TORONTO, ONTARIO--(Marketwired - Mar 14, 2017) - Kilo Goldmines Ltd. ("Kilo" or "KGL" or the "Company") (TSX VENTURE:KGL)(FRANKFURT:02K) is pleased to provide an update on the exploration program on its Imbo Licence (PE9691) within the Ngayu greenstone belt in the northeastern Democratic Republic of Congo ("DRC").

Drilling

The drilling programme currently underway on the Imbo licence is designed to test coincident gold-in-soil and magnetic anomalies at the Adumbi South, Adumbi West and Kitenge Extension targets, as shown in Figure 1 and detailed in the Company's press release of 2nd November 2016. The three targets are located within 4 km of the Company's Adumbi prospect, which has an Inferred Resource of 19.11 Mt @ 2.2 g/t Au for 1.362 Moz of gold. To date 30 holes have been completed for a total of 4,620 m, as follows:

Adumbi South:

The Adumbi South target lies 480 m to the south of the Adumbi prospect, and is defined by a 1.4 km-long magnetic anomaly that appears to be demagnetized in places, and a >200 ppb gold-in-soil anomaly. To date a total of 9 holes (1,407 m) on 3 traverses at a spacing of 160 m have been completed (Figure 2). The drilling has shown that the linear magnetic feature is caused by magnetite-bearing chlorite schist, and supports the interpretation that the lithologies at Adumbi South are similar to those at the Canal prospect, which forms the southeastern extension of the main Adumbi mineralization. Hydrothermal pyrite locally replaces disseminated magnetite in the chlorite schist, which together with a deeper weathering profile, is likely responsible for the weakening of the magnetic response on traverses ALS2 to ALS4. Other hydrothermal alteration comprises zones of foliation-parallel quartz veining up to 11 m in width (with individual veins <1 m across); pyrite, +/- pyrrhotite, +/- arsenopyrite occurs locally within the veins and sheared country rock.

Analytical results have been received for 6 of the 9 holes drilled to date, the best intersection being 1 m @ 3.85 g/t Au in hole ASDD003.

Kitenge Extension:

The Kitenge Extension target lies to the northwest of the Kitenge prospect, and is defined by an approximately 2 km-long magnetic feature with a coincident gold-in-soil anomaly with values from 50 ppb to 450 ppb. The planned programme comprised 17 drill holes totalling 2,435 m, on 7 traverses at a spacing of 320 m along strike. To date, a total of 14 holes (2,163 m) have been completed on 6 traverses (Figure 3).

The drilling has shown that the linear magnetic feature is caused by magnetite-bearing chlorite schist within a package of quartz-carbonate schist, and the lithological sequence is similar to the Canal prospect southeast of Adumbi. Hydrothermal alteration is associated with strike-parallel shear zones, some of which affect earlier breccia zones containing clasts of vein quartz and country rock, indicating several phases of tectonism and alteration. The hydrothermal activity has caused a general "bleaching" of the sheared host rock, and quartz veins parallel to the foliation are common. Disseminated sulphides (pyrite, +/- pyrrhotite, +/- arsenopyrite) are locally associated with the veins and sheared host rock.

Analytical results have been received for the first two drill holes:

SKDD060: 2.90 m @ 1.05 g/t Au from 102.00 m; 1.00 m @ 0.77 g/t Au from 167.00 m.

SKDD061: 1.63 m @ 3.05 g/t Au from 68.40 m; 1.60 m @ 10.52 g/t Au from 84.00 m.

Drilling at Adumbi South and Kitenge Extension has confirmed the presence of the mineralized structures that the program was designed to test, and further drilling at these targets will be subject to assay results from the holes which are not yet available.

Adumbi West:

The Adumbi West target is defined by a 1.7 km-long linear magnetic anomaly and a coincident gold-in-soil anomaly with values from 50 ppb to 1,000 ppb. This magnetic feature is similar to that which defines the banded ironstone formation (BIF) at the Adumbi prospect. To date, 7 holes (1,050 m) have been completed on traverse AWL2 (Figure 4).

Drilling on traverse AWL2 has shown that the strong magnetic anomaly is caused by chlorite schist with abundant disseminated magnetite, rather than the expected BIF. The magnetite-chlorite schist is interpreted as a facies equivalent of the Adumbi BIF, and represents an area where a greater proportion of clastic material was deposited with the chemically precipitated iron oxide.

In drill holes AWDD002 and AWDD004, a 1.4 to 4.3 m-wide zone of quartz veining and silicification with abundant pyrite was intersected, which is on strike with the Dieu Merci artisanal workings to the northwest (Figure 4). This zone could represent the north-western strike extension of the Adumbi structure, and indicating that the structure is cross-cutting the lithological strike at an acute angle. Whereas at Adumbi the structure is hosted by the chemically reactive BIF, at Adumbi West it is within quartz-carbonate schist in the hangingwall of the Fe-rich horizon.

Drilling will now move to traverse AWL5 where four holes will be drilled to further test the interpreted extension of the Adumbi structure, and the area of the magnetic anomaly. Drilling at Adumbi West will then be suspended until assay results are available.

Adumbi Prospect:

Four drill holes totalling approximately 1,900 m are planned to test the depth extensions of a zone of high grade mineralization defined by geological and mineralization modelling of the Adumbi drill hole core. This zone of mineralization is associated with alteration and structural deformation that has completely destroyed the primary host lithological characteristics and is termed Replaced Rock Zone ("RP Zone") (Figures 5 and 6).

The RP Zone has been traced along strike for 840 m and down dip to 275 m below surface. The average true width and weighted average grade of all drill hole intersections of the RP Zone is 4.91 meters @ 5.44 g/t Au. In the central 480 m portion of the Adumbi prospect the average is 6.41 meters @ 6.25 g/t Au.

The four planned drill holes will target the down-plunge extensions of relatively high grade shoots within the RP zone, with the aim of intersecting the mineralization about 100 m below the previous deepest drilling (Figure 7). The RP zone is seen to have potential for underground exploitation, and establishing depth continuity could add significantly to the Company's resource base.

Other Exploration

Exploration will shortly recommence in the eastern part of the Imbo Licence area, where stream sediment and rock chip sampling indicate an extension of the Adumbi/Kitenge/Manzako mineralized trend over a strike of about 7 km (see the Company's press release of 23 September 2015). The programme will entail soil sampling at 40 m intervals along 160 m-spaced lines, over an area of 4 km x 1.5 km in the central part of the target (Figure 1). This will be accompanied by geological mapping, rock chip sampling, channel sampling, and trenching/augering, with the objective of defining targets for drilling in the third quarter of 2017.

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 km² of prospective Archaean Kibalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo.

Incorporated within these licences is:

- the Somituri project (71.25% owned by KGL), comprising six contiguous licences (361km²) held by KGL-Somituri SARL
- the KGL Isiro SARL Joint Venture (JV) with Randgold Resources Ltd. (2,056 km²), for gold and associated minerals only. The JV is managed by Randgold and financed by it to a 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.

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.

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.

Disclaimer

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To view Figures 1-7, please visit the following link: http://media3.marketwire.com/docs/1088672_Figures_1-7.pdf

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