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Positive Drill Results Expand Near Surface Copper at BKM

Kalimantan Gold Corporation Limited ("KLG") is pleased to announce assay results from an additional eight holes drilled in the southern part of the BKM deposit as part of the Resource evaluation program in progress on its flagship Beruang Kanan copper project in Central Kalimantan, Indonesia.

In total, 36 holes and 2680.5 meters of the planned 80 hole/ 6500 meter resource evaluation drilling program planned for 2015 have been completed and three holes are currently in progress. BKM Resource in-fill and expansion drilling is complete on section lines BKM31750 and BKM31950 and active section lines include BKM31650, BKM32450, BKM31850 and BKM32050. Three drill rigs are currently active, one in the south and two in the central and northern parts of the deposit. Drill results from the current program will be incorporated into an updated, independent Mineral Resource estimate to be completed in Q3, 2015. The updated Mineral Resource estimate together with the results of ongoing metallurgical test work and mining studies planned for Q4, 2015 will form the basis of a Preliminary Economic Assessment (PEA) planned for completion in early 2016.

DRILLING RESULTS

Final assay results have now been received for an additional 655.2 meters in eight drill holes aimed at expanding the BKM Resource on section lines BKM31650 (six holes) and BKM31750 (two holes). A drill hole location plan and a table of full assay results are provided in Figure 1 and Table 1 respectively.

Drilling on section line BKM31650 has expanded the chalcocite-covellite dominated copper mineralization by 100 meters to the south of previously reported holes on section line BKM31750 (refer KLG Press Release Thurs June 11, 2015) and beyond the existing BKM Mineral Resource boundaries. Continuity of mineralization has been confirmed across a 400 meter zone on section BKM31650 and remains open to the east.

Drill hole BKM31650-01 (81.9m end of hole ("EOH")) intersected a narrow interval of copper mineralization hosted in centimeter to meter scale veins assaying 3.0 meters at 0.70% Cu from 66.5 meters. Hole BKM31650-02 (81.3m EOH) reported a cumulative 7.0 meter interval of high grade copper mineralization in two individual intersections and hole BKM31650-03 (69.3m EOH) intersected broader more pervasive zones of copper mineralization. Better assay intervals include:

BKM31650-02 3.0 meters at 1.24% Cu (from 35.0 meters depth)

4.0 meters at 1.27% Cu (from 50.0 meters depth)

BKM31650-03 32.0 meters at 1.34% Cu, (from 34.0 meters depth)

- *Including 16 meters at 2.18% Cu (from 40.0 meters)*

Hole BKM31650-04 (72.6m EOH) intersected a cumulative 22.6 meter interval (three individual intersections) of moderate grade copper mineralization in centimeter to meter scale quartz veins and bottomed in 1.6m of copper mineralization assaying 1.11% Cu. This hole will be re-entered after the rig completes drilling on section line BKM31850. Better intercepts from BKM31650-04 include 10.6 meters at 0.52% Cu.

BKM31650-05 (81.6m EOH) and BKM31650-06 (90.2m EOH) intersected near surface copper mineralization in centimeter to meter scale quartz veins. Better intercepts include:



BKM31650-05 12.0 meters at 1.22% Cu, (from 21.0 meters depth)

BKM31650-06 12.6 meters at 0.52% Cu, (from 6.7 meters depth)

As previously reported (KLG Press Release Thurs June 11, 2015) six holes drilled on section line BKM31750 intersected moderate to high grade copper mineralization, including 64 meters at 0.74% Cu in BKM31750-03 (includes 5 meters at 1.60% Cu and 8 meters at 1.16% Cu). Two additional holes, BKM31750-07 (90.2m EOH) and BKM31750-08 (88.1m EOH), drilled to further extend the Mineral Resource to the west on this section line intersected low grade chalcocite - covellite stringer mineralization. Copper mineralization in this area has been extended approximately 200 meters beyond the current western limits of the BKM Mineral Resource and now appears to be closed off.

SUMMARY AND UPDATE

Expansion drilling results on section line BKM31650 reported above confirm continuity of the moderate to high grade copper mineralization previously reported on section line BKM31750. This demonstrates excellent potential for expanding the copper mineralization further south, where five holes are planned on section line BKM31550 to follow up an intersection of 6 meters at 1.69% copper (from surface in hole BK11) reported in a previous drilling campaign. Infill drilling is also progressing well in the northern part of the BKM deposit, with significant chalcocite - covellite mineralization observed in some holes drilled on section line BKM32550. Assays are expected soon.

The new drilling results are being systematically processed and incorporated into the BKM database in preparation for an updated, independent Mineral Resource estimate for the BKM project, expected to be completed in Q3, 2015.

Tony Manini, Kalimantan Gold's Chief Executive Officer commented:

"Kalimantan Gold is on track and very pleased with progress to date on its 2015 Mineral Resource evaluation program at BKM. Drilling results continue to meet our expectations with good grade copper mineralization consistently intersected at shallow depths potentially amenable to low strip ratio open pit mining. These features of the deposit when combined with the positive initial results from metallurgical test work being undertaken to assess the potential for a heap leach, SX-EW project producing copper metal, are considered highly promising. While extensive work remains to compile all the inputs for a PEA (Scoping Study), the operating team is performing exceptionally well and continuing to deliver to quality, quantity, time and budget. We look forward to keeping all stakeholders progressively informed as additional results from this exciting program become available".



Table 1: Recent significant drill intercepts.

