



**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**KILO GOLDMINES LTD.**

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**Rio Tinto Makes Payment of US\$1.43 Million to Kilo under Isiro Iron Ore Option**

Toronto, Ontario. – January 5, 2012 – Kilo Goldmines Ltd. (TSX Venture: KGL; Frankfurt: 02K) (“**Kilo**” or the “**Company**”) is pleased to announce that Rio Tinto Mining and Exploration Limited (“**Rio Tinto**”) has made payment to Kilo the option payment due on or before December 31, 2012 pursuant to the earn-in option to joint venture agreement in respect of the Isiro Iron Ore Project in Orientale Province, North East Democratic Republic of Congo (the “**Agreement**”) entered into on April 12, 2011, as amended, between Rio Tinto, Kilo and Suez Holdings Limited (“**Suez**”). In consideration for the accelerated payment, Kilo received the discounted amount of US\$1,428,125 versus the US\$1.5 million otherwise payable pursuant to the Agreement by the December 31, 2012 due date.

Rio Tinto also exercised an option to acquire a 15% equity interest in the joint venture company from Suez such that Kilo continues to hold 75%, Rio Tinto 15% and Suez 10%. Rio Tinto has also satisfied its work commitments to date under the Agreement.

Alex van Hoeken, President & CEO, commented “We are very pleased with the progress of the project to date. This confirms Kilo’s strategic vision of acquiring properties of merit in the district and value creation for the Company. The accelerated payment will benefit the advancement of the company’s Somituri project during 2012.”

**About Kilo**

Kilo Goldmines Ltd. is a Canadian gold exploration company operating in the Democratic Republic of Congo (DRC). The Company has over 7,000 square km of favourable Archaean Kabalian greenstone in the Kilo-Moto area in north-eastern DRC. Kilo recently announced an inferred resource on the Adumbi Deposit of the Somituri Project of which the Company owns a 71.25% interest in the DRC entity that holds the Somituri Project Exploitation Permits.

The Company is also working on a number of other prospective areas which contain historical workings in the same region. It also has a joint venture with Rio Tinto Ltd. on potential iron ore licences in north-eastern DRC.

**For more information, please contact:**

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