



Kalimantan Gold Corporation Limited

UNIT 1 – 15782 MARINE DRIVE
WHITE ROCK, BC, CANADA V4B 1E6

Management Information Circular

This Management Information Circular (“Information Circular”) is being mailed by the management of Kalimantan Gold Corporation Limited (the “Company” or “Kalimantan”) to everyone who was a shareholder of record of our company and to the non-registered shareholders through their nominee on **May 10, 2011**, which is the date that has been fixed by the directors of Kalimantan as the record date to determine the shareholders who are entitled to receive notice of the Meeting.

We are mailing this Information Circular in connection with the solicitation of proxies by and on behalf of our management for use at the annual and special meeting of the shareholders of Kalimantan that is to be held on June 14, 2011 at 9:00 a.m. (Vancouver time) (the “Meeting”) at the offices of our solicitors, Axiom Law Corporation, Suite 3350 – 1055 Dunsmuir Street, Vancouver, British Columbia V6X 1L2. The solicitation of proxies will be primarily by mail. Certain employees or directors of Kalimantan may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under our Articles, at least two shareholders must be present in person or represented by proxy entitled to vote at the Meeting before any action may validly be taken at the meeting. If such a quorum is not present in person or by proxy, we will reschedule the Meeting.

References to dollars (\$) in this Information Circular shall mean Canadian dollars unless otherwise indicated.

PART 1 – VOTING

HOW A VOTE IS PASSED

All of the matters that will come to a vote at the meeting as described in the attached Notice of Meeting are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, the resolution is approved.

WHO CAN VOTE?

If you are a registered shareholder of Kalimantan as at May 10, 2011, you are entitled to attend the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the Meeting. **If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “Voting by Proxy”).** If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “Non-registered Shareholders” set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy accompanying this Information Circular.

In order to be valid, you must return the completed form of proxy to our Transfer Agent, Computershare Investor Services, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. Vote by phone: a) Registered Shareholders 1-866-732-VOTE (8683); or b) Beneficial Shareholders: 1-866-734-VOTE (8683); or c) online at www.investorvote.com, or by mail or by hand not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

What is a proxy?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and/or officers of Kalimantan.

Instructing your proxyholder

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the Meeting as follows:

- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of Ernst & Young, LLP, Chartered Accountants, as the auditor of Kalimantan Gold Corporation Limited and to authorize the directors to fix their remuneration; and**
- ✓ **FOR the resolution to approve a new rolling 10% amount 2011 Stock Option Plan.**

For more information about these matters, see Part 3 - The Business of the Meeting. The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Meeting. At the time of printing this Information Circular, the management of Kalimantan is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in

accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing your mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the corporate office of Kalimantan Gold Corporation Limited at Unit 1 – 15782 Marine Drive, White Rock, BC V4B 1E6; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person.

NON-REGISTERED SHAREHOLDERS

If your shares are not registered in your own name, they will be held in the name of a “nominee,” usually a bank, trust company, securities dealer or other financial institution and, as such, your nominee will be the entity legally entitled to vote your common shares and must seek your instructions as to how to vote your shares.

Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders’ meetings, you will have received this Information Circular from your nominee, together with a form of proxy or a request for voting instruction form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.** If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, Kalimantan’s Transfer Agent will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the Meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signature and return instructions provided by your nominee. It is not necessary to complete the form in any other respect, since you will be voting at the Meeting in person. Please register with the Transfer Agent, Computershare Investor Services Limited, upon arrival at the Meeting.

The Notice of Meeting, this Information Circular and a Financial Statement Request Form to receive our audited Financial Statements and Management Discussion and Analysis for the fiscal year ended December 31, 2010 are being sent to both registered and non-registered owners of our common shares. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of Kalimantan have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you directly, Kalimantan (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Kalimantan has an authorized capital of 500,000,000 common shares with a par value of US\$0.01 each. There is one class of shares only. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on May 10, 2011, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on May 10, 2011, 165,407,156 of our common shares were outstanding. To the knowledge of the directors and senior officers of the Company, as at May 10, 2011, no persons or companies beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

All matters being considered at the Meeting require approval by an ordinary resolution. Under the *Bermuda Companies Act 1981* (the "BCA"), an ordinary resolution requires the approval of a simple majority (>50%) of the votes cast, by those shareholders who, being entitled to do so, vote in person or by proxy at the Meeting.

