



KILO GOLDMINES LTD.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

January 31, 2013

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KILO GOLDMINES LTD.
ANNUAL INFORMATION FORM

GENERAL INFORMATION

References

References in this annual information form (“AIF”) to “Kilo” and the “Corporation” refer to Kilo Goldmines Ltd. and its subsidiaries (as the context requires).

Date of Information and Currency

The information in this AIF is presented as at September 30, 2012 unless otherwise indicated.

References to “dollars” or “\$” means Canadian dollars, unless otherwise specified.

NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this AIF constitutes “forward-looking information”, which is information regarding possible events, conditions or results of operations that is based upon assumptions about future economic conditions and courses of action. All information other than matters of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as “seek”, “expect”, “anticipate”, “budget”, “plan”, “estimate”, “continue”, “forecast”, “intend”, “believe”, “predict”, “potential”, “target”, “may”, “could”, “would”, “might”, “will” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this AIF includes, but is not limited to: information about our exploration and development activities, including information regarding the potential mineralization and resources of our projects, statements about drill results and core intersection lengths, in that they constitute estimates based on certain assumptions of mineralization that may be encountered if a deposit were to be mined, our exploration and development plans, including anticipated costs and timing thereof, and anticipated time to production, and expectations regarding plans for growth through future acquisitions, exploration activities, farm-ins or otherwise. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information. Some of the risks and other factors that could cause actual results to differ materially from those expressed in the forward-looking information contained in this AIF include, but are not limited to: risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations; results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that any future exploration, development or mining results will not be consistent with our expectations; mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development; the potential for delays in exploration or development activities or the completion of feasibility studies; risks related to commodity price and foreign exchange rate fluctuations; risks related to foreign operations; the uncertainty of profitability based upon the cyclical nature of the industry in which we operate; risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities; risks related to environmental regulation and liability; political and regulatory risks associated with mining and exploration; risks related to the uncertain global economic environment; and other risks and uncertainties related to our prospects, properties and business strategy. A discussion of these and other factors that may affect our actual results, performance, achievements or financial position is contained in “Risk Factors” and elsewhere in this AIF and other documents incorporated in this AIF. Although we have attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, readers are cautioned that this list is not exhaustive and there may be other factors that we have not identified. **Readers are cautioned not to place undue reliance on forward-looking information contained in this AIF.** Forward-looking information is based upon our beliefs, estimates and opinions as at the date of this AIF, which we believe are reasonable,

but no assurance can be given that these will prove to be correct. Furthermore, we undertake no obligation to update or revise forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. All forward-looking information contained in this AIF is expressly qualified by this cautionary note.

TECHNICAL INFORMATION AND DISCLOSURE FOR MINERAL PROJECTS

The disclosure in this AIF of scientific or technical information for our mineral projects is based on the technical report described below under “Documents Incorporated By Reference”, which was prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“**NI 43-101**”), by or under the supervision of “qualified persons” under NI 43-101, or is otherwise based on information prepared by or under the supervision of Mr. Stanley D. Robinson, M.Sc. P.Geo., a consultant to the Corporation, who is also a “qualified person” under NI 43-101.

DOCUMENTS INCORPORATED BY REFERENCE

Information concerning our Adumbi Prospect on our Somituri property (“**Somituri Property**”), which we are required to include in this AIF in the section entitled “Mineral Projects”, has in some cases been included by incorporating by reference the technical report dated April 2012 and entitled “Updated Mineral Resource Estimate of the Adumbi Prospect, Orientale Province, Democratic Republic of Congo” prepared by Mr. David Young, BSc (Hons), FGSSA, MSAIMM, FAusIMM of The Mineral Corporation (the “**Adumbi Technical Report**”) which was filed on SEDAR on April 27, 2012. The Adumbi Technical Report is available at www.sedar.com.

