KENTOR GOLD

Company Insight
the intelligent market update

Kentor Gold Ltd **Date of Lodgement: 12/4/12**

Title: "Company Insight – Including Fast Tracking Jervois Copper-Gold-Silver Project"

Highlights of Interview

- **Scoping Study finds strong financial returns for Jervois.**
- **Objectives and timing of the Feasibility Study for Jervois.**
- **Improving the financial resturns for Jervois.**
- **Plans to increase the JORC Resource.**
- **Outlines process flow sheet.**
- **Updates progress on Murchison Gold Project.**
- **Latest on the Andash project in Kyrgyz Republic.**

Record of interview:

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Kentor Gold Limited (ASX code: KGL; market cap of ~$140m) is proceeding to the feasibility study stage of the third in its pipeline of projects, its 100%-owned Jervois Copper-Silver-Gold Project in the Northern Territory, after a scoping study found it to be a robust project producing strong financial returns. Can you outline the project parameters and financial returns?

Managing Director, Simon Milroy
The scoping study considered three different sizes of processing plant ranging from 1.5 Mtpa to 2.5 Mtpa. The study showed that the current resource will support a development at the lower end of the range. However, given that all four of the current known prospects at Jervois are open along strike and down dip, we expect that as we complete further drilling we will continue to increase the size of the resource which will support a larger capacity plant and improve the project's economics considerably.

A 2.5 Mtpa processing plant will produce approximately 26,000 tonnes of copper in concentrate per annum plus significant byproducts of gold, silver and magnetite.

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What will be the objectives and timing of the feasibility study? How complex will the study be? Will it require a wide range of consultant and management inputs?

Simon Milroy
Although the Jervois Project is the third project in the Kentor pipeline, the high grades and upside potential associated with the project mean that we are keen to progress the project as fast as possible. The feasibility study will consist of additional drilling to build the resource and upgrade the confidence as well as the usual metallurgical test work, plant design, mining, infrastructure, environmental, permitting and marketing studies required to bring the project to the stage where it can attract debt funding.

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Can you explain further how you might improve the financial returns as calculated under the scoping study?

Simon Milroy
The scoping study showed that the economics of the project improve greatly as the scale of the project increases. This is primarily because the larger scale projects require only a few additional people on the site. Also the infrastructure components of the capital cost do not grow with the larger throughput, i.e. you need the same size camp, roads, airstrip etc.

The key to increasing the scale of the project lies in defining a larger resource. We currently have three drilling rigs on site to do exactly that.

The economics of the project will also improve by adding resources in the areas where the gold grade is increasing. These areas are being targeted in the current drilling programme and we expect that we will have sufficient information to include gold in the next resource update.

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For the 2.5mtpa of ore case, you have assumed that 16.3 million tonnes of ore will be processed over the life of mine. That compares with a current JORC Resource of 11.9 million tonnes. Can you give an indication of how the project economics might improve with a higher quality and larger Resource?

Simon Milroy
The drilling that was completed last year indicated that the resources were open at depth and along strike. We have also identified an exploration target that we expect to define once we have infilled the current resource at the Reward prospect. The current drilling programme has three main aims. Firstly to infill and upgrade the confidence of the current resource, secondly to source representative samples for the metallurgical test work during the feasibility study and thirdly to extend the resource along strike and down dip, specifically around the area of highest grade that was defined by the drilling last year at the northern end of the Reward prospect and shallow high grade mineralization discovered north of Bellbird.

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Can you explain the process flow sheet assumed under the scoping study? Are any areas problematic?

Simon Milroy
The flow sheet is pretty stock standard for this type of ore body. Crushing, grinding and flotation to produce a copper concentrate which will be sold to a smelter. The only additional circuits that we are considering are a flotation circuit to float off a separate lead-silver-bismuth concentrate which will have the advantage of removing the bismuth from the copper concentrate, and a magnetite recovery circuit on the tails line to produce a marketable magnetite concentrate.

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Can you update the progress at your first project that is due in production shortly; the Murchison Gold Project in Western Australia?

Simon Milroy
The project is on budget for commissioning mid-year. The crushing circuit has been refurbished and approximately 5,000 tonnes of ore has been crushed ready to commission the plant. The concrete ring beams for the new leach tanks have been poured and the new leach tanks will be transported from Perth to site on the 16th April. The camp has been renovated and we now have 93 rooms available at the site. Contracts that have been awarded include aviation, mining and catering.

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And lastly, could you please given an update on the Andash project?

Simon Milroy
The Kyrgyz government was to have made a statement in relation to the Andash project by 10 April 2012. To date, we have not been notified of any decision but we will advise the market of any outcomes when they become available.

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Thank you, Simon.

Inferred Resource	Tonnes (mt)	Grade Cu%	Grade Ag g/t	Copper (t)	Silver (Oz)
Jervois	11.9	1.3	25.2	150,500	9,660,000

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.