

KILO GOLDMINES AND RANDGOLD RESOURCES SIGN JOINT VENTURE AGREEMENT

Toronto, Ontario. - December 06, 2012 - Kilo Goldmines Ltd. ("Kilo" or "KGL" or the "Company") (TSX VENTURE: KGL) (FRANKFURT: 02K) KGL and Randgold Resources Ltd ("RRL") are pleased to announce that they have signed a definitive agreement for a Joint Venture ("JV") pertaining to KGL's KWR Iron Sprl (KWR) Exploration licences in the Democratic Republic of Congo ("DRC").

RRL undertake to finance all exploration activities on KGL's KWR's licences for which RRL will obtain incremental ownership based on milestone events. RRL has from the date of signing, up to five years to develop a pre-feasibility study (PFS) and a joint venture committee comprising members of both companies, will manage the exploration and study development programmes.

The terms of the agreement are:

- RRL to earn 51% for the completion of a pre-feasibility study ("PFS")
- KGL right to maintain 49% post PFS
- RRL to earn 65% for the completion of a bankable feasibility study ("BFS") should KGL not contribute post PFS
- KGL equity to convert to 1.5% royalty if diluted to 10% or less
- KGL keeps the exploration rights to all minerals not associated with gold
- PFS to be established within 5 years
- BFS to be established within 1 year after PFS, or such longer time to be agreed by the parties

Alex Van Hoeken, President & CEO of Kilo Goldmines commented: "Kilo Goldmines is very pleased to have entered into a partnership with a FTSE 100 company, which has the reputation of aggressively finding and developing profitable gold projects. KGL will benefit from RRL's expertise and the use of KGL's existing infrastructure by RRL, will reduce exploration overhead costs for both companies.

Mark Bristow, CEO of RRL stated that: "KGL's portfolio is highly prospective and constitutes an excellent target for continued growth for RRL. The geology is akin to the large world class deposits in Tanzania and recently at Kibali and we are committed to search for similar discoveries. Signing this agreement is a first step in establishing a long-term collaboration with KGL. With KGL's established exploration infrastructure in the area, our teams can get a running start on our new exploration programmes".

Twelve Permis d'Exploration ("PR"), Exploration Licences attributed to the RRL/KGL JV namely: PR 2227; PR 2226; PR 2229; PR 2230; PR 2231; PR2285; PR2286; PR 2287; PR2288; PR 2289; PR 2290 and PR 2291, totalling 2056.76 km², are illustrated in Figures 1 and 2 following. These licences are currently held in a joint venture with Rio Tinto for iron only, whilst KGL and its partner Suez retain all non-iron mineral rights.

The northern portion of the Archaean Ngayu Greenstone Belt and the entire Isiro Greenstone Belt, both set in a granitic basement, are covered by the twelve PRs. The licenses have numerous gold occurrences which were explored during the colonial-era and are current active artisanal sites.

Examination of available data to date has enabled preliminary interpretation of major structural features permissive for gold mineralization, such as local and regional folding, thrusting, faulting

and displacements, and structural directional changes. Many of such features led to the major RRL discoveries which have become operating mines in its portfolio.

In addition, KGL is also pleased to announce that it has reached an agreement to buy out its 25% minority partner, Suez Holdings Ltd, which has a free carried interest through to production for non-iron commodities in the KWR licences under the current Kilo - Suez JV agreement. The transaction involves an aggregate of 635 000 USD in cash and 356 000 shares over a 6 year period with initial no cash down, and is subject to review by the TSXV. The buyout is simultaneously for Suez's gold interest in the KWR licences, as well as Suez's interest in a KGL DRC subsidiary, KGL-ERW Sprl (ERW), which holds permit PR 2274 (Figures 1 and Figure 3). This allows KGL, once the consideration has been paid, to retain RRL as its sole partner.

KGL also reports that Rio Tinto is withdrawing from its joint venture for iron ore on the KWR Licences. KGL and Rio Tinto are inventorising, all data and joint venture assets to be handed over to KGL, and discussions about the withdrawal process are in progress.

ABOUT KGL

KGL 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 approximately 3000 km² of favourable Archaean Kibalian greenstone in the Kilo-Moto area in the DRC. Kilo's principal focus is to advance its projects from exploration through feasibility to project development and ultimately, to full production in a socially and environmentally responsible manner. The Company owns a 71.25% interest in the DRC entity that holds the Somituri Project Exploitation Permits.

ABOUT SUEZ

Suez is a private Jersey registered company, and the original holder of the PRs, which were vended into a new DRC entity, KGL-ERW Sprl (ERW), on the basis of share capital ownership, namely Kilo 75% and vendors (Suez) 25%. ERW's PRs optioned by Rio Tinto were transferred to KWR whereas PRs not subject to the Rio Tinto option remained in ERW.

