



## **NEWS RELEASE**

### **KILO GOLDMINES LTD.**

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## **FOR IMMEDIATE RELEASE**

### **Kilo Announces Amendments to Terms of KGL-Somituri SPRL Partnership/ Cross of Shares**

Toronto, Ontario. – August 4, 2010 – Kilo Goldmines Ltd. (TSX Venture: KGL; Frankfurt: 02K) ("**Kilo**" or the "**Company**") announced today that it has amended the terms of its KGL-Somituri SPRL partnership (the "Partnership") formed for the joint exploration for gold of 20 mineral exploration permits and 8 mineral exploitation permits (collectively, the "Permits") in the north-eastern Democratic Republic of Congo ("DRC"). The permits, which are currently being explored by diamond drilling by Kilo, include the past producing Adumbi, Manzako and Kitenge gold mines.

The Partnership was originally formed in July 2007 between the Company's wholly-owned subsidiary, Kilo Goldmines Inc. ("KGI"), and a number of present and former DRC nationals (the "Local Partners"). KGI holds a 71.25 interest in the Partnership, the Local Partners collectively hold 23.75% and the DRC government holds the remaining 5% as a carried interest. Under the terms of the Partnership, the Local Partners will transfer the Permits to the Partnership and KGI is required to make certain cash payments to the Local Partners and incur certain exploration expenditures on the Permits.

The original terms of the Partnership required KGI to make aggregate cash payments of 575,000 Euros to the Local Partners and make aggregate exploration expenditures on the Permits of two million Euros, all over a three-year period. Under the terms of the amendments, the same aggregate cash payments to the Local Partners of 575,000 Euros is required (of which 50,000 Euros was previously paid) however, these payments have been accelerated and, subject to regulatory approval, up to 450,000 Euros may be satisfied at Kilo's option by the issuance of common shares. Kilo has made an initial 75,000 Euro cash payment and, subject to regulatory approval, intends to satisfy a further 200,000 Euros by the issuance of 520,915 common shares at a deemed price of C\$0.482 per share. The final 250,000 Euro payment is due upon official registration of the Permits in the name of the Partnership and, subject to regulatory approval, may be satisfied in common shares. Under the amendments, KGI is also still required to make the same aggregate exploration expenditures of two million Euros on the Permits over a three-year period however, the three year period has been extended and now commences on the effective date of the amendments with credit being given for prior expenditures. Based on expenditures to date, the exploration expenditure requirements of the Partnership have been satisfied.

Provision has also been added to permit the Local Partners to have a limited one time right to unanimously elect, upon the completion of a bankable feasibility study by Kilo, to exchange their equity interests for either: (i) a 2% NSR; or (ii) a 1% NSR plus a cash amount equal to 2 Euros per ounce of proven mineral reserves.

The amendments were required to clarify the title to the Permits and to accelerate the transfer of the Permits to the Partnership.

The Company also announces that 1,985,300 common shares were crossed on the TSX Venture Exchange today at a price of \$0.20 per share to facilitate the completion of the Company's previously announced private placement. It is anticipated that a first tranche of the placement will be completed on August 5, 2010. Details will be provided in a further press release.

#### **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:**

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