PART 3 - THE BUSINESS OF THE MEETING

1. Financial Statements

The comparative Financial Statements and Management's Discussion and Analysis of the Company for the year ended December 31, 2010 will be placed before you at the Meeting. These financial statements may be requested by completing the enclosed Financial Statement Request Form that accompanies this Information Circular or may be viewed on www.Sedar.com.

2. Election of Directors

Directors of Kalimantan are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time. The Articles of the Company stipulate that the number of directors may be fixed or changed from time to time by ordinary resolution but shall not be fewer than two. The number of directors was last set at five and the four persons in the following table are proposed by management for election with one casual vacancy to be filled at the discretion of the Board.

Nominees for Election

The following are the four nominees proposed by management for election as directors of Kalimantan together with the number of common shares that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. All of the nominees are currently directors. Each of the nominees has agreed to stand for re-election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for re-election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

<i>Name, Province or State, Country of Residence and Position with the Company⁽¹⁾</i>	<i>Principal Occupation</i>	<i>Director since</i>	<i>Number of Shares⁽¹⁾</i>
Faldi Ismail⁽⁴⁾ Western Australia, Australia <i>Director Deputy Chairman and Chief Executive Officer</i>	Director, Deputy Chairman and Chief Executive Officer of the Company since April 21, 2011; Principal Director of Otsana Capital, a privately owned Australian Corporate Advisory Company since 2009.	September 17, 2009	3,430,000
Rahman Connelly⁽²⁾⁽³⁾ New South Wales, Australia <i>Director</i>	Deputy Chairman and Chief Executive Officer of the Company until April 21, 2011; private businessman.	October 16, 2000	6,814,075
Doris Meyer⁽²⁾ British Columbia, Canada <i>Director, Chief Financial Officer</i>	Chief Financial Officer of the Company, Certified General Accountant and President of Golden Oak Corporate Services Ltd., a private British Columbia Company providing corporate administrative services to public mining companies.	June 7, 2000	941,134
Peter Bojtos⁽²⁾ Colorado, United States <i>Director</i>	Peter Bojtos is a Professional Engineer. He acts as an independent director of several resource companies.	June 11, 2002	287,656

NOTES:

- (1) The information as to country and province of residence and principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.
- (3) On April 21, 2011 Rahman Connelly resigned as Deputy Chairman and Chief Executive Officer of the Company and on April 28, 2011 was appointed as a member of the Audit Committee.
- (4) On April 21, 2011 Faldi Ismail was appointed as Deputy Chairman and Chief Executive Officer of the Company and on April 28, 2011 resigned from the Audit Committee.

3. Appointment of the Auditor and Remuneration

During the financial year ended December 31, 2010, Ernst & Young LLP, Chartered Accountants, served as the Company's auditor.

Kalimantan's management recommends that shareholders vote in FOR the appointment of Ernst & Young LLP, Chartered Accountants, as Kalimantan's auditor for the ensuing year and grant the Kalimantan Board of Directors (the "Board") the authority to determine the remuneration to be paid to the auditor. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Ernst & Young LLP, Chartered Accountants to act as our auditor until the close of our next annual general meeting and to authorize the Board to fix their remuneration.

4. Approval of Stock Option Plan

The Company adopted a stock option plan that was approved by the shareholders on June 15, 2004 (the “Old Plan”). The 2010 Federal Budget proposed several amendments to the employee stock option rules under the *Income Tax Act* (Canada) (the “Employee Stock Option Amendments”). The Company wishes to adopt an amended and restated stock option plan (the “2011 Plan”) which will replace and supersede the Old Plan in order to ensure compliance with the Employee Stock Option Amendments and to reflect current TSX Venture Exchange (the “TSX.V”) policies. All outstanding stock options granted pursuant to the Old Plan entitling holders thereof to purchase common shares of the Company will be considered to be granted under the 2011 Plan and included in the aggregate of common shares of the Company reserved for issuance pursuant to the exercise of stock options under the 2011 Plan.

