

**Thu Dec 2, 2010**

## **Kalimantan Gold Signs Letter Of Intent With Tigers Realm On Jelai**

Kalimantan Gold Corporation Limited (the "Company") is pleased to announce that it has entered into a binding Letter of Intent ("LOI") with Tigers Realm Minerals PTY Ltd. ("Tigers") an Australian based, privately owned resources company whereby Tigers may earn up to a 70% interest in the Company's Jelai Gold Project by meeting certain project expenditure obligations and completing a bankable feasibility study ("BFS").

Under the terms of the LOI, which is subject to due diligence and is to be replaced by a definitive option agreement not later than February 4, 2011, Tigers can incrementally earn up to a 70% interest in the Jelai Project by spending US\$6,000,000 by June 30, 2014, with the first US\$2,000,000 by June 30, 2012 being an obligation. If Tigers doesn't complete the BFS by that date, its interest earned in Jelai will convert to a royalty capped at two times its investment in the Jelai project.

Tigers will continue to sole fund until the partners approve development of the project. Thereafter both parties will be responsible for its share of funding. Tigers will use its best commercial endeavors to arrange project finance for up to a maximum of 75% of the Company's funding requirements for the project.

Rahman Connelly, Deputy Chairman and CEO of the Company said *"Tigers is an ideal partner to rapidly advance the Jelai Gold Project and create value for all stakeholders. They have extensive experience in Indonesia across exploration, project development and mine operations, a skilled team able to rapidly explore and develop projects and Tigers board and management team have a strong track record in raising capital globally. Tigers shares the Company's commitment to building a sustainable relationship with the local communities."* Mr. Connelly added *"This transaction, combined with the expected successful negotiations on our KSK COW with a major copper mining company in the next few weeks will see the Company benefit from significant expenditure and expertise being applied to advance its projects. It also leaves the Company well positioned to leverage off its relationships in the region to pursue new project opportunities"*.

### **Jelai Project Details**

The Jelai Gold Project in East Kalimantan consists of 12 prospects. One of those, the Mewet prospect, is in advanced exploration with 126 holes drilled over nearly 14,000 meters confirming the potential to yield a major epithermal gold deposit, comparable in scale to the Vera Nancy mine in Australia, which has produced 2.3 million ounces to date. It is a low-sulphidation epithermal precious metal system consisting of at least seven major veins and numerous subsidiary veins with a cumulative strike length of more than five kilometres. Drilling to date has discovered at least five potential ore shoots within the restricted strike length that has been explored. Interpretation of mineral textures in the veins and comparison with models for low-sulphidation epithermal systems suggests that the current level of exposure is near the top of the precious metal zone. Previous drilling on the Mewet shoot indicates that the vein becomes thicker with depth and that the mineralization extends over at least 200 metres vertically.

### **Tigers Realm Minerals Pty Ltd**

Tigers Realm Minerals is an Australian based, privately owned resources company. From its head office in Melbourne, Tigers operates globally with a core focus on gold, copper and coal. Tigers vision is to build a world class resources business by identifying, acquiring and investing in high quality minerals and energy opportunities and providing the necessary management, technical and financial

support required to fully explore, evaluate and develop these assets to their full potential. The Tigers team of resource industry professionals have a reputation for delivering exceptional investment returns, most notably through the transformation of junior mineral explorer Oxiana Resources into an ASX 100 company capitalised at over \$6 billion between 2000 and 2008. Tigers is currently building and exploring gold and coal portfolios in the Asian region, exploring for coal in South America and assessing a range of additional gold, copper and coal opportunities globally. For further information on Tigers please visit [www.tigersrm.com.au](http://www.tigersrm.com.au).

### **About Kalimantan Gold**

Kalimantan Gold Corporation Limited is a junior exploration company listed on both the TSX Venture Exchange in Canada and on AIM in London. The Company has two exploration projects in Kalimantan: the Jelai epithermal gold project in East Kalimantan and a Contract of Work in Central Kalimantan with multiple porphyry copper and gold prospects. In addition, the Company continues its efforts as agent for the shareholders of PT Indobara Pratama ("IBP") who are seeking to sell IBP's coal concession in exchange for a share of the proceeds. IBP are in active negotiations with a qualified purchaser.