

## COST CUTTING IMPLEMENTATION

Toronto, Ontario. – OCTOBER 01, 2013 - Kilo Goldmines Ltd. ("KGL" or the "Company") (TSX VENTURE: **KGL**) (FRANKFURT: **O2K**) is pleased to announce that it has implemented a series of cost cutting measures to enhance cash retention.

Following the completion of the 2103 drilling program on August 6, the company is implementing the following:

- All senior staff and board members are taking a 20% salary and fee cut effective October 1<sup>st</sup>
- DRC staff has been reduced to care and maintenance level only
- Exploration support contractors (helicopter, sample laboratory operation, security) are being suspended or reduced according to current needs
- Jim Williams has resigned from the board effective 30 September
- The Randgold Joint Venture continues using some Kilo personnel & equipment

The DRC staff has been reduced to a minimum level sufficient for keeping the exploration camp in good standing, and security staff with the security contractor has been reduced accordingly. Other contractors are being demobilized until further notice.

The Company is awaiting final assay results from the ALS laboratory in Johannesburg for final interpretation. As announced on August 15, the Company has retained Roscoe Postle Associates for the review of the data with the objective of the establishment of a mineral resource on the Kitenge and Manzako prospects, and this work is ongoing pending the final assay results. It is expected that a report will be available during Q4. Furthermore, the Company is conducting an extensive review of its data with specialist consultants such as geochemistry experts to assess additional exploration targets on its properties.

The joint venture between Kilo Goldmines and Randgold Resources Limited is proceeding as scheduled. Randgold is hiring some of the Company's equipment and utilizing some of its personnel,

*David Netherway, Chairman of KGL stated: "The company's portfolio is highly prospective which warrants continued development, and the company is exercising prudent financial management to ensure its long term success considering the state of the mining industry in the short term. It is a tribute to our personnel and their belief in the upside of the project that they have been exceptionally receptive to these cost cutting measures to enhance the long term success of the company. In particular I would like to thank Jim Williams for his service and his voluntary resignation to assist in this cost-cutting exercise".*

## 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 'O2K'. KGL

holds exploitation and exploration licences covering some  $\approx 3000$  km<sup>2</sup> 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 (11 Moz, Mineweb).

Incorporated within these licences is:

- the Somituri Project (71.25% owned by KGL), comprising eight non-contiguous licences (606 km<sup>2</sup>)
- the KGL Isiro SARL Joint Venture (JV) with Randgold Resources Ltd (2056 km<sup>2</sup>), for gold and associated minerals only. The JV is managed by Randgold and financed by it to a pre-feasibility (PFS). 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.

Additionally:

- KGL has retained the rights to explore for and develop any iron ore resources (or other minerals) associated with the licences held by KGL Isiro SARL. These licences were in a JV with Rio Tinto who have now withdrawn.
- KGL has a minority interest in the Hajigak iron ore project in Afghanistan.

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