

PRIMARY TARGETS DEFINED ON JOINT VENTURE GROUND WITH RANDGOLD

Toronto, Ontario. – July 22, 2012 – *Kilo Goldmines Ltd. ("Kilo" or "KGL" or the "Company") (TSX VENTURE: KGL) (FRANKFURT: O2K)* Kilo Goldmines Ltd ("Kilo or KGL") is pleased to provide the following update on its joint venture with Randgold Resources Limited ("Randgold").

- Isiro greenstone belt: 8 targets
- Ngayu greenstone belt: 6 targets
- Geological features similar to those found at the 20 Moz Kibali gold mine identified
- Located historical workings that are possibly related to colonial-era mining (unconfirmed)
- Title transfer from a Rio Tinto-managed company to the Randgold / Kilo Goldmines joint venture company completed

Generative geologists from Randgold have now completed their initial reconnaissance and review of existing data on the extensive permit area covering the joint venture project. The joint venture area hosts various structurally complex features formed from tectonic forces similar to those at the Kibali mine, particularly the presence of cylindrical folds. Kibali is a 20 Moz gold mine in the northeast Democratic Republic of the Congo ("DRC") operated by Randgold which is scheduled to have its first gold pour in late 2013 (see Figure 1 below for relative location).

Based on information gathered to date by Randgold, 14 primary exploration targets have been identified on the Isiro (8 targets) and Ngayu (6 targets) greenstone belts (see Figures 2 and 3 below). These targets are only preliminary and do not preclude additional targets being identified from further exploration. The 14 aforementioned targets will initially be covered by soil sampling, and will be advanced dependent on results. Subsequent to the evaluation of these primary targets, soil sampling will be extended to cover the entire 2000 km² joint venture area.

A number of workings have also been found in the joint venture area which may date from colonial era industrial mining, although no data has been obtained to substantiate this view to date.

KGL is also pleased to announce that the transfer of the titles covering the joint venture area from the company managed by Rio Tinto Plc to the Randgold/Kilo Goldmines joint venture company was completed on 12 July 2013. As a result of this transfer, Randgold teams will now further advance ground exploration work.

KGL and Randgold have also restructured their joint venture to allow for certain operational efficiencies. In order to facilitate investment into the JV and accounting for such investment, Randgold has been assigned 51% of the joint venture company, which will be entirely managed by Randgold and financed by it through a pre-feasibility study (PFS), with Kilo Goldmines representation on the board and on the joint venture exploration committee. Upon completion of the PFS, KGL can participate in its *pro rata* share of 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 continues to retain the rights to all minerals other than gold and silver within the entire joint venture area.

Alex van Hoeken, President and CEO of KGL stated: "Our partner Randgold has provided exceptionally skilled personnel to the joint venture and has done an outstanding job in delineating the initial targets. In particular we are very pleased by the excellent cooperation between our companies, and we are highly encouraged that geological features similar to Kibali have been discovered."

About KGL

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 'O2K'. The Company holds about 3,000 square kilometres of favourable Archaean Kabalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo. 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 Randgold

Randgold Resources Limited 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 first gold is scheduled for the end of 2013. The Massawa project in Senegal is at feasibility stage and exploration programmes are underway in Cote d'Ivoire, DRC, Mali, and Senegal.

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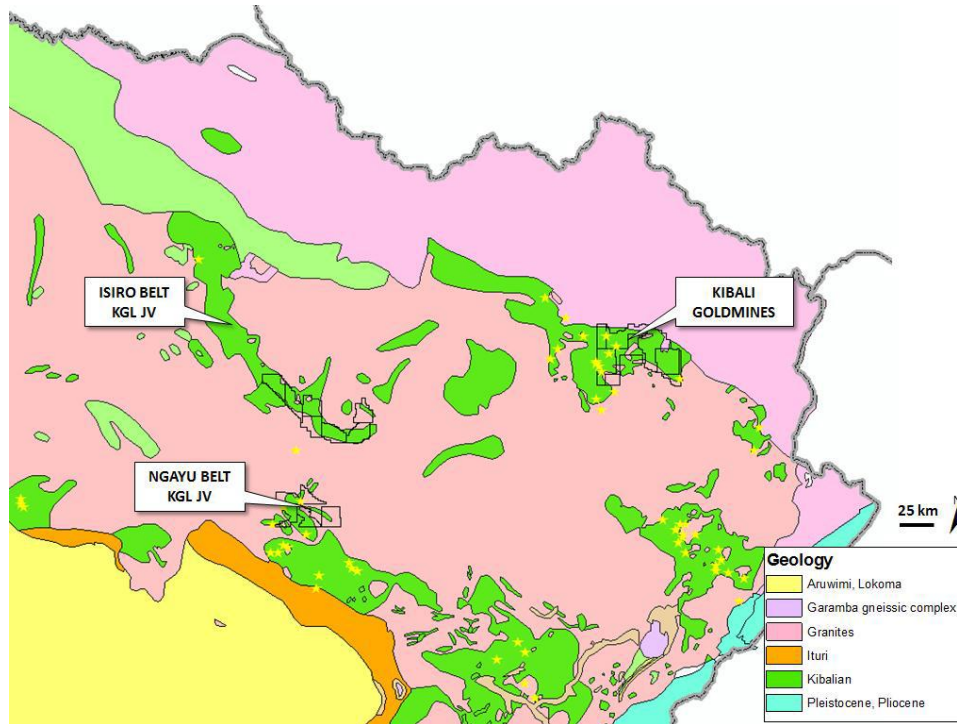