HOLE ID	From	To	Length	Copper (%)	Cumulative Cu Mineralized Interval
BKM31750-07	23.0	30.0	7.0	0.46	17.5 Meters
BKM31750-07	39.0	41.0	2.0	0.36	
BKM31750-07	65.0	67.0	2.0	0.46	
BKM31750-07	77.5	84.0	6.5	0.46	
BKM31750-08	No Significant Assays				
BKM31650-01	66.5	69.5	3.0	0.70	3.0 Meters
BKM31650-02	35.0	38.0	3.0	1.24	7.0 Meters
BKM31650-02	50.0	54.0	4.0	1.27	
BKM31650-03	34.0	66.0	32.0	1.34	32.0 Meters
<i>Including</i>	<i>40.0</i>	<i>56.0</i>	<i>16.0</i>	<i>2.18</i>	
BKM31650-04	20.0	28.0	8.0	0.31	22.6 Meters
BKM31650-04	34.0	38.0	4.0	0.57	
BKM31650-04	62.0	72.6	10.6	0.52	
BKM31650-05	21.0	33.0	12.0	1.22	27.0 Meters
BKM31650-05	45.0	56.0	11.0	0.48	
BKM31650-05	60.0	62.0	2.0	0.83	
BKM31650-05	64.9	66.9	2.0	0.79	
BKM31650-06	6.7	19.3	12.6	0.52	27.6 Meters
BKM31650-06	27.0	31.0	4.0	0.53	
BKM31650-06	64.0	68.0	4.0	0.37	
BKM31650-06	74.0	81.0	7.0	0.44	

Notes: Grade intercepts are calculated as a weighted average grade $\geq 0.3\%$ copper (uncut). True widths are interpreted to be between 80-100% of the reported lengths, unless otherwise stated.

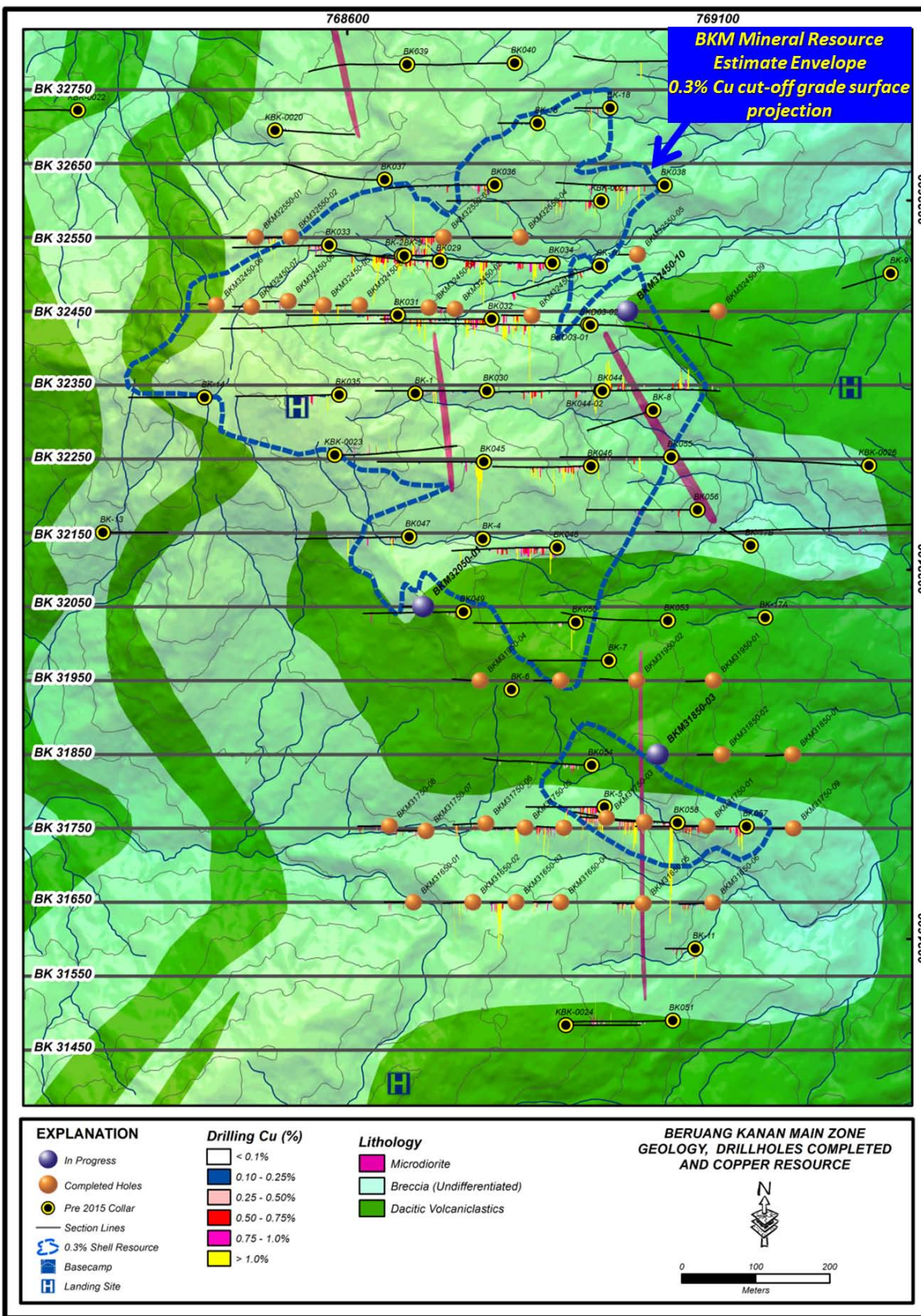


Figure 1: Location map showing section lines and drill collars



Qualified Person

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

ON BEHALF OF THE BOARD OF DIRECTORS

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