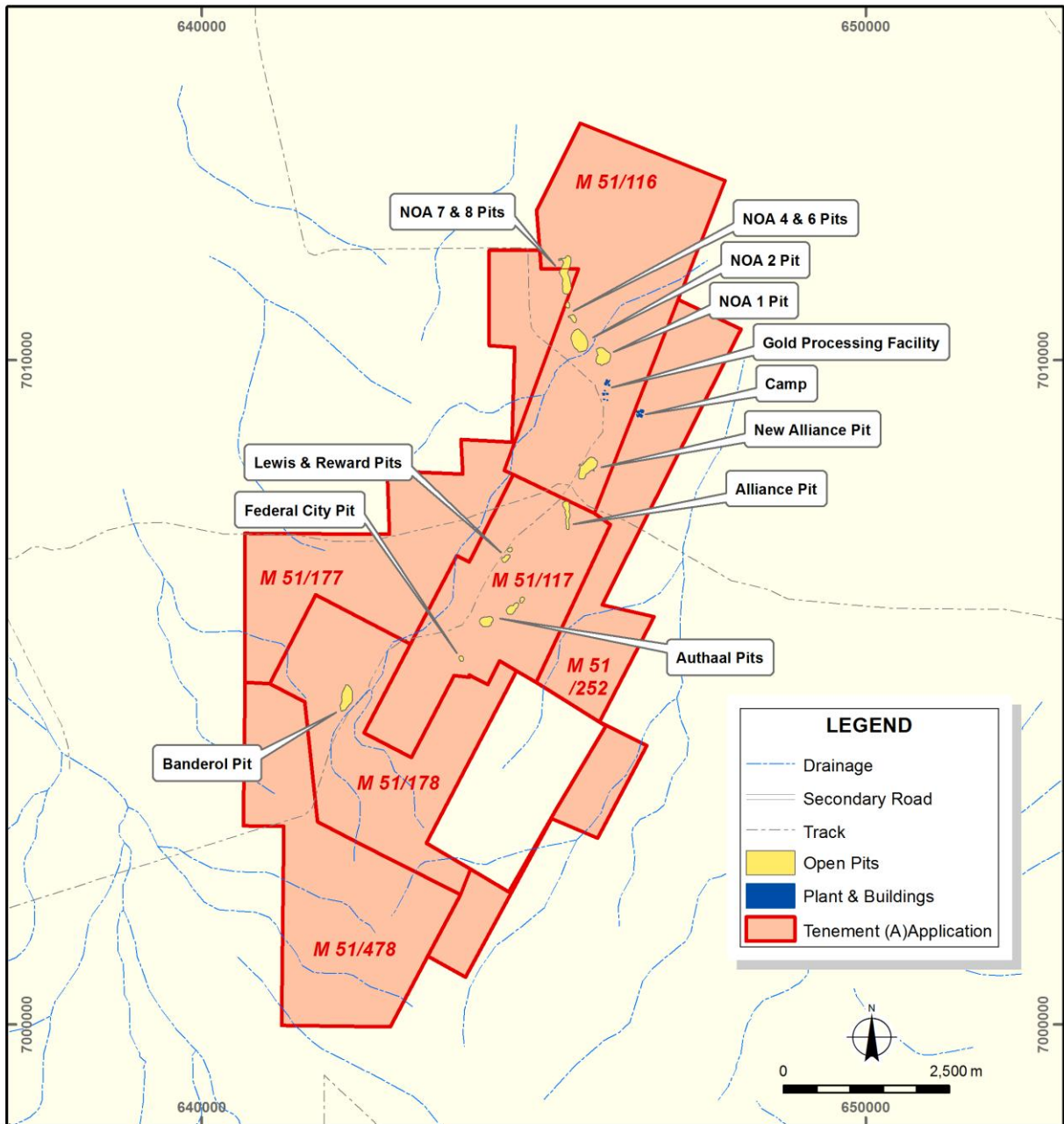


Figure 2 Burnakura Gold Project Tenure

The plant was upgraded in 2008 and has been on care and maintenance since October 2009 and could readily be brought back into operation. The plant is functional but will require indicatively \$500,000 of investment to achieve full operational status. Should Jinka delineate sufficient resources, to justify reopening the plant, Jinka may operate the plant as is, invest in a carbon stripping component of the plant and/or a gravity circuit or consider other options as applicable at the time. The plant could be readily upgraded to process 300,000 tonnes of ore per annum if gold resources of viable grade are defined.

6.5 Gabanintha Project

The Gabanintha Project is located approximately 40km south of Meekatharra in Western Australia and 20km east of the Burnakura Project. The tenement package comprises one mining lease, two exploration licences, eight prospecting licenses, one mining lease application, one exploration license application and twelve prospecting licence applications covering approximately 90km². Exploration data available indicates that copper and gold mineralisation exists at the Gabanintha Project. With the sustained increases in both copper and gold prices it is believed these prospects warrant renewed exploration.

