



THIS PRESS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

NEWS RELEASE

KILO GOLDMINES LTD.

Suite 1200, 141 Adelaide Street West
Toronto, Ontario M5H 3L5

FOR IMMEDIATE RELEASE

Kilo Completes Second Tranche of Brokered Private Placement

Toronto, Ontario. – August 25, 2010 – Kilo Goldmines Ltd. (TSX Venture: KGL; Frankfurt: 02K) (“**Kilo**” or the “**Company**”) is pleased to announce that it has completed a second tranche of its previously announced brokered private placement raising gross proceeds of Cdn\$300,000. Kilo has issued and sold 1,500,000 units (“**Units**”) of the Company at a price of Cdn\$0.20 per Unit, each Unit comprised of one common share in the capital of Kilo and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to acquire one additional common share in the capital of Kilo at an exercise price of Cdn\$0.30 per share until August 25, 2012.

M Partners Inc. and Vicarage Capital Ltd. (the “**Agents**”) are acting as the Company's agents in connection with the offering. Upon the completion of the second tranche of the offering, the Agents received aggregate cash commissions of 7.0% of the gross proceeds raised in the offering, as well as an aggregate of 105,000 compensation options (the “**Compensation Options**”). Each Compensation Option is exercisable to acquire one Unit at an exercise price of Cdn\$0.20 until August 25, 2012.

Total gross proceeds of \$1,337,060 have been raised in the brokered private placement to date.

All securities issued in connection with the private placement are subject to a four month hold period, expiring December 26, 2010, under applicable Canadian securities legislation. The private placement remains subject to final approval of the TSX Venture Exchange.

Net proceeds of the offering will be used to fund further exploration of the Company's projects located in the Democratic Republic of Congo ("DRC"), and for working capital and general corporate purposes.

About Kilo Goldmines Ltd.

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 has approximately 16,000 square kilometres of favourable Archaean Kabalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo. Kilo's principal focus is to advance its projects from exploration through feasibility to project development and ultimately to full production in a socially and environmentally responsible manner. The Company owns a 71.25% interest in the DRC entity that holds the Somituri Project Exploitation Permits.

FOR FURTHER INFORMATION CONTACT:

Peter Hooper
Executive Chairman
Tel: (416) 360-3402
Email: info@kilogoldmines.com
Facebook: [kilogoldmines.com/facebook](https://www.facebook.com/kilogoldmines.com)
Website: kilogoldmines.com

This news release may contain forward looking statements concerning future operations of Kilo Goldmines Ltd. All forward looking statements concerning the Company's future plans and operations, including management's assessment of the Company's project expectations or beliefs may be subject to certain assumptions, risks and uncertainties beyond the Company's control. Investors are cautioned that any such statements are not guarantees of future performance and that actual performance and exploration and financial results may differ materially from any estimates or projections.

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.