The directors of the Company wish to have the shareholders approve the 2011 Plan to govern the future grant from time to time, of options to purchase common shares in the capital of the Company to eligible recipients (“Option” or “Options”). The directors are of the view that it is in the best interests of the Company to approve the 2011 Plan, which will enable the directors to grant Options to directors, employees and other service providers as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Company.

The following is a summary of the 2011 Plan.

The 2011 Plan, in accordance with the policies of the TSX.V will provide the directors, in its discretion, the ability to grant to directors, officers, employees and consultants (including management company employees) of the Company (“Optionees”) non-transferable Options which are exercisable for a period of up to ten years, to purchase up to 10% of the issued and outstanding common shares of the Company. Options granted under the 2011 Plan are subject to the following provisions:

- (a) the Options are non-assignable and non-transferable other than by will or the laws of descent and distribution;
- (b) the Company is required to represent that the proposed Optionee is a bona fide employee or service provider, as the case may be, of the Company or any of its affiliates;
- (c) the term of any Options granted under the 2011 Plan will be fixed by the Board and may not exceed ten years;
- (d) should an Optionee cease to qualify under the 2011 Plan prior to expiry of the term of their respective Options, those Options will terminate at the end of the period of time permitted for exercise of the Option (such period of time to not be in excess of six months, to be determined by the Board in each instance at the time of the grant of an option) after the Optionee ceases to be an eligible Optionee for any reason other than death, disability or cause; and if no such period of time is determined by the Board at the time of the grant, the 30th day after the Optionee ceases to be an eligible Optionee Person for any reason other than death, disability or cause;
- (e) if an Optionee providing Investor Relations services ceases to provide such Investor Relations services to Kalimantan, Options granted to such Optionee will expire on the 30th day after such cessation. If such cessation as an Optionee is on account of disability or death, the Options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately;
- (f) in the event of the death of an Optionee, the Optionee’s heirs or administrators may exercise any portion of the outstanding Options up to a period of one year from the date of the Optionee’s death or the termination date of the Option, whichever is earlier;

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- (g) the term of an Option cannot exceed ten years from the date of grant;
 - (h) the options will be vested on a basis to be determined by the Board and may be vested immediately upon granting;
 - (i) the maximum number of Options that may be granted to an Optionee within a one year period may not exceed 5% of the issued common shares at the time of grant;
 - (j) any common shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grant under the 2011 Plan; and
 - (k) the grant of Options to any one Consultant within a one year period may not exceed 2% of the issued common shares of the Company.

Recommendation

The Company is of the view that the 2011 Plan provides the Company with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the mineral resource industry. A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the company at 604-536-2711. The Board shall also have the authority to amend the 2011 Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable in order to obtain any necessary regulatory approvals.

Members will be asked to ratify, confirm and approve the renewal of the 2011 Plan. The affirmative vote of a majority of the votes cast in respect thereof is required in order to pass such resolution.

“BE IT RESOLVED that:

1. The adoption of the Company’s 2011 Stock Option Plan (the “2011 Plan”) be ratified, confirmed and approved;
2. The Company be authorized to grant stock options for up to 10% of the common shares of the Company issued and outstanding from time to time pursuant and subject to the terms and conditions of the 2011 Plan;
3. All existing stock options shall be subject to the provisions of the 2011 Plan;
4. The Board be authorized on behalf of the Company to make any amendments to the 2011 Plan as may be required by regulatory authorities, without further approval of the Members of the Company, in order to obtain regulatory approval of the 2011 Plan; and
5. Any one director or officer of the Company be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

The discretionary authority granted by the enclosed proxy will be used by management to approve any amendments to the above resolution acceptable to it.

PART 4 – EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company relies solely on board discussion without any formal objectives, criteria and analysis, to determine the compensation to be paid to the Company's named executive officers. The compensation to be paid is based on comparison to similar mining companies and to recognize and reward executive performance consistent with the success of the Company's business and to attract, retain and motivate named executive officers to achieve our short-term and long-term business goals.