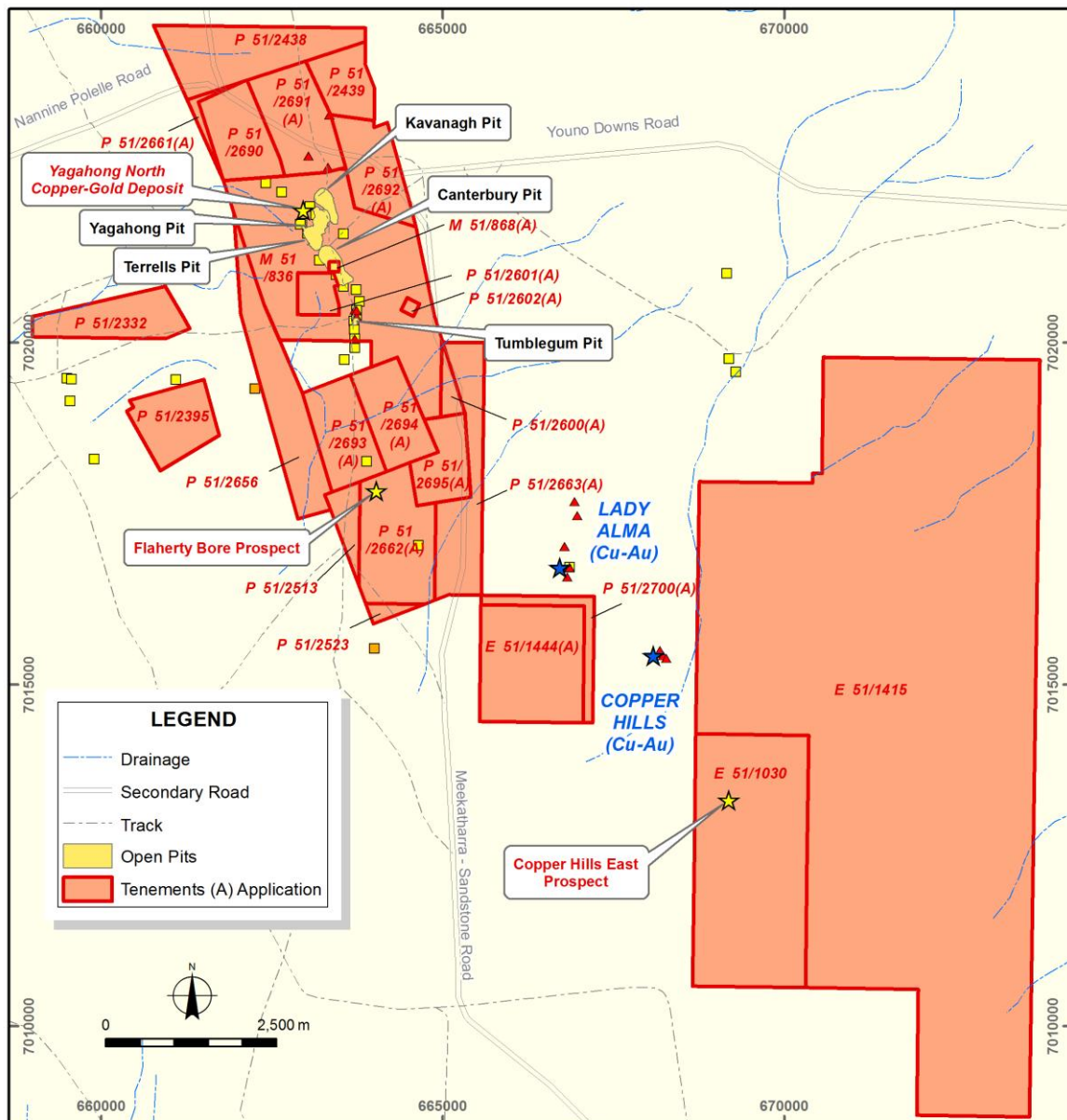


Figure 3 Gabanintha Project Tenure

The Gabanintha Project has recorded gold production of 30,704 ounces up to 1987 and 150,000 ounces between 1987 and 1992 when Dominion Mining Limited treated 1.52 million tonnes of ore grading 3.23 g/t from open pit operations.

Exploration by Reward from 2004 to 2008 has outlined additional mineralisation at the Yagahong, Canterbury and Tumblegum prospects within the Gabanintha tenements. Infill drilling is planned with the aim of converting the mineralisation into JORC Code compliant resources as the basis for

mining feasibility studies. It is proposed to cart any ore mined from Gabanintha to the Burnakura mill for treatment.



Evaluation work also continues on the Yagahong North Copper-Gold Deposit to confirm its potential (Figure 4). The most recent mining activity at Gabanintha by Dominion Mining Limited focussed solely on gold mineralisation.

Historical mining activity prior to Dominion Mining Limited has however targeted both copper and gold mineralisation and it is often the case that copper mineralisation is associated with gold mineralisation. At Yagahong North good grades of both copper and gold can be observed over significant intervals (Figure 5).

The extent of mineralisation at Yagahong North is not yet completely constrained requiring additional drilling.

Significant copper mineralisation was also identified by Dominion Mining Limited in the Terrells pit that will be the subject of further drilling and resource modelling.

Figure 4 Gabanintha Pits and location of drill sections

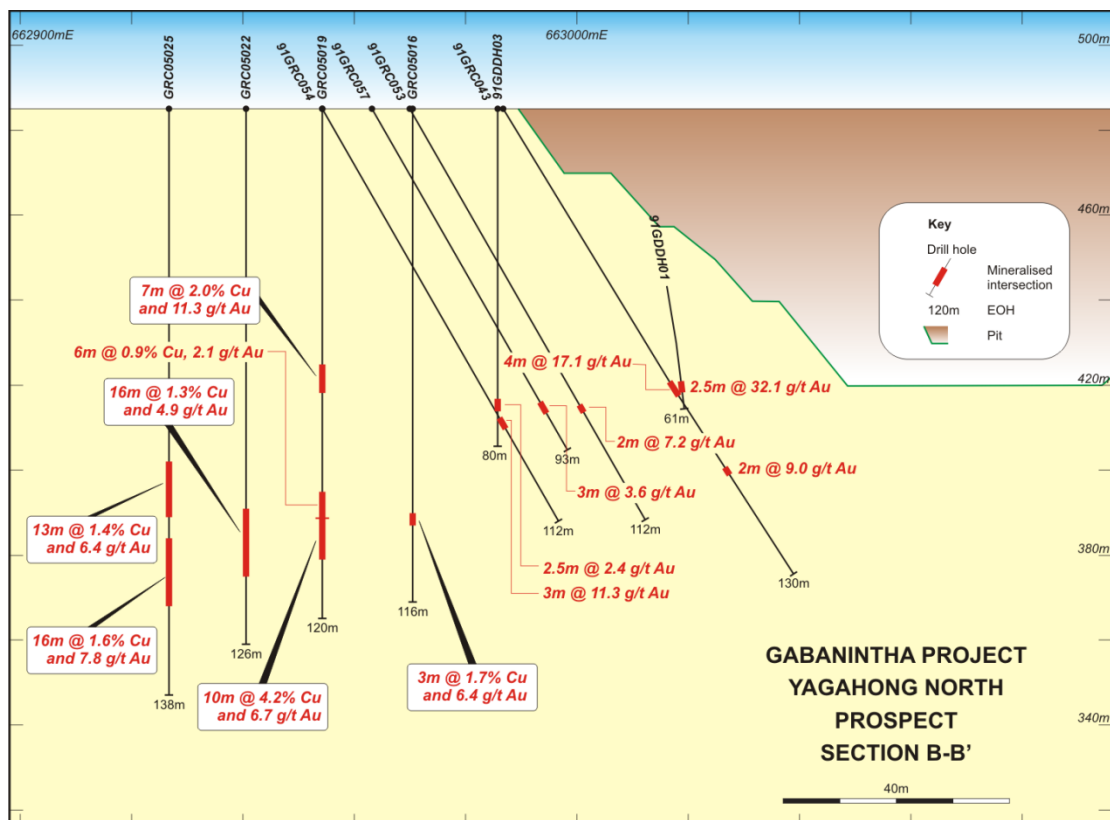


Figure 5 Yagahong North Section B-B'

Jinka has now received data from a high resolution airborne magnetic and radiometric survey that extended over most of the prospective tenements in the Gabanintha region (Figure 6). The regional shears zones that are the primary control for mineralization are clearly evident in the magnetics as are the cross cutting north-north-east structures that additionally control mineralization at the Terrells, Yagahong and Kavanagh open pits. This data will be invaluable in helping to target further structural settings that are prospective for gold and copper mineralization.