Figure 1. Map illustrating the location of the Isiro and Ngayu greenstone belts relative to Randgold's Kibali mine

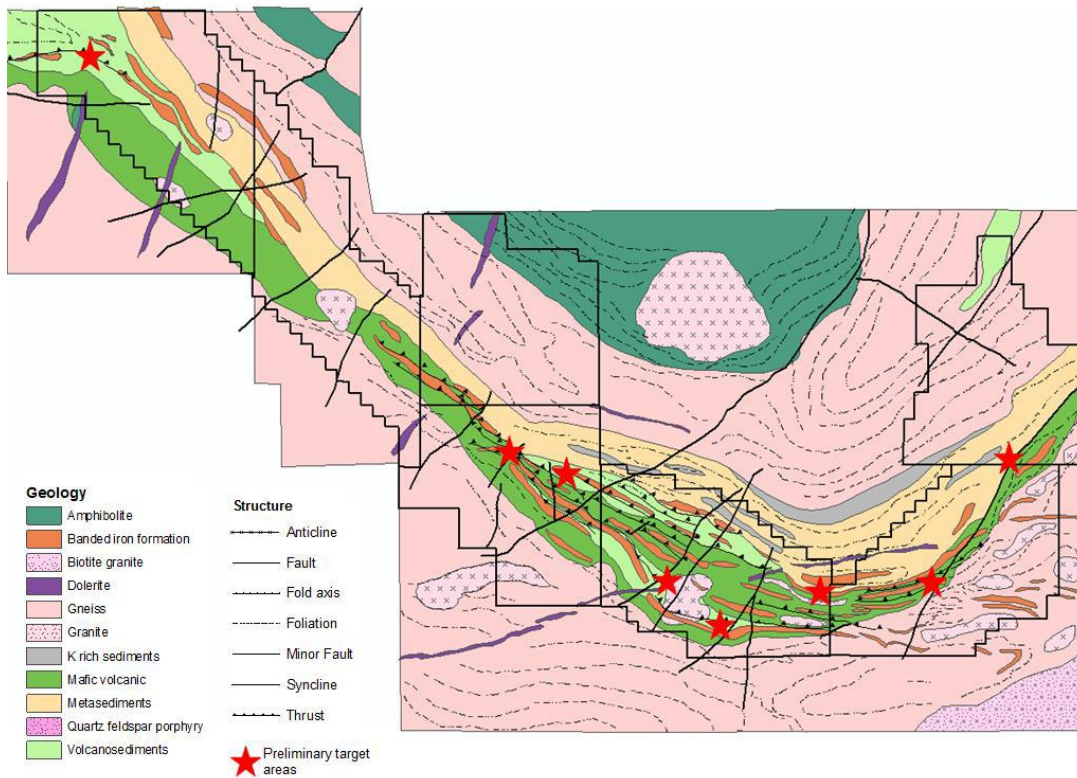


Figure 2. Map illustrating the Isiro greenstone belt and primary exploration targets

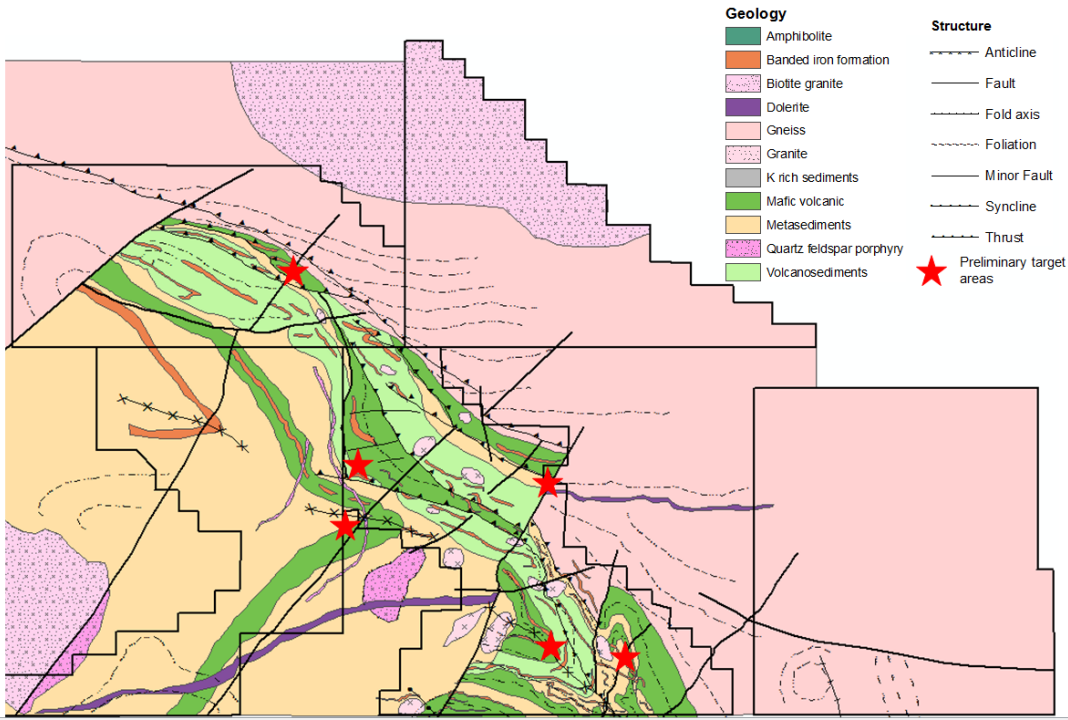


Figure 3. Map illustrating the northern Ngayu greenstone belt and primary exploration target