ABOUT RRL

RRL is a gold mining and exploration company operating in the prospective gold belts of west and central Africa. The company's strategy is to create real value for all its stakeholders through the discovery of multi-million ounce gold deposits and their development into profitable mines. Major discoveries to date include the 7.5 Moz Morila deposit in southern Mali, the 7 Moz Yalea deposit and the 5.5 Moz Goukoto deposit, both in western Mali, the 4 Moz Tongon deposit in the Cote d'Ivoire and the 3 Moz Massawa deposit in eastern Senegal.

Today Randgold operates four gold mines: Morila, Loulo, and Goukoto in Mali and Tongon in Cote d'Ivoire. A fifth mine, Kibali in the Democratic Republic of Congo, is currently being developed and the first gold production is scheduled for the end of 2013. The Massawa project in Senegal is at feasibility stage and exploration programmes are underway in Burkina Faso, Cote d'Ivoire, DRC, Mali and Senegal.

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Figure 1: KGL Exploration Licences optioned to RRL, the KGL-ERW Exploration Licence, other KGL Licences, Adumbi Gold Deposit and Regional Geology

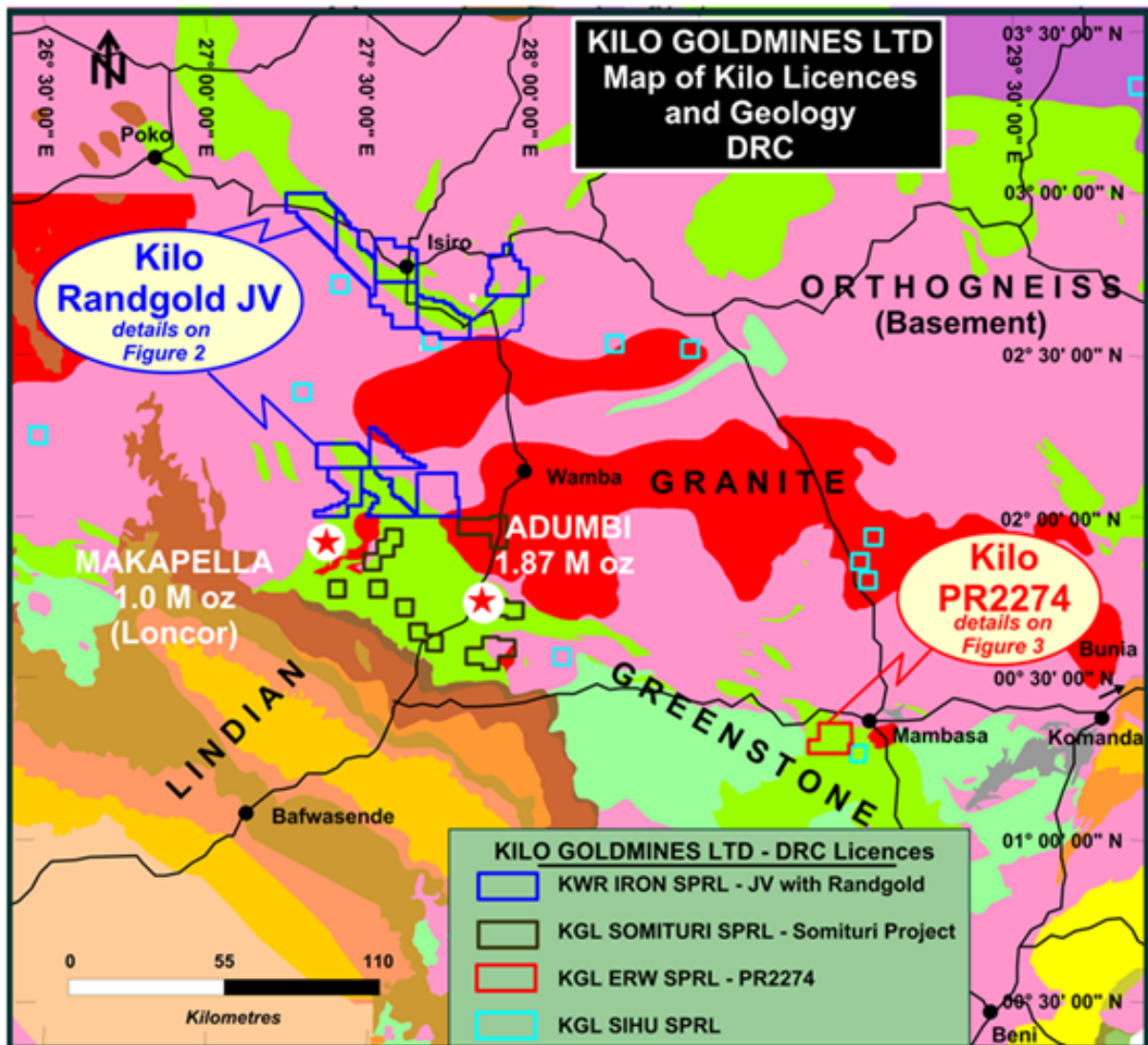


Figure 2: Map illustrating the KWR Licences optioned by Randgold, Geology and Gold occurrences.