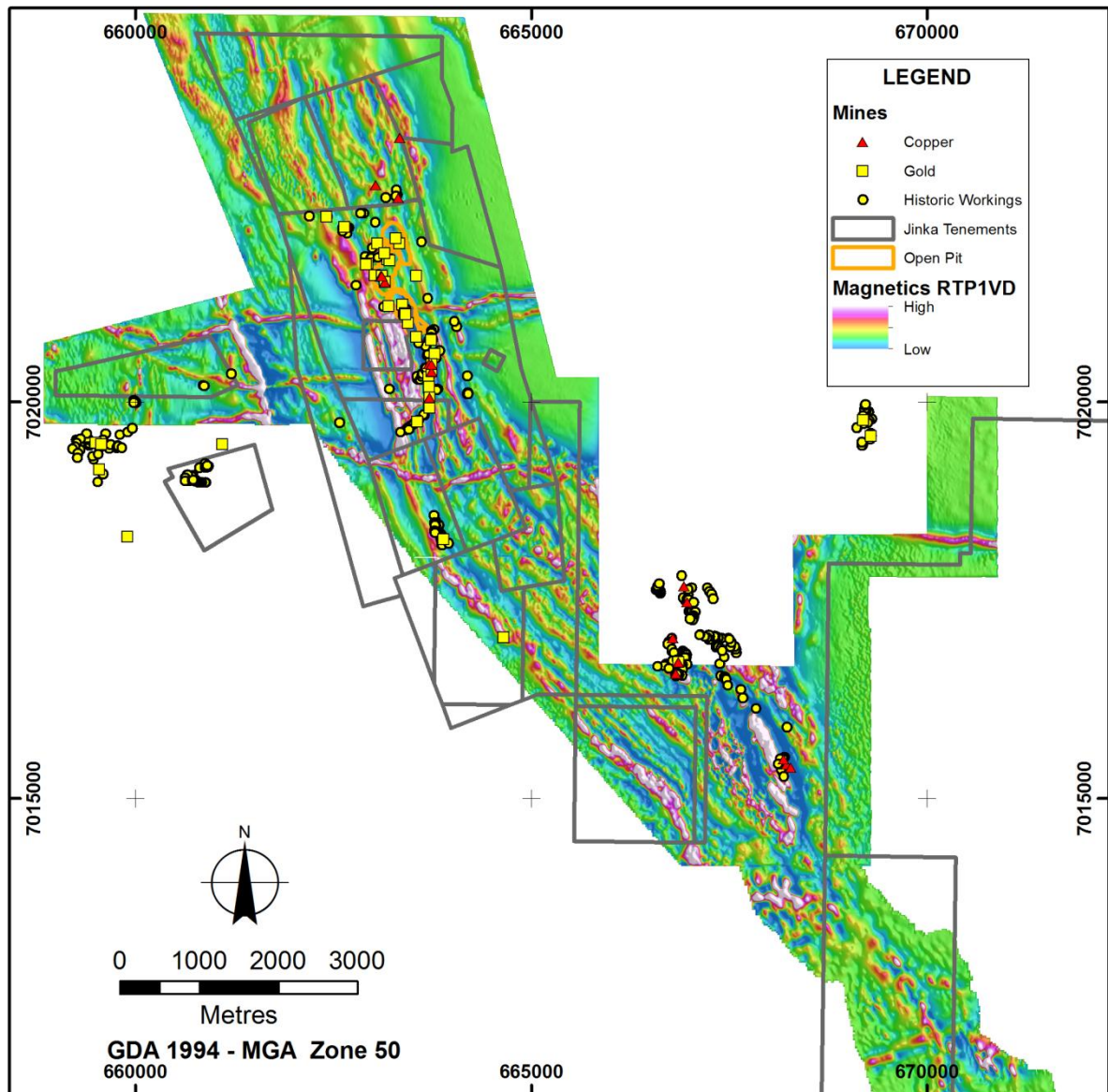


Figure 6 Gabanintha Airborne Magnetics

6.6 Jervois Project

The Jervois Project is located 280km east-northeast of Alice Springs in the Northern Territory. Road access to the area is via the Stuart Highway and the Plenty Highway, a distance of 390km from Alice Springs.

The Project area is secured by 31 contiguous mining tenements covering an area of 38km².

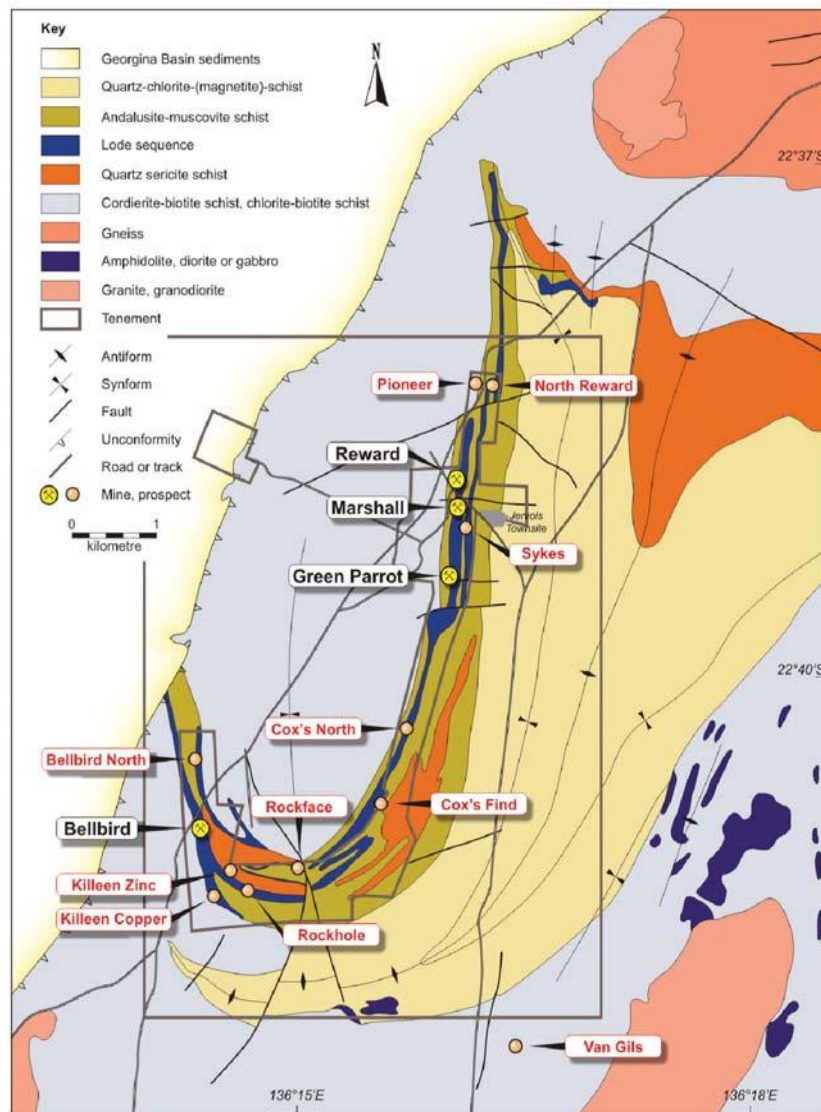


Figure 7 Jervois Project Tenements and Interpreted Geology

The metamorphic rock sequence, which contains the mineralised units at Jervois, is folded in a J-shape synform (downward closing fold) and forms a series of resistant hills (Jervois Range). The J-structure is a prominent feature on satellite imagery, aerial photos and aeromagnetics. Discontinuous outcrops of copper-lead-zinc-silver mineralisation over a nine-kilometre strike length at Jervois were discovered in 1929 leading to sporadic small-scale open cut mining.

The main deposits with surface expression that have been delineated by past work are from the north: Reward, Marshall (usually combined as Marshall-Reward), Green Parrot and Cox's Find on the eastern limb of the J-structure; Killeen on the curve of the 'J' and Bellbird and Bellbird North on the short western hook of the 'J'. Other less well-tested zones of base metal mineralisation have been located at Rockface, Pioneer, North Reward and Sykes prospects.

A number of companies have explored the Jervois structure in the past and contributed to the geological knowledge of the prospect. The only significant mining at Jervois was undertaken by Plenty River Mining Limited in 1981. Plenty River Mining Limited commissioned a treatment plant and mine infrastructure to exploit high-grade silver-lead-zinc-copper ore from the Green Parrot deposit. In five months of production, during 1982 and 1983, the plant reportedly produced 2,000 tonnes of concentrate grading 50.4% lead, 5.4% zinc, 0.6% copper and 680 g/t silver. Mining was suspended in December 1983 reportedly due to a sharp fall in metal prices.

The base metal mineralisation at Jervois is strata bound and contained within steeply dipping lenses of calc-silicates, garnet-chlorite-magnetite rock and garnet-magnetite quartzite, which form

part of a thick succession of spotted andalusite-cordierite schists and quartz-sericite mica schists, assigned to the Lower Proterozoic Bonya Schist Formation. Lead-zinc-copper-silver mineralisation (eg Green Parrot deposit) is typically hosted in the calc-silicate rock types, whereas the copper dominant mineralisation (eg Bellbird deposit) is best developed in the garnet-chlorite-magnetite quartzite unit. High grade copper mineralisation including some significant gold values has been reported from deep drill intersections in the Marshall/Reward deposit including 11m @ 4.73% Cu and 1.84g/t Au in hole J15 and 8 m @1.0% Cu plus 22m @ 2.9% Cu in hole RJ61.

The structural setting at Jervois is favourable for repetitions of high-grade copper-lead-zinc-silver lenses, so more targeted drilling is required to elucidate the full resource potential of this large-scale mineralised system.