CORPORATE STRUCTURE

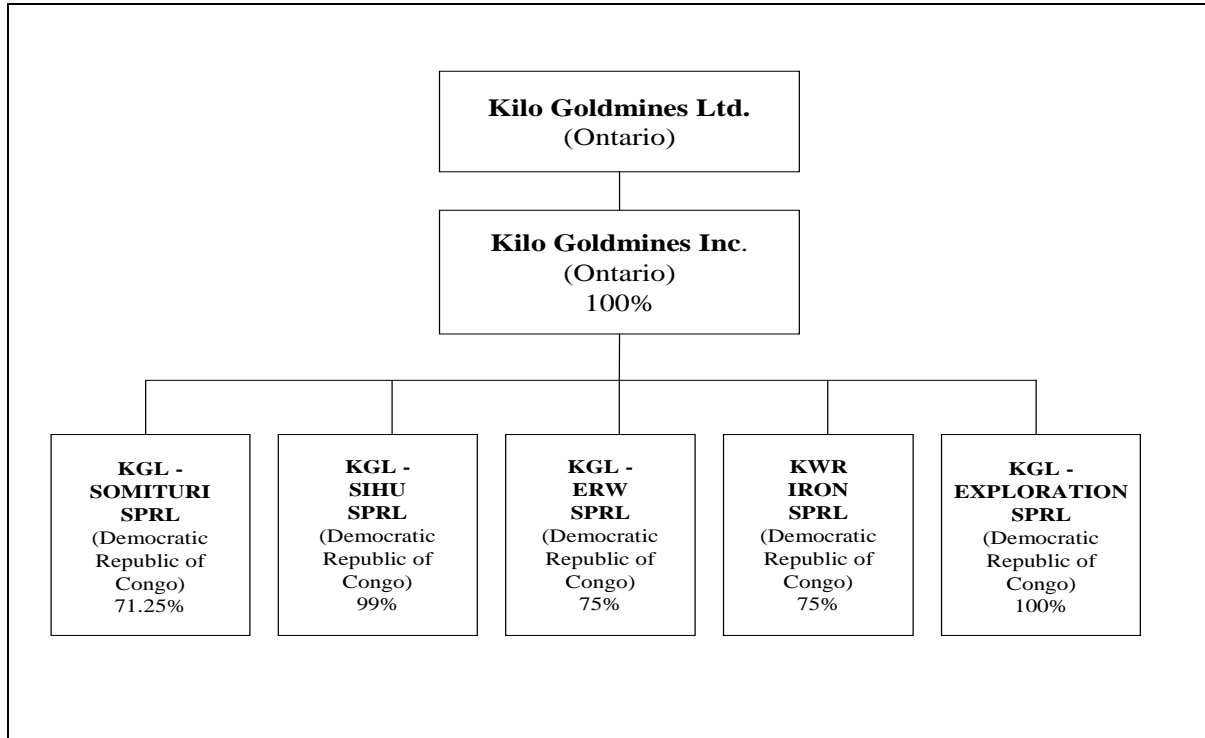
Name, Address and Incorporation

The Corporation was incorporated on September 12, 2006 under the *Business Corporations Act* (Ontario) as "Blue Ribbon Capital Corporation". The name of the Corporation was changed to "Kilo Goldmines Ltd." by the filing of Articles of Amendment under the *Business Corporations Act* (Ontario) on March 20, 2009 in connection with the acquisition of Kilo Goldmines Inc. ("**Old Kilo**") through amalgamation with a wholly-owned subsidiary of the Corporation, which constituted the Corporation's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "**TSXV**").

The registered and head office of the Corporation is located at Suite 1200, 141 Adelaide Street West, Toronto, Ontario M5H 3L5.

Intercorporate Relationships

The following diagram illustrates the current corporate structure and intercorporate relationship of Kilo.



GENERAL DEVELOPMENT OF THE CORPORATION'S BUSINESS

The Corporation is a mineral exploration company focused on the exploration for gold on its properties in Oriental Province of the Democratic Republic of Congo ("**DRC**"). The Corporation, through its DRC subsidiaries, holds mineral exploration licences ("**Exploitation Licences**") covering 606 square kilometers and exploration licences ("**Exploration Licences**") covering 2,544 square kilometres.

On March 20, 2009, Old Kilo was amalgamated with a wholly-owned subsidiary of the Corporation, which constituted the Corporation's "Qualifying Transaction" under the policies of the TSXV. The common shares of the resulting company (the "**Common Shares**") were listed on the TSXV on April 21, 2009 under the trading symbol "KLG". On April 30, 2009 the Common Shares commenced trading on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the trading symbol "02K".