The Board is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of Kalimantan and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of Kalimantan and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and Kalimantan's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

In order to achieve these objectives, the compensation paid to Kalimantan's executive officers consists of a base salary and long-term incentive in the form of stock options.

Option-based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's 2011 Plan (see "Part 3 - Business of the Meeting Item 4 – Renewal of Stock Option Plan"). Stock option grants are an important part of the Company's incentive strategy permitting executive officers to share in any appreciation of the market value of the Company's shares over a stated period of time, and it is intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company's shares, and enables executive officers to acquire and maintain a significant ownership position in the Company.

Individual stock options are granted by the Board as a whole and the size of the grants is dependent on, among other things, each executive officer's level of responsibility, authority and importance to the Company and the degree to which such long-term contribution to the Company will be responsible for its long-term success.

The Company normally grants stock options to an executive officer when they first join the Company based on their level of responsibility. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's ongoing level of responsibility within the Company. The Board also evaluates the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business immediately preceding the date of grant and the current policy of the Board is that options expire five years from the date of grant.

Summary Compensation Table

Rahman Connelly served as Deputy Chairman and Chief Executive Officer and Doris Meyer served as Chief Financial Officer (together, the "Named Executive Officers") of Kalimantan throughout the financial year ended December 31, 2010. On April 21, 2011 Rahman Connelly resigned as Deputy Chairman and Chief Executive Officer and Faldi Ismail was appointed in his stead at a salary of US\$2,000 for three months and US\$5,000 per month thereafter. No other officer of Kalimantan was paid more than C\$150,000 in compensation during the financial year ended December 31, 2010. For reporting purposes in Canada to determine the Named Executive

Officers, the exchange rate prevailing at the date of the balance sheet of 0.9946 was used (C\$1.00 for each US\$1.01).

The following table provides a summary of the compensation earned by the Named Executive Officers during the financial year ended December 31, 2010 and in the preceding two financial years, as applicable.

Name and Principal Position Named Executive Officers	Fiscal Year Ended	Salary (\$)	Share based awards (\$)	Option based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension Value	All Other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Rahman Connelly, Chief Executive Officer and Deputy Chairman	2010	38,200	Nil	Nil	Nil	Nil	Nil	Nil	38,200
	2009	42,300	Nil	Nil	Nil	Nil	Nil	Nil	42,300
	2008	64,800	Nil	22,500	Nil	Nil	Nil	Nil	87,300
Doris Meyer ⁽¹⁾ Chief Financial Officer	2010	Nil	Nil	Nil	Nil	Nil	Nil	75,200	75,200
	2009	Nil	Nil	Nil	Nil	Nil	Nil	71,098	71,098
	2008	Nil	Nil	18,000	Nil	Nil	Nil	97,013	115,013

Notes:

- (1) Doris Meyer's fees are paid in Canadian funds to Golden Oak Corporate Services Ltd., a company owned by her.
- (2) This amount represents the fair value, on the date of grant, of awards made under the 2011 Plan of the Company. The grant date fair value has been calculated using the Black Scholes Merton model according to Section 3870 of the CICA Handbook. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free, expected stock price volatility, expected life and expected dividend yield.

Incentive Plan Awards

Outstanding Option-based Awards

The following table sets forth all awards outstanding as at December 31, 2010 held by Named Executive Officers under the 2011 Plan, as awards under the 2011 Plan are considered "optioned-based awards" under applicable securities laws.

Name	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (Cdn\$)	Expiration Date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Rahman Connelly	235,000	0.20	August 8, 2011	Nil	Nil	Nil
	220,000	0.35	April 26, 2012	Nil	Nil	Nil
	250,000	0.11	July 25, 2013	1,250	Nil	Nil

Doris Meyer	185,000	0.20	August 8, 2011	Nil	Nil	Nil
	140,000	0.35	April 26, 2012	Nil	Nil	Nil
	200,000	0.11	July 25, 2013	1,000	Nil	Nil

- (1) The underlying securities are common shares of Kalimantan Gold Corporation Limited.
- (2) The value of unexercised “in-the-money options” at fiscal year-end is the difference between the option exercise price and the closing price of the underlying stock on the TSX.V on December 31, 2010. The closing price of the shares on December 31, 2010 was \$0.115.