At the end of 2009, a further seven RC holes of 1,458m were drilled by Jinka at Jervois. These holes are pre-collars for core holes aimed at defining the extent of mineralisation along strike and down dip from holes J15 and RJ61.

A detailed SAM survey was conducted during January and February to help define structures that are controlling mineralization within the prospective stratigraphy. Final processed data has now been received and interpretation has begun with the aim of defining targets for the initial drilling campaign in addition to the diamond drilling already planned.

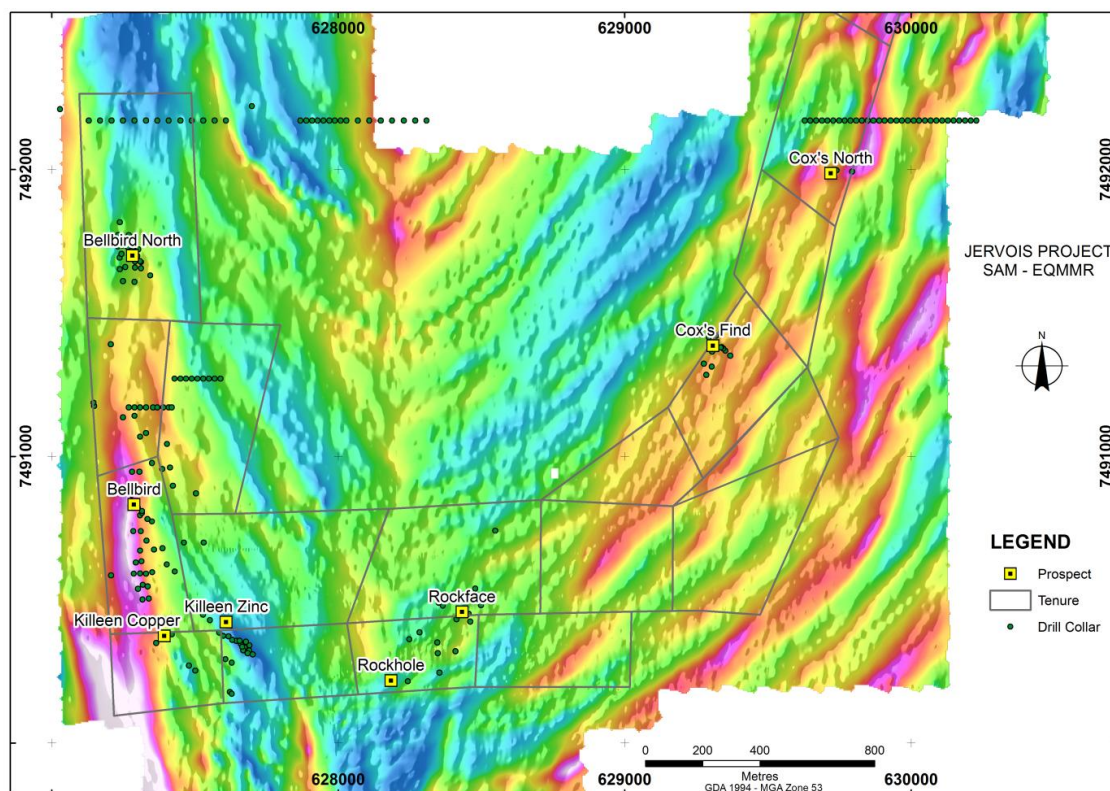


Figure 8 Jervois -SAM EQMMR for southern tenements

We advise that the exploration results contained within this Target's Statement is based on information compiled by Mr Nigel Cranley who is a member of the Australian Institute of Mining and Metallurgy. Mr. Cranley is a consultant to Jinka and has consented in writing to the inclusion in this Target's Statement of matter based on the information so compiled by him in the form and context in which it appears. Mr Cranley has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to be qualified as a Competent Person as defined by the 2004 Edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".

6.7 Current status

As disclosed in its December 2010 quarterly report to Security Holders, in the later part of 2010 the Board pursued several alternatives that would enable Security Holders to fully realise the value of their holding in the Company and provide the Company with sufficient working capital. Discussions were advanced with a number of parties on the future listing of the Company on ASX, together with other alternatives that had the potential to provide the best possible return to Security Holders.

As a result of those discussions, the Board resolved to enter into the Takeover Implementation Agreement and recommend the Offers to Security Holders.

As disclosed in the Company's half yearly accounts, as at 31 December 2010 the Company was indebted to Dr Ruane for \$4,215,000 plus interest and Reward for \$400,000 plus interest. The Company is reliant on these lenders to provide short term working capital.

Subsequent to 31 December 2010, Dr Ruane has incurred expenses on behalf of the Company of \$134,653, and has a claim against the Company for that amount.

6.8 Directors

Non-Executive Chairman - Dr Michael Ruane PhD MRACI

Dr Ruane holds a PhD in Chemistry and has over 30 years experience as a Technical Consultant in the chemical and metallurgical fields. Dr Ruane has been instrumental in the establishment and ASX listing of number of public companies over the past 10 years including Jetset Travel World Ltd, Millenium Minerals Ltd, Haddington Resources Ltd and Reward. He is currently a director of listed companies Intermin and Reward.

Non-Executive Director - Cyrille J van Heyst, BEc

Mr van Heyst has many years of experience in devising and implementing strategies in take-overs and acquisitions. Mr van Heyst has over 35 years experience as a director of numerous listed companies. He currently runs his own corporate advisory service company, Mercator Capital Services Pty Limited. Mr van Heyst is a non-executive director of Reward.

Non-Executive Director - Colin McCavana

Mr McCavana has over 30 years experience in mining and earthmoving industries, including the management, acquisition, exploration and development of projects in Australia, USA, Tanzania, Mozambique and Indonesia. Mr McCavana is a Fellow of the Australian Institute of Company Directors and a Member of Australasian Institute of Mining and Metallurgy. He is a director of Northern Minerals Ltd and Reward and has been a Director of Haddington Resources Ltd within the past three years.

Company Secretary - Bianca Taveira

Ms Taveira was appointed Company Secretary in April 2010. Ms Taveira has been providing administration and secretarial services to many listed and unlisted public companies such as Intermin and Reward for 12 years.

7. MATTERS FOR JINKA SHAREHOLDERS TO CONSIDER

7.1 Kentor's intentions with respect to Jinka

Section 3 of the Bidder's Statement sets out Kentor's intentions for Jinka in the event Kentor acquires either more than 50% of the Jinka Securities and alternatively if it acquires more than 90% of the Jinka Securities and is entitled to compulsorily acquire all of the Jinka Securities.

7.2 Risk factors in not accepting the Offers

An investment in Jinka is highly speculative as the company is a resource exploration company. The Board recommends that Security Holders consider the risks described below and information contained elsewhere in this Target's Statement, as well as consulting with their professional advisers before deciding whether or not to sell their Jinka Securities by accepting the Offers or to retain their Jinka Securities.

Exploration

Exploration, by its nature, is a high risk undertaking. There can be no assurance that the Company's exploration of its tenements or any other exploration projects that may be acquired in the future would result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

Resource Estimations

Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Gold and Other Commodity Prices

As an explorer for gold and potentially other minerals, any earnings of the Company are expected to be closely related to the price of gold and other commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Future mining operations

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and

equipment, cost overruns, risk of access to the required level of funding and contracting risk from any third parties providing essential services.

In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents.

Future Capital Needs and Additional Funding

As a short-term measure, the Company is reliant upon loan funds from Dr Ruane and Reward to provide its working capital. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of its projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Liquidity

The Jinka Securities are not quoted on a financial market and are an illiquid investment. There is a significant risk that if the Bid is not successful that the Company will remain unlisted and Security Holders will not have a way to realise their investment.

