



Kalimantan Gold Corporation Limited

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

Management Information Circular

(containing information as at November 14, 2007 unless otherwise noted)

This 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 **November 14, 2007**, 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 special general meeting of the shareholders of Kalimantan that is to be held on **December 19, 2007** at 10:00 a.m. (Vancouver time) (the “Meeting”) at the offices of our solicitors, Axiom Law Corporation, Suite 3350 – 1055 Dunsmuir Street Vancouver, British Columbia V7X 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 Circular shall mean United States 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 of shareholders entitled to vote – that is, if more than half of the votes that are cast are in favour, the resolution is approved.

All matters being considered at the Meeting are in connection with a related party transaction and require minority approval by an ordinary resolution. Minority approval would be obtained for the related party transaction described herein if a majority of votes are cast in favour of such transaction, excluding votes attached to securities beneficially owned or controlled by (a) Kalimantan, (b) an interested party (as defined in Ontario Securities Commission Rule

61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* (“Rule 61-501”), (c) a related party (as defined in Rule 61-501) of an interested party, and (d) a joint actor (as defined in Rule 61-501) of any

person or company referred to in (b) or (c). See “Business of the Meeting - Acquisition of PT Pancaran Cahaya Kahayan – Minority Shareholder Approval”.

WHO CAN VOTE?

If you are a registered shareholder of Kalimantan as at November 14, 2007, you are entitled to attend at 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 48 hours, excluding Saturday, Sundays and holidays, prior to the time of the Meeting or adjournment thereof to our Transfer Agent, Pacific Corporate Trust Company, 510 Burrard Street, 2nd Floor, Vancouver, BC V6C 3B9; fax number (604) 689-8144.

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 proxy

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 approval of the PCK Transaction Resolution.**

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 p.m. (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, Pacific Corporate Trust Company, upon arrival at the Meeting.

The Notice of Meeting, this Information Circular and a Financial Statement Request Form to receive our Annual Report and financial statements for the fiscal year ended December 31, 2006 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 (printed on blue paper).

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Kalimantan has an authorized capital of 200,000,000 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 November 14, 2007, 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 November 14, 2007, 60,671,784 common shares in the capital of Kalimantan were issued and outstanding. To the knowledge of the directors and senior officers of the Company, as at November 14, 2007, the only persons or companies who 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 are:

<u>Name</u>	<u>No. of Shares</u>	<u>Percentage</u>
Kalimantan Investment Corporation ("KIC")	11,802,329	19.5%

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

Acquisition of PT Pancaran Cahaya Kahayan

General

Kalimantan proposes to acquire, indirectly through its wholly owned subsidiary Indokal Limited ("Indokal"), all of the outstanding shares of PT Pancaran Cahaya Kahayan ("PCK") from Kalimantan Investment Corporation ("KIC") (the "PCK Transaction"). Following the completion of the PCK Transaction, Indokal will own all of the shares of PCK. Indokal currently owns 75% of the shares of PT Kalimantan Surya Kencana ("KSK"), the holder of the KSK Contract of Work (the "COW") which is Kalimantan's principal mineral property. PCK currently holds the remaining 25% of the shares of KSK. A letter of intent was entered into between Kalimantan and KIC dated October 8, 2007 (the "Letter of Intent") which sets out the terms of the PCK Transaction, subject to the approval of the TSX Venture Exchange (the "TSXV") and shareholders. Kalimantan and KIC intend to enter into a definitive share purchase agreement (the "PCK Purchase Agreement") for the purchase and sale of all of the outstanding shares of PCK, which will contain the essential terms of the PCK Transaction agreed to by Kalimantan and KIC in the Letter of Intent, as well as other customary conditions, representations, warranties and covenants for a transaction of this type.

In accordance with applicable securities law regulatory requirements, the Board of Directors is requesting that the PCK Transaction be approved by the shareholders of Kalimantan, excluding the votes cast by Kalimantan shareholders required to be excluded pursuant to minority approval provisions of applicable Canadian securities laws.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE PCK TRANSACTION RESOLUTION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THE PCK TRANSACTION.

PT Kalimantan Surya Kencana Contract of Work

KSK has exploration rights over a large area (941 square kilometers) in Central Kalimantan which is governed by the COW, and is now the focus of Kalimantan's joint venture with Oxiana Exploration PTY Ltd. ("Oxiana"), as described below. The COW area is prospective for porphyry intrusive systems and other intrusive-related gold-copper-silver-molybdenum prospects.

Background to the PCK Transaction

Pursuant to an agreement made December 7, 1994, Indokal and PCK agreed to establish KSK as an Indonesian foreign investment company (*Perusahaan Penanaman Modal Asing* – "PMA") company in order to apply for a mineral contract of work with the Government of the Republic of Indonesia. That application was successful and KSK is the PMA company which is the holder of the COW and has the right to explore and develop mineral resources within the COW area.

The shareholders of KSK are Indokal and PCK in the proportions of Indokal 75% and PCK 25%.

Pursuant to an agreement made on November 12, 1998 (the "PCK Agreement") between Indokal, PCK and KSK, Indokal and PCK agreed to the basis on which KSK would execute and perform work on the COW and further agreed on their respective rights and obligations with regard to the administration, operation and financing of KSK and also with regard to their shareholdings in KSK.

Under the PCK Agreement, PCK's interest in KSK is comprised of a Carried Interest and a Non-Fully Carried Interest (each term as defined in the PCK Agreement). The Carried Interest is a 2.5% interest held by PCK in KSK which is funded on a freely carried basis by Indokal. Under the PCK Agreement, Indokal has agreed to fund all of PCK's corresponding obligations to provide shareholder loans to KSK in respect of the Carried Interest, such amounts not being repayable to Indokal. The Non-Fully Carried Interest is a 22.5% interest held by PCK in KSK which is funded on a deferred carried basis by Indokal. Under the PCK Agreement, Indokal has agreed to fund all of PCK's corresponding obligations to provide shareholder loans to KSK in respect of the Non-Fully Carried Interest up to the time of Commencement of Production (as defined in the PCK Agreement), such amounts being repayable to Indokal, after the Commencement of Production, out of the assignment of 70% of all dividends paid by KSK to PCK in respect of the Non-Fully Carried Interest until such time as the amounts have been repaid in full.

On December 18, 2006, Kalimantan and Oxiana Exploration PTY Ltd. ("Oxiana") finalized an option deed (the "Option Deed"). The Option Deed grants Oxiana an option to earn an indirect incorporated joint venture interest of up to 66.67% in the COW (the "Option"). Pursuant to the Option Deed, Oxiana will solely fund \$2,500,000 in expenditures on the COW within a maximum of 18 months from the date of the Option Deed (the "Initial Period"). Within 60 days after completion of the Initial Period, Oxiana must deliver a notice of exercise of the Option to Kalimantan or forfeit all interest in the COW. Oxiana has the option of earning a 40% interest in the COW by completing a pre-feasibility study and a 66.67% interest at the completion of a bankable feasibility study, by which time it would have spent an estimated \$37,500,000.

During the Initial Period, Kalimantan undertook to Oxiana to use reasonable commercial efforts to negotiate with KIC's directors and principal shareholders a transaction under which Indokal will acquire all of the shares of PCK and in exchange KIC will receive shares of Kalimantan, as a result of which PCK will become a wholly owned subsidiary of Indokal. It was acknowledged that any such transaction would require the approval of KIC and Kalimantan

shareholders. It was further acknowledged that any such transaction would result in the termination of the PCK Agreement.

Oxiana acknowledged in the Option Deed that Indokal has been funding PCK's 25% share of the COW Company Expenditure (as defined in the PCK Agreement) by way of the Carried Interest and the Non-Fully Carried Interest and, as a result of the Non-Fully Carried Interest, PCK has incurred loans totalling \$2,700,000 to be paid to Indokal from 70% of the dividends paid to PCK by KSK after Commencement of Production.

As set out in the Letter of Intent, as part of the PCK Transaction, Kalimantan is paying to KIC consideration that will compensate KIC for loss of the Carried Interest and the Non-Fully Carried Interest (the "Extinguishment").

In the event that Oxiana exercises the Option and the PCK Transaction has been completed, Oxiana has agreed to reimburse Kalimantan for the additional cost of the Extinguishment, over and above the cost of acquiring a simple 25% interest in KSK (the "Reimbursement").

