

TORONTO, ONTARIO--(Marketwired - Jan 19, 2016) - [Kilo Goldmines Ltd.](#) ("Kilo" or "KGL" or the "Company") (TSX VENTURE:KGL) (FRANKFURT:02K) and Randgold Resources (DRC) Limited ("Randgold") are pleased to announce that they have signed a definitive agreement for a joint venture ("JV") on Kilo Goldmines' Somituri licences located in Democratic Republic of Congo ("DRC").

The purpose of the JV is to conduct exploration on the licenced properties to evaluate possible development and mining of the licences, and to operate future mines thereon, if appropriate. Randgold will obtain incremental ownership through financing of exploration, based on milestone events, commencing with establishment of a pre-feasibility study. Randgold will manage exploration activities, and a joint venture committee with representation from both parties will direct the project.

Randgold will manage and fund all exploration of the permit areas until the completion of a pre-feasibility study. Once the Joint Venture has determined to move ahead with a full feasibility study, a special purpose vehicle ("SPV") would be created to hold the specific discovery areas. Subject to the DRC's carried interest, Randgold would retain 65% of the SPV with KGL's DRC 71.25% subsidiary, KGL-Somituri SARL, holding the balance of 35%. Randgold can earn an additional 5% on completion of a bankable feasibility study should KGL choose not to co-fund the feasibility study. KGL will be required, from the completion of a feasibility study, to fund its pro-rata share of the SPV in order to maintain its interest or be diluted.

The agreement is subject to due diligence by Randgold and any necessary regulatory and shareholder approvals.

Six *Permis d'Exploitation* ("PE"), or Exploitation Licences, comprise the Randgold/KGL JV, namely PE 137, PE 138, PE 140, PE 9691, PE 9692, and PE 9695, totalling 361km². These licences cover prospective Archaen (Kibalian) terrain within the Ngayu greenstone belt in the North-East DRC. To date KGL has conducted exploration on PE 9691 and has established an estimated NI 43-101 Inferred Mineral Resource of 20.78 Mt at a grade of 2.5 g/t Au for 1.675 million ounces of gold. The licenses have numerous gold occurrences.

David Netherway, Chairman of Kilo Goldmines, commented:

"Kilo Goldmines is very pleased to continue our partnership with Randgold, which commenced in 2012 with entry into a joint venture on the Isiro licenses in the DRC. We look forward to continuing this cordial relationship on the Somituri licenses."

Mark Bristow, CEO of Randgold commented:

"This agreement, along with our other JVs in the area which include the existing JV with KGL on the Isiro properties, brings our landholding in the Ngayu belt to over 3 300km². Furthermore, this agreement highlights Randgold's commitment to greenfields exploration and our long term strategy in North East DRC. Randgold explores for world-class gold deposits with the potential to deliver 3Moz with a 20% IRR at a US\$1 000/oz gold price. We believe North East DRC is one of the few areas in Africa where this potential remains unexplored."

QUALIFIED PERSON

Howard Fall, B.Sc., PhD, MAusIMM, QP (Geo) is the 'qualified person' (as such term is defined under National Instrument 43-101) of Kilo and has reviewed the scientific and technical information contained in this release.

About Kilo

[Kilo Goldmines Ltd.](#) is a Canadian gold exploration company that is listed on the TSX Venture Exchange under the symbol 'KGL' and on the Frankfurt Exchange under the symbol '02K'. The Company holds about 2,417 square kilometres of prospective Archaean Kibalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo.

Kilo currently has two projects:

- the Somituri project comprising six contiguous licences covering 361km²
- the Isiro project, comprising twelve licences covering 2056 km²

Further information on the projects may be found on the Company's website, www.kilogoldmines.com

About Randgold

Randgold operates five gold mines: Morila, Loulo, and Goukoto in Mali, Tongon in Côte d'Ivoire and Kibali in DRC. The

Massawa project in Senegal is at feasibility stage and exploration programmes are underway in Côte d'Ivoire, DRC, Mali, and Senegal.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

Philip Gibbs
Interim CEO
+1 416 360 3406
philip.gibbs@kilogoldmines.com
www.kilogoldmines.com