



**Kentor Gold Ltd**

**Date of Lodgement: 21/9/11**

**Title: “Company Insight –Significance of Outstanding Jervois Drilling”**

**Highlights of Interview**

- Mineralised system continuing strongly at 450 metres, with improving grades at depth.
- Waiting on results from 9 more holes before re-calculating JORC Resource at Jervois.
- First gold production at Burnakura confirmed for mid 2012 with 4 phase expansion.
- Surprise at strength of initial Resources at Jervois and Burnakura.
- Sums up longer term growth strategy for Kentor.

**Record of interview:**

**[companyinsight.net.au](http://companyinsight.net.au)**

Kentor Gold Ltd (ASX code: KGL; market capitalization of ~\$120m) last week confirmed mid-2012 for the start of gold production at Burnakura (Western Australia), and also announced more high grade drill results at the Jervois copper-silver-gold project (Northern Territory) where you have already established an initial Inferred JORC Resource estimate of 8.8 million tonnes at 1.3% copper for a total of 113,000 tonnes of contained copper, plus 7.6 million ounces of silver. First, Jervois. Can you give an update on the extent of the mineralization, both horizontally and at depth, the size of some of the intersections and the quality of the grades?

**Managing Director, Simon Milroy**

I believe that we are at the early stages of understanding a large mineralized system with the clear potential to be a major base and precious metals mine.

Jervois is quite remarkable. There are four known prospects spread out over an 8 km strike length. At each prospect, the mineralized zones are perfectly vertical, tabular shapes, and they are all open at depth. Every hole that has intersected the vertical plane of the structures has returned good grades. The recent drilling has confirmed that the mineralized structure is still continuing strongly at 450 metres below the surface. The recent intersection of 72m @ 3.27% Cu, 51.33 g/t silver and 1.16 g/t gold is one of the deepest holes drilled at the site and it is also the best result received to date.

Our diamond drilling program has targeted the four areas which contain the current resources. However, the recent RC drilling programme has also discovered a new zone of mineralization with an intersection of six metres @ 3.18% copper, 23.55 g/t silver and 0.45 g/t gold. This is in an area approximately 300 metres away from previously known mineralization.

The drilling programme has now finished, but we are still waiting on results for one more hole at Reward, four more holes at Green Parrot, two holes at Bellbird and two more holes at Bellbird north.

Once we have received all of the results we will re-calculate the resource estimate and then start planning the next phase of drilling. This is likely to include some infill drilling in the shallower areas accessible by open pit mining and some of the deeper, exciting drilling to follow the high grade area that we have defined recently.

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Your first production in Australia – gold at Burnakura - has now been confirmed as being on target for mid 2012. You've also announced that further drilling is planned there. Can you enlarge upon the strategy at Burnakura?

#### **Simon Milroy**

We are planning a four phase approach to the development at Burnakura.

The first phase is to resume production as soon as possible by refurbishing the existing plant and completing a small expansion to target 250,000 tpa. This will be completed by June next year.

The second phase is to install a heap leach operation at Burnakura using the equipment that we recently purchased from the Indee Gold Mine. The heap leach will treat all of the low grade ore that will be mined averaging around one gram per tonne gold. This will allow a higher grade feed to the mill.

The third phase will be an expansion to 500,000 tpa by installing a second ball mill. In the fourth phase we will examine the possibility of treating at Burnakura the gold and copper-gold ore from nearby Gabanintha.

We are currently planning the mining schedule and will have firmer guidance for the market when we complete the current study in October.

The construction contractor has already begun dismantling and transporting the Indee Gold Mine equipment to Burnakura and commenced work on the plant refurbishment. During the refurbishment, we are removing six small carbon tanks and replacing them with three new and much larger leach tanks, which will allow a longer residence time and also allow the future upgrades to be conducted with minimal plant shutdown time.

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How pleased are you overall with the assets purchased from Jinka Minerals earlier this year? Have you experienced any disappointments or have they exceeded your expectations?

### **Simon Milroy**

Both Jervois and Burnakura have surprised us with the strength of the initial resource estimates, and Gabanintha came in about where we were expecting. At Gabanintha, we are waiting on the results of a Helitem survey that commenced this week before finalizing our program for the first round of drilling. Gabanintha has had very little historical drilling into the primary zone of the ore body. All of the pits were stopped not because the gold ran out, but because they encountered the copper in the primary zone, so I am confident that with some drilling that actually targets copper-gold ore, Gabanintha has very good potential for significant increases to the size of the resource.

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As I mentioned, Jervois has an Inferred JORC Resource estimate of 8.8 million tonnes at 1.3% copper for a total of 113,000 tonnes of contained copper, plus 7.6 million ounces of silver. When do you expect to announce an upgraded Resource?

### **Simon Milroy**

We will re-estimate the resource at Jervois as soon as we have received all of the latest assay results. This will be complete before the end of this calendar year.

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Can you sum up the long term strategy for Kentor?

### **Simon Milroy**

We are well placed to grow the Company with \$43.7 million in cash and equivalents as at 30 June 2011 with no debt. This is after paying for the acquisition of the Jinka assets (\$12.8 million) and advancing these Australian assets. We also have an undrawn debt facility of US\$50 million.

The strategy in Australia is to bring Burnakura into operation as fast as possible while constantly growing the resources and annual gold production. A bankable feasibility study will be conducted at Jervois next year. Within three years we are planning to have three mines in operation with gold and copper production from Burnakura and Jervois in Australia and at Andash in the Kyrgyz Republic.

### **companyinsight.net.au**

Thank you Simon.

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*The data in this report that relates to Mineral Resource Estimates is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience 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 (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.*

*The data in this report is based on information compiled by Rudy Lennartz, who is a member of the Australian Institute of Mining and Metallurgy and a full time employee of Jinka Minerals Ltd. Mr.Lennartz has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to 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.Lennartz has consented to the inclusion of this information in the form and context in which it appears in this report.*

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