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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Kilo Goldmines Announces Private Placement and Closing of First Tranche

TORONTO, Ontario, July 27 2016 – Kilo Goldmines Ltd. (“Kilo” or the “Company”) (TSX VENTURE: KGL) announced today that it is proceeding with a non-brokered private placement of equity units (“Units”) to raise up to \$7,500,000 (the “Offering”) of which it has completed a first tranche raising gross proceeds of \$930,000.

The Units were and are being 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 for two years (until July 27, 2018 for the first tranche) 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 for any period of 20 consecutive trading days exceeds \$0.30 per share. All securities sold in the Offering, including any shares issued on exercise of the Warrants, are subject to a four month hold period in Canada (expiring on November 28, 2016 for the first tranche) and such other hold periods in other jurisdictions applicable to the purchaser.

Sprott Private Wealth LP and one of its affiliates have agreed to act as finders for the Offering on a non-exclusive basis.

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 2,000,000 Units under the first tranche of the Offering. Prior to the Offering, Osisko directly owned 15,600,000 common shares and warrants to acquire a further 14,100,000 common shares of the Company. Following the Offering, Osisko now owns 17,600,000 common shares, representing approximately 22.3% of the number of common shares issued and outstanding, as well as warrants to acquire up to a further 16,100,000 common shares of the Company. Assuming the exercise of all warrants by Osisko only and no other exercises, Osisko would own up to approximately 30.2% of the common shares of the Company.

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

The Company intends to complete further tranches of the private placement up to a targeted maximum of \$7.5 million (inclusive of proceeds received from the first tranche of the placement). Kilo will pay a cash finder's to registered dealers and eligible finders who procure subscriptions for Units equal to 6% of the proceeds received from such subscriptions. No finder's fees were payable in connection with the completion of the first tranche 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 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 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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