



**KGL COMPLETES OVER 5200 M OF A PLANNED 10 000 M DRILLING PROGRAMME,
AND
SOIL SAMPLING DEFINES PROSPECT EXTENSIONS AS WELL AS NEW TARGETS
WITHIN A 5 KM OF THE NI 43-101 ADUMBI GOLD RESOURCE IN THE NE DRC.**

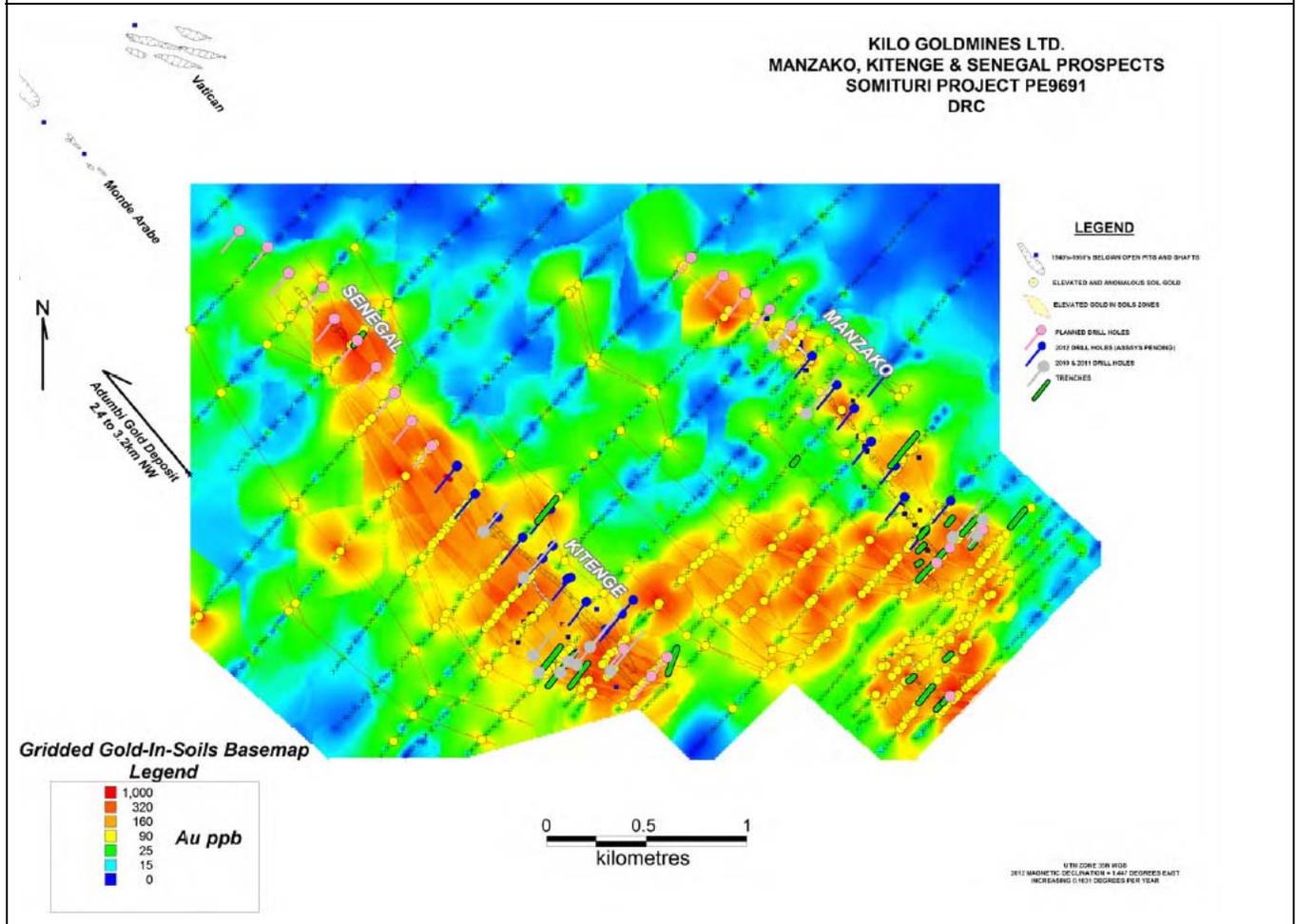
Toronto, Ontario. - August 20, 2012 - Kilo Goldmines Ltd. ("KGL" or the "Company") (TSX VENTURE: KGL)(FRANKFURT: 02K) is pleased to announce that it has completed 27 holes and 5200 m of its 10 000 m, 2012 diamond drilling programme. Drilling commenced in April 2012 on the Manzako and Kitenge Prospects and once complete, drill rigs (two) will move to the Senegal and Canal Prospects. The aforementioned prospects fall within a 5 km radius of KGL's NI 43-101, 1.87 Moz Adumbi Resource, and collectively form the Imbo project. The Imbo Project resides on one (PE9691) of the eight properties that KGL has exploitation rights for, and forms part of the greater Somituri Project.

