



31 October 2011

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

*Formed in 1998 and listed on the ASX in 2005, the Company expects to commence high grade gold production at **Burnakura** in Western Australia in mid-2012, with potential additional gold-copper production from the neighbouring **Gabanintha** deposit.*

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

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

Issued capital:

*1,062.1 million ordinary shares
63.6 million unlisted options*

Market Capitalisation

28 October 2011: \$103 million

**Quarterly Activities Report
Period Ending 30 September 2011**

Australia

- Burnakura: Progress towards first gold production
 - Successful trial start-up of processing plant
 - Preparing initial mining schedule
 - Feasibility study underway
- Jervois: Outstanding drill results reinforce major copper-silver mine potential, with gold and other metals

Kyrgyz Republic

- Moving towards local approval for site access to develop the low cost, high grade Andash Gold-Copper Project

Quarterly Overview

During the quarter, Kentor Gold Limited (“Kentor Gold” or “the Company”) advanced towards its goal of bringing three mines into production over the next three years, commencing with the Burnakura Gold Mine.

The Australian projects were secured with the acquisition of Jinka Minerals Limited in May 2011 and were the subject of intensive planning and exploration.

At Burnakura, a feasibility study included mine planning and a successful trial restart of the existing plant. The power station has been restarted and all of the existing equipment at the site has been started including the ball mill.

At Jervois, drilling has produced a continuing stream of high grade copper-silver results, and confirmed the presence of lead, zinc and gold. A major multi-metal project is now emerging from the drilling. High grade mineralisation is being extended to depths hundreds of metres below the current Resources, and significant intersections are being encountered along the 12km strike length outside the four currently identified deposits on which the Resources are calculated.

At Andash in the Kyrgyz Republic, progress was made in the securing of local approval for the Company to access the site and begin development of this extremely low cost, high grade gold-copper project.



Burnakura Gold Project, WA (Kentor Gold 100%)

Initial Inferred Resource of 10.6 million tonnes @ 1.5 g/t gold for a total of 516,000 gold at a 0.5 g/t cut off. Includes a high grade component of 3.2 million tonnes @ 2.9 g/t for 298,000 oz gold at a 1.5 g/t cut off.

During the quarter, Kentor Gold proceeded with a program to re-start production at Burnakura where open cut gold mining ceased in 1998 when the price of gold was US\$440 an ounce. The development program comprises the recommissioning of existing processing plant, the installation of additional plant, a feasibility study including mine planning, and an exploration drilling program.

A contract was awarded for the refurbishment and recommissioning of the plant at Burnakura and for the dismantling of plant and equipment from the Indee gold mine and transporting it approximately 400km to Burnakura.



Fig. 1 Gold Room being removed from the Indee Plant



Fig. 2 Carbon columns from Indee arriving at Burnakura

The CIP plant at Burnakura is being recommissioned and expanded, with a throughput of 250,000 tonnes a year being targeted as stage one of the expanded operation. Current planning and design work at Burnakura is taking into account a future stage two target of 500,000 tonnes a year.

As part of the recommissioning, the power station and the existing plant at Burnakura were successfully re-activated without any significant problems. The carbon tanks have been dismantled and removed to make way for the future construction of three new larger leach tanks.



The plant and equipment from Indee, acquired for \$1.3 million, arrived at Burnakura during the quarter and was placed in the laydown yard. The upgraded Burnakura plant will now have a carbon stripping plant and gold room relocated from Indee enabling gold production on site. Replacement of existing adsorption tanks with larger capacity leach tanks and conversion to a full CIL circuit will ensure optimal plant performance.

A 60-hole air core drilling program was undertaken late in the quarter to test structural targets adjacent to the magnetic anomaly approximately 2 km north of the existing NOA open pits. Assay results from this exploration drilling will be available early in the December quarter. An 8,000-metre RC drilling program will commence in November to infill and increase the confidence in the areas where production is planned to commence.