The Reimbursement may be paid, at the election of Kalimantan, as to 100% at the end of the Initial Period or may be paid as to 50% at the end of the Initial Period and 50% at completion of the Bankable Feasibility Study (as defined in the Option Deed). Compensation payable at the end of the Initial Period will be agreed to by Oxiana and Kalimantan based upon the amount paid by Kalimantan to KIC as consideration for the Extinguishment where such amount has been determined by an independent valuation. Compensation payable at the completion of the Bankable Feasibility Study will be agreed to by Oxiana and Kalimantan based upon the valuation of the project in the Bankable Feasibility Study. In either case, if Oxiana and Kalimantan are unable to agree, the compensation payable shall be as determined by a third party Expert (as defined in the Option Deed).

Details of the PCK Transaction

Pursuant to the Letter of Intent, on completion of the PCK Transaction, Kalimantan will issue a total of 20,000,000 common shares of Kalimantan ("Kalimantan Shares") in exchange for all of KIC's issued and outstanding common shares of PCK. Of such 20,000,000 Kalimantan Shares, 15,000,000 Kalimantan Shares will be issued to KIC as consideration for the acquisition of KIC's simple 25% interest in KSK, and 5,000,000 Kalimantan Shares will be issued to KIC as consideration for the Extinguishment.

Conditional upon Oxiana exercising the Option pursuant to the Option Deed as currently constituted, Kalimantan and KIC also agreed that Kalimantan will pay to KIC an additional 8,000,000 Kalimantan Shares (the "Final Amount") in full and final satisfaction of the Extinguishment. Kalimantan further agreed that it will provide KIC with an option whereby KIC can elect to receive half of the cash Reimbursement Kalimantan receives from Oxiana at the end of the Initial Period with such payment applied towards the Final Amount at the rate of CAD\$0.20 per Kalimantan Share, and the balance of the Final Amount will be paid by the issuance of Kalimantan Shares valued at CAD\$0.20 per share. If such option is exercised by KIC, payment will be made by Kalimantan to KIC within 15 days of Kalimantan's receipt of the cash Reimbursement from Oxiana. For greater certainty, KIC will not be entitled to any amount in respect of any further portion of the Reimbursement that may be paid to Kalimantan at completion of the Bankable Feasibility Study.

Each of Kalimantan and KIC will be responsible for payment of its own expenses related to the PCK Transaction. However, if KIC does not have the necessary cash to pay such expenses then Kalimantan will loan KIC the amount necessary. Any amount so loaned will be credited, at a price of CAD\$0.20 per share, against the 20,000,000 Kalimantan Shares issuable by Kalimantan to KIC on completion of the PCK Transaction as described above.

Letter of Intent

On October 8, 2007, Kalimantan entered into the Letter of Intent with KIC for the purchase and sale of all of the outstanding shares of PCK. Kalimantan and KIC intend to enter into a definitive share purchase agreement, the PCK

Purchase Agreement, which will contain the essential terms of the PCK Transaction agreed to by Kalimantan and KIC in the Letter of Intent, as well as other customary conditions, representations, warranties and covenants for a transaction of this type.

It is anticipated that the completion of the PCK Transaction will be subject to the fulfilment or waiver of a number of conditions precedent, including, without limitation, those which are customary for a transaction of this type, and the following conditions precedent which are set out in the Letter of Intent:

1. the boards of directors of Kalimantan and KIC respectively will have unanimously approved the PCK Transaction and the PCK Purchase Agreement, and neither of such approvals will have been withdrawn or modified;
2. all necessary shareholder and regulatory approvals (including, without limitation, the approval of any stock exchanges or other regulatory authorities) and other approvals on terms satisfactory to Kalimantan and KIC will have been received;
3. the shares of Kalimantan issued to KIC will be subject to TSXV resale restrictions and other resale restrictions under applicable securities laws;
4. prior to closing of the PCK Transaction, Kalimantan and KIC will each have carried on their business in the ordinary course consistent with past practice;
5. there shall not have occurred any change or any condition, event or development involving a prospective change in the business, operations, assets, capitalization, financial condition, licences, permits, rights, liabilities, prospects or privileges, whether contractual or otherwise, of Kalimantan or KIC which, in the sole judgment of Kalimantan or KIC, as applicable, is materially adverse to the business of Kalimantan or KIC, or to the value of the shares of Kalimantan or PCK, as applicable;
6. the COW will be in good standing at the time of the closing of the PCK Transaction; and
7. such other conditions as agreed to by Kalimantan or KIC and set forth in the PCK Purchase Agreement.

Related Party Transaction and Rule 61-501

Kalimantan is a reporting issuer under the securities legislation of the Province of Ontario, and is, among other things, subject to Rule 61-501.

PCK is a wholly owned subsidiary of KIC. KIC beneficially owns 19.5% of the outstanding common shares of Kalimantan. Rahman Connelly, Murray Clapham and Mansur Geiger are directors or officers, and shareholders, of both KIC and Kalimantan.

As a result of these relationships, the PCK Transaction is considered to be a “related party transaction” within the meaning of Rule 61-501 and similar provisions of the TSXV’s Corporate Finance Manual which require the preparation of an independent formal valuation (an exemption from which requirement is discussed below) and majority of minority shareholder approval. In addition, securities regulatory authorities suggest that it is appropriate that a board of directors considering a related party transaction constitute a special committee composed of disinterested or independent directors to undertake certain functions in relation to such related party transactions.

Ownership of Securities of Kalimantan

Common Shares

The following table discloses the directors and senior officers of Kalimantan who beneficially own, directly or indirectly, or exercise control or direction over, common shares of Kalimantan, and to the knowledge of the directors and officers of Kalimantan, the only persons as at the date hereof who, beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares.

Name of Securityholder	Type of Ownership	Number of Common Shares	Percentage of Class as at the Date of this Information Circular	Percentage of Class after giving effect to completion of the PCK Transaction⁽¹⁾	Percentage of Class after giving effect to the completion of the PCK Transaction on payment of the Final Amount⁽²⁾
Murray Clapham	Direct, of Record and Beneficially	2,542,169	4.2%	3.2%	2.9%
Rahman Connelly	Direct, of Record and Beneficially	2,410,290	4.0%	3.0%	2.7%
Doris Meyer	Direct, of Record and Beneficially	64,571	0.1%	0.1%	0.1%
Peter Bojtos	Direct, of Record and Beneficially	140,500	0.2%	0.2%	0.2%
Mansur Geiger	Direct, of Record and Beneficially	386,312	0.6%	0.5%	0.4%
Kalimantan Investment Corporation	Direct, of Record and Beneficially	11,802,329	19.5%	39.4%	44.9%

(1) Assuming the issuance of 20,000,000 Kalimantan Shares to KIC in exchange for all of the shares of PCK held by KIC, and assuming that the additional 8,000,000 Kalimantan Shares issuable to KIC in payment of the Final Amount have not been issued.

(2) Assuming the issuance of 20,000,000 Kalimantan Shares to KIC in exchange for all of the shares of PCK held by KIC and the issuance of the additional 8,000,000 Kalimantan Shares to KIC in payment of the Final Amount.

Stock Options

As at the date of this Information Circular, Kalimantan has granted a total of 3,540,000 stock options to its directors and senior officers as follows:

<u>Name</u>	<u>Number of Common Shares Under Option</u>	<u>Exercise Price per Common Share</u>	<u>Date of Grant/ Expiry Date</u>
Murray Clapham	65,000	\$0.33	November 28, 2008
	100,000	\$0.55	March 29, 2009
	150,000	\$0.20	September 15, 2009
	155,000	\$0.20	August 8, 2011
	150,000	\$0.35	April 25, 2012

<u>Name</u>	<u>Number of Common Shares Under Option</u>	<u>Exercise Price per Common Share</u>	<u>Date of Grant/ Expiry Date</u>
Rahman Connelly	80,000	\$0.33	November 28, 2008
	200,000	\$0.55	March 29, 2009
	120,000	\$0.20	September 15, 2009
	235,000	\$0.20	August 8, 2011
	220,000	\$0.35	April 25, 2012
Doris Meyer	65,000	\$0.43	November 28, 2008
	100,000	\$0.55	March 29, 2009
	250,000	\$0.20	September 15, 2009
	185,000	\$0.20	August 8, 2011
	140,000	\$0.35	April 25, 2012
Peter Bojtos	65,000	\$0.33	November 28, 2008
	100,000	\$0.55	March 29, 2009
	155,000	\$0.20	August 8, 2011
	150,000	\$0.35	April 25, 2012
Mansur Geiger	80,000	\$0.33	November 28, 2008
	150,000	\$0.55	March 29, 2009
	220,000	\$0.20	September 15, 2009
	205,000	\$0.20	August 8, 2011
	200,000	\$0.35	April 25, 2012
Total	3,450,000		

Ownership of Common Shares of KIC

At the close of business on November 14, 2007, 7,855,998 common shares in the capital of KIC were issued and outstanding. The following table¹ discloses the common shares of KIC beneficially owned, directly or indirectly, or over which control or direction is exercised, by the common directors and officers of KIC and Kalimantan.

