

NEWS RELEASE

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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 '02K'. 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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