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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Kilo Goldmines Announces Closing of Private Placement

TORONTO, Ontario, December 24 2015 – Kilo Goldmines Ltd. (“Kilo” or the “Company”) (TSX VENTURE:KGL) announced today that it has completed its previously announced non-brokered private placement of equity units (“Units”) raising gross proceeds of approximately \$909,000 (the “Offering”). Due to lower than expected demand, the size of the minimum offering was decreased from that previously disclosed. The Units were offered and sold at a price of \$0.07 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 December 24, 2017 at a price of \$0.095. All securities sold in the Offering, including any shares issued on exercise of the Warrants and finder’s warrants, are subject to a four month hold period in Canada expiring on April 25, 2015 and such other hold periods in other jurisdictions applicable to the purchaser.

The Company plans to use the net proceeds from the Offering for working capital and general corporate purposes, and to maintain its Somituri gold property in the Democratic Republic of Congo.

Oban Mining Corporation (“Oban”), a significant shareholder of the Company, acquired 2,900,000 Units under the Offering. Prior to the Offering, Oban directly owned 12,700,000 common shares and warrants to acquire a further 11,200,000 common shares of the Company. Following the Offering, Oban now owns 15,600,000 common shares, representing approximately 22.4% of the number of common shares issued and outstanding, as well as warrants to acquire up to a further 14,100,000 common shares of the Company. Assuming the exercise of all warrants by Oban only and no other exercises, Oban would own up to approximately 36.7% of the number of common shares of the Company on a partially diluted basis.

Directors and officers of Kilo also acquired an aggregate of 285,717 Units under the Offering.

As a result of the participation in the Offering by the insiders 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 Offering and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Offering at least 21 days prior to the completion date.

Kilo paid finder's fees of \$36,171 in cash and issued 369,090 Finders' warrants in connection with the Offering, each exercisable to acquire one common share of the Company at a price of \$0.07 until December 24, 2017.

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 is:

- 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 financed by it to a 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 which 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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