7.3 Superior Proposal

If you accept the Offers, you may forfeit the opportunity to benefit from any Superior Proposal made by another bidder for your Jinka Securities, if any such an offer eventuates.

As at the date of this Target's Statement, no proposals have been put to Jinka or are under consideration by Jinka which are alternatives to the Offers, and your Directors are not aware of any other offer or proposal which might be made as an alternative to the Offers.

7.4 Transaction expenses

The Offers have resulted in Jinka incurring expenses that would not otherwise arise from trading in the current financial year. These expenses are anticipated to be approximately \$35,000. Expenses include legal, financial and tax advisers engaged to assist in this transaction and other transaction related expenses which will have a negative impact on the after tax earnings in the current financial year.

7.5 Transfer of Jinka Securities

Security Holders who accept the Offers (even while the Offers are conditional) will be giving up their rights to transfer or otherwise deal with their Jinka Securities. As the Jinka Securities are not listed on any financial market, the ability for Security Holders to transfer their securities is in any event limited.

7.6 Payment

No payment for the Jinka Securities tendered into the Offers will be made until after the Offers become unconditional. If the Offers become unconditional, you will be paid under the Offers on or before the earlier of:

- the day one month after the date of your acceptance of the Offers or, if the Offers are subject to a defeating condition when you accept the Offers, within one month after the contract resulting from your acceptance of the Offers become unconditional; and
- the day 21 days after the end of the Offer Period.

See section 5.4 of the Bidder's Statement for further details on when you will be sent your payment from Kentor.

7.7 Material contracts

Loan Agreement with Dr Ruane

The Company and Dr Michael Ruane (the Chairman of the Company) entered into a loan agreement on 31 May 2010. Pursuant to this agreement Dr Ruane and associated entities have loaned the Company a total of \$4,215,000.

The first tranche of \$3,200,000 was loaned to the Company on 1 June 2010 which enabled the Company to complete the Burnakura Project Sale Agreement.

The second tranche of \$1,065,000 was loaned in October 2010 and was to pay for replacement environmental bonds (\$747,000) associated with the acquisition of the Burnakura Project tenements and to provide general working capital to fund the operations of the Company. \$150,000 was repaid in December 2010.

The loan agreement provides for payment of interest on outstanding moneys at 7.5% per annum with no capitalisation of interest and repayment upon 6 months notice provided no event of default occurs or alternatively within seven days of any bidder for the Company becoming entitled to 50% or more of the fully paid securities of Jinka. The loan is secured by an unregistered first ranking fixed and floating charge in favour of Dr Ruane. The charge will be discharged upon the repayment of the moneys (principal and interest) to Dr Ruane.

Kentor has indicated that, if it acquires more than 90% of the Company, it intends to procure that Jinka would repay the loan from Dr Ruane upon the occurrence of a change of control of Jinka. See section 3.5 of the Bidder's Statement.

Loan Agreement with Reward Minerals Ltd

On or about 30 November 2010 Reward provided a loan facility of up to \$500,000 to the Company for working capital. The loan accrues interest at 10% per annum and is repayable on 6 June 2011. Jinka currently owes Reward \$400,000 and interest.

Dr Ruane is a director of Reward and has a relevant interest in approximately 26.6% of Reward.

Kentor has indicated that, if it acquires more than 90% of the Company, it intends to procure that Jinka would repay this loan when it is due on 6 June 2011

Takeover Implementation Agreement

On 1 April 2011, Jinka and Kentor entered into the Takeover Implementation Agreement, the material terms of which can be summarised as follows:

- **Takeover bid:** Kentor and Jinka must each announce the Offers by issuing an agreed announcement to ASX and on the Company's website. Subject to there being no Superior Proposal:
 - a. Jinka represents and warrants that the Jinka Directors have met and considered the possibility of Kentor agreeing to make the Bid; and
 - b. if Kentor publicly proposes the Offers, Jinka must announce to the Security Holders that the Directors unanimously recommend that Security Holders accept the Offers.
- **Facilitation of Offers:** During the Offer Period and in the absence of a Superior Proposal, Jinka must support the Bid and participate in efforts reasonably required by Kentor to promote the Bid, including meeting with key Security Holders, analysts, management, customers, press and other parties mutually agreed if requested to do so by Kentor. The parties must use their best endeavours to procure that all Offers are accepted within one month of the Offers first being made and, in any event, as soon as is reasonably practicable.
- **Offer terms:** Subject to the duties owed by the Directors, Jinka must not do anything which may result in any of the Offer Terms being breached, not being satisfied or being incapable of satisfaction.
- **Conduct of business:** From the announcement of the Bid and for the duration of the Offer Period, Jinka must conduct its business in the usual and ordinary course and use reasonable endeavours to maintain the value of its business and assets.
- **Appointment of directors:** Jinka will procure that the Directors appoint a nominee of Kentor as a majority of the Board once Kentor has paid for acceptances of the Offers which represent 50% of all Jinka Securities. Kentor will be entitled to appoint all but one of the Board once Kentor acquires a relevant interest in 90% of all the Jinka Securities and the Offers becomes or is declared unconditional, and the Directors will resign to facilitate this.
- **No solicitation:** From the Announcement Date until the end of the Offer Period Jinka must not:
 - a. solicit or initiate any inquiries, expression of interest, offer, proposal or discussions;
 - b. participate in any negotiations or discussions or provide information to any person in respect of any enquiries, expression of interest, offer or proposal;
 - c. accept or enter into any agreement, arrangement or understanding; or
 - d. disclose any non-public information about the business or affairs of Jinka (other than to a government agency),

which relates to a Competing Proposal.

Paragraphs (b) to (d) do not apply if in the Directors have received financial advice that a Competing Proposal is superior to the Takeover Bid, and, relying on specific written legal advice, form the reasonable opinion that compliance with the relevant

clause would constitute a breach of their fiduciary or statutory duties. This exemption does not extend to circumstances where the approach by a third party is facilitated by or as a result of a breach of paragraph (a).

Until the end of the Offer Period, Jinka must immediately notify Kentor of any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal.

- **Break fee payable by Jinka:** Jinka must pay to Kentor a break fee of \$400,000 if at any time following the Announcement Date:
 - a. any director of Jinka fails to recommend that Jinka Security Holders accept the Takeover Bid or withdraws, revises or revokes that recommendation;
 - b. any director of Jinka recommends or otherwise announces support for a Competing Proposal;
 - c. a person other than Kentor or an associate of Kentor directly or indirectly acquires a legal or beneficial interest in 20% or more of Jinka Securities or the share capital of any of its subsidiaries or acquires an interest in all or a substantial part of the assets of Jinka and its subsidiaries; or
 - d. Jinka breaches the non-solicitation clause of the Takeover Implementation Agreement.
- **Break Fee Payable by Kentor:** Kentor must pay to Jinka a break fee of \$300,000 if at any time following the Announcement Date, Jinka terminates the Takeover Implementation Agreement due to Kentor being in material breach of the Takeover Implementation Agreement, which is incapable of being remedied.
- **Termination Rights:** The Takeover Implementation Agreement may be terminated by either Kentor or Jinka, if:
 - a. the other party is in material breach of the Takeover Implementation Agreement, and the breach is incapable of being remedied; or
 - b. having made a Takeover Bid for Jinka, Kentor withdraws the Takeover Bid or the Takeover Bid lapses, for any reason including non-satisfaction of a condition of the Takeover Bid.

Kentor may terminate the Takeover Implementation Agreement if at any time during the period commencing on the Announcement Date and ending at the end of the Offer Period, Jinka is subject to an insolvency event.

