Management Discussion and Analysis of Unaudited Interim Consolidated Financial Statements
For the three and six month periods ended March 31, 2009

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KILO GOLDMINES LTD.
MANAGEMENT DISCUSSION & ANALYSIS
For the three and six month periods ended March 31, 2009

This Management Discussion and Analysis ("MD&A") of Kilo Goldmines Ltd. ("Kilo" or the "Company") is dated May 28, 2009 and provides an analysis of the Company's performance and financial condition for the three and six month periods ended March 31, 2009 , as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee.

*This MD&A should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three and six month periods ended March 31, 2009, including the related note disclosure. The Company's audited financial statements are presented on a consolidated basis with its wholly owned subsidiary Kilo Goldmines Inc. and the partnership interests described in the notes to the financial statements, and are prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise specified. Additional information relevant to the Company's activities can be found on SEDAR at **www.sedar.com** or the Company's website at **www.kilogold.net.***

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

OVERALL PERFORMANCE

Principal Business and Corporate History

Kilo Goldmines Ltd. (the "Company") is an Ontario corporation which commenced operations on March 20, 2009. A predecessor corporation, Kilo Goldmines Inc. ("Old Kilo"), commenced operations in January, 2006. Prior to March 20, 2009, Kilo Goldmines Ltd. was known as Blue Ribbon Capital Corporation ("Blue Ribbon"), a Capital Pool Company as defined by the TSX Venture Exchange.

The Company is in the process of exploring its mineral resource properties and intends to devote the majority of its efforts to these properties. To date, the Company has not earned significant revenues and is considered to be in the development stage.

Amalgamation

On September 27, 2007, Old Kilo announced that it had entered into a Letter Agreement (the "Agreement") with Blue Ribbon, a public corporation formed as a capital pool company. Pursuant to the Agreement, Blue Ribbon was able to acquire all of the issued and outstanding shares of the Company (the "Going Public Transaction").

On March 20, 2009, pursuant to the Agreement, Old Kilo amalgamated with Blue Ribbon's wholly owned subsidiary. Completion of the transaction constituted Blue Ribbon's qualifying transaction. The shareholders of Old Kilo held the majority of the outstanding shares of the Company following the transaction, and accordingly, the transaction has been accounted for as a reverse takeover. Since Blue Ribbon's operations do not constitute an economic unit, the transaction has been accounted for as a capital transaction.

On April 21, 2009, the common shares of the Company began trading on the TSX Venture Exchange.

DEVELOPMENTS DURING THE THREE AND SIX MONTHS ENDED MARCH 31, 2009

Qualifying Reports

A report prepared to National Instrument 43-101 standards was completed during the period ended March 31, 2009. The report entitled "43-101 Report on the KGL MASTERS PROJECT Provinces of Nord Kivu and Orientale DEMOCRATIC REPUBLIC OF CONGO" dated January 15, 2009 was approved by the TSX Venture Exchange. The report, authored by Stanley Robinson, M.Sc., F.GAC., P.Geo. a qualified person, can be viewed on SEDAR at www.sedar.ca.

Exploration Activities

Exploration activities were not carried out on the KGL MASTERS properties during the three and six month periods ended March 31, 2009; however, diamond drilling is planned to commence in early June. The drill rigs are in Beni in a bonded warehouse. Customs clearance is imminent. All support staff, personnel and ancillary equipment are also in Beni.

The KGL SOMITURI project was inactive during the period ended December 31st, 2008. During the period ended March 31st, 2009 the 20 Exploration Licences were converted into eight Exploitation Licences. Exploration activities were not carried out on the properties.

Kilo did not carry out any exploration activities on the KGL ERW properties during the three and six month periods ended March 31, 2009. During the period ended March 31, 2009, the Company signed an agreement with Rio Tinto Mining and Exploration Limited ("Rio") granting Rio an earn-in with respect to certain mineral rights (primarily iron ore) on its ERW property. Rio has the ability to earn a 51% interest in those mineral rights by making cash payments and exploration expenditures totaling 23,000,000 USD by December 31, 2011. Rio can earn an additional 24% interest by making additional cash payments and exploration expenditures totaling 60,000,000 USD by December 31, 2016. Subsequently, the Company will have several funding and net smelter royalty conversion options available to exercise at its option. Rio has made an aggressive start to their project, are flying the properties, and will have an official opening ceremony of the project in Isiro on June 15, 2009.

