



**EXERCISED WARRANTS RAISE IN EXCESS OF US\$2.5 MILLION,
PHASE 2 WORK PROGRAMMES COMMENCE IN THE CONGO AND MALI
AND
AWARD OF THE MAYOMBE-EST PERMIT IN THE CONGO**

Tortola, British Virgin Islands - 29 January 2015 - Kola Gold Limited ('Kola Gold', the 'Company') is pleased to announce:

- the exercise of Tranche I Warrants for total gross proceeds in excess of US\$2.5 million;
- the commencement of Phase 2 work programmes in the Congo and Mali which include approximately 23,000 metres of reconnaissance drilling; and
- the award of an exclusive Permis de Recherche over the 772 square kilometres Mayombe-Est area in the Congo.

Funding and Capital Structure

Prior to their expiry on 31 December 2014 2,094,999 Tranche I Warrants were exercised for 2,285,433 shares at a price of US\$1.10 per share for total gross proceeds of US\$2.51 million. These proceeds will be used for gold exploration on the Company's projects in the Congo and Mali, working capital and general corporate purposes.

On 30 April 2014 the Company closed its first equity financing and as a result raised total gross proceeds of US\$2.25 million. Following the exercise of the Tranche I Warrants outlined above, the Company has to date raised cumulative gross proceeds of US\$4.76 million.

Currently Kola Gold's issued and outstanding capital structure is as follows:

- 12,035,433 shares; and
- 2,094,999 Tranche II Warrants. Each Tranche II Warrant entitles the holder to purchase 1.3846 additional shares at a price of US\$1.30 per share expiring on 31 December 2015. If all exercised these warrants would result in the issuance of 2,900,735 shares for total gross proceeds of US\$3.77 million.

Kola Gold's major shareholder Sumatran Africa holds 5,812,500 shares, representing 48.3% of Kola Gold's issued and outstanding shares (38.9% on a fully diluted basis assuming that all outstanding warrants are exercised).

Phase 2 Work Programmes

Phase 2 of the Company's planned work programmes began earlier this month and these are expected to continue through to the last quarter 2015.

In the Congo the Company has an objective of making at least one gold discovery, suitable for resource drilling in Phase 3 from the multiple targets identified to date at Kakamoeka and Mayombe-Est within the highly prospective Mayombe Gold Belt area of western Congo. Reconnaissance drilling has started with the Company's own RAB drill rig and the Company has contracted with E Global Drilling Corp, a wholly owned subsidiary of the Energold Group, to carry out 2,500 metres of core drilling later in the year.

In Mali the Company is finalising a 4,000 metre RC drilling contract with the focus being three



targets on the adjacent Satifara and Diangounte Est permits in west Mali - the objective is to make a drill discovery for Phase 3 follow-up.

As part of the Phase 2 work programmes the Company will also continue with surface exploration across all of its permit areas in the Congo and Mali.

Award of Permis de Recherche over Mayombe-Est, Congo

Through its subsidiary, KG Congo Ltd ('KG Congo'), Kola Gold holds a number of permits in the Congo covering a total of over 3,250 square kilometres. These are located in the highly prospective Mayombe Gold Belt area of western Congo. Under the terms of a shareholders agreement Kola Gold currently holds 78.09% in KG Congo. In the event that a future decision is taken to develop a mine on any of the permits held in the Congo then Kola Gold's shareholding in KG Congo may be increased to 90% (pre-dilution by any State interest) by funding up to US\$100 million for the construction, commissioning and operation of any such mine. On 13 January 2015 KG Congo's wholly owned Congolese subsidiary, Congo Gold SA ('Congo Gold'), was awarded an exclusive Permis de Recherche over the 772 square kilometres Mayombe-Est area. This area was previously covered by a non-exclusive one year prospecting permit. The Mayombe-Est Permis de Recherche is for a period of 3 years after which it can be subject to two further renewals of 2 years each.

Following the award of the Permis de Recherche over the Mayombe-Est area Congo Gold has appointed the international consulting firm Amec Foster Wheeler plc to act as principal consultant for the preparation of Terms of Reference and a subsequent Environmental and Social Impact Assessment for its exploration programmes, to cover work across all of the permits held in the Congo.

Summary

Dr. Jonathan Forster, Chief Executive Officer and director, said "We are pleased to have the continuing strong support of our shareholders, as evidenced by the recent exercise of the Company's Tranche I Warrants. We look forward to building upon the positive results from field work to date. Our Phase 2 work programmes are focussed on the drill testing of targets on several of the group's permit areas and, if successful, we look forward to being able to announce an initial discovery as our work programmes progress."

About Kola Gold

Kola Gold is a mineral exploration and development company with a portfolio of gold properties in the Republic of Congo (Brazzaville) and the Republic of Mali, covering a total of over 3,250 and 325 square kilometres respectively. Kola Gold has a management team with a successful track record of making mineral discoveries in Africa supported by highly experienced field based operatives. For more information regarding Kola Gold visit our website at www.kolagold.com.

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This news release includes certain "Forward-Looking Statements." All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralisation and reserves, exploration results and future plans and objectives of Kola Gold, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.