



Resolute

ASX Announcement

29 August 2016

Resolute acquires interest in Kilo Goldmines

Resolute Mining Limited (Resolute or the Company) (ASX:RSG) is pleased to advise the Company has acquired a 14.6% interest in Kilo Goldmines Ltd (Kilo) via participation in Kilo's recently completed private placement. Resolute has acquired 24.7 million shares in Kilo of at a cost of A\$2.5 million.

Kilo is a Canadian gold exploration and development company listed on the Toronto Stock Exchange – Venture (TSX-V) under the symbol 'KGL' and holds gold prospects and resources in north-eastern Democratic Republic of Congo (DRC). Kilo's exploitation and exploration licences in the DRC cover some 2,417 km² of favourable Archean Kabalian Greenstones in the Ngayu belt. This area is historically referred to as the Kilo-Moto region, a semi-continuous Archean Kabalian greenstone belt hosting a number of active gold projects. Kilo's corporate strategy is to advance, solely or in partnership, gold prospects in the Kilo-Moto region.

Incorporated within Kilo's DRC licences is:

- the Somituri Project (71.25% owned by Kilo), comprising six non-contiguous licences (361km²) held by KGL-Somituri SARL including the Imbo licence. Kilo's Somituri project has delineated a NI 43-101 inferred gold resource estimate of 1.67 million ounces @ 2.5g/t. Kilo is currently delineating a number of other highly prospective targets within a 5km radius of the Adumbi resource, with the ultimate objective being to grow the gold resource base on this licence significantly and create a multi-pit operating mine of regional significance; and
- the KGL Isiro SARL Joint Venture (JV) with Randgold Resources Ltd (Randgold), for gold and associated minerals (2,056km²). The JV is managed by Randgold under terms under which Randgold can finance the project through to pre-feasibility (PFS) for a 51% participation interest. Upon completion of the PFS, Kilo can participate in funding or Randgold will increase its participation to 65% by completing a full Feasibility Study. Areas which may be deemed of no interest to Randgold will be returned to Kilo.

Details of Kilo's recently completed private placement are attached. Resolute contributed C\$2.47 million (A\$2.5 million) to the placement, acquiring 24,700,000 common shares in Kilo at C\$0.10 per share. Common shares subscribed for in the placement were each issued with one common share purchase warrant (Warrant). Each Warrant entitles the holder to acquire one additional Kilo common share until 25 August 2018 at a price of C\$0.135. As a result of participation in the placement, Resolute now owns 24.7 million common shares in Kilo representing approximately 14.6% of Kilo common shares on issue, as well as Warrants to acquire up to a further 24.7 million common Kilo shares. Assuming the exercise of all Warrants by Resolute only and no other exercises, Resolute would own up to approximately 25.9% of Kilo's common shares. As part of the participation in the placement Resolute has agreed with the TSX Venture Exchange and with Kilo not to exercise Warrants that would result in Resolute becoming a Control Person of Kilo, as such term is defined in the policies of the TSX Venture Exchange, without prior Kilo shareholder approval (see attached press release from Resolute (Treasury) Pty Limited).

Kilo's closing price on the TSX-V on 28 August 2016 was C\$0.19 per share and has recently traded as high as C\$0.24 per share.



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Commenting on the acquisition, Mr John Welborn, Managing Director and CEO of Resolute, was pleased to advance the Company's corporate strategy of building a portfolio of investments in well run, highly prospective, gold exploration assets in regions considered to hold potential for the development of future Resolute gold mines:

"We are pleased to have acquired this strategic stake in Kilo Goldmines Limited. Kilo is a perfect match for our criteria of existing asset quality, future prospectivity, relative value, and an experienced capable management team primarily focused on gold project exploration and development. Kilo has a large landholding in a highly prospective area of the DRC which Resolute believes is an emerging, under explored Archean terrain. In many ways the Kilo-Moto region is analogous to Tanzania and Resolute's proud history at Golden Pride where we successfully developed the first modern gold mine in the country and extracted 2.2 million ounces of gold over a 15-year operating history. Kilo has a highly motivated and experienced exploration team with extensive central African experience. We see Resolute's expertise and skill set being a strong match with the ideology and strategy of Kilo's management and look forward to future exploration results."

For further information, contact:

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About Resolute

Resolute is a successful gold miner with more than 25 years of continuous production. The Company is an experienced explorer, developer, and operator having operated nine gold mines across Australia and Africa which have produced in excess of 7 million ounces of gold. The Company currently operates two mines, the Syama Gold Mine in Africa and the Ravenswood Gold Mine in Australia, and is one of the largest gold producers listed on the Australian Securities Exchange with FY17 guidance of 300,000 ounces of gold production at All-in-Sustaining-Costs of A\$1,280/oz (US\$934/oz).

Resolute's flagship Syama Gold Mine in Mali is a robust long life asset benefitting from fully operational parallel sulphide and oxide processing plants. The move to underground mining will continue the asset's history of strong cash generation and extend the mine life to out beyond 2028. The Ravenswood Gold Mine in Queensland, Australia demonstrates Resolute's significant underground expertise in the ongoing success in mining the Mt Wright ore body. In Ghana, the Company has completed a feasibility study on the Bibiani Gold Project focused on the development of an underground operation requiring modest capital and using existing plant infrastructure. Resolute also controls an extensive exploration footprint along the highly prospective Syama Shear and greenstone belts in Mali and Cote d'Ivoire and is active in reviewing new opportunities to build shareholder value.