Highlights include:

- 12 holes completed to targeted depth along the +2200 m long Manzako Prospect
- 15 holes completed to targeted depth along the +1500 m long Kitenge Prospect
- Ten holes planned along 1.7 km Senegal Prospect
- Fourteen holes planned along >600 m of the Canal Prospect
- Altered volcanic and metasedimentary rocks hosting mineralization in shear zones and quartz veins have been intersected.
- The northwest-trending Manzako gold-in-soils zone is continuous over at least a 2.3 km strike length and covers 12.5 ha.
- The combined northwest-trending Kitenge-Senegal gold-in-soils zones cover 42.7 ha over a 2.6 km strike length.
- Virtually untested new potential is now identified over 14.42 ha between the northwest-trending Manzako and Kitenge gold-in-soil zones where more than 10 northwest-trending gold-in-soil targets have been discovered.

Wide spaced (160 m) and shallow (<200 vertical m) drilling is targeting northwest – southeast trending gold bearing shear zones, namely Manzako, Kitenge, Senegal and Canal that have been, in part at least, the subject of colonial-era as well as current artisanal exploitation, see Figure 1. Additional gold-in-soil anomalies have been delineated between areas currently being drill tested.

Figure 1: Imbo Project Map, illustrating the Manzako, Kitenge and Senegal gold-in-soil values, diamond drill holes and trenches.



Alex van Hoeken, President and CEO of Kilo stated:

“Our systematic approach to exploration is yielding exciting results. Combined with the geophysics survey the target area sizes of the prospects around Adumbi have increased. We look forward to receiving the drill assay results to confirm the potential of additional ounces. Current drilling at 160 m interval, is focused on evaluating four prospects within close proximity of the Adumbi Prospect and KGL’s objective is to define at a high level; the potential of increasing the size of the Imbo Project Resource Base. The Company remains very positive that this objective will be realized.”

Manzako Prospect

The mafic volcanic hosted Manzako Prospect was mined for gold from surface and underground workings during the Colonial-period in the 1940’s and 1950’s. A steeply northeast dipping, northwest trending gold bearing structure has been mapped using these Belgian workings over at least 2.8 km. Elevated and anomalous gold-in-soil zones are continuous on all sampled lines, over the same length covering 20.3 ha. In addition, a number of less extensive parallel gold bearing structures are present. The Manzako Prospect is open for extension by mapping and soil geochemical surveys at both ends of its presently determined 2.8 km length.



Current drilling is focused on a 1600 m strike length with 160 m spaced drill holes drilling towards the southwest. In addition, several parallel structures are being tested with one hole. To date, 12 holes have been completed to the targeted depth, delivering some 2270 m of drill core. Mineralized sheared volcanics with quartz veining have been intersected. Summaries of assay results will be reported as they become available.

Kitenge Prospect

Gold mining began on the Kitenge Prospect in 1942 and records indicate historical production from Kitenge and Manzako totaled some 80 000 ozt of gold. Kitenge Prospect gold occurs within northwest trending quartz veins that dip steeply towards the northeast hosted in sheared clastic metasedimentary rocks. Combined northwest-trending Kitenge and Senegal (the mapped northwest extension of Kitenge) gold-in-soil zones cover 42.7 ha over a 2.6 km strike.

Current drilling is targeting a 1500 m strike length of the mapped Kitenge gold-bearing structure at 160 m intervals with holes oriented southwest. To date 15 holes have been completed to the targeted depths, delivering some 2929 m of drill core. These holes have intersected local shearing within clastic metasedimentary rocks. Mineralized quartz veins have also been intersected in most of the drill holes. Summaries of assay results will be reported as they become available.

Senegal Prospect

The Senegal Prospect, with active artisanal workings, is in essence the northwest strike extension of the Kitenge Prospect. However, unlike Kitenge, it extends along the southwest flank of a linear magnetic high defined in April 2012 by an airborne magnetic survey. A soil sample over this prospect returned a value of 69.6 g/t Au. Mapping has determined this structure extends at least 1700 m from the northwest end of the Kitenge Prospect.

Ten holes are planned at 160 m intervals to further evaluate the gold potential of the Senegal Prospect. Drilling is expected to commence within the next month, immediately after completion of the planned holes on the Kitenge Prospect. Summaries of assay results will be reported as they become available.

Canal Prospect

The Canal Prospect geology is similar to that of the Adumbi Prospect. Gold is hosted within chemical metasedimentary rocks including banded iron formation and quartz veins. Drilling will target the 600 m area between the 2010 and 2011 drill holes and Adumbi Prospect towards the northwest. In addition, the southeast extent of this prospect will be determined with drilling. Summaries of assay results will be reported as they become available.