Incentive Plan Awards – Value vested or earned during the year

The following table sets forth the value of the awards that vested for each Named Executive Officer of the Company under the 2011 Plan and none of the Named Executive Officers earned any non-equity incentive plan compensation during for the fiscal year ended December 31, 2010.

Name	Option-based awards – Value vested during the fiscal year ended December 31, 2010⁽¹⁾	Non-equity incentive plan Compensation – value earned during the fiscal year ended December 31, 2010
	(\$)	(\$)
Rahman Connelly	Nil	Nil
Doris Meyer	Nil	Nil

Notes:

- (1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

Pension Plan Benefits

The Company has no formal pension, retirement or other long-term incentive compensation plan in place for its directors, officers or employees.

Termination of Employment, Change in Responsibilities and Employment Contracts

On July 1, 1997, Kalimantan entered into a Consulting Agreement with Doris Meyer and her wholly owned company, Golden Oak Corporate Services Ltd. (“Golden Oak”). Golden Oak provides accounting, financial reporting, corporate and regulatory compliance services at an annual fee of \$72,000 plus applicable taxes, and, unless terminated will be renewed annually. The agreement may be terminated by either party on 90 days’ notice.

Compensation of Directors

The Company pays its non-executive directors a fee of US\$12,000 per year for acting as such and they are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. Kalimantan does, from time to time, grant options to purchase common shares to the directors.

The following table sets out details of all amounts of compensation provided to the directors of the Company during the fiscal year ended December 31, 2010.

Name	Fees earned	Option-based awards⁽¹⁾	Non-equity incentive plan compensation	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Peter Bojtos	11,935	Nil	Nil	Nil	11,935

Faldi Ismail	11,935	Nil	Nil	Nil	11,935
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(1) This amount represents the fair value, on the date of grant, of awards made under the 2011 Plan of the Company for the fiscal year ended December 31, 2010. The grant date fair value has been calculated using the Black Scholes Merton model according to Section 3870 of the CICA Handbook. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free, expected stock price volatility, expected life and expected dividend yield.

The following table sets forth all awards outstanding as at December 31, 2010 held by the directors of the Company who are not Named Executive Officers under the 2011 Plan, as awards under the 2011 Plan are considered "optioned-based awards" under applicable securities laws.

Name	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Expiration Date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Bojtos	155,000	0.20	August 8, 2011	Nil	Nil	Nil
	150,000	0.35	April 26, 2012	Nil	Nil	Nil
	150,000	0.11	July 25, 2013	750	Nil	Nil
Faldi Ismail	30,000	0.20	August 8, 2011	Nil	Nil	Nil
	40,000	0.35	April 26, 2012	Nil	Nil	Nil

(1) The underlying securities are common shares of Kalimantan Gold Corporation Limited.

(2) The value of unexercised "in-the-money options" at fiscal year-end is the difference between the option exercise price and the closing price of the underlying stock on the TSX.V on December 31, 2010. The closing price of the shares on December 31, 2010 was \$0.115.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The 2011 Plan is the sole equity compensation plan adopted by the Company. The 2011 Plan is a "rolling" type of incentive stock option plan that provides that the number of Common Shares reserved for issuance upon the exercise of options granted under the Plan is a rolling maximum number that will not be greater than 10% of the outstanding Common Shares of the Company at any point in time. The following information is as of the Company's fiscal year ended December 31, 2010.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	4,225,000	\$0.22	12,065,716
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	4,225,000	\$0.22	12,065,716

(1) The 2011 Plan is detailed under the heading Part 3 – Business of the Meeting, Item 4 - Renewal of Stock Option Plan.

