

**EARLY WARNING REPORT UNDER
NATIONAL INSTRUMENT 62 - 103
ALTERNATIVE MONTHLY REPORTING SYSTEM**

ALTERNATIVE REPORTER: Altus Capital Limited
14 Station Road, Didcot
OX11 7LL
United Kingdom

REPORTING ISSUER: KILO Goldmines Ltd.

REPORT FOR END OF: October 2011

REPORT OF SHARE ACTIVITY:

Altus Capital Limited (“Altus”) reports that as a result of purchases of common shares and warrants of KILO Goldmines Ltd. (“KILO Goldmines”) by Altus Resource Capital Limited (“ARCL”), an investment company managed by Altus, the aggregate number of common shares of KILO Goldmines held by Altus on 31 October 2011 was 17,040,500 common shares, representing approximately 10.38% of all outstanding common shares, and 6,835,000 warrants, representing an additional 3.58% (assuming conversion of these warrants only) for a total of 13.96% (assuming conversion of these warrants only).

CHANGE FROM PREVIOUS REPORT:

Altus’ previous report, dated 6 October 2011, reported holdings of 17,040,500 common shares, representing 10.38% of all outstanding shares, and 6,835,000 warrants, representing an additional 3.58% for a total 13.96% (assuming conversion of these warrants only).

There are no changes to holdings of common shares or warrants.

BENEFICIAL OWNERSHIP, CONTROL OR DIRECTION:

Altus specifically disclaims any beneficial ownership of the reported common shares and warrants, but as investment manager it maintains exclusive power to exercise investment control or direction over such common shares and warrants for ARCL as the beneficial owners.

PURPOSE OF THE REPORT:

The common shares and warrants were acquired in the ordinary course of business, for investment purposes only and not for the purpose of exercising control or direction over KILO Goldmines.

ARCL may from time to time acquire additional common shares or warrants, dispose of some or all of the existing or additional common shares or warrants, or may continue to hold the common shares and warrants.

RELIANCE ON EXEMPTION:

This report is issued under the Alternative Monthly Reporting System described in National Instrument 62 - 103. Neither Altus nor Altus Resource Capital presently intend to:

- a) make a formal take-over bid for any common shares of KILO Goldmines;
- b) propose a transaction that would constitute a take-over bid in reliance on an exemption in the Securities Act (Ontario); or
- c) propose a reorganization, amalgamation, merger, arrangement or similar business combination with KILO Goldmines which would result in Altus or ARCL controlling the company, alone or with others.

CERTIFICATION:

To the best of its knowledge:

- a) Altus and ARCL do not in the ordinary course of business receive material facts or changes about KILO Goldmines which have not been publicly disclosed;
- b) Altus is eligible to file this Alternative Monthly Reporting System report pursuant to the National Instrument;
- c) Altus is not a joint actor with anyone else in connection with this report; and
- d) Altus and ARCL have not entered into any agreements with KILO Goldmines in connection with the purchases.

CONTACT PERSON:

For further information, contact: Ashley Senner
Telephone: +44-1481-722260

DATE AND SIGNATURE:

This report is dated 4 November 2011 and is signed by an authorized officer of Altus.

ALTUS CAPITAL LIMITED

“Ed Bowie”



Ed Bowie
Director