<u>Name of Securityholder</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Class as at the Date of this Information Circular</u>
Murray Clapham	Direct, of Record and Beneficially	197,627	2.5%
Rahman Connelly	Direct, of Record and Beneficially	366,081	4.7%
Mansur Geiger	Direct, of Record and Beneficially	360,626	4.6%

(1) The information as to ownership of shares of KIC in the above table, not being within the knowledge of Kalimantan, has been furnished by KIC.

Formal Valuation

Under the provisions of Rule 61-501, an acquisition of an asset or shares from a related party of a reporting issuer is a “related party transaction” which requires the preparation of a formal valuation by a qualified independent valuator. Kalimantan is relying on the exemption set out in Section 5.5(3) of Rule 61-501 which provides that if Kalimantan is

not listed or quoted on certain specified markets a formal valuation is not required. As Kalimantan is currently listed on the TSXV and the Alternative Investment Market (AIM) of the London Stock Exchange, it may rely on this exemption from the formal valuation requirement. As discussed in greater detail below, Kalimantan has commissioned an independent fairness opinion which it is relying on in entering into the PCK Purchase Agreement.

Minority Shareholder Approval

At the Meeting, shareholders of Kalimantan will be asked to consider, and if deemed advisable, to authorize and approve the PCK Transaction Resolution. The text of the PCK Transaction Resolution is attached to this Information Circular as Appendix "A". To be approved the PCK Transaction Resolution must be passed by a majority of the votes cast by shareholders at the Meeting in respect of this resolution, other than votes attaching to shares of Kalimantan beneficially owned or over which control or direction is exercised by (a) Kalimantan, (b) an interested party (as defined in Rule 61-501), (c) a related party (as defined in Rule 61-501) of an interested party, and (d) a joint actor (as defined in Rule 61-501) of any person or company referred to in (b) or (c) (collectively, the "Excluded Shares").

To the knowledge of Kalimantan after reasonable inquiry, the aggregate number of Excluded Shares is 17,141,100, being the total of 11,802,329 common shares of Kalimantan that are beneficially owned or over which control or direction is exercised by KIC and an aggregate of 5,338,771 common shares of Kalimantan which are beneficially owned by Mansur Geiger, Rahman Connelly and Murray Clapham, who are common directors and officers of Kalimantan and KIC, which Kalimantan has determined to exclude for the purposes of the vote on the PCK Transaction Resolution.

Recommendation of the Special Committee

An independent committee of the Board of Directors of Kalimantan (the "Special Committee"), consisting of the two independent directors Doris Meyer and Peter Bojtos, held meetings among themselves and with Ross Glanville, an independent valuator engaged to provide a fairness opinion as to the PCK Transaction, and reviewed and considered the fairness opinion dated October 16, 2007 (the "Fairness Opinion") prepared by Ross Glanville and Associates Ltd. ("Glanville") and Bruce McKnight Minerals Advisor Services ("McKnight").

The Special Committee determined to recommend to the Board of Directors that it approve the PCK Transaction and the Letter of Intent. In determining to recommend to the Board of Directors that it approve the PCK Transaction, the Special Committee considered the following factors in assessing the PCK Transaction:

- the financial condition, business and operations of both Kalimantan and PCK, on both a historical and prospective basis;
- the procedures by which the PCK Transaction is to be approved, including the requirement for Kalimantan to seek approval of the PCK Transaction by the TSXV and its shareholders on a majority of the minority basis;
- historical information regarding the prices of Kalimantan shares against the fact that the shares of PCK are private and there is no public marketplace to sell them;
- PCK's interest in the COW is a carried interest, partially free carried and partially deferred or non-fully carried, offset by the fact that realization of value would not occur until a mine is built, commences production and PCK had repaid its loans, all of which could be expected to take many years;
- the Final Amount will only be paid to KIC if Oxiana exercises the Option Deed;

- Kalimantan will benefit from a simpler structure from a marketplace perspective and in dealing with Oxiana or any other potential joint venture partner;
- KIC shareholders will hold approximately 40% (33% fully-diluted) of Kalimantan upon completion of the PCK Transaction (without payment of the Final Amount) and approximately 44% (37% fully-diluted) upon payment of the Final Amount, assuming that 25% of such amount is paid in CAD\$400,000 cash. It is the understanding of the Board of Directors of Kalimantan that after the completion of the PCK Transaction, KIC intends to wind-up its corporate entity and distribute the common shares of Kalimantan held by it to its shareholders;
- the Committee reviewed possible alternatives to the PCK Transaction and the perceived risks thereof, the range of possible benefits to Kalimantan shareholders of such alternatives and the timing and uncertainty of successfully accomplishing any such alternatives, and determined that none of the alternatives were considered reasonably likely to present superior opportunities for Kalimantan, or reasonably likely to create greater value for Kalimantan shareholders, than the PCK Transaction;
- the likelihood that the PCK Transaction would be consummated, in light of the experience, reputation and financial capabilities of Kalimantan and the absence of significant closing conditions, other than approval by the TSXV and Kalimantan and KIC shareholders of the PCK Transaction and other customary closing conditions; and
- the Committee had a series of discussions with Glanville and McKnight and commissioned the Fairness Opinion. The Fairness Opinion indicated that the PCK Transaction is fair to the shareholders of Kalimantan.

In the course of its deliberations, the Committee also identified and considered a variety of risks and potentially negative factors, including, but not limited to:

- the PCK Transaction may not be approved by the TSXV and Kalimantan and KIC shareholders;
- Oxiana may not exercise its option pursuant to the Option Deed and KIC may not be paid the Final Amount; and
- the COW may not have its exploration periods extended and the government may cancel the COW.

Fairness Opinion

The following constitutes a summary only of the Fairness Opinion. The Fairness Opinion has been prepared and provided solely for the use of the Special Committee and the Board of Directors and for inclusion in this Information Circular, and may not be used or relied upon by any other person without the express written consent of Glanville McKnight.

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of the Fairness Opinion which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the Fairness Opinion, and which is attached as Appendix "B" to this Information Circular. Shareholders are encouraged to read the Fairness Opinion in its entirety.

Summary of Fairness Opinion

Engagement of Glanville and McKnight. Pursuant to an engagement letter dated September 28, 2007 (the "Engagement Letter"), the Special Committee of the Board of Directors of Kalimantan retained the services of Glanville and McKnight to provide a fairness opinion of the PCK Transaction. Glanville and McKnight express no opinion, nor have they been requested to do so, as to the expected trading price of Kalimantan if the proposed transaction is completed. Glanville and McKnight will be paid a fee for their services as financial advisors to Kalimantan, but none of the fees are contingent on completion of the proposed transaction. In addition, Glanville and McKnight are to be indemnified in respect of certain liabilities that might arise out of the engagement.

Independence of Glanville and McKnight. Glanville and McKnight are independent arm's-length consultants who do not have a financial interest (nor do they expect to have any future interest), directly or indirectly, in Kalimantan or KIC (or any of their subsidiary or associated companies), nor do they expect any consideration other than the fees and expenses for the preparation of this report.