PART 6 AND 7 – CORPORATE GOVERNANCE AND AUDIT COMMITTEE DISCLOSURE

See Schedule “A” – Corporate Governance Disclosure; Schedule “B” – Audit Committee Information; and Schedule “C” – Audit Committee Charter attached to this Information Circular.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer, or former director or officer, was indebted to Kalimantan during the most recently completed fiscal year ended December 31, 2010 for other than “routine indebtedness”, as that term is defined by applicable securities law.

CEASE TRADE ORDERS AND BANKRUPTCY

Except as disclosed below, no director or executive officer of Kalimantan is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Kalimantan), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no director or executive officer of Kalimantan, and no shareholder holding a sufficient number of securities of Kalimantan to affect materially the control of Kalimantan:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including Kalimantan) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Kalimantan, and no shareholder holding a sufficient number of securities of Kalimantan to affect materially the control of Kalimantan has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Peter Bojtos, a director of the Company, was a director of Link Minerals Ventures Inc. ("Link") on August 23, 2001 when a cease trade order was issued against Link by the British Columbia Securities Commission (the "BCSC") issued for the failure to file annual financial statements and, for the same reason, the Ontario Securities Commission issued a cease trade order to the directors with respect to their shares of Link. Link is now a dormant company.

Mr. Bojtos was a director of Sahelian Goldfields Inc. ("Sahelian") on May 21, 1999 when a cease trade order was issued against Sahelian by the BCSC for failure to file annual financial statements for its 1998 fiscal year, and first quarter interim financial statements, within the time required, which was subsequently revoked. Mr. Bojtos was a director of Sahelian when it was the subject of a proposal under the Bankruptcy and Insolvency Act (Canada), which proposal was approved by the creditors and by the courts in August 2001. Sahelian is now reorganized and the cease trade orders have been lifted.

On August 21, 2009 and on March 8, 2010, while Mr. Bojtos was a director of Apolo Gold & Energy Inc. ("Apolo"), Apolo was subject to a cease trade order in British Columbia for being in default of certain filing obligations. The defaults were remedied and the orders were revoked on October 1, 2009 and March 9, 2010, respectively.

On December 15, 2009, the British Columbia Securities Commission issued a cease trade order resulting from Mr. Bojtos' failure to file an insider report disclosing his beneficial ownership of, and control or direction over, securities of Apolo. Mr. Bojtos subsequently filed his insider report on June 30, 2010 and resigned as a director of Apolo on November 3, 2010.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On November 10, 2009 Rahman Connelly the Chief Executive Officer of the Company loaned the Company \$100,000 at 8% interest per annum on an unsecured promissory note denominated in Canadian dollars payable on demand. This amount was repaid on May 28, 2010 together with interest of \$4,199.

Except as set out above, no proposed nominee for election as a director, and no director or officer of Kalimantan, or any of its subsidiaries who has served in such capacity since the beginning of the last financial year of Kalimantan, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of Kalimantan's outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with Kalimantan or in any proposed transaction since the beginning of the last completed financial year that has materially affected Kalimantan, or any of its subsidiaries, or is likely to do so.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING

Doris Meyer, Rahman Connelly, Faldi Ismail and Peter Bojtos have served as the directors and senior officers of Kalimantan since the beginning of the last completed financial year ended December 31, 2010. Rahman Connelly resigned as Deputy Chairman and Chief Executive Officer on April 21, 2011 and Faldi Ismail was appointed in his stead at that same time.

None of the directors or executive officers of Kalimantan, no proposed nominee for election as a director of Kalimantan, none of the persons who have been directors or executive officers of Kalimantan since the commencement of Kalimantan's last completed financial year, none of any other insiders of Kalimantan and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the election of directors and annual approval of the 2011 Plan.

MANAGEMENT CONTRACTS

The management functions of Kalimantan are performed by our directors and senior officers and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and senior officers of Kalimantan.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote on such matters in accordance with their best judgement.

ADDITIONAL INFORMATION

You may obtain additional financial information about the Company in the comparative Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2010, by completing the enclosed Financial Statement Request Form. Additional copies may be obtained without charge upon request to us at Unit 1 – 15782 Marine Drive, White Rock, BC Canada V4B 1E6 - telephone (604) 536-2711; fax (604) 536-2788. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on our website at www.kalimantan.com.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED this 10th day of May 2011.