Fig. 3 Air Core Drilling at Burnakura

Gabainintha Gold-Copper Project, WA (Kentor Gold 100%)

Initial Inferred Resource of 4.5 million tonnes @ 1.4 g/t gold for a total of 203,000 gold at a 0.5 g/t cutoff. Includes a high grade component of 1.3 million tonnes @ 2.9 g/t for 121,000 oz gold at a 1.5 g/t cut off. Resource also included 450,000 tonnes @ 0.5% copper.

At Gabainintha, 25km to the north-east of Burnakura, the focus was on exploration to increase the gold-copper Resource. A HeliTEM airborne geophysical survey was undertaken late in the quarter with a view to finalising a drilling program.

Open pit gold mining ceased at Gabainintha in 1991 because copper was encountered, not because ore ran out. All six of the pits at Gabainintha, over a strike length of 2.4km, were mined for gold to the base of oxidation and have gold and copper at the base. Most of the current Inferred Resource is within 100 metres of the surface, and the mineralisation remains open at depth.



Fig. 4 HeliTEM Survey - Gabanintha

Jervois Multi-Metals Project, NT (Kentor Gold 100%)

Initial Inferred Resource of 8.8 million tonnes @ 1.3% copper and 26.7 g/t silver for a total of 113,000 tonnes copper and 7.6 million oz silver. Resource includes 1 million tonnes @ 2.6% lead, 2.2% zinc and 73 g/t silver contained within the copper mineralisation at Green Parrot and Bellbird North deposits.

Intensive drilling during the quarter has confirmed the potential for Jervois to be a major copper-silver mine, with the significant presence of gold and other metals.

The Company aims to apply the results of the drilling in upgrading and increasing the maiden Inferred Resource, announced for Jervois last July, which extends over four deposits over 12km strike.

The first three diamond drill holes intersected significant copper and silver mineralisation below the existing Resource at the Reward Deposit, with the best result 8.1m @ 2.56% copper and 14.55 g/t silver.

A further hole identified new copper-silver-gold mineralisation between the previously established Resources at the Bellbird and Bellbird North Deposits, returning 6m @ 3.18% copper, 23.55 g/t silver and 0.45 g/t gold from 59m.

Further diamond drilling continued to indicate high grade mineralisation below the Reward Deposit. The best result was 72m @ 3.27% copper, 51.33 g/t silver and 1.16 g/t gold from 414m down hole, the estimated horizontal true width being 16m. Assays up to 8.8% copper, 276 g/t silver and 19 g/t gold were recorded from individual samples.



Fig. 5 Drill core from hole RJ169

The final results of the diamond drilling program, announced in October, continued to confirm significant mineralisation below the Reward and Green Parrot Deposits and north of the Bellbird Deposit. Individual copper assays of more than 8% at Green Parrot and 6% at Bellbird were recorded, while a lead assay of over 20% was recorded at Green Parrot.

A program of Reverse Circulation (RC) drilling was also undertaken to gain an understanding of the potential for mineralisation on structural features interpreted from a ground based geophysical program undertaken in 2010. Encouraging anomalous results indicate the mineralised potential of the Jervois project area.



During the quarter, the Company continued with a scoping study into the development of an open pit mine and flotation plant to produce a copper concentrate.

Kyrgyz Republic

Andash Gold-Copper Project (Kentor Gold 80%)

Andash has an estimated JORC Ore Reserve of 539,730 oz gold and 63,486 tonnes copper, and a Resource of 19.2 million tonnes @ 1.1 g/t gold and 0.4% copper for 679,023 oz gold and 77,300 tonnes copper.

Negotiations at community level continued during the quarter, aimed at achieving local approval for site access so that construction of the project can commence.

As soon as this occurs, geotechnical investigations will be completed and the 12-month construction program will proceed.