Exploration activities were not carried out on the KGL SIHU properties during the three and six month periods ended March 31, 2009.

Exploration activities were not carried out on the KGL POKO properties during the three and six month periods ended March 31, 2009.

SELECTED ANNUAL INFORMATION

The following selected financial data for the Company's two most recently completed financial periods are derived from the audited financial statements of the Company which were prepared in accordance with Canadian generally accepted accounting principles.

For the fiscal periods ended September 30,	2008	2007
	$	$
Net revenues	38,309	47,503
Loss before discontinued operations and extraordinary items	2,622,842	1,577,131
Loss before discontinued operations and extraordinary items, per share basic and diluted	0.11	0.07
Net loss	2,622,842	1,577,131
Net loss, per share basic and diluted	0.11	0.07
Total assets	7,660,740	5,108,903
Total long term liabilities	773,422	Nil
Cash dividends	Nil	Nil

Project Expenditures

KGL MASTERS

During the three month period ended March 31, 2009, the Company incurred expenditures of $946,522 on the KGL MASTERS group of properties, an increase of $311,064 from expenditures of $635,458 for the same period ended March 31, 2008. The Company spent $1,108,034 during the six months ended March 31, 2009, a slight decrease of $56,599 from the expenditures of $1,164,633 incurred during the six month period ended March 31, 2008. Property tax and title payments of $319,374 were incurred in March 2009. Administrative and project management expenses of $91,710 and $205,634 were incurred during the three and six month periods ended March 31, 2009, respectively. In connection with the Going Public Transaction as described in the notes to the unaudited interim consolidated financial statements for the six months ended March 31, 2009, the Company was required to issue shares with a fair value of $385,335, and warrants with a fair value of $77,844 to satisfy its obligations in connection with the acquisition of the KGL MASTERS properties. The remaining expenditures of $72,259 for the three months and $119,847 for the six months ended March 31, 2009 were spent on professional fees related to the acquisition of title to the properties and limited geological work.

KGL SOMITURI

During the three month period ended March 31, 2009, the Company incurred expenditures of $874,813 on the KGL SOMITURI group of properties, an increase of $794,299 from expenditures of $80,514 for the same period ended March 31, 2008. The Company spent $938,811 during the six months ended March 31, 2009, an increase of $642,476 from the expenditures of $296,335 incurred during the six month period ended March 31, 2008. Property tax and title payments of

$327,661 were incurred in March 2009. Administrative and project management expenses of $55,026 and $113,479 were incurred during the three and six month periods ended March 31, 2009, respectively. In connection with the Going Public Transaction as described in the notes to the unaudited interim consolidated financial statements for the six months ended March 31, 2009, the Company was required to issue shares with a fair value of $385,335, and warrants with a fair value of $77,844 to satisfy its obligations in connection with the acquisition of the KGL SOMITURI properties. The remaining expenditures of $28,947 for the three months and $34,492 for the six months ended March 31, 2009 were spent on professional fees related to the acquisition of title to the properties.

KGL ERW

During the three month period ended March 31, 2009, the Company incurred expenditures of $336,651 on the KGL ERW group of properties, an increase of $153,891 from expenditures of $182,760 for the same period ended March 31, 2008. The Company spent $518,687 during the six months ended March 31, 2009, an increase of $313,347 from the expenditures of $205,340 incurred during the six month period ended March 31, 2008. Property tax and title payments of $213,944 were incurred in the three months ended March 31, 2009 while similar payments of $233,544 were made during the six months ended March 31, 2009. Administrative and project management expenses of $36,684 and $75,654 were incurred during the three and six month periods ended March 31, 2009, respectively. The Company incurred significant professional fees of $64,381 and $187,847 for the three and six month periods, respectively, in connection with the agreement with Rio. The remaining expenditures of $21,642 for the three month and six month periods ended March 31, 2009 related to limited geological work performed.

