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## **BK Copper Project – Positive Initial Metallurgical Testwork Results**

Kalimantan Gold Corporation Limited ("KLG") is pleased to announce that the initial program of metallurgical characterization tests being undertaken to assess the potential for using heap leach processing technology to produce copper metal from its Beruang Kanan Main ("BKM") deposit in Central Kalimantan, Indonesia, has generated promising initial results.

Approximately 25% of global copper supply is produced using the heap leach, solvent extraction and electrowinning ("SX-EW") process and the opportunity to apply this extensively proven technology to produce copper metal in Indonesia is particularly relevant given in-country processing of ores is a high priority for the Government.

To oversee the design and execution of the technical work program KLG has engaged the services of expert metallurgical consultant, Graeme Miller (Miller Metallurgical Services Pty Ltd, Brisbane, Australia). Graeme has been at the forefront of copper heap leaching, solvent extraction and electrowinning ("SX-EW") studies, design and operation for over 20 years and is a renowned leader in the field.

PT Intertek Utama Services, in Jakarta, Indonesia are conducting the test-work for the initial phase of metallurgical testing.

Current metallurgical leaching and physical tests have been designed to evaluate whether the heap leach SX-EW process is a suitable processing route for BK Main ore. Programs comprising sequential analysis, column leach, agitated leach and bottle roll tests are aimed at providing process design criteria suitable for input into the scoping study scheduled for Q4, 2015.

Two metallurgical samples were prepared using split HQ sized diamond drill core (6.4 cm), each composited from three individual holes drilled into the northern and southern part of the deposit. Samples were collected from drill hole intervals within 60 meters from surface which were considered to be representative of the deposit geology and mineralization style. Each of the two composite samples comprises 90 kilograms of material.

Metallurgical characterization test work began in early-June to assess the potential to recover economic amounts of copper from crushed rock into solution, and thus potentially making it available for extraction into metal using the SX-EW processing technology. The early results are promising with:

- The chalcocite and covellite dominant copper mineral species found in the BKM deposit being suitable for typical bacterially assisted acid-ferric heap leach processing
- Sequential assays confirming potential for economic recovery of copper via acid-ferric leaching i.e. greater than 95% of total copper in all samples assayed is acid and cyanide soluble
- Good rock competency that shows little breakdown during column leach test work suggesting the host rock has the physical characteristics required to build a sustainable heap
- Very low acid consumption during both bottle roll and agitation leach tests suggesting that the host rock contains limited quantities of acid consuming minerals, a beneficial characteristic for heap leach economics

Further test work is underway to confirm these preliminary results, and to extend the confidence in the interpretation is ongoing and includes:

- Re-assaying of drill hole samples using the sequential assay method to define the leachable parts of the Resource
- Preliminary agitation, bottle roll and short column tests will be repeated to more closely simulate the acid-ferric bacterial leaching conditions



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- Drill hole samples will be tested for acid consumption potential using the iso pH testing protocol.
- Interpretation of the results from the preliminary program will be input as design criteria for the scoping study
- The test program for a feasibility study will be generated to allow timely acquisition of samples and testing facilities.

**Tony Manini, Kalimantan Gold’s Chief Executive Officer commented:**

“Kalimantan Gold is pleased with the initial findings of the metallurgical leaching test work currently in progress. While very extensive metallurgical studies are still required, early indications suggest that the copper mineralization may be amenable to extraction using bacterial heap leach, SX-EW processing technology. Projects utilizing this technology generally have a lower capital intensity than those producing concentrate, and as copper metal is produced at the mine site the need for third party smelter involvement is eliminated. These are particularly relevant criteria for any copper development project in Indonesia at this time and we look forward to further updating stakeholders on the progress of the test work throughout the year”

**Qualified Person**

Data disclosed in this press release have been reviewed and verified by KLG’s qualified person, Stephen Hughes, P. Geo, a Qualified Person within the meaning of NI 43-101.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Tony Manini, Deputy Chairman and CEO

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