Three Year History

Fiscal Year ended September 30, 2010

On October 6, 2009, Kilo announced that it had entered into a debt settlement agreement with GBM Minerals Engineering Consultants Limited ("**GMB**") to issue 861,303 Common Shares at a deemed price of \$0.45 per Common Share to settle past indebtedness owing to GBM relating to project management, procurement and engineering services provided to Kilo in the DRC. On December 22, 2009 amendments were made to the partnership agreement between

Richard Wynne (“**Wynne**”) and Kilo which was originally formed in May 2007 for the joint exploration for gold on twenty Exploration Licences comprising approximately 7,000 square kilometers. Under the terms of the amendments, Kilo was required (i) to make an upfront cash payment to Wynne of US\$200,000 and (ii) issue to Wynne 1,050,000 Common Shares and 500,000 warrants to be exercised within a two-year period at \$0.60. These obligations were fulfilled during the fiscal year ended September 30, 2010 and the 500,000 warrants expired unexercised on December 13, 2011. A further 250,000 warrants exercisable at the greater of \$0.52 and market price at the time of issuance were required to be issued to Wynne on the second anniversary of the effective date of the amendments if the Earn-In with Option to Joint Venture Agreement entered into on November 13, 2008, between KGL-ERW Sprl (“**KGL-ERW**”), Wynne and Rio Tinto Mining and Exploration Limited (“**Rio-Tinto**”) (the “**Initial Earn-In Agreement**”) granting an option to earn up a 75% interest in the KGL-ERW west property in respect of Iron Ore (the “**Isiro Iron Ore Project**”) was still in effect. Kilo was also required to make aggregate exploration expenditures of \$US2.5 million over a three-year term commencing on the effective date of the amendments. Wynne was required to transfer three additional Exploration Licences to KWR Iron Sprl (“**KWR-Iron**”). All payments received from Rio Tinto under the Initial earn-In Agreement were to be allocated 60% to Kilo and 40% to Wynne. The partnership agreement was further amended from time to time to adjust its terms to the passage of time.

On April 29, 2010, as contemplated by the Amended and Restated Earn-In Option to Joint Venture Agreement in respect of the Isiro Iron Ore Project entered into on August 18, 2009 between Rio-Tinto, KGL-ERW, Kilo and Wynne (the “**AREIA**”), KWR-Iron was formed and KGL-ERW’s participation therein was held directly as to 75% by Kilo and as to 25% by Wynne. At or around that same date, Wynne transferred its 25% participations in the share capital of respectively KGL-ERW and KWR-Iron to SUEZ Holdings Limited (“**Suez**”), an affiliated legal entity. On August 4, 2010 Kilo announced that it had amended the terms of its KGL-Somituri Sprl (“**KGL-Somituri**”) partnership which had originally been formed in July 2007 for the joint exploration for gold of twenty Exploration Licences and eight Exploitation Licences in the north-eastern DRC. Under the terms of the amendments, the same aggregate cash payments to the local DRC partners is required however, these payments were accelerated and could be satisfied at Kilo’s option by the issuance of Common Shares for an amount up to €450,000. The final payment was due upon official registration of the Licences in the name of KGL-Somituri and could be satisfied by the issuance of Common Shares. The aggregate exploration expenditures of €2,000,000 to be incurred by Kilo remained the same but the three-year term was extended to commence on the effective date of the amendments with credit being given for prior expenditures. The amendments also include, the right for the DRC 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 interest equity for either of (i) a 2% Net Smelter Return (“**NSR**”), or (ii) a 1% NSR plus a cash amount equal to €2 per ounce of proven mineral reserves.

On August 5, 2010, Kilo completed the first tranche of a private placement raising gross proceeds of \$1,037,060. A total of 5,185,300 units were issued each comprising of one Common Share and one-half of one warrant. Each whole warrant entitled the holder to acquire an additional Common Share at an exercise price of \$0.30 per Common Share until August 5, 2012. These warrants expired unexercised.

On August 25, 2010, Kilo completed the second tranche of the above mentioned private placement raising gross proceeds of \$300,000. A total of 1,500,000 units were issued each comprising of one Common Share and one-half of one warrant. Each whole warrant entitled the holder to acquire an additional Common Share at an exercise price of \$0.30 per share until August 25, 2012. These warrants expired unexercised.

On September 23, 2010, Wynne and Rio Tinto entered into a Call Option Agreement which gave Rio Tinto the right to acquire 15% of Suez’s 25% interest in KWR-Iron but only as it related to the Isiro Iron Ore Project. Suez retained its 25% interest in the other mineral rights, for instance, the right to explore for gold.