Andash is planned as a simple and conventional open pit and flotation operation averaging production of a single concentrate containing 70,000 oz gold and 7,400 tonnes copper a year for an initial six-year mine life, with strong potential for expansion and extension.

Expected to be one of the world's lowest cost gold mines, Andash is forecast to have an estimated total cost of US\$29 an ounce, after copper credits and royalty payments, based on a copper price of US\$2.75 a pound.

Court Proceedings

During the quarter, the Chui Regional Court confirmed in writing its decision in favour of the Kyrgyz General Prosecutor in a case between the General Prosecutor and the former minority partners in the Andash project. The decision required Kentor Gold to re-register the Andash Mining Company as a company 100% owned by Kentor Gold's wholly owned subsidiary Kaldora, and then requires Kaldora to make an offer to sell the 20% interest to the Kyrgyz Government.

This court action has no effect on the 80% of Andash Mining Company held by Kentor Gold.

Bashkol Exploration Licence (Kentor Gold 80%)

Kentor Gold Limited has now completed the 2011 exploration program at Bekbulaktor, on the Bashkol Exploration Licence. Results will be released to the market early in the next quarter as soon as all of the fire assay results have been received. The program of bedrock channel sampling, geophysics, and soil sampling was undertaken to gain a deeper understanding of the potential of a large zone of mineralised granite that was studied in the 2009 and 2010 field seasons.

The program established the presence of widespread gold and copper mineralisation over an area 2 km long and 1 km wide. Much of the area is covered by scree and alluvial sediments. The mineralisation is open in three directions.

The mineralisation is contained within granites and granodiorites of the Proterozoic age Saryjaz intrusive. Structurally, the intrusive lies within the Middle Tien Shan tectonic unit, adjacent to the Nikolaev Line which separates Northern and Middle Tien Shan tectonic units. The mineralisation appears to be associated with steeply dipping fractured zones within the granite and granodiorite.



Fig. 6 Channel Sampling Outcrop at Bekbulaktor, Northern Zone

Bekbulaktor prospect, in the north-west of the Kyrgyz Republic, is situated at an altitude of 3,400 to 3,800 metres on both sides of the Bekbulaktor Stream in the Terskey Ala-Too Range of the Tien Shan Mountains. The prospect is 6km from a major road used for access to the Saryjaz Valley and the Inylchek tin deposits. The area has no permanent settlements. The Bekbulaktor Stream is not part of the sensitive Issykkul catchment.



Figure 7. Location of the Bekbulaktor Gold Prospect



Geothermal Energy

Kentor Gold was previously involved in investigating geothermal energy resources in Central Asia. This work was not pursued due to the low power prices prevailing in the region. Two years ago, a review of conventional, volcanic related projects in the South Pacific was conducted. The review focussed on regions which were not connected to coal fired, grid power but sourced their energy from expensive diesel generators.

The review found that Savo Island in the Solomon Islands was the best project available and an application was lodged for a Geothermal Energy License. It now appears that this license is likely to be granted.

Kentor Gold made the application using a 100% owned subsidiary Kentor Energy. When appropriate, Kentor Gold plans to divest Kentor Energy in to a separately self-funded entity to add value to Kentor Gold shareholders.

Corporate

Kentor Gold maintained a strong financial position with a cash reserve of \$40.7 million at 30 September 2011 and an undrawn \$50m Macquarie Bank debt facility to apply to the development of the Andash project.

Outlook

During the current quarter, the Company plans to complete the feasibility study and mine plan for the Burnakura gold project.

Reverse Circulation drilling will be undertaken at Burnakura and Gabanintha with the aim of increasing the current resources.

The Company is working towards an upgraded Resource estimate for Jervois as the outstanding drill results of 2011 are taken into account.

In the Kyrgyz Republic, progress will be maintained towards local approvals to enable site access at the Andash Gold-Copper Project so that the 12-month construction program can commence.