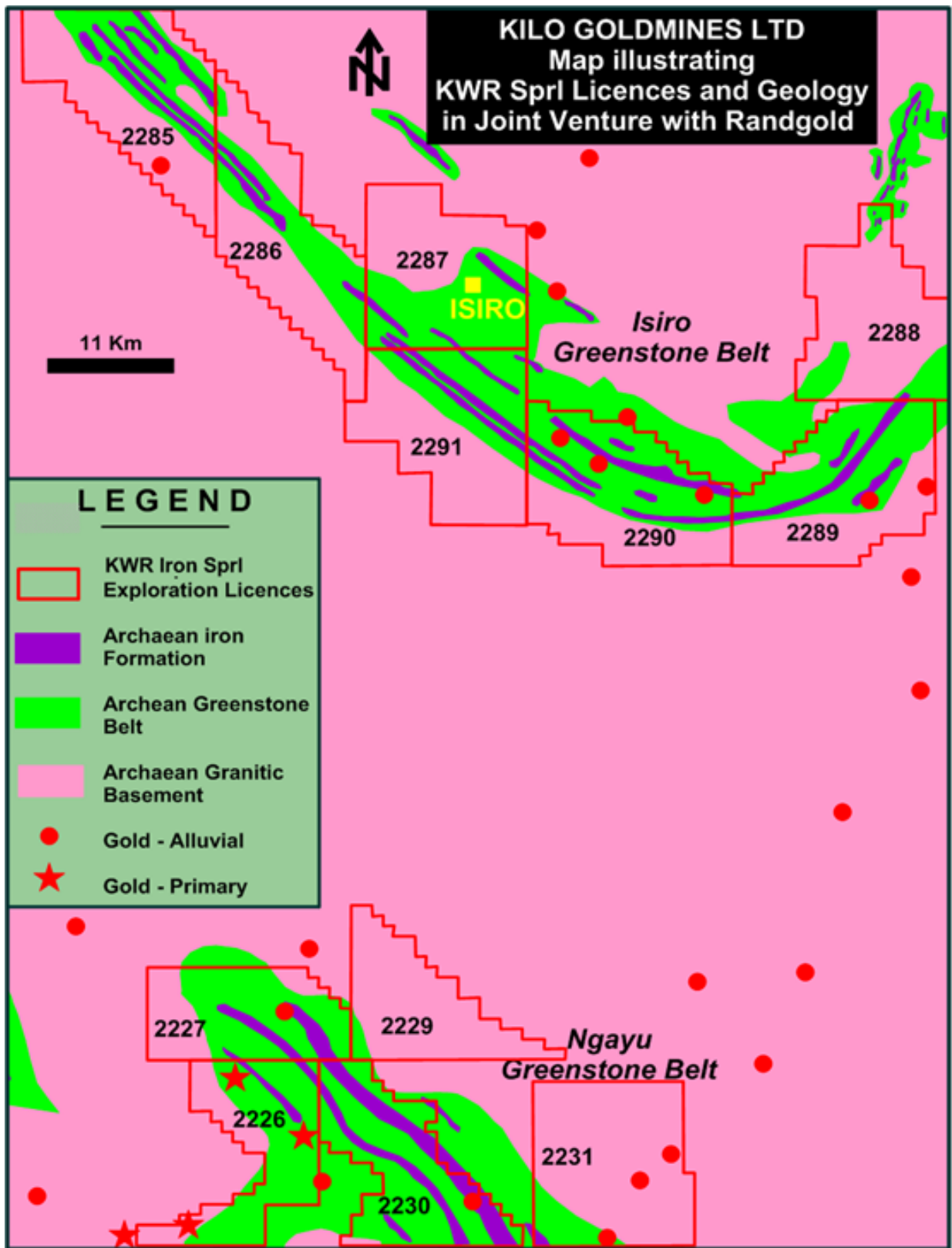


Figure 3: Map illustrating KGL's ERW Exploration Licence and Geology