KGL SIHU

During the three month period ended March 31, 2009, the Company incurred expenditures of $530,460 on the KGL SIHU group of properties, an increase of $402,525 from expenditures of $127,935 for the same period ended March 31, 2008. The Company spent $534,401 during the six months ended March 31, 2009, an increase of $354,766 from the expenditures of $179,635 incurred during the six month period ended March 31, 2008. Property tax and title payments of $56,297 were incurred in March 2009. In connection with the Going Public Transaction as described in the notes to the unaudited interim consolidated financial statements for the six months ended March 31, 2009, the Company was required to issue shares with a fair value of $385,335, and warrants with a fair value of $77,844 to satisfy its obligations in connection with the acquisition of the KGL SIHU properties. The remaining expenditures of $10,984 for the three months and $14,925 for the six months ended March 31, 2009 were spent on professional fees related to the acquisition of title to the properties.

KGL POKO

During the three month period ended March 31, 2009, the Company incurred expenditures of $170,564 on the KGL POKO group of properties, an increase of $164,582 from expenditures of $5,982 for the same period ended March 31, 2008. The Company spent $171,220 during the six months ended March 31, 2009, an increase of $155,556 from the expenditures of $15,664 incurred during the six month period ended March 31, 2008. Property tax and title payments of $168,098 were incurred in March 2009. The remaining expenditures of $2,466 for the three months and $3,122 for the six months ended March 31, 2009 were spent on professional fees related to the acquisition of title to the properties.

General and Administrative Operating Activities

The Company has no revenue or inbound operating cash flows other than interest income. As a result of its activities, the Company continues to incur net losses.

In the three and six month periods ended March 31, 2009, the Company's net losses were $328,110 and $611,559 respectively, compared to net losses of $ 455,827 and $1,210,102 for the same periods ended March 31, 2008.

In the quarter ended March 31, 2009, total expenses decreased by $138,328 to $328,120 when compared to the quarter ended March 31, 2008. Expenses for the six months ended March 31, 2009 decreased by $623,724 to $615,460. In light of the current worldwide economic situation, the Company has made a concentrated effort on trimming administrative expenses.

The major areas of fluctuations include administrative and general expenses, professional and consulting fees and stock-based compensation.

During the three months ended March 31, 2009, administrative and general expenses decreased by $47,208 to $28,790. These expenses decreased by $63,212 to $54,333 for the six months ended March 31, 2009. The decrease was due to a general tightening of spending on items such as communications, printing and photocopying, as well as a reduction of personnel performing administrative duties.

Professional fees decreased by $106,564 to $123,101 during the three months ended March 31, 2009, and by $112,870 to $283,532 during the six months ended March 31, 2009 when compared to the same periods ended March 31, 2008. The decrease was mainly due to a reduction in consulting fees paid to external consultants.

Stock-based compensation for the six months ended March 31, 2008 was $496,250 as a result of options issued to directors, officers and consultants. No stock options were issued during the three month period ended March 31, 2008 or the three and six month periods ended March 31, 2009, and as such, the Company did not incur any stock-based compensation expense during those periods.

SELECTED QUARTERLY INFORMATION

The following table shows selected financial information related to the results of the Company's eight most recent fiscal quarters. The information contained in this table should be read in connection with the Company's financial statements.

Fiscal Year	2009		2008				2007	
For the quarters ended	**Mar 2009**	**Dec 2008**	**Sep 2008**	**Jun 2008**	**Mar 2008**	**Dec 2007**	**Sep 2007**	**Jun 2007**
	$	$	$	$	$	$	$	$
Net revenues	10	3,891	2,249	6,950	10,621	18,489	10,900	19,833
Loss before discontinued operations and extraordinary items	328,110	283,449	987,902	424,838	455,827	754,275	446,631	167,045
Loss before discontinued operations and extraordinary items, per share basic and diluted	0.01	0.01	0.04	0.02	0.02	0.03	0.02	0.01
Net Loss	328,110	283,449	987,902	424,838	455,827	754,275	446,631	167,045
Net loss, per share basic and diluted	0.01	0.01	0.04	0.02	0.02	0.03	0.02	0.01

Factors Affecting Quarterly Results

Fluctuations in quarterly results are caused by issuance of stock option compensation, administrative costs and fees related to new property acquisitions, and levels of exploration activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company had $1,972,363 in working capital as at March 31, 2009 compared to $1,964,507 at March 31, 2008. As at March 31, 2009, the Company held cash and cash equivalents of $2,345,651 versus $1,958,739 as at March 31, 2008. This increase in cash and cash equivalents as well as the increase in the Company's working capital position reflects the Company's recent efforts to raise capital through the issuance of shares and warrants through private placements, as well as the acquisition of cash upon completion of the Going Public Transaction.