Pre-Bid Deed

On 1 April 2011, Kentor and Intermin entered into a pre-bid deed, the material terms of which can be summarised as follows:

- **Acceptance:** Subject to Kentor making the Offers, Intermin agrees to immediately accept the Offers for 5,942,308 Shares and to not withdraw its acceptance of the Offers for those Shares.
- **Announcement of intention:** Intermin must on the Announcement Date, publicly announce its intention to accept the Offers in the absence of a Superior Proposal.
- **Termination:** The Pre Bid Deed will automatically terminate if:

- a. Kentor does not announce the Bid by 1 April 2011;
- b. a Superior Proposal is announced during the Offer Period that is:
 - i. not matched by Kentor; and
 - ii. recommended by the Jinka Directors,
 following which the Takeover Implementation Agreement is terminated;
- c. Intermin has accepted the Offers and the Offers become unconditional; or
- d. the Offer Period has ended for any reason.

7.8 Taxation

The following summary of potential tax consequences of accepting the Offers is based on current Australian taxation law as at the date of the Target's Statement and is general in nature. Security Holders should obtain and rely on their own taxation advice in relation to the taxation consequences of disposing of their Jinka Securities under the terms of the Offers.

In particular, the summary does not cover the tax consequences of accepting the Offers for Security Holders who:

- are non-residents or temporary residents of Australia for tax purposes;
- hold their Jinka Securities on revenue account or as trading stock; or
- acquired their Jinka Securities through an employee share scheme (or similar).

Such Security Holders should seek their own professional taxation advice on the tax consequences of accepting the Offers.

Acceptance of the Offers will result in a disposal at the date the contract is entered into for capital gains tax (CGT) purposes. Capital proceeds of the disposal will be the cash proceeds received by the Security Holders from Kentor.

The CGT cost base for each Jinka Security will generally include the cost of acquiring the relevant Jinka Security plus any other incidental acquisition costs.

Security Holders will derive a capital gain if the capital proceeds are greater than the CGT cost base of their Jinka Security or incur a capital loss if the capital proceeds are less than the CGT cost base of their Jinka Security.

Security Holders may be able to offset any capital gain with any current or prior year capital losses, subject to the loss utilisation rules that may apply.

Security Holders who are an individual, trust or complying superannuation fund (but not company), and have held their Jinka Securities for at least one year may choose to apply the general CGT discount. Utilisation of the general CGT discount will result in individuals and trusts only including 50% (complying superannuation funds 66⅔%) of the capital gain in their assessable income. Capital losses must be deducted before applying any CGT discount.

7.9 Overseas Security Holders

The Offers are made available to, and can be accepted by, overseas Security Holders.

8. INFORMATION ABOUT THE OFFER

8.1 Offer Consideration

The consideration under the Offers are:

1. \$0.195 for each Share;
2. \$0.039 for each 2011 Option; and
3. \$0.096 for each 2013 Option.

8.2 Conditions of the Offers

The Offers are subject to the fulfilment or waiver of the following conditions:

- **Minimum tender condition:** At or before the end of the Offer Period there have been validly deposited under the Offers and not withdrawn at the end of the Offer Period that number of Jinka Securities which constitutes (by number, calculated on a fully diluted basis) at least:
 - a. 90% of outstanding Shares;
 - b. 90% of outstanding 2011 Options;
 - c. 90% of outstanding 2013 Options.
- **Regulatory approvals and actions by Government Agencies:** Before the end of the Offer Period:
 - a. Kentor receives all necessary regulatory approvals, consents and permits (including the appropriate regulatory approvals) and all regulatory conditions have been satisfied in relation to the acquisition of 100% of Jinka and its subsidiaries on an unconditional basis;
 - b. no act, action, suit or proceeding has been taken before or by any person (including a government agency) (including by any individual, company, firm, group or other entity), whether or not having the force of law, in relation to or which may prevent, affect, limit or otherwise change the nature of a Takeover Bid by Kentor for Jinka in the manner contemplated by the Takeover Implementation Agreement;
 - c. no Government Agency:
 - i. makes any finding, preliminary or final decision, order or decree against Jinka or any of its subsidiaries or fines or otherwise penalises Jinka or any of its subsidiaries;
 - ii. institutes any action or investigation; or
 - iii. announces, commences or threatens any action or investigation, which has or may have an adverse effect on any one or more of the following; the business, assets, any mining tenements, liabilities, financial or trading position, profitability or prospects of Jinka or any of its subsidiaries.

At the end of the Offer Period there is not any prohibition at law against Kentor making the Offers or taking up and paying for any Jinka Securities deposited under the Offers.

- **No Jinka Material Adverse Effect:** None of the following occurs, has been announced or becomes known to Kentor:
 - a. an event, change, condition, matter or thing occurs;
 - b. information is disclosed or announced by Jinka or any of its subsidiaries concerning any event, change, condition, matter or thing; or
 - c. information concerning any event, change, condition, matter or thing becomes known to Kentor (whether or not becoming public),

which (either alone or in combination with any other item falling within the above) will have, could reasonably be expected to have or which evidences that there has been a Jinka Material Adverse Effect.

- **No material change of control rights:** Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person or persons having any rights or being entitled to have any rights as a result of any change of control event in respect of Jinka (including Kentor acquiring Jinka Securities) or any of its subsidiaries or assets, to:
 - a. terminate or alter any contractual relations between any person and Jinka or any of its subsidiaries (for this purpose an alteration includes without limitation an alteration of the operations of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
 - b. require the termination, modification or disposal (or offer to dispose) of any interest or asset, corporate body, joint venture or other entity; or
 - c. accelerate or adversely modify the performance of any obligations of Jinka or any of its subsidiaries under any agreements, contracts or other legal arrangement,

provided that this condition will only be breached to the extent that the relevant rights or entitlements in paragraphs (a), (b) or (c), if exercised or carried out would singly or cumulatively have a material adverse financial effect on Jinka or any of its subsidiaries.

- **All Ordinaries Index:** If at any time between the Announcement Date and the end of the Offer Period (each inclusive), the ASX 'All Ordinaries Index' falls 15% below the value of that index on the trading day immediately prior to the Announcement Date.
- **No untrue statements to ASIC:** Kentor does not become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any public document filed by or on behalf of Jinka with ASIC constitutes a Jinka Material Adverse Effect.

- **No prescribed occurrences:** None of the following events happens before the end of the Offer Period:
 - a. Jinka converts all or any Shares into a larger or smaller number of shares;
 - b. Jinka or a subsidiary of Jinka resolves to reduce its share capital in any way;
 - c. Jinka or a subsidiary of Jinka:
 - i. enters into a buy-back agreement; or
 - ii. resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - d. Jinka or a subsidiary of Jinka issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - e. Jinka or a subsidiary of Jinka issues, or agrees to issue, convertible notes;
 - f. Jinka or a subsidiary of Jinka disposes, or agrees to dispose, of the whole, or a substantial part, of its business or assets;
 - g. Jinka or a subsidiary of Jinka charges, or agrees to charge, the whole, or a substantial part, of its business or assets;
 - h. it is resolved that Jinka or a subsidiary of Jinka be wound up;
 - i. a liquidator or provisional liquidator of Jinka or a subsidiary of Jinka is appointed;
 - j. a court makes an order for the winding up of Jinka or a subsidiary of Jinka;
 - k. an administrator of Jinka, or a subsidiary of Jinka, is appointed under section 436A, 436B or 436C of the Corporations Act;
 - l. Jinka or a subsidiary of Jinka executes a deed of company arrangement;
 - m. a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Jinka or a subsidiary of Jinka; or
 - n. Jinka or a subsidiary of Jinka varies the terms of any employee or Jinka Director or company officer arrangements;
 - o. Jinka or a subsidiary of Jinka makes, or varies the terms of any material capital expenditure or other commitments in excess of the amount in the cash flow projection provided by Jinka to Kentor in aggregate;
 - p. Jinka or a subsidiary of Jinka increases its level of financial indebtedness (including financial liabilities incurred under finance leases), other than in the ordinary and usual course of business;
 - q. Jinka or a subsidiary of Jinka enters into a transaction with a related party; or
 - r. Jinka or a subsidiary of Jinka becomes a party to, or is threatened with any prosecution, litigation or arbitration other than as a plaintiff or applicant that exposes Jinka or the subsidiary to a potential liability (including legal costs).