**BY ORDER OF THE BOARD OF DIRECTORS OF
KALIMANTAN GOLD CORPORATION LIMITED**

“Faldi Ismail”
Deputy Chairman and Chief Executive Officer

SCHEDULE “A” – CORPORATE GOVERNANCE DISCLOSURE

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines* (the “Guidelines”), the Company is required to give full and complete disclosure of its systems and practices of corporate governance. The Company's Board of Directors and senior management regards good corporate governance as fundamental to the effective and efficient operation of the Company. The following describes the Company's approach to corporate governance.

Board of Directors

The Company's corporate governance policies take into account characteristics specific to a junior exploration company. The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board is comprised of four directors. Mr. Ismail and Mr. Bojtos were considered to be independent during the fiscal year 2010. Rahman Connelly and Doris Meyer as members of management were not. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management.

Faldi Ismail, Chairman of the Audit Committee, resigned as a member of the Audit Committee as he is no longer considered “independent” due to his appointment as Deputy Chairman and Chief Executive Officer of the Company on the resignation of Rahman Connelly from that position. Currently, Peter Bojtos is the only director of the Company considered independent. With the appointment of Rahman Connelly to the Audit Committee, the Company is no longer in compliance with NI 52-110 as neither Doris Meyer nor Rahman Connelly are independent directors. The Company is temporarily relying on NI 52-110 Sec. 3.6 (c) which gives relief to companies unable to comply due to the make-up of the board of directors. The directors of the Company recognize the need for an additional independent director and are actively searching for a qualified individual

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Kalimantan's business in the ordinary course, managing Kalimantan's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

Certain of the directors of Kalimantan are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of director

Other reporting issuer (or equivalent in a foreign jurisdiction)

Name of director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Doris Meyer	Regency Gold Corp. Sunridge Gold Corp.
Peter Bojtos	Apogee Minerals Ltd. Fischer-Watt Gold Company Inc. Sage Gold Inc. Tournigan Energy Ltd. US Gold Corporation
Faldi Ismail	Coventry Resources Limited Epic Resources Limited Minbos Resources Limited

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. However, if and when a new director is added, they will have the opportunity to become familiar with Kalimantan by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board monitors the ethical conduct of Kalimantan and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by Kalimantan's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management, ethically and in the best interests of Kalimantan.

Nomination of Directors

The Board is responsible for identifying new candidates to serve as directors, including candidates to fill any vacancies on the Board. It will consider candidates submitted by directors, officers and others, and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Company.

Compensation

The Board is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of Kalimantan and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of Kalimantan, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of Kalimantan and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and Kalimantan's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to Kalimantan's executive officers consists of a base salary and long-term incentive in the form of stock options.

Committees of the Board of Directors

The Board has appointed an Audit Committee and no others. During the fiscal year ended December 31, 2010 the Audit Committee was comprised of Faldi Ismail, Chairman, Peter Bojtos and Doris Meyer. Effective April 28, 2011 Faldi Ismail, Chairman of the Audit Committee, resigned as a member of the Audit Committee as he is no longer considered “independent” due to his appointment as Deputy Chairman and Chief Executive Officer of the Company. Currently, Peter Bojtos is the only director of the Company considered independent. With the appointment of Rahman Connelly to the Audit Committee, the Company is no longer in compliance with NI 52-110 as neither Doris Meyer nor Rahman Connelly are independent directors. The current Audit Committee is Peter Bojtos, Chairman, Rahman Connelly and Doris Meyer. The Company is temporarily relying on NI 52-110 Sec. 3.6 (c) which gives relief to companies unable to comply due to the make-up of the board of directors. A description of the function of the Audit Committee can be found in Schedule B – Audit Committee Disclosure of this Information Circular.

Assessments

The entire Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board’s decision-making processes and quality and adequacy of information provided by management.

