



Kentor Gold Ltd

Date of Lodgement: 8/12/11

Title: “Company Insight – MD Milroy Updates Major Projects”

**Highlights of Interview**

- Explains great metallurgical test work at Jervois.
- Jervois ore body continuing at depth; grade increasing.
- Jervois potentially Kentor’s largest project.
- Updates Burnakura feasibility study.
- Confidence about start up for Andash project in the Kyrgyz Republic.
- Exploration & the outlook for 2012.

**Record of interview:**

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Kentor Gold Ltd (ASX code: KGL; market capitalization of ~\$120m) is progressing the Jervois copper-silver-gold project (Northern Territory, Australia), the Burnakura/Gabanintha gold project (Western Australia), the Andash Gold-Copper Project (Kyrgyz Republic) and several exploration projects. On 21 November, you described the first round of metallurgical test work at Jervois as a great result. Can you explain the results?

**Managing Director Simon Milroy**

In summary they point to favourable processing costs at Jervois. The first metallurgical test work conducted by Kentor Gold on the core from the recent diamond drilling at Jervois produced a 26% copper concentrate grade at a recovery of 94%. This is a very good result and indicates that the ore is very amenable to concentration by flotation. This result was achieved at a relatively coarse grind size of P80 90 micron. Further test work will examine the results at even coarser grind sizes. A coarse grind size implies that an operation would have lower capital and operating costs when compared to similar operations which require more grinding to achieve the necessary finer grind size.

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You also announced that mining and engineering studies are underway and you have commenced a Resource upgrade. Jervois currently 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. Can you explain how the drilling you've undertaken - after defining the initial Resource - should lead to a Resource upgrade?

**Simon Milroy**

It comes down to multiple higher grade drill results beneath the current Resource. The initial Resource estimate was limited to a depth of 200m below the surface so that the Resource could potentially be mined using open cut methods. The recent diamond drilling programme focused on infilling the region from 200m below surface to 400m below surface. The results showed that the mineralisation is vertical and continuing down with the deepest of our holes intersecting the mineralisation at a depth of 470m below surface. While the ore body is narrower at depth, the grade of the ore appears to be increasing with depth with the deepest hole returning the highest grades – 72 metres at 3.27% copper, 51.33 g/t of silver and 1.16 g/t gold down hole from 414 metres (horizontal true width 16 metres). We expect to complete an updated Resource estimate for Jervois later this month.

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What are the next major objectives or milestones to progress Jervois? Is this potentially your largest project?

**Simon Milroy**

We are currently working on a scoping study which is scheduled for completion in the first quarter 2012. The results from the scoping study will be used to set the direction for a full feasibility study to be conducted in 2012. All of the known mineralisation at Jervois is open at depth and yes, the Jervois project has the potential to be the largest project for Kentor Gold. However further drilling is required.

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Can you update progress with the Feasibility Study at Burnakura?

**Simon Milroy**

The feasibility study at Burnakura has taken longer than planned due to a number of reasons. Contractor and consultant availability is tight which has caused some delays. Initially the feasibility study was based entirely on open pit mining. However, it soon became apparent that it may be more attractive to resume underground mining at the NOA2 deposit and use open pit methods at the other 14 old open pits. The previous operators were using small scale, hand held methods for stoping the ore. We are targeting areas where larger scale stopes can be developed which should increase productivity and reduce costs.

We now anticipate that the feasibility study will be completed next month, January 2012.

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Will the delays with the feasibility study also delay the planned start of production for Burnakura?

**Simon Milroy**

No. While continuing the study, we have also continued the refurbishment of the Burnakura plant at the site, conducted an open pit mining tender and continued recruiting the senior staff for the project. We remain on track to commence production in June 2012.

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Of the exploration projects where you are yet to prove a Resource, which look to be the most promising so far?

**Simon Milroy**

The Bekbulaktor prospect on the Bashkol license in the Kyrgyz Republic is at an early stage but is potentially a very exciting gold/copper discovery. Our geologists have identified anomalous gold and copper in out cropping granite over an area 2km by 1km.

The best trench result returned 12m at 14.07 g/t gold and 1.8% copper.

Reconnaissance work over the rest of the Bashkol license has found other areas of anomalous copper and gold in out cropping granites on the license.

It is early days yet, but we are looking forward to commencing some drilling next year as soon as the weather permits.

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With several projects now looking promising, how will Kentor Gold prioritise its focus during 2012?

**Simon Milroy**

The number 1 priority for Kentor Gold in 2012 is to get Andash into construction. Number 2 is to commence gold production at Burnakura in six months and start to grow the Resources through exploration. Number three is to complete scoping and feasibility studies for Jervois.

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What is the strategy to add value to the Company? How do you demonstrate this to current and potential investors?

**Simon Milroy**

Our company strategy is to acquire, develop and operate advanced projects which have existing Resources. This strategy has been working well for us and I am looking forward to

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entering production in the near future so that we will have the ability to rapidly grow the company.

We acquired Andash during the GFC and we acquired Jinka Minerals during a period of weak markets and uncertainty. We have demonstrated our ability to take advantage of volatile times. There will be more volatile times ahead, and we look forward to the opportunities that they will undoubtedly present to Kentor Gold.

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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 relating to Jervois exploration 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.*

*The exploration results in this report relating to Bashkol are based on information compiled by Simon Milroy, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kentor Gold Limited. Mr. Milroy 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. Milroy has consented to the inclusion of this information in the form and context in which it appears in this report.*

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