Credentials of Glanville and McKnight. Glanville is a company specializing in valuations of public and private companies and mineral exploration and development properties, as well as providing fairness opinions and litigation support related to financial and technical issues. The president, Ross Glanville, graduated from the University of British Columbia in 1970 with a Bachelor of Applied Science Degree (Mining Engineering) and became a member of the Association of Professional Engineers of British Columbia in 1972 (P.Eng.). In 1974, Glanville obtained a Master of Business Administration Degree (MBA), specializing in finance and securities analysis. In 1980, Glanville became a member of the Certified General Accountants of B.C. (CGA). He was also a member of the former Canadian Association of Mineral Valuers.

Bruce McKnight has a B.A.Sc. in Geological Engineering from the University of B.C., an M.Sc. in Engineering Geoscience from the University of California, Berkeley, a Mineral Economics Diploma from McGill University and an MBA from Simon Fraser University. He is a Member of the Association of Professional Engineers and Geoscientists of British Columbia (P.Eng.) and a Fellow of the Canadian Institute of Mining and Metallurgy (FCIM). McKnight is a former Executive Director of the B.C. and Yukon Chamber of Mines (now renamed Association for Mineral Exploration B.C.) and a former Corporate Vice-President of Westmin Resources Limited. He has over 35 years of senior-level, international and domestic, mining industry experience and has been an active participant in the exploration, valuation, financing and development of several mines in British Columbia and elsewhere. In addition, he has acted as a consultant to mining and brokerage firms in the preparation of fairness opinions and valuations, as well as a consultant to mining associations and First Nations and as an "expert witness" to law firms.

Scope of Review and Assumptions and Limitations. In order to prepare the Fairness Opinion, Glanville and McKnight reviewed and relied upon, or carried out (as the case may be) data related to other transactions of a comparable or similar nature, which Glanville and McKnight considered to be relevant; technical reports on the mineral properties of Kalimantan; joint venture and option terms on similar or comparable mineral projects; correspondence and discussions with representatives of Kalimantan regarding a number of items; relevant stock market information relating to Kalimantan, as well as that for other companies whose activities and properties are similar to those of Kalimantan; certain industry reports and statistics that Glanville and McKnight deemed appropriate; a number of marketing reports related to the supply/demand balance and price outlook for gold and copper; a copy of the letter of intent dated October 8, 2007 between Kalimantan and KIC; the joint venture agreement between Indokal and PCK, which describes the fully carried interest and the non-fully carried interest of PCK; a number of transactions related to the purchase/sale of mineral exploration and development projects; prior expenditures by Kalimantan on its mineral exploration properties; market capitalizations of listed companies with similar or comparable mineral exploration properties; working capital of Kalimantan; details of the outstanding options and warrants of Kalimantan and such other reviews, calculations, analyses, research and investigations deemed appropriate and relevant in the circumstances. Glanville and McKnight have reviewed the information contained on Kalimantan's website as well as financial and continuous disclosure materials filed with regulatory authorities available on the SEDAR website (www.sedar.com).

In providing the Fairness Opinion, Glanville and McKnight assumed and relied upon the accuracy and completeness of all technical, financial, and other information furnished to them by Kalimantan, and its consultants and representatives. They have not undertaken any specific independent verification of such information (although data was reviewed to determine its “reasonableness”). However, Glanville and McKnight have no reason to believe that the information provided to them is not accurate or complete, and have not been denied access to any information that they requested from the management of Kalimantan.

The report prepared by Glanville and McKnight is a Fairness Opinion, and is not a technical report. As a result, Glanville and McKnight have only provided brief summaries of the information provided in the technical reports and exploration summaries. Those reports contain details regarding geology, mineralization, claim locations, detailed agreements, and exploration and development histories.

This Fairness Opinion is addressed to and is for the sole use and benefit of the Board of Directors of Kalimantan.

KSK COW

Kalimantan has exploration rights over a large area (941 square kilometers) in Central Kalimantan which is governed by the COW, and is now the focus of the company’s joint venture with Oxiana. The area is prospective for porphyry intrusive systems and other intrusive-related gold-copper-silver-molybdenum prospects. The exploration work carried out over the years has resulted in the definition of 38 prospects, with a number of these prospects tested beyond the initial exploration stage to that of well developed anomalies, targets, and showings.

Since 1996, Kalimantan has identified three advanced porphyry copper-gold prospects (Baroi, Beruang, and Mansur), and several other prospective ones in the project areas. High-grade drill core results have been obtained at Baroi (for example, Hole BF-5 encountered 85 meters of 2.64% copper, 61 gpt silver, and 0.22 gpt gold). The drilling program to date has resulted in 70 holes totaling 12,309 meters over an area of six by four kilometers. At Beruang, eight mineralized zones have been identified at the margins of a 12-kilometer-diameter caldera. Exploration work included 19 medium-depth diamond drill holes which returned results up to 167 meters at 0.59% copper. The Mansur prospect, with its classic doughnut porphyry structure was extensively worked on in the 1990’s, but the best anomalies have not yet been drilled. In December 2006, Kalimantan finalized an option deed with Oxiana, which initially will spend US\$2.5 million including 7,000 meters of drilling. It then has the option of earning a 40% stake by completing a pre-feasibility study and a 66.67% stake at the completion of a bank feasibility study, by which time it would have spent an estimated US\$37.5 million.

Jelai-Mewet Property

The Jelai-Mewet gold prospect (a low sulphidation epithermal gold-silver prospect) is 100%-owned by Kalimantan, and is covered by a 5,000 hectare exploration permit at the north-eastern end of the Kalimantan Arc. The concession area was previously a focus of Indochina Goldfields (now renamed Ivanhoe Mines) during the late 1990’s. Jelai contains 11 known anomalous gold veins/prospects. The only one which Indochina Goldfields explored was the Mewet vein system, drilling just 10% of the cumulative 5-kilometer strike length, which confirmed the presence of some high-grade mineralization. The primary focus for 2007 is a 4,000 meter drill program which will attempt to identify a gold resource. The geology at Jelai fits the model found in similar magmatic arcs world-wide, which predicts that high-grade ore shoots are very likely in this type of deposit. Kalimantan plans to diamond drill a series of ‘fences’ designed to test the veins to at least 150 meters in depth and over a cumulative distance of at least two kilometers. Previous detailed rock chip sampling along these veins returned bonanza-grade gold values of up to 63 gpt gold on the Sembawang Vein and 87 gpt gold on the Mewet vein.

Values of Carried Interests Relative to Working Interests

Based on numerous calculations of the relative values of a fully carried interest compared to a working interest, it is the opinion of Glanville and McKnight that a 1% fully carried interest could be worth about three times as much as a comparable working interest. In other words, the 2.5% fully carried interest would be equivalent to a 7.5% working interest (three times the 2.5% fully carried interest). If a future mine is developed, and it has a high rate of return, the multiplier would be considerably less than three; while if the project was just attractive enough to be put into production (a marginally economic project), the multiplier would be much higher than three.

Regarding the non-fully carried interest of 22.5%, Glanville and McKnight have calculated an equivalent working interest of about 1.4 times 22.5%, or about 31.5%. The foregoing takes account of the fact that there is no interest component on any funds provided by Indokal prior to the Commencement of Production, and the fact that only 70% of the dividends go to repaying the funds advanced to PCK by Indokal. Again, if the project is financially very attractive, the multiplier would be less than 1.4 (but unlikely less than 1.2), while if the project is only marginally attractive, the multiplier would be considerably higher than 1.4 (but unlikely much higher than 1.6, since this ratio implies a marginally economic project for Kalimantan).

Considering the estimation that the 2.5% fully carried interest is worth about a 7.5% working interest, and that the 22.5% non-fully carried interest is worth about 31.5%, the total equivalent working interest would be about 39% (7.5% plus 31.5%). Due to the uncertainty of the delineation of an economic deposit, let alone the determination of the potential economics of such a deposit, it is the opinion of Glanville and McKnight that a reasonable range of value for the sum of both carried (the fully plus the partially carried) interests would be between about 35% and 45% of the total value of the KSK COW.

Relative Value of the KSK COW and the Jelai-Mewet Property. Glanville and McKnight have determined (via a number of different methods, including comparable transactions, adjusted market capitalizations of companies with similar properties, prior expenditures, exploration results to date, and future recommended exploration programs) that the value of the Jelai-Mewet property of Kalimantan is approximately 20% of the value of the combined interests of Kalimantan and PCK in the KSK COW.