The Company is dependent on obtaining future financing for the exploration and development of its resource properties beyond fiscal 2009 and for any new projects. In light of the current financial crisis, there is no assurance that such financing will be available when required, or under favourable terms.

During the year ended September 30, 2008, the Company entered into a leasing agreement for office premises with a company in which a director of the Company is an officer and director. The minimum lease obligations under this lease are as follows:

2009	$	71,751
2010	$	71,751
2011	$	71,751
2012	$	76,355
2013	$	76,355
Thereafter	$	57,645

Share Capital

As at May 28, 2009, the Company's share position consisted of:

Shares outstanding (i)	39,886,766
Options outstanding (ii)	4,370,833
Warrants outstanding (iii)	8,987,400

(i) During the three months ended March 31, 2009, the Company:

a) Issued 22,933,413 common shares in exchange for the 22,933,413 issued and outstanding common shares of Kilo Goldmines Inc. in connection with the Going Public Transaction. Upon amalgamation, the shares of Kilo Goldmines Inc. had a recorded value of $8,018,615, which has been allocated to the common shares issued.

b) Issued 10,060,000 units (pursuant to private placements) for proceeds of $5,030,000, of which $905,400 was allocated to warrants.

Each unit consists of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.60 per share at any time on or before March 20, 2011.

In connection with these private placements, the Company paid fees totalling $225,190, of which $40,534 was allocated to warrants, and issued 319,200 stock options.

c) Issued 3,853,353 common shares to Moto Goldmines Limited in connection with property acquisitions.

d) Issued 907,500 common shares to the existing shareholders of Blue Ribbon after consolidating its common shares on a 1:4 basis, pursuant to the Going Public Transaction.

(ii) Options outstanding

Option Price	Number of Options	Weighted Average Remaining Contractual Life
$0.80	151,250	1.0 years
$0.80	112,500	1.0 years
$1.00 US	100,000	1.3 years

$0.60	750,000	1.0 years
$0.60	787,883	3.0 years
$0.30	550,000	3.0 years
$1.00	700,000	3.0 years
$1.50	900,000	3.0 years
$0.50	319,200	2.0 years

(iii) Warrants outstanding

During the three months ended March 31, 2009, the Company:

a) Issued 5,030,000 Warrants pursuant to private placements as discussed previously.

b) Issued 1,297,400 Warrants to Moto Goldmines Limited in connection with property acquisitions. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.60 per share at any time on or before March 20, 2011.

The fair value of the warrants was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.00%
Expected life	2 years
Expected volatility	100%

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's warrants.

As at March 31, 2009, the following common share purchase warrants ("Warrants") were issued and outstanding:

a) 2,350,000 Warrants entitling the holder to purchase one common share of the Company at $1.50 per share at any time on or before April 21, 2010.

b) 6,327,400 Warrants entitling the holder to purchase one common share of the Company at $0.60 per share at any time on or before March 20, 2011.

Subsequent to the period ended March 31, 2009, the Company issued 620,000 units pursuant to a private placement for gross proceeds of $310,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share at a price of $0.60 per share for a period of twenty-four months from the date of issue.

COURSE OF BUSINESS TRANSACTIONS

Transactions with Related Parties

During the six months ended March 31, 2009 the Company:

a) Incurred management fees of $114,000 with a company controlled by a director. The Company also incurred consulting fees of $48,000 with two individuals related to this director. As at March 31, 2009 accounts payable and accrued liabilities included $572 related to this company. The director is also an officer.

b) Incurred legal fees of $447,784 with a firm in which two of the Company's directors are partners, of which $211,322 was capitalized as property acquisition costs, $176,010 was charged in connection with the Going Public Transaction, and $60,452 was included in professional fees. As at March 31, 2009 accounts payable and accrued liabilities included $257,900 related to this law firm. One of the directors is also an officer.

c) Incurred accounting fees of $99,924 with an accounting firm in which an officer is a partner, of which $62,412 was charged in connection with the Going Public Transaction and $37,512 was included in professional fees.

d) Incurred publicity and advertising fees of $19,800 with a company controlled by a person related to a director. The director is also an officer.

e) Incurred management fees of $49,360 with a director. As at March 31, 2009, $49,360 was included in accounts payable and accrued liabilities. The director is also an officer.