8.3 Likelihood of satisfaction of the Offer Conditions

As at the date of this Target's Statement, Jinka is not aware of any act, omission, event or fact that would result in the breach or non-satisfaction of an Offer Condition.

While the Directors have no reason to believe that the Offer Conditions will not be satisfied, Jinka is not in a position to state whether the Offer Conditions will be satisfied.

8.4 Implications of Offer Conditions not being satisfied

Any Offer Conditions which are not satisfied (or triggered, as appropriate) may be waived by Kentor.

If any Offer Condition is unsatisfied (or has been triggered) and has not been waived, Kentor will have a choice either to proceed with the acquisition of Jinka Securities under the Offers or to allow the Offers to lapse with unsatisfied Offer Conditions.

8.5 Offer Period

The Offers will be open for acceptance from 6 April 2011 until 7.00pm (Melbourne time) on 6 May 2011, unless extended or withdrawn.

8.6 Withdrawal of your acceptance

If you accept the Offers (even while it remains subject to Offer Conditions) you will not be able to deal with your Jinka Securities (including by accepting any higher takeover bid that may be made by a third party or any alternative transaction proposal that may be recommended by the Directors), subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

Security Holders may only withdraw their acceptance of the Offers if:

- the Offer Conditions are not satisfied or waived by the end of the Offer Period in that situation, you will be free to deal with your Jinka Securities; or
- Kentor varies the Offers in a way that postpones the time when Kentor is required to satisfy its obligations by more than one month, for example if Kentor extends the Offer Period by more than one month, while the Offers are still conditional.

8.7 Payment

Jinka Security Holders accepting the Offers will receive the Offer Price for their Jinka Securities within 1 month after the later of receipt of the Acceptance Form and the date on which the Offers become unconditional (and in any event, on or before 21 days after the end of the Offer Period).

8.8 Compulsory Acquisition

As at the date of its Bidder's Statement, Kentor has stated that, if it becomes entitled to do so, it intends to proceed to compulsorily acquire outstanding Shares under Part 6A.1, Division 1 of the Corporations Act, following the Bid, or alternatively, pursuant to Part 6A.2, Division 1 of the Corporations Act. See section 3.5 of the Bidder's Statement for further details of Kentor's intentions.

Under section 661A(1) of the Corporations Act, Kentor will be able to compulsorily acquire any outstanding Jinka Securities for which it has not received acceptances on the same

terms as the Offers if during, or at the end of, the Offer Period Kentor (taken together with its associates):

- has a relevant interest in at least 90% (by number) of the Jinka Securities; and
- has acquired at least 75% (by number) of the Jinka Securities for which it has made an Offer.

If the above thresholds are met, Kentor will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Security Holders who have not accepted the Offers. The consideration payable by Kentor will be the consideration last offered under the Offers immediately before:

- the issue of the compulsory acquisition notice (if the notice is given before the end of the Offer Period); or
- the end of the Offer Period (if the compulsory acquisition notice is given after the end of the Offer Period).

If Kentor does not become entitled to compulsorily acquire Jinka Securities in accordance with the above procedures, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act.

Jinka Security Holders may challenge any compulsory acquisition, but this would require the relevant Security Holders to establish to the satisfaction of a court that the terms of the Offers do not represent fair value for the Securities. If Jinka Securities are compulsorily acquired, Jinka Security Holders are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

9. INTERESTS OF DIRECTORS

9.1 Interests of Directors in securities in Jinka

The number and description of securities in Jinka in which each of the Directors has a relevant interest is set out in the table below:

Director	Shares	2011 Options	2013 Options	Options Total
Dr Michael Ruane ¹	19,761,510	6,217,691	12,884,358	19,102,049
Mr Cyrille van Heyst	176,982	176,982	0	176,982
Mr Colin McCavana	219,694	19,694	200,000	219,694

¹ The relevant interest of Dr Michael Ruane includes securities held by controlled entities. It also includes securities held by Intermin as Dr Ruane is held to have a relevant interest in securities that Intermin holds as Dr Ruane has a greater than 20% voting power in Intermin (his current voting power in Intermin is approximately 35.3%), 10,490,575 Shares, 1,911,954 2011 Options and 8,578,621 2013 Options are held by Intermin.

9.2 Dealings by Directors in Jinka securities

There have been no acquisitions or disposals of securities in Jinka by any Director in the four months ending on the day preceding the date of this Target's Statement.

9.3 Interests and dealings in Kentor

Neither Jinka nor any Director has any relevant interest in securities of Kentor or any Related Body Corporate of Kentor. There have been no acquisitions or disposals of securities in Kentor or any Related Body Corporate of Kentor by Jinka, any associate of Jinka, or any Director in the four months ending on the day preceding the date of this Target's Statement.

9.4 Benefits to Directors

As a result of the Offers, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act and compulsory superannuation entitlements) has been paid or will be paid to any Director, secretary or executive officer in connection with the loss of, or their resignation from, their office.

9.5 Conditional agreements

No agreement has been made between any of the Directors and any other person in connection with or conditional upon the outcome of the Offers.

9.6 Pre Bid Deed

Kentor and Intermin are parties to the Pre-Bid Agreement, the terms of which are summarised at section 7.7 of this Target's Statement. Dr Ruane has a greater than 20% voting power in Intermin (his current voting power in Intermin is approximately 35.3%).

9.7 Interests in contracts with Kentor

Otherwise than as discussed in this Target's Statement, no Director has any interest in any contract entered into by Kentor.

10. ADDITIONAL INFORMATION

10.1 Other material information

This Target's Statement is required to include all the information that Security Holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offers, but:

- only to the extent to which it is reasonable for Security Holders and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

The Directors are of the opinion that the information that Security Holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offers is:

- the information contained in the Bidder's Statement;
- the information contained in Jinka's statements to Security Holders prior to the date of this Target's Statement (which are available on its website, www.jinkaminerals.com.au); and
- the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken to be endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Jinka Securities;
- the matters that Security Holders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Security Holders' professional advisers; and
- the time available to Jinka to prepare this Target's Statement.

10.2 Issue securities

As at the date of this Target's Statement, Jinka has on issue:

- 29,860,846 Shares;
- 14,843,150 2011 Options; and
- 14,901,616 2013 Options.

10.3 Option terms

The key terms of the Options are as follows:

- each Option entitles the holder to one Share;
- the exercise price is \$0.20 per Option;
- Options can be exercised at any time prior to the expiry date in whole or in part;
- Options are freely transferrable;
- in order to exercise a Option, the option holder must return a notice of exercise with payment;
- the Shares granted upon the exercise of the option rank equally with all other Shares;
- there are no participation rights or entitlements inherent in the Options;
- a holder of Options cannot participate in further share issues while the Option remains on foot other than a bonus issue; and
- if the share capital of Jinka is reconstructed, the rights of the holders of Jinka Option Holders are to be reconstructed, if necessary, in accordance with the Listing Rules.

10.4 Substantial shareholders

As at the date of this Target's Statement, Jinka is aware of the following persons who hold a substantial interest in Jinka:

Persons	Number of Shares	Percentage of total Shares
Intermin Resources Ltd ¹	10,490,575	35.13%
Tyson Resources Pty Ltd ²	4,469,250	14.97%
Kesli Chemicals Pty Ltd ²	3,655,184	12.24%

¹ Dr Michael Ruane, Jinka's non-executive chairman, has a greater than 20% voting power in Intermin (his current voting power in Intermin is approximately 35.3%), and Dr Ruane is deemed to be an associate of Intermin.