ASX:RSG Capital Summary

Fully Paid Ordinary Shares: 655,762,994

Current Share Price: A\$1.86 as at 26 Aug, 2016

Market Capitalisation: A\$1.22 Billion

FY17 Guidance: 300,000oz @AISC A\$1,280/oz

Board of Directors

Mr Peter Huston *Non-Executive Chairman*

Mr John Welborn *Managing Director & CEO*

Mr Peter Sullivan *Non-Executive Director*

Mr Martin Botha *Non-Executive Director*

Mr Bill Price *Non-Executive Director*

Contact

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NEWS RELEASE

KILO GOLDMINES LTD.
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FOR IMMEDIATE RELEASE

Kilo Goldmines Announces Completion of Private Placement

TORONTO, Ontario, August 25, 2016 – Kilo Goldmines Ltd. (“Kilo” or the “Company”) (TSX VENTURE: KGL) announced today that it has completed the final tranche of its previously announced non-brokered private placement of equity units (“Units”) raising additional gross proceeds of \$9,070,000 (for \$10.0 million in total proceeds from both tranches). An additional \$2.5 million placement to the previously announced amount was added on the same terms due to significant demand for the offering.

The Units were offered and sold at a price of \$0.10 per Unit with each Unit consisting of one common share and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to acquire one additional common share of the Company until August 25, 2018 at a price of \$0.135. The Company has the right to accelerate the expiry of the Warrants on 30 days written notice if, following four months from the issuance of the Warrants, the volume weighted trading price of the common shares of the Company on the TSX Venture Exchange exceeds \$0.30 per share for any period of 20 consecutive trading days. All securities sold in the most recent closing of the offering, including any shares issued on exercise of the Warrants, are subject to a four month hold period in Canada expiring on December 26, 2016 and such other hold periods in other jurisdictions applicable to the purchaser.

The Company plans to use the net proceeds from the offering for the exploration of its gold properties in the Democratic Republic of Congo and for working capital and other general corporate purposes.

Osisko Mining Corp. (“Osisko”), a significant shareholder of the Company, acquired 5,000,000 Units in the most recent closing. Prior to this closing, Osisko directly owned 17,600,000 common shares and warrants to acquire a further 16,100,000 common shares of the Company. Following the closing, Osisko now owns 22,600,000 common shares, representing approximately 13.32% of the number of common shares issued and outstanding, as well as warrants to acquire up to a further 21,100,000 common shares of the Company. Assuming the exercise of all warrants by Osisko only and no other exercises, Osisko would own up to approximately 22.9% of the common shares of the Company.

As a result of the participation in the most recent closing by Osisko noted above, the offering was considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“MI 61-101”) and TSX Venture Exchange policy 5.9 (“Policy 5.9”). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 and Policy 5.9 however, as neither the fair market value of the securities issued to insiders nor the cash consideration paid for such securities exceeded 25% of Kilo’s market capitalization. The participants in the closing and the extent of such participation were not finalized until shortly prior to the completion of the transaction. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the closing at least 21 days prior to the completion date.



Resolute Mining Limited ("Resolute") (ASX:RSG) also participated in the most recent closing of the placement via a wholly-owned subsidiary acquiring 24,700,000 Units. Resolute is an ASX-listed gold producer with operations in Africa and Australia and more than 25 years of successful exploration, development, and production experience. Resolute is a new shareholder and now indirectly owns 24,700,000 common shares, representing approximately 14.6% of the number of common shares issued and outstanding, as well as warrants to acquire up to a further 24,700,000 common shares of the Company. Assuming the exercise of all warrants by Resolute only and no other exercises, Resolute would own up to approximately 25.9% of the common shares of the Company.

Kilo is required to pay \$452,430 in cash finder's fees to registered dealers and eligible finders as a result of the closing of the offering.

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 2,417 km² 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.

Incorporated within these licences are:

- the Somituri project (71.25% owned by KGL), comprising six non-contiguous licences (361 km²) held by KGL-Somituri SARL; and
- 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 shall be financed by it to 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 that may be deemed of no interest to Randgold will be returned to KGL.

In addition, 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.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.



PRESS RELEASE

RESOLUTE (TREASURY) PTY LTD. ANNOUNCES FILING OF EARLY WARNING REPORT RELATED TO ACQUISITION OF UNITS OF KILO GOLDMINES LTD.

Toronto, Canada – August 26, 2016. Resolute (Treasury) Pty Ltd. (“**Resolute**”), a wholly-owned subsidiary of Resolute Mining Limited, has filed an early warning report announcing that Resolute acquired ownership of 24,700,00 units (“**Units**”) of Kilo Goldmines Ltd. (the “**Issuer**”) for cash consideration of \$2,470,000. Each Unit is comprised of one common share of the Issuer (each, a “**Share**”) and one common share purchase warrant of the Issuer (each, a “**Warrant**”). The Warrants are exercisable into 24,700,000 Shares of the Issuer. The Units were acquired by Resolute by way of private placement (the “**Private Placement**”) and not pursuant to market purchases.

After completion of the Private Placement, Resolute held 24,700,000 Shares of the Issuer corresponding to a securityholding percentage of 14.6% and 24,700,000 Warrants. Should Resolute exercise all of the Warrants, Resolute would hold 49,400,000 Shares of the Issuer, corresponding to a securityholding percentage of 25.9% on a partially diluted basis. Prior to the Private Placement, Resolute did not own any securities of the Issuer.

The Units were acquired for investment purposes. Resolute will evaluate its investment in the Issuer from time to time and may, based on such evaluation, market conditions and other circumstances, increase or decrease shareholdings as circumstances require. Resolute has agreed with the TSX Venture Exchange and the Issuer to not exercise such number of Warrants that would result in Resolute becoming a Control Person of the Issuer (as such term is defined in the policies of the TSX Venture Exchange) without prior shareholder approval.

To obtain a copy of the early warning report, please contact:

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