Relative Values of the Kalimantan Consideration Versus the Value of the Acquisition. Since the value of PCK is essentially that of its interest in the COW (assuming no other net assets/liabilities of PCK), its value would be 39% (see prior estimation) of the total value of Kalimantan's and PCK's interests in the COW. The value of Kalimantan's interests in mineral properties would be 61% (100% minus PCK's estimated beneficial interest of 39%) of the value of Kalimantan's and PCK's interests in the COW, plus another equivalent of 20% of the value of Kalimantan's and PCK's interests in the COW (since Kalimantan owns 100% of Jelai-Mewet, and that property has been estimated to be about 20% of the value of Kalimantan's and PCK's interests in the KSK COW. On a relative basis then, Kalimantan's total value is the equivalent of 81% (61% plus 20%) of Kalimantan's and PCK's interests in the COW, while PCK's value is 39% of Kalimantan's and PCK's interests in the KSK COW. In other words, the value of Kalimantan's mineral property interests is 2.08 times the value of PCK's interest, since 81% divided by 39% equals 2.08.

At the present time, there are approximately 60.7 million issued shares of Kalimantan, prior to the exercise of any outstanding options and warrants. Since the non-mineral-property assets (including working capital, equipment, and share exchange listings) of Kalimantan total about \$1.5 million, this implies about 7.5 million shares (at a share price of \$0.20) would be allocated to other assets. As a result, about 53.2 million shares (60.7 million minus 7.5 million) would be attributed to its mineral property interests. Since the foregoing represents 2.08 times the interest of PCK, the calculated number of shares that should be issued to PCK would be almost 26 million (53.2 divided by 2.08), with a reasonable range (due to the uncertainty of outcomes of exploration) being between about 22 and 32 million shares. However, since 8 million of the proposed 28 million total to be issued will only be issued if Oxiana exercises its option (which circumstance implies a much higher value for the COW, and therefore a lower relative value for Jelai Mewet),

the mid-range number could be more than 28 million shares. Furthermore, with the possible future exercise of options and warrants, the interest of KIC would be diluted.

***Fairness Opinion Conclusion.* Based upon and subject to the limitations in the Fairness Opinion, and such other matters as Glanville and McKnight have considered relevant, it is their opinion that, as of the date of the Fairness Opinion, the proposed PCK Transaction is fair, from a financial point of view, to the shareholders of Kalimantan.**

However, Glanville and McKnight express no opinion as to the expected future trading price of the shares of Kalimantan if the proposed transaction is completed. Moreover, the Fairness Opinion does not constitute a recommendation to buy or sell the shares of Kalimantan.

Rights of KGC Shareholders

The *Companies Act 1981* (Bermuda) provides that a shareholder of a company who considers that the affairs of a company are being conducted or have been conducted in a manner which is oppressive or prejudicial to the interests of some of the shareholders of the company, including the applying shareholder, may make an application to the Bermuda court (the "Court"). The Court is empowered to make any order that it sees fit to end any oppressive or prejudicial conduct. Shareholders may refer to the *Companies Act 1981* (Bermuda) for further information. Management of Kalimantan does not consider that the PCK Transaction is oppressive or unfairly prejudicial to the shareholders of Kalimantan by reason of the various steps that have been taken to ensure shareholder protection, including the Fairness Opinion and the Special Committee.

Dissent Rights of KIC Shareholders

KIC is a company incorporated under the corporate laws of the British Virgin Islands. The *Business Companies Act* of the British Virgin Islands (the "BVI Act") provides that a shareholder is entitled to payment of the fair value of the shareholder's shares upon dissenting from any sale, transfer, lease, exchange or other disposition of more than fifty percent in value of the assets or business of the company, if not made in the usual or regular course of the business carried on by the company. According to the management of KIC, the PCK Transaction will constitute a disposition of more than fifty percent in value of the assets or business of KIC, not made in the usual or regular course of the business carried on by KIC, and the KIC shareholders will therefore be entitled to the dissent rights provided under the BVI Act.

Tax Consequences

To the knowledge of Kalimantan's management, there are no tax consequences of the PCK Transaction to Kalimantan and to its shareholders under the *Income Tax Act* (Canada).

Expenses of PCK Transaction

The expenses related to the PCK Transaction incurred or to be incurred by Kalimantan are estimated to be CAD\$86,000.

Dividend Record and Policy

There is no restriction that would prevent Kalimantan from paying dividends on the Kalimantan Shares. However, Kalimantan has not paid any dividends on its common shares and it is not contemplated that Kalimantan will pay any dividends on its common shares in the immediate or foreseeable future.

Judicial Developments

To the knowledge of Kalimantan's management, there is no material litigation outstanding, threatened or pending, as of the date hereof, by or against Kalimantan which would materially affect the PCK Transaction.

Recommendation of the Board of Directors

The Board of Directors, based on the recommendations of the Special Committee, the Fairness Opinion and the other facts discussed herein, have concluded that the PCK Transaction is in the best interests of Kalimantan and unanimously recommend that Kalimantan's shareholders vote FOR the adoption of the PCK Transaction Resolution.

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

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com and on the Company's website at www.kalimantan.com.

Shareholders may obtain a copy of Kalimantan's financial statements and management's discussion and analysis upon request to Kalimantan by mail at Unit 1 – 15782 Marine Drive, White Rock, British Columbia, Canada V4B 1E6, by telephone at 604 536-2711 or by facsimile at 604-536-2788.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED this 14th day of November 2007.

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

“Rahman Connelly”
Deputy Chairman and Chief Executive Officer

Appendix “A”

(to the Management Information Circular dated November 14, 2007)

Text of the PCK Transaction Resolution

BE IT RESOLVED THAT the acquisition of all of the outstanding shares of PT Pancaran Cahaya Kahayan from Kalimantan Investment Corporation by Kalimantan Gold Corporation Limited (“Kalimantan”), indirectly through its wholly owned subsidiary Indokal Limited, be and is hereby authorized and approved, subject to regulatory approval, and any one or more of the directors and officers of Kalimantan be authorized and directed to perform all such other acts, deeds and things and execute, under the seal of Kalimantan or otherwise, all such documents and other writings as may be required to give effect to the true intent of the above resolutions.

Appendix “B”
(to the Management Information Circular dated November 14, 2007)

Fairness Opinion

<p>Bruce McKnight Minerals Advisor Services 1281 20th Street, West Vancouver, BC, V7V 3Z4 Tel: 604-926-5799 604-209-8131 Email: bmcknight@telus.net</p>	<p>Ross Glanville and Associates Ltd. P.O Box #48296, Bentall Centre, 595 Burrard Street, Vancouver, BC, V7X 1A1 Tel: 604-291-6731 604-617-1051 Email: glanville@telus.net</p>
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October 16th, 2007

The Board of Directors
Kalimantan Gold Corporation Limited
Unit 1 – 15782 Marine Drive
White Rock, B.C., V4B 1E6

RE: FAIRNESS OPINION FOR KALIMANTAN GOLD CORPORATION LIMITED REGARDING THE PROPOSED ACQUISITION OF ALL OF THE SHARES OF PT PANCARAN CAHAYA KAHAYAN

Summary of Fairness Opinion

Ross Glanville & Associates Ltd. (“Glanville”) and Bruce McKnight Minerals Advisor Services have been retained by Kalimantan Gold Corporation Limited (“KGC”) to determine the fairness (to the shareholders of KGC) of the proposed transaction (the “Transaction”), whereby KGC would acquire all of the shares of PT Pancaran Cahaya Kahayan (“PCK”) from Kalimantan Investment Corporation (a private British Virgin Islands company which owns about 20% of the shares of KGC) by issuing up to 28 million shares of KGC¹ to the shareholders of PCK.

In order to provide the Fairness Opinion, Glanville has, among other things, reviewed the mineral exploration properties of KGC, determined prior and budgeted exploration and development expenditures, estimated the relative values of the respective interests of each of KGC and PCK, read the agreements related to the properties, examined the share trading price history of KGC, considered other assets of KGC and PCK, obtained the current financial positions of KGC and PCK, and reviewed issued shares, options, and warrants of KGC.

¹ Of the 28 million, 20 million would be issued upon closing of the Transaction and the balance of 8 million shares (“bonus shares”) would only be issued if Oxiana Ltd. (an international mining and exploration company listed on the Australian Stock Exchange) exercises its option to earn an interest in the KSK (Kalimantan Surya Kencana) Contract of Work in Indonesia.