Off-Balance Sheet Transactions

The Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

The Company continues to review property and industry information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company continues to research potential opportunities.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in Canada. The preparation of the Company's financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates used in the preparation of the financial statements are related to the recoverable value of the Company's resource properties, as well as the value of stock-based compensation. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The Company records all of its property acquisition costs and direct exploration costs as an asset until the properties are placed into production, sold or abandoned, at which time the costs will either be amortized on a units-of-production basis or fully charged to operations. Management reviews the carrying value of the resource properties for impairment or permanent declines in the value of the property, such as abandonment, and the related project balances are then written off.

Estimates related to stock-based compensation include the volatility of the Company's stock price, as well as when stock options may be exercised. The timing of exercise of stock options is out of the Company's control and depends on a various factors including the market value of the Company's shares and the financial objectives of the holders of stock options.

The Company lists its significant accounting policies in Note 2 of its audited financial statements for the year ended September 30, 2008.

BASIS OF PRESENTATION

The interim consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary Kilo Goldmines Inc., and the partnership interests described in the notes to the financial statements. All interorganizational accounts and transactions have been eliminated on consolidation. All of the Company's exploration activities are conducted jointly with others wherein the Company enters into agreements that provide for specified percentage interest in resource properties as described in the notes to the financial statements. Expenditures on these properties are capitalized to resource properties. Joint venture accounting which reflects the Company's proportionate interest in resource properties is applied by the Company only when commercial feasibility is established and the parties enter into formal comprehensive agreements for ownership and resource participation.

CAPITAL DISCLOSURES

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and, if it has not complied, the consequences of such non-compliance. Section 1535 was effective for the Company as of October 1, 2007. The Company's capital is composed of shareholders' equity. The Company's objective is to raise sufficient capital to execute its exploration plan. The Company does not use any capital-based metrics. The Company does not have any externally imposed capital requirements. There have not been any changes to the overall capital risk management strategy during the period ended March 31, 2009.

FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	Held for trading
Receivables	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Long term debt	Other liabilities

Cash and cash equivalents include bank deposits and short-term money market investments which on acquisition have a term to maturity of three months or less.

The Company's exposure to various risks and the impact upon the Company's financial statements are as follows:

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Currency Risk

The Company's primary operations are located in DRC. The Company pays most of its DRC costs in U.S. dollars, and is therefore subject to foreign exchange risk on this payment stream.

Credit Risk

The Company monitors the financial condition of its venture partners and counterparties to contracts. The Company does not have a significant exposure to any individual third party. Credit risk on amounts receivable is limited to the outstanding balance of such amounts.

Sensitivity Analysis

As at March 31, 2009, cash and cash equivalents includes 3,121 United States Dollars and accounts payable and accrued liabilities includes 88,248 United States Dollars.

At March 31, 2009, if the Canadian Dollar had weakened (strengthened) 10 percent against the United States Dollar with all other variables held constant, the net loss for the period would have been $10,737 higher (lower).

RECENT ACCOUNTING PRONOUNCEMENTS NOT YET APPLIED

International Financial Reporting Standards

The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards (IFRS) over a period expected to end in 2011. The Company's transition date of October 1, 2011 will require restatement of the amounts reported by the Company for the year ended September 30, 2011 for comparative purposes. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting. The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures and the design of internal controls over financial reporting at March 31, 2009, have concluded the Company's disclosure controls and procedures and design of internal controls over financial reporting are adequate and effective as per Multilateral Instrument 52-109 – Certification of Disclosure in Companies' Annual and Interim Filings.

There has been no change in the Company's internal control over financial reporting, or in any other factors that could significantly affect internal controls, during the three months ended March 31, 2009.