Highlights

- Resolute Mining Ltd. becomes a significant shareholder

- Drilling to commence shortly at Adumbi, DRC

TORONTO, ONTARIO--(Marketwired - Oct 27, 2016) - Kilo Goldmines Ltd. ("Kilo" or the "Company") (TSX VENTURE:KGL)(FRANKFURT:02K) has been advised that Resolute (Treasury) Pty Ltd. ("Resolute"), a wholly-owned subsidiary of Resolute Mining Ltd.,(RSG-ASX) has acquired all common shares of Kilo previously owned by Osisko Mining Inc. ("Osisko"). Based on public filings, Resolute now owns 46,568,000 common shares, representing approximately 27.4% of the outstanding common shares, and warrants to acquire a further 24,700,000 common shares. Assuming the exercise of all warrants by Resolute, Resolute would own approximately 36.6% of the outstanding common shares of Kilo on a partially diluted basis. Based on public filings, after giving effect to the sale, Osisko beneficially owns or controls, directly or indirectly, warrants to acquire 21,100,000 common shares of Kilo. Assuming the exercise of all warrants by Osisko, Osisko would own or control approximately 11.1% of the outstanding common shares of Kilo on a partially diluted basis.

In announcing the transaction securing a 27.4% interest in Kilo, Mr John Welborn, Managing Director and CEO of Resolute, commented as follows:

"We are pleased to have increased our stake in Kilo at this exciting time. Kilo is about to commence drilling at a range of untested targets in close proximity to their Adumbi prospect in the Democratic Republic of Congo which forms part of the Somituri Project. Kilo has a large landholding in the Kilo-Moto region and, in addition to the Somituri Project, has a joint venture with Randgold on the Isiro Project. We see Resolute's expertise and skill set being a strong match with the ideology and strategy of Kilo's management and look forward to future exploration results."

"Resolute is seeking to build a portfolio of investments in well run, highly prospective, gold exploration assets in regions considered to hold potential for the development of future Resolute gold mines. Kilo is a perfect match for our criteria of existing asset quality, future prospectivity, relative value, and an experienced capable management team primarily focused on gold project exploration and development."

Mr David Netherway, Chairman of Kilo, commented on the announcement:

"Kilo Goldmines is delighted to have the strong shareholder support that Resolute's investment brings to the company. Discussion with Resolute's Board and management have commenced on possible technical co-operation as well as how Resolute can best support Kilo's operations and ambitions, and it is expected that in due course Resolute will nominate a non-executive Director to join the Kilo Board.

Resolute's initial investment in Kilo was through participation in the recent financing to commence a further exploration phase at the Adumbi prospect. We are pleased to confirm that the contract for an 8,800 metre drilling program has been awarded to Orezone Drilling SARL, and that drilling at the untested targets of Adumbi South, Adumbi West and Kitenge, which are in close proximity to the Adumbi prospect, will commence shortly. Kilo's aim is to outline a resource of ~3M ounces at ~3 g/t Au so as to proceed with a Preliminary Economic Study."

About Kilo

Kilo Goldmines Ltd. (KGL) is a Canadian gold exploration company, listed on the TSX Venture Exchange under the symbol 'KGL' and on the Frankfurt Exchange under the symbol '02K'. KGL holds exploitation and exploration licences covering some 2,417 km^2 of favourable Archaen Kabalian Greenstones (the Ngayu belt) in the northeast Democratic Republic of Congo an area historically referred to as the Kilo-Moto region, a historic gold-producing region.

Incorporated within these licences is:

- the Somituri project (71.25% owned by KGL), comprising six non-contiguous licences (361 km^2) held by KGL-Somituri SARL; and
- the KGL Isiro SARL Joint Venture (JV) with Randgold Resources Ltd. (2,056 km^2), for gold and associated minerals only. The JV is managed by Randgold and financed by it to pre-feasibility (PFS) for a 51% participation interest. Upon completion of the PFS, KGL can participate in funding or Randgold will increase its participation to 65% by completing a Feasibility Study. Areas which may be deemed of no interest to Randgold will be returned to KGL.

  In addition, KGL has retained the rights to explore for and develop iron ore resources and other minerals associated with the licences held by KGL Isiro SARL.

About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. The Company currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY17 guidance of 300,000 ounces of gold production at All-In Sustaining Costs of A$1,280/oz (US$934/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset benefitting from fully operational parallel sulphide and oxide processing plants. The move to underground mining will continue the asset's history of strong cash generation and extend the mine life to out beyond 2028. The Ravenswood Gold Mine in Queensland, Australia demonstrates Resolute's significant underground expertise in the ongoing success in mining the Mt Wright ore body. In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute also controls an extensive exploration footprint along the highly prospective Syama Shear and greenstone belts in Mali and Cote d'Ivoire and is active in reviewing new opportunities to build shareholder value.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

Contact

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