Based upon and subject to the limitations in this Fairness Opinion, and such other matters as Glanville and McKnight have considered relevant, it is their opinion that, as of the date hereof, the proposed Transaction is fair, from a financial point of view, to the shareholders of KGC.

If the proposed Transaction is completed (and the 'bonus' shares are exercised), the issued shares of KGC would total about 88.7 million (prior to any exercise of options and warrants), of which the existing shareholders of KGC would own just over 68% of the total.

Background

KGC is a Bermuda company (reporting in B.C., Alberta, and Ontario) which trades on the TSX Venture Exchange ("TSX.V") and on the AIM exchange in London. Kalimantan Investment Corporation ("KIC"), a private British Virgin Islands company, owns about 20% of the shares of KGC. The principal focus of exploration work by KGC has been on the KSK Contract of Work (KSK CoW") in Indonesia, although KGC has carried out some work on its KGC's Jelai-Mewet project (also located in Indonesia). The KSK CoW is held by an Indonesian company, PT Kalimantan Surya Kencana ("KSK"). KGC owns 100% of Indokal Ltd. ("Indokal"), a Hong Kong company, and Indokal owns 75% of KSK. KIC owns 100% of PCK, an Indonesian company that owns 25% of KSK. The administration of KSK is determined by a Joint Venture Agreement (dated November 12, 1998) between Indokal and PCK (the "KSK JV"). Pursuant to the KSK JV, all KSK expenditures before the Commencement of Production (the date of achievement of 90% of design capacity over a minimum period of thirty consecutive days) will be funded 100% by Indokal in any combination of shareholder loans, capital contributions, or third party financing of KSK. PCK will repay 22.5% of the total 25% loaned to it by Indokal (to maintain PCK's interest at 25% of KSK) from 70% of all dividends paid by KSK to its shareholders. Any amounts loaned by Indokal to KSK on behalf of PCK after Commencement of Production will bear interest at 2% over LIBOR. Dividends paid are to be approved by the majority of the shareholders at an annual meeting – and are to be supported by KSK's annual income as reported on audited financial statements. The KIC board has agreed to proportionately dilute its interest along with KGC should a joint venture agreement be entered into on the KSK CoW.

In December 2006, KGC and Oxiana Exploration Pty Ltd ("Oxiana") executed an Option Deed whereby KGC granted to Oxiana, subject to Oxiana spending US\$2.5 million within 18 months (the "Initial Period"), an option to earn up to a total interest of 66.67% in the KSK CoW (by sole funding up to the completion of a pre-feasibility study to earn 40% and the completion of a feasibility study to earn 66.67%).

Proposed Transaction

According to an agreement dated October 8, 2007, KGC proposes to acquire all of the shares

of PCK from KIC² through a purchase (the “PCK Reconstruction”) by issuing up to 28 million shares of KGC to the shareholders of PCK. After the completion of the PCK Reconstruction, Indokal, a wholly-owned subsidiary of KGC, will own all of the shares of PCK.

Oxiana acknowledged in the Option Deed that Indokal has been funding PCK’s share of “CoW Company Expenditure” (as defined in the PCK/Indokal/KSK Agreement – also referred to as the PCK Agreement) by way of the Carried Interest (a 2.5% free carry) and the Non-Fully Carried Interest (a 22.5% deferred carry)(collectively referred to as the “Premium Amounts”), as defined in the PCK Agreement. As part of the PCK Reconstruction, KGC will compensate KIC for loss of the Carried Interest and the Non-Fully Carried Interest. In the event that Oxiana exercises the Option, and the PCK Reconstruction has been completed, Oxiana agrees to compensate KGC for the cost of extinguishing the Premium Amounts (and this cost to KGC is the cost of the issuance of 13 million common shares³ of KGC to KIC). Oxiana agreed to reimburse KGC for that portion of the compensation regarding the extinguishment of the Premium Amounts paid by KGC to KIC (the “Reimbursement”). The Reimbursement may be paid at the election of KGC, as to 100% at the end of the Interim Period, or may be paid as to 50% at the end of the Interim Period and 50% at completion of the Bankable Feasibility Study.

On completion of the PCK Reconstruction, KGC will issue 15 million common shares of KGC, and a further 5 million KGC shares as partial payment towards the Premium Amounts and in exchange for all of KIC’s issued and outstanding common shares of PCK. Conditional upon Oxiana exercising its option pursuant to the Option Deed, KGC and KIC agree that KGC shall provide to KIC an additional 8 million shares (for a total of 28 million shares) in full and final satisfaction of the Premium Amounts. KGC further agrees that it will provide KIC, at KIC’s sole discretion, with an option to take up to half of the Reimbursement it receives, with such payments applied to the Premium Amounts, and the balance of the Premium Amounts will be paid by the issuance of common shares of KGC at \$0.20⁴ per share.

The terms and conditions of the proposed transaction are more fully described in the Agreement dated October 8, 2007, between KGC and KIC.

Engagement of Glanville & McKnight

Pursuant to an engagement letter dated September 28, 2007 (the “Engagement Letter”), KGC has retained the services of Glanville and McKnight to provide a fairness opinion of the proposed transaction. Glanville and McKnight express no opinion, nor have they been requested to do so, as to the expected trading price of KGC if the proposed transaction is completed.

² It should be noted that the only independent directors of KGC are Doris Meyer and Peter Bojtos, since the other KGC directors are also directors of KIC.

³ Out of a total of 28 million common shares to be issued to KIC

⁴ All dollars in this report are Canadian dollars, unless specifically stated otherwise.

Glanville and McKnight will be paid a fee for their services as financial advisors to KGC, but none of the fees are contingent on completion of the proposed transaction. In addition, Glanville and McKnight are to be indemnified in respect of certain liabilities that might arise out of the engagement.

Relationship with Interested Parties

Glanville and McKnight are independent arm's-length consultants who do not have a financial interest (nor do they expect to have any future interest), directly or indirectly, in KGC or KIC (or any of their subsidiary or associated companies), nor do they expect any consideration other than the fees and expenses for the preparation of this report.

Credentials of Glanville and McKnight

Glanville is a company specializing in valuations of public and private companies and mineral exploration and development properties, as well as providing fairness opinions and litigation support (such as being an expert witness in court cases involving valuation disputes) related to financial and technical issues. The president, Ross Glanville, graduated from the University of British Columbia in 1970 with a Bachelor of Applied Science Degree (Mining Engineering) and became a member of the Association of Professional Engineers of British Columbia in 1972 (P.Eng.). In 1974, Glanville obtained a Master of Business Administration Degree (MBA), specializing in finance and securities analysis. In 1980, Glanville became a member of the Certified General Accountants of B.C. (CGA). He was also a member of the former Canadian Association of Mineral Valuers.

Glanville has provided a large number of fairness opinions (more than 200) for mergers, amalgamations, and acquisitions of public and private companies. These assignments were undertaken for investment dealers, regulatory bodies (including stock exchanges), banks, various government agencies, venture capital firms, forestry companies, mining and exploration companies, oil and gas companies, and others. Glanville has valued more than five hundred mining and exploration companies in Canada, the U.S.A., Australia, and Mexico, as well as over one hundred and fifty in many other areas of the world, including Africa, South America, Europe, and Asia. He has formed public companies (listed on the Toronto Stock Exchange, the Australian Stock Exchange, NASDAQ, and the TSX Venture Exchange) and has served on the Boards of Directors of four companies with producing mines. Glanville has also acted in more than 50 court cases and assessment appeal board hearings in Canada, the U.S.A., Australia, and the U.K. He has written several articles, and given many presentations, related to the valuation of exploration and mining companies. Some of these articles were published by the United Nations, the Society of Mining Engineers, and by various Canadian magazines and newspapers.