Gold-Soil-Anomalies

Soil sampling has delineated anomalous gold-in-soil values associated with the Manzako, Kitenge and Senegal Prospects. In addition, a large, virtually untested 14.42 ha area with elevated and anomalous gold-in-soil values has been discovered between Manzako and Kitenge in at least 10 northwest-trending targets. This area warrants further exploration to define drill targets.

Illustrated on Figure 1 are 2279 soil sample sites at 20 m intervals on northeast–southwest oriented lines spaced at 160 m intervals and locally at 80 m intervals on parts of Kitenge and Manzako Prospects. Samples were collected at a 1 m depth. 14 samples returned values below the detection limit of 1 ppb Au, 20 samples returned values between 1060 and 1960 ppb Au (1.06 and 1.96 g/t Au respectively) 10 samples returned values between 2040 and 4800 ppb Au (2.04 and 4.80 g/t Au respectively), four samples returned values between 6430 and 9120 ppb Au (6.43 and 9.12 g/t Au respectively and two



samples returned values greater than 10 000 ppb Au namely 11 500 ppb (11.5 g/t Au) and 69 600 (69.6 g/t Au). Statistically 107 ppb gold and greater is considered elevated and 323 ppb gold and greater is considered anomalous.

Elevated and anomalous gold values were obtained in 362 samples or 15.88% of the total population and 111 samples or 4.87% of the total population is classified as anomalous.

2012 Exploration

KGL is currently undertaking exploration work (two diamond drill rigs, soil sampling and geological mapping) on PE9691 (the Imbo Project). To date, approximately 5200 m of the planned 10 000 m of drilling has been completed for 2012. Soil sampling and geological mapping is focusing on evaluating areas exhibiting de-magnetization, linear magnetic structures as well as interpreted intersections of magnetic and structural features to delineate new drill targets.

In addition, soil sampling surveys at a grid spacing of 400 m by 100 m has been completed over three additional Somituri Project Permis d'Exploitation ("PE") and is in progress on two other PEs. During 2012, plans are to complete the soil sampling programme over all 8 PEs.

Sample preparation for soil and drill core samples is being carried out at the on-site ALS Chemex managed facility owned by KGL.

About the Somituri Project

The Somituri Project consists of eight PEs, overlying the Ngayu Greenstone Belt, in Oriental Province of the Democratic Republic of Congo. In 2010 and 2011, the focus was on the Imbo project or PE9691. For this project the exploration programs delineated a NI43-101 compliant inferred resource estimate of 1.87 Moz, grading 1.63 g/t Au at a cut-off of 0.50 g/t Au in the Adumbi Prospect.

Records from the colonial era, unverified by the Company, indicate that during the 1940s until its closure in 1958, the combined production from the Adumbi and Bagbaie (*Adumbi North*) mines totaled approximately 200 000 ozt of gold. The Adumbi gold was hosted in quartz vein ore reported to average 11 g/t gold and the Kitenge and Manzako mines produced approximately 100 000 ozt of gold in the early 1940's.

Quality Control Procedures

Soil and drill core sample preparation consists of pulverizing the entire sample at the KGL owned, ALS Chemex managed, on-site sample preparation facility at the exploration base camp. Sample pulps are shipped to ALS Chemex in Johannesburg, by courier, and soil samples are analyzed for gold by fire assay on a 30 gram charge followed by an ICP finish. In addition a suite of 35 elements were determined by ICP. ALS Chemex is certified to international standards. A 50 gram charge of drill core pulp is being analyzed for gold by the Fire Assay – ICP finish method.

Quality control of analytical results is monitored by the Company with the insertion of commercial standards and blanks in every batch of samples submitted for analysis. For additional details the reader is referred to Kilo's previously announced (see May 4, 2010 press release) quality control and analytical procedures.

About KGL

Kilo Goldmines Ltd (KGL). 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 over 3150 km² of favourable Archaean Kabalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo. KGL'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 presently holds a 71.25% interest in the eight Somituri Project Exploitation Permits.

The Company is also working on a number of other prospective areas which contain historical workings in the same region. It has a joint venture with Rio Tinto Ltd. for iron ore on licences in north-eastern DRC. In addition KGL has an interest in an iron project in Afghanistan.

In July 2012 KGL enhanced its technical team by recruiting Robert Stewart, M.Sc., P.Geo (Canadian) who has over thirty years exploration experience in gold and base metals in Canada (including the Abitibi Greenstone belt), Africa, India and Australia.

Qualified Persons

The exploration program disclosed in this press release was planned and supervised by the Company's geological consultant Stanley Robinson. Stanley Robinson, M.Sc., P.Geo is also the 'qualified person' (as that term is defined under National Instrument 43-101) of the Company who has reviewed the scientific and technical information contained in this release.

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