For further information contact:

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

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



Appendix 1 KGL Group Resources

	Tonnes (mt)	Grade Au g/t	Grade Cu%	Grade Ag g/t	Gold (oz)	Copper (t)	Silver (Oz)
Andash Sulphide	0.38	0.93	0.25		11,350	950	
Jervois	8.8		1.3	26.7		113,000	7,600,000
Burnakura	10.6	1.5			516,000		
Gabanintha	4.5	1.4			203,000		
Total Inferred Resources	24.28				730,350	113,950	7,600,000
Andash Oxide	0.81	0.85	0.43		22,136	3,510	
Andash Sulphide	14.31	1.11	0.38		510,507	54,260	
Total Indicated Resources	15.12				532,643	57,770	
Andash Oxide	0.923	0.88	0.5		26,114	4,638	
Andash Sulphide	3.16	1.21	0.47		122,932	14,900	
Total Measured Resources	4.08				149,046	19,538	
Total Resources	43.48				1,412,039	191,258	7,600,000

Gabanintha and Burnakurra Resources as quoted at a cut-off grade of 0.5g/t Au.
 Jervois Resource is based on cut-off grades 0.2% to 0.5% Cu
 Kentor Gold own 80% of the Andash project



Competent Persons Statements

The information in this report that relates to mineral resource estimation for Gabanintha and Burnakura is based on work completed by Mr Jonathon Abbott who is a full-time employee of Hellman & Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The data in this report that relates to Mineral Resource Estimates for Jervois 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 Resource estimates for Andash in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall 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. Dr. Newall has consented to the inclusion of this information in the form and context in which it appears in this report.

The Jervois drilling results in this report are 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Kentor Gold Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

30 Sept 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	(1,249)	(1,545)
(b) development	(2,620)	(13,779)
(c) production	(1,107)	(2,451)
(d) administration	-	-
1.3 Dividends received	58	1,033
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Foreign Exchange differences	-	-
Net Operating Cash Flows	(4,918)	(16,742)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(1,003)*	(13,410)
(b)equity investments	-	-
(c) purchase options	(56)	(1,443)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	465	465
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(594)	(14,388)
1.13 Total operating and investing cash flows (carried forward)	(5,512)	(31,130)

* Acquisition costs on Jinka post 30th June 2011

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly

1.13	Total operating and investing cash flows (brought forward)	(5,512)	(31,130)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	(300)
	Net financing cash flows	-	(300)
	Net increase (decrease) in cash held	(5,512)	(31,430)
1.20	Cash at beginning of quarter/year to date	43,715	71,364
1.21	Exchange rate adjustments to item 1.20	2,537	806
1.22	Cash at end of quarter	40,740	40,740

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	137
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration and expenses paid to executive and non-executive directors for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,509
4.2 Development	2,910
4.3 Admin	971
Total	5,390

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	33,116	33,891
5.2 Deposits at call	7,624	9,824
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	40,740	43,715

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly

6.2 Interests in mining tenements acquired or increased	PL(A)51/2656 PL(A)51/2690 PL(A)51/2693 PL(A)51/2694 PL(A)51/2695 EL(A)51/1444 PL 20/2156 PS 20/2157	Gabanintha Gabanintha Gabanintha Gabanintha Gabanintha Gabanintha Burnakura Burnakura		Granted Granted Granted Granted Granted Granted Granted Granted
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,062,092,950			
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	63,611,358	Unlisted Options	Exercise price	Expiry date
7.8 Issued during quarter	500,000 500,000 500,000 500,000 250,000 250,000	Unlisted Options	12.56c 15.07c 14.55c 17.46c 11.37 13.65	Expiry 01/07/2016 Expiry 01/07/2016 Expiry 30/05/2016 Expiry 30/05/2016 Expiry 25/07/2016 Expiry 25/07/2016
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly

7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Kylie Anderson

Sign here: Date: 31/10/2011.....
 (~~Director~~/Company secretary)

Print name: ...Kylie Anderson.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.