Bruce McKnight has a B.A.Sc. in Geological Engineering from the University of B.C., an M.Sc. in Engineering Geoscience from the University of California, Berkeley, a Mineral

Economics Diploma from McGill University and an MBA from Simon Fraser University. He is a Member of the Association of Professional Engineers and Geoscientists of British Columbia (P.Eng.) and a Fellow of the Canadian Institute of Mining and Metallurgy (FCIM). McKnight is a former Executive Director of the B.C. and Yukon Chamber of Mines (now renamed Association for Mineral Exploration B.C.) and a former Corporate Vice-President of Westmin Resources Limited. He has over 35 years of senior-level, international and domestic, mining industry experience and has been an active participant in the exploration, valuation, financing and development of several mines in British Columbia and elsewhere. In addition, he has acted as a consultant to mining and brokerage firms in the preparation of fairness opinions and valuations, as well as a consultant to mining associations and First Nations and as an “expert witness” to law firms.

Scope of Review

In order to prepare this Fairness Opinion, Glanville and McKnight reviewed and relied upon, or carried out (as the case may be) the following, among other things:

- data related to other transactions of a comparable or similar nature, which Glanville and McKnight considered to be relevant
- technical reports on the mineral properties of KGC
- joint venture and option terms on similar or comparable mineral projects
- certain publicly available financial and other information concerning KGC
- correspondence and discussions with representatives of KGC regarding a number of items
- relevant stock market information relating to KGC, as well as that for other companies whose activities and properties are similar to those of KGC
- certain industry reports and statistics that Glanville and McKnight deemed appropriate
- a number of marketing reports related to the supply/demand balance and price outlook for gold and copper
- a copy of the letter of intent
- news releases of KGC
- the Joint Venture agreement between Indokal and PCK, which describes the fully carried interest and the non-fully carried interest of PCK
- information on the website of KGC (www.kalimantan.com)
- a number of transactions related to the purchase/sale of mineral exploration and development projects
- the financial statements of KGC, together with the accompanying management discussions and analyses for the period ending June 30, 2007
- prior expenditures by KGC on its mineral exploration properties
- market capitalizations of listed companies with similar or comparable mineral exploration properties
- working capital of KGC
- share trading history of KGC

- details of the outstanding options and warrants of KGC
- such other reviews, calculations, analyses, research and investigations deemed appropriate and relevant in the circumstances

Assumptions and Limitations

In providing this Fairness Opinion, Glanville and McKnight assumed and relied upon the accuracy and completeness of all technical, financial, and other information furnished to them by KGC, and its consultants and representatives. They have not undertaken any specific independent verification of such information (although data was reviewed to determine its “reasonableness”). However, Glanville and McKnight have no reason to believe that the information provided to them is not accurate or complete, and have not been denied access to any information that they requested from the management of the Company.

Glanville and McKnight decided upon the methodologies to be utilized in this Fairness Opinion, and did not request or receive suggestions, from the management of the Company, as to the methodologies that might have been utilized. Glanville and McKnight have relied upon technical reports, discussions with executives/officers of KGC, share trading histories, information provided by management/directors, past expenditures, and results to date. All references to dollars (“\$”) in this report are Canadian dollars unless otherwise specified.

This Fairness Opinion has been rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of KGC as they are reflected in the information, data and other material (financial or otherwise) reviewed by Glanville and McKnight as they were represented to them in their discussions with management of KGC. They have made assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved with the proposed transaction. Although it is believed that these assumptions are reasonable with respect to KGC and KIC (and the industry in which they currently operate), to the extent they are incorrect it may affect their view as to the fairness of the Arrangement.

It should be noted that this report is a Fairness Opinion, and is not a technical report. As a result, Glanville and McKnight have only provided brief summaries of the information provided in the technical reports and exploration summaries. Those reports contain details regarding geology, mineralization, claim locations, detailed agreements, and exploration and development histories.

KGC acknowledges that the services of Glanville and McKnight are provided in an advisory capacity only, and that Glanville and McKnight are not liable for losses, damages, or other claims that may result from or be alleged to result from any application or use that KGC and/or others may make of such information and data. KGC hereby waives, releases, indemnifies and agrees to hold Glanville and McKnight harmless from any and all liability for losses, damages, legal costs, and other claims arising from the Fairness Opinion and/or related issues. KGC hereby waives the right to commence any lawsuit against Glanville and

McKnight, and will pay (in a timely manner) any legal costs incurred by Glanville and McKnight as a result of any lawsuit related to this Fairness Opinion. Glanville and McKnight have not conducted a review of KGC's mineral titles, ownership, or environmental obligations, and consequently Glanville and McKnight have not expressed any opinion on these subjects. Glanville and McKnight do not accept any responsibility for errors or omissions pertaining to information provided by KGC, or its lawyers, directors, agents, or other related parties.

Glanville and McKnight reserve the right to amend or withdraw this Fairness Opinion in certain circumstances, including in the event that there occurs a material change of facts or representations upon which Glanville and McKnight relied, or in the event that Glanville and McKnight reasonably conclude that the information provided or any representation they relied upon contains an untrue statement of material fact or omits to state a material fact that, in their reasonable opinion, would make this Fairness Opinion untrue or inaccurate in any material respect. However, Glanville and McKnight are under no obligation to make any subsequent changes or to provide notification to anyone of such changes to the information. The management and directors of KGC should inform Glanville and McKnight if anything in this Fairness Opinion is, in their opinion, inaccurate or misleading in any way.

This Fairness Opinion is addressed to and is for the sole use and benefit of the KGC Board, and may not be referred to, summarized, circulated, publicized or reproduced by KGC, other than in the Information Circular, or disclosed to, used or relied upon by any other party without the express written consent of Glanville and McKnight.

We believe that our analyses must be considered as a whole, and that selecting portions of our analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a Fairness Opinion is a complicated process, and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Kalimantan Gold Corporation Limited

Kalimantan Gold is incorporated in Bermuda, and is an exploration stage company engaged in the business of acquiring and exploring mineral properties in Kalimantan, Indonesia. The Company is a reporting issuer in British Columbia, Alberta, and Ontario; and trades in Canadian dollars on the TSX Venture Exchange in Canada and in British pence on the AIM Market in London under the symbol KLG. The Company has exploration rights over two distinct areas: the Jelai-Mewet gold-silver prospects in East Kalimantan and KSK CoW copper-gold prospects in Central Kalimantan, where highly encouraging drill results to date indicate the potential for a significant deposit.

There are approximately 60.7 million shares issued. In addition, there are approximately 12 million warrants at an average exercise price of almost \$0.30 per share and approximately 5.5 million options at an average exercise price of about \$0.29 per share. The share trading

price over the past year has ranged from a high of \$0.39 to a low of \$0.18. Over the past month, trading has been around \$0.20 per share. The present working capital is just over one million dollars. KGC's corporate office is located in Unit 1 – 15782 Marine Drive, White Rock, B.C., V4B 1E6, its telephone number is 604-536-2711, and its website is www.kalimantan.com.

PT Pancaran Cahaya Kahayan ("PCK")

PCK is an Indonesian company that owns 25% of KSK – a 2.5% fully carried interest and a 22.5% non-fully carried interest. It is our understanding that there are no other net assets/liabilities of PCK.

KSK Contract of Work ("KSK CoW")

KGC has exploration rights over a large area (941 square kilometers) in Central Kalimantan which is governed by the KSK CoW, and is now the focus of the company's joint venture with Oxiana Ltd. The area is prospective for porphyry intrusive systems and other intrusive-related gold-copper-silver-molybdenum prospects. The exploration work carried out over the years has resulted in the definition of 38 prospects, with a number of these prospects tested beyond the initial exploration stage to that of well developed anomalies, targets, and showings.

Since 1996, KGC has identified three advanced porphyry copper-gold prospects (Baroi, Beruang, and Mansur), and several other prospective ones in the project areas. High-grade drill core results have been obtained at Baroi (for example, Hole BF-5 encountered 85 meters of 2.64% copper, 61 gpt silver, and 0.22 gpt gold). The drilling program to date has resulted in 70 holes totaling 12,309 meters over an area of six by four kilometers. At Beruang, eight mineralized zones have been identified at the margins of a 12-kilometer-diameter caldera. Exploration work included 19 medium-depth diamond drill holes which returned results up to 167 meters at 0.59% copper. The Mansur prospect, with its classic doughnut porphyry structure was extensively worked on in the 1990's, but the best anomalies have not yet been drilled. In December 2006, KGC finalized an option deed with Oxiana, which initially will spend US\$2.5 million including 7,000 meters of drilling. It then has the option of earning a 40% stake by completing a pre-feasibility study and a 66.67% stake at the completion of a bank feasibility study, by which time it would have spent an estimated US\$37.5 million.