² Dr Ruane controls Tyson Resources Pty Ltd and Kesli Chemicals Pty Ltd, giving him a relevant interest in 19,761,510 Shares, or approximately 66.18% of Jinka's Shares.

10.5 Latest financial results and change of financial position

Jinka's last published audited financial statements are for the year ended 30 June 2010 as lodged with ASIC on 24 November 2010.

Except as disclosed in this Target's Statement, the Directors are not aware of any material change to Jinka's financial position as disclosed in Jinka's audited financial statements for the year ended 30 June 2010 lodged with ASIC on 24 November 2010.

Jinka released an unaudited half yearly report for the period ending 31 December 2010 which can be viewed on the Company's website (www.jinkaminerals.com.au).

10.6 Disclosing entity

Jinka is unlisted and as such is not subject to continuous reporting and disclosure obligations under the ASX Listing Rules. The Company is however an unlisted disclosing entity for the purposes of the Corporations Act.

10.7 Potential impact of Offers on material contracts

So far as the Directors are aware, other than as outlined in section 7.7, none of Jinka's material contracts have a change of control clause which will be triggered if Kentor is successful in acquiring control of Jinka, giving the counterparty the ability to terminate the contract or which may have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses and prospects of Jinka.

However, Jinka has not been able to undertake a detailed review of all contracts to which Jinka is a party and accordingly no assurance can be given that there are no such contracts that are material.

10.8 Material litigation

As at the date of this Target's Statement, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.9 Impact of the Offers on employee arrangements

Other than as disclosed in section 3.3 of the Bidder's Statement, there is and will not be any impact on employee arrangements.

10.10 Consents

Fairweather Corporate Lawyers has given its consent to being named in this Target's Statement as legal adviser to Jinka in the form and context in which it is named. This consent has not been withdrawn prior to the lodging of this Target's Statement with ASIC.

Reward has consented to being named in this Target's Statement and to all statements in this Target's Statement attributed to it. This consent has not been withdrawn prior to the lodging of this Target's Statement with ASIC.

Intermin has consented to being named in this Target's Statement and to all statements in this Target's Statement attributed to it. This consent has not been withdrawn prior to the lodging of this Target's Statement with ASIC.

Each person named in this section as having given their consent to the inclusion of a statement or being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement which a statement in this Target's Statement is based on other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and a statement included in the Target's Statement with the consent of that party as specified in this section; and
- has not caused or authorised the issue of this Target's Statement.

10.11 ASIC modifications

As permitted by ASIC Class Order 07/429, this Target's Statement contains historical geological report references based upon historical geological reports available for inspection or acquisition from a government department, authority or agency of an Australian State or Territory or of the Commonwealth or ASX.

10.12 Publicly available information

This Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC by Jinka. Any Security Holder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by calling the Company on 08 9386 7258. Copies of announcements by Jinka may also be obtained from its website <http://www.jinkaminerals.com.au>.

10.13 Date of Target's Statement

This Target's Statement is dated 21 April 2011, which is the date on which it was lodged with ASIC.

10.14 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by the Directors on 21 April 2011. All Directors voted in favour of that resolution.

Signed for and on behalf of Jinka:

Dr Michael Ruane
Chairman
Jinka Minerals Ltd

11. GLOSSARY

11.1 Definitions

2011 Option means an option to be issued a Share with an exercise date of 31 July 2011 and otherwise on the terms set out in section 10.3 of this Target's Statement.

2013 Option means an Option with an exercise date of 31 July 2013 and otherwise on the terms set out in section 10.3 of this Target's Statement.

Acceptance Form means the personalised acceptance form which accompanies the Bidder's Statement.

Announcement Date means the date the Bid was announced, 1 April 2011.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act.

ASX means, depending on the context, ASX Limited (ABN 98 008 624 691), or the market operated by that entity.

Bid or **Takeover Bid** means the off-market takeover bid which is the subject of the Bidder's Statement.

Bidder's Statement means the bidder's statement in relation to the Offers, prepared by Kentor and dated 1 April 2011.

Board means the board of directors of Jinka as at the date of this Target's Statement.

Competing Proposal means any proposal or transaction, which, if completed, would mean a person (other than Kentor or any Associate of Kentor) would:

- (a) directly or indirectly acquire a legal or beneficial interest or Relevant Interest in, or control of, 20% or more of:
 - (i) all Jinka Securities or of the share capital of any of its subsidiaries;
 - (ii) all or a substantial part or a material part of the business conducted by Jinka, including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares, or joint venture, but not as custodian, nominee or bare trustee,
- (b) acquire control of:
 - (i) Jinka; or
 - (ii) all or a substantial part or a material part of the business conducted by Jinka; or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Jinka.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a current director of Jinka as at the date of this Target's Statement.

GST has the same meaning as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Intermin means Intermin Resources Limited (ACN 007 761 186).

Jinka or **Company** means Jinka Minerals Ltd (ACN 131 851 404).

Jinka Material Adverse Effect means any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse to the assets (including any mining tenements held by Jinka and its subsidiaries), liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, financial condition, prospects of Jinka and its subsidiaries taken as a whole or its title to, or beneficial entitlement to, any mining tenements held by Jinka and its subsidiaries.

Jinka Securities means a Share or Option.

Jinka Security Holder or **Security Holder** means a person holding a Jinka Security.

JORC Code means the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Kentor means Kentor Gold Ltd (ACN 082 658 080).

Offers means the takeover offers by Kentor for Jinka Securities under Chapter 6 of the Corporations Act as described in the Bidder's Statement.

Offer Conditions means the conditions set out in section 8.2 of this Target's Statement.

Offer Period means the period commencing on 6 April 2011 and ends at 7.00pm (Melbourne time) on the later of:

- (a) 6 May 2011; or
- (b) any date to which the period of the Offers is extended by Kentor or as required by the Corporations Act.

Offer Price means in respect of:

- (a) Share, \$0.195 per Share;
- (b) 2011 Option, \$0.039 per 2011 Option; and
- (c) 2013 Option, \$0.096 per 2013 Option.

Offer Terms means the terms of the Offers as set out in section 5 of the Bidder's Statement.

Option means a 2011 Option or a 2013 Option.

Pre Bid Deed means the pre bid deed entered into between Kentor and Intermin dated 1 April 2011 as amended by Kentor and Intermin from time to time.

Related Body Corporate has the same meaning as in the Corporations Act.

Relevant interest has the same meaning as in the Corporations Act.

Reward means Reward Minerals Limited (ACN 009 173 602).

Share means a fully paid ordinary share in Jinka.

Share Registry means the Company's share registry, Link Market Services Limited of level 12, 680 George Street, Sydney, NSW 2000.

Shareholder means a registered holder of Shares.

Superior Proposal means a publicly announced Competing Proposal which the Directors, acting in good faith, and after taking advice from its advisers is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal; and
- (b) more favourable to Security Holders than the Takeover Bid, including that the price offered by the person making the Competing Proposal to Security Holders in respect of each class of Jinka Securities exceeds the price offered by Kentor in respect of each class of Jinka Securities by at least 5%, and taking into account all other terms and conditions of the Competing Proposal.

Takeover Implementation Agreement means the takeover implementation agreement entered into between Kentor and Jinka dated 1 April 2011 as amended by Kentor and Jinka from time to time.

Target's Statement means this document being the statement of Jinka under Part 6.5 Division 3 of the Corporations Act.

11.2 Interpretation

Unless the context otherwise requires:

- headings used in this Target's Statement are inserted for convenience and do not affect the interpretation of this Target's Statement;
- words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- a reference to a section is a reference to a section of this Target's Statement;
- a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- the singular includes the plural and vice versa;
- the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia.