

NEWS RELEASE

KILO GOLDMINES LTD.
Suite 1200, 141 Adelaide Street West
Toronto, Ontario M5H 3L5

FOR IMMEDIATE RELEASE

Kilo Goldmines Announces Credit Facility from Major Shareholder

TORONTO, Ontario, August 7, 2018 – Kilo Goldmines Ltd. (“Kilo” or the “Company”) (TSX VENTURE: KGL) announced today that it and its direct subsidiary, Kilo Goldmines Inc. (“Kilo Inc.”, and together with Kilo, the “Borrowers”), have entered into a loan agreement for a A\$750,000 secured term credit facility from major shareholder Resolute (Treasury) Pty Ltd (“Resolute”), a subsidiary of ASX-listed Resolute Mining Limited which is headquartered in Perth, Australia.

The credit facility is secured against all assets and undertaking of the Borrowers, including a pledge of the shares of Kilo Inc. to Resolute. Draws under the credit facility bear interest at the rate of 10% per annum (subject to reduction at the discretion of Resolute) and must be repaid by December 14, 2018 (subject to the right of the Borrowers to extend repayment for a period of 30 days in certain circumstances). The first A\$500,000 of the credit facility is available upon the satisfaction of all loan conditions and the remaining A\$250,000 will be available only at the discretion of Resolute. Kilo intends to draw down A\$500,000 of the credit facility immediately.

Kilo intends to use the funds available under the credit facility for working capital and general corporate purposes.

Resolute owns 27.4% of the outstanding common shares of Kilo (36.6% on a partially diluted basis assuming the exercise of all warrants held) and Mr. John Welborn, a director and officer of Resolute, is a director of Kilo. As such, the provision of the credit facility by Resolute is considered to be a “related party transaction” under Multilateral Instrument 61-101 (“MI 61-101”) and TSX Venture Policy 5.9 (“Policy 5.9”). However, the transaction is exempt from the formal valuation and minority approval requirements of MI 61-101 and Policy 5.9 as neither the subject matter of, nor the fair market value of the consideration for, the transaction exceeds 25% of Kilo’s market capitalization. The terms of the credit facility were not finalized until shortly prior to the entry into of the loan agreement between the parties and, accordingly, it was not possible to publicly disclose details of the credit facility at least 21 days prior to the completion date.

About Kilo

Kilo Goldmines Ltd. is a Canadian gold exploration company that is listed on the TSX Venture Exchange under the symbol 'KGL' and on the Frankfurt Exchange under the symbol '02K'. The Company holds about 2,417 km² of prospective Archaean Kibalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo.

Incorporated within these licences is:

- the Somituri project (71.25% owned by KGL), comprising six contiguous licences (361km²) held by KGL-Somituri SARL
- 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. Certain areas which have been deemed of no interest to Randgold have been returned to KGL.

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.

For further information, please contact:

Philip Gibbs

Interim Chief Executive Officer

Tel: +1 416 360 3406

Email: philip.gibbs@kilogoldmines.com

Website: www.kilogoldmines.com

Disclaimer

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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.