Jelai-Mewet Property

The Jelai-Mewet gold prospect (a low sulphidation epithermal gold-silver prospect) is 100%-owned by KGC, and is covered by a 5,000 hectare exploration permit at the north-eastern end of the Kalimantan Arc. The concession area was previously a focus of

Indochina Goldfields (now renamed Ivanhoe Mines) during the late 1990's. Jelai contains 11 known anomalous gold veins/prospects. The only one which Indochina Goldfields explored was the Mewet vein system, drilling just 10% of the cumulative 5-kilometer strike length, which confirmed the presence of some high-grade mineralization. The primary focus for 2007 is a 4,000 meter drill program which will attempt to identify a gold resource. The geology at Jelai fits the model found in similar magmatic arcs world-wide, which predicts that high-grade ore shoots are very likely in this type of deposit. KGC plans to diamond drill a series of 'fences' designed to test the veins to at least 150 meters in depth and over a cumulative distance of at least two kilometers. Previous detailed rock chip sampling along these veins returned bonanza-grade gold values of up to 63 gpt gold on the Sembawang Vein and 87 gpt gold on the Mewet vein.

Values of Carried Interests Relative to Working Interests

Based on numerous calculations of the relative values of a fully carried interest compared to a working interest, it is the opinion of Glanville and McKnight that a 1% fully carried interest could be worth about three times as much as a comparable working interest. In other words, the 2.5% fully carried interest would be equivalent to a 7.5% working interest (three times the 2.5% fully carried interest). If a future mine is developed, and it has a high rate of return, the multiplier would be considerably less than three; while if the project was just attractive enough to be put into production (a marginally economic project), the multiplier would be much higher than three.

Regarding the non-fully carried interest of 22.5%, we have calculated an equivalent working interest of about 1.4 times 22.5%, or about 31.5%. The foregoing takes account of the fact that there is no interest component on any funds provided by Indokal prior to the Commencement of Production, and the fact that only 70% of the dividends go to repaying the funds advanced to PCK by Indokal. Again, if the project is financially very attractive, the multiplier would be less than 1.4 (but unlikely less than 1.2), while if the project is only marginally attractive, the multiplier would be considerably higher than 1.4 (but unlikely much higher than 1.6, since this ratio implies a marginally economic project for KGC).

Considering the estimation that the 2.5% fully carried interest is worth about a 7.5% working interest, and that the 22.5% non-fully carried interest is worth about 31.5%, the total equivalent working interest would be about 39% (7.5% plus 31.5%). Due to the uncertainty of the delineation of an economic deposit, let alone the determination of the potential economics of such a deposit, it is the opinion of Glanville and McKnight that a reasonable range of value for the sum of both carried (the fully plus the partially carried) interests would be between about 35% and 45% of the total value of the KSK CoW.

Relative Value of the KSK CoW and the Jelai-Mewet Property

Glanville and McKnight have determined (via a number of different methods, including

comparable transactions, adjusted market capitalizations of companies with similar properties, prior expenditures, exploration results to date, and future recommended exploration programs) that the value of the Jelai-Mewet property of KGC is approximately 20% of the value of the 'combined interests of KGC and PCK in the KSK CoW'.

Relative Values of the KGC Consideration Versus the Value of the Acquisition

Since the value of PCK is essentially that of its interest in the KSK CoW (assuming no other net assets/liabilities of PCK), its value would be 39% (see prior estimation) of the total value of 'KGC's and PCK's interests' in the KSK CoW. The value of KGC's interests in mineral properties would be 61% (100% minus PCK's estimated beneficial interest of 39%) of the value of 'KGC's and PCK's interests' in the KSK CoW, plus another equivalent of 20% of the value of 'KGC's and PCK's interests' in the KSK CoW (since KGC owns 100% of Jelai-Mewet, and that property has been estimated to be about 20% of the value of 'KGC's and PCK's interests' in the KSK CoW. On a relative basis then, KGC's total value is the equivalent of 81% (61% plus 20%) of 'KGC's and PCK's interests' in the KSK CoW, while PCK's value is 39% of 'KGC's and PCK's interests' in the KSK CoW. In other words, the value of KGC's mineral property interests is 2.08 times the value of PCK's interest, since 81% divided by 39% equals 2.08.

At the present time, there are approximately 60.7 million issued shares of KGC, prior to the exercise of any outstanding options and warrants. Since the non-mineral-property assets (including working capital, equipment, and share exchange listings) of KGC total about \$1.5 million, this implies about 7.5 million shares (at a share price of \$0.20) would be 'allocated' to other assets. As a result, about 53.2 million shares (60.7 million minus 7.5 million) would be attributed to its mineral property interests. Since the foregoing represents 2.08 times the interest of PCK, the calculated number of shares that should be issued to PCK would be almost 26 million (53.2 divided by 2.08), with a reasonable range (due to the uncertainty of outcomes of exploration) being between about 22 and 32 million shares. However, since 8 million of the proposed '28 million total to be issued' will only be issued if Oxiana exercises its option (which circumstance implies a much higher value for the KSK CoW, and therefore a lower relative value for Jelai Mewet), the mid-range number could be more than 28 million shares. Furthermore, with the possible future exercise of options and warrants, the interest of KIC would be diluted.

Fairness Considerations

In connection with the provision of this Fairness Opinion, Glanville and McKnight have performed a variety of technical, financial and comparative analyses (in addition to the calculations carried out in the prior section of this report), including those set out below. In arriving at the Fairness Opinion, Glanville and McKnight have not attributed any particular

weight to any specific analysis or factor considered by him, but rather they have made qualitative judgments based on their experience in rendering such opinions, and on the circumstances and information as a whole.

In assessing the Fairness of the proposed transaction to the KGC shareholders, Glanville and McKnight:

:

- considered the share trading history of KGC
- estimated the relative values of the interests of KGC and PCK
- compared the impact of the share dilution to the added value of the mineral property interest to be acquired
- considered the timing and control over the payment of dividends
- reviewed the option agreement with Oxiana
- considered the working capital positions of KGC and PCK
- considered other assets of KGC (including equipment, furniture, fixtures, exchange listings, etc.)
- considered the prior financings of KGC
- considered the proposed exploration programs and budgets
- noted that Oxiana agrees to compensate KGC for the cost of extinguishing the Premium Amounts (and this cost to KGC is the cost of the issuance of 13 million common shares⁵ of KGC to KIC).
- took into account the number and exercise prices of options and warrants of KGC, and considered the in-the-money warrants and options
- considered that the ‘unitization’ of the KSK CoW, with one owner, might be more attractive to a major mining company and more understandable to the market in general (potentially resulting in a higher share price)
- considered the liquidity provided to the shareholders of KIC if they were to receive shares of KGC
- considered the advantage of not having to deal with the restrictive covenants (including items requiring unanimous approval – such as the distribution of profits, whether or not to mine, appointment of Chief Executive Officer, etc.) of the Joint Venture Agreement between Indokal and PCK
- compared the total prior exploration and acquisition expenditures on the mineral properties
- considered such other factors or analyses which McKnight and Glanville judged to be appropriate, based on their experience in rendering such opinions,

Fairness Opinion

Based upon and subject to the limitations in this Fairness Opinion, and such other matters as Glanville and McKnight have considered relevant, it is their opinion that, as of the date hereof, the proposed Transaction is fair, from a financial point of view, to

⁵ Out of a total of 28 million common shares to be issued to KIC

the shareholders of KGC.

However, Glanville and McKnight express no opinion as to the expected future trading price of the shares of KGC if the proposed transaction is completed. Moreover, this Fairness Opinion does not constitute a recommendation to buy or sell the shares of KGC.

This Fairness Opinion may be relied upon (subject to the qualifications set out in this report) by the Board of Directors and shareholders of KGC, but may not be used or relied upon by any other person without express prior written consent of Glanville and McKnight. However, Glanville and McKnight consent to the duplication and inclusion of this Fairness Opinion in a Prospectus or Information Circular.

Yours very truly,

Ross Glanville & Associates Ltd.
Ross Glanville, B.A.Sc., P.Eng., MBA

Bruce McKnight Minerals Advisor Services
Bruce McKnight, B.A.Sc., P.Eng., MBA, FCIM