SCHEDULE “B” – AUDIT COMMITTEE DISCLOSURE

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The Board of Directors of Kalimantan adopted an Audit Committee Charter mandating the role of the Audit Committee in supporting the Board of Directors in meeting its responsibilities to the shareholders as amended on July 23, 2007. The Audit Committee Charter is attached hereto as Schedule “C”.

AUDIT COMMITTEE MEMBERS

The Company’s Audit Committee is comprised of three (3) directors, Peter Bojtos, Chairman, Rahman Connelly, and Doris Meyer. As defined in NI 52-110, Rahman Connelly and Peter Bojtos are independent. Also as defined in NI 52-110, all the audit committee members are “financially literate”.

Mr. Bojtos is a professional engineer with over 38 years of experience in the mining industry. He is currently an independent director of four companies other than Kalimantan and an officer and director of one other. Mr. Bojtos has the industry experience necessary to understand and analyze financial statements of the level of complexity of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

Mr. Connelly is a businessman with a successful track record in the financial services sector prior to joining Kalimantan. He was a founding director of Connelly Temple, an Australian specialist pension fund management business which was sold to Royal & Sun Alliance of the UK. He has the industry experience necessary to understand and analyze financial statements of the level of complexity of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

Ms. Meyer is a Canadian Certified General Accountant and Chief Financial Officer of Kalimantan. Ms. Meyer gained her experience in the mining industry as Vice President, Finance of Queenstake from 1985 to 2003 and Corporate Secretary until 2004. Since 1996, Ms Meyer has owned and served as President of Golden Oak Corporate Services Ltd., which provides publicly traded mineral exploration companies with administrative, accounting and corporate and regulatory compliance services.

AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Company’s most recently completed fiscal year, the Company’s Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

Kalimantan’s Audit Committee Charter requires that management seek approval from the Audit Committee of all non-audit services to be provided to Kalimantan by Kalimantan’s external auditor prior to engaging the external auditor to perform those non-audit services.

EXTERNAL AUDITOR SERVICE FEES (by category)

	Year ended December 31, 2010	Year ended December 31, 2009
a) Audit Fees	\$51,500	\$55,800
b) Audit Related Fees	Nil	Nil
c) Tax Fees	Nil	\$30,400
d) All Other Fees	Nil	Nil

RELIANCE ON CERTAIN EXEMPTIONS

The Company is relying on the exemption provided by Part 6.1 of NI 52-110 for Venture Issuers which allows for an exemption from Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in this Information Circular.

SCHEDULE “C” – AUDIT COMMITTEE CHARTER

Audit Committee Mandate

The primary function of the Audit Committee (the “Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities related to the quality and integrity of financial reporting, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations and contractual obligations. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company’s business, operations and risks.

Authority

The Committee is empowered to make such enquiry and investigation and require such information and explanation from management as it considers reasonably necessary; and to require management to promptly inform the Committee and the auditor of any material misstatement or error in the financial statements following discovery of such situation. The Board authorizes the Committee, within the scope of its responsibilities, to obtain outside legal or professional advice and to ensure the attendance of officers at meetings as appropriate.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and unaudited interim financial statements of the Company. At least two (2) members of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Specific duties and responsibilities of the Audit Committee

1. The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditors.
2. The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Company, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditors.

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4. The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditors during the fiscal year in which the services are provided;
 - (b) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
 5.
 - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
 - (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
 6. The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
 7. The Committee shall review the Company's financial statements, management discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information.
 8. The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
 9. The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 10. The Committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
 11. The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
 12. The Committee shall review with Management and independent auditors the quality and the appropriateness of the Company's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

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13. The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.
 14. The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.
 15. The Committee shall review with Management and the external auditors the audit plan for the year end financial statements prior to the commencement of the year end audit.
 16. The Committee shall review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
 17. The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
 18. The Committee shall review in consultation with the external auditors and Management the integrity of the Company's financial reporting process and internal controls.
 19. The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgments made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.
 20. The Committee shall conduct or authorize any review or investigation and consider any matters of the Company the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.
 21. The Committee shall minute the proceedings of all meetings.
 22. The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.

Adopted by the Board of Directors as amended July 23, 2007