During the twelve month period ended September 30, 2010, exploration activities of the Corporation focused on the Masters Property and the Somituri Property.

Masters Property - Despite the exploration activities done on PR2634 and given that the Masters Property Exploration Licences were due for renewal in 2011 (which required a 50% relinquishment pursuant to the Mining Code 2002 of

DRC), coupled with significant exploration results from the Somituri Property, the Corporation made the decision to consolidate efforts on the most promising immediate exploration target where increased shareholder value appeared more favourable in a shorter time frame. As a result, the Exploration Licences expired on various dates up to October 9, 2011 and have not been renewed. Despite the untested potential of portions of the Masters Property, all acquisition and exploration costs associated with the Masters Property were written off in the year ended September 30, 2010 as the Corporation does not have any further plans to explore the Masters Property.

Sihu Property -The Corporation did not carry out any exploration activities on the Sihu and Poko properties during the fiscal year ended September 30, 2010. Registration of the Exploration Licences in the name of KGL-Sihu Sprl was confirmed in the year ended September 30, 2011. The Exploration Licences relating to the Sihu Property have been renewed until April 6, 2013.

Poko Property- As for the Poko Property, the exploration Licences expired on October 9, 2011 and have not been renewed. The Corporation has written off all acquisition and exploration costs associated with the Poko Property in the year ended September 30, 2012 as the Corporation does not have any further plans to explore the Poko Property.

Fiscal Year ended September 30, 2011

On October 7, 2010, Kilo completed the final tranche of the above mentioned private placement raising gross proceeds of \$3,662,940. A total of 18,314,700 units were issued each comprising of one Common Share and one-half of one warrant. Each whole warrant entitled the holder to acquire an additional Common Share at an exercise price of \$0.30 per Common Share until October 7, 2012. These warrants expired unexercised.

On November 5, 2010, Kilo announced that it had raised gross proceeds of an additional \$4,748,000 under its brokered private placement. A total of 23,740,000 units were issued, each comprising of one Common Share and one-half of warrant. Each whole warrant entitled the holder to acquire one additional Common Share at an exercise price of \$0.30 per share until November 5, 2012. These warrants expired unexercised.

Effective January 2, 2011, Rio Tinto completed the acquisition of Suez's 15% interest in the share capital of KWR-Iron.

On February 25, 2011, the Cadastre Minier of the DRC ("CAMI") approved and registered the transfer of Exploration Licences n^{os} 2229, 2230, 2231, 2285, 2286, 2287, 2288, 2289, 2290 and 2291 from KGL-EWR to KWR-Iron.

On or about April 12, 2011, by a Deed of Novation, Amendment and Restatement, Kilo and Wynne released KGL-EWR from the further performance of its obligations under the AREIA.

On May 12, 2011, the Corporation completed a short form prospectus offering pursuant to which it issued 50,000,000 units raising gross proceeds of \$10,000,000. Each unit consisted of one Common Share and one-half of one warrant. Each warrant entitles the holder to purchase one Common Share at a price of \$0.30 per Common Share at any time on or before May 12, 2013.

On May 26, 2011, Kilo adopted a Shareholder Rights Plan in order to provide the Board of Directors and the shareholders sufficient time to properly assess and evaluate any future unsolicited bid for control of the Common Shares or pursue alternates with a view to maximizing shareholder value. The Shareholder Rights Plan was ratified by shareholders at the annual and special meeting of the Corporation held on September 1, 2011.

On September 6, 2011, Kilo announced that amended terms had been agreed to for the final payment for the assignment of 12 Exploration Licences on the north-eastern DRC comprising the SIHU Property. Settlement of the remaining balance was effected by the issuance of 1,265, 217 Common Shares at a deemed price of \$0.23 per Common Share as well as a cash payment of \$40,000.

Fiscal Year ended September 30, 2012

On November 10, 2011, the Corporation closed a private placement pursuant to which it issued a total of 51,950,000 Common Shares at a price of \$0.20 per Common Share, for gross proceeds of \$10,390,000.

On December 31, 2011, Rio Tinto made an advanced payment on the option payment due on or before December 31, 2012 pursuant to the AREIA in respect of the Isiro Iron Ore Project. The payment amounted to the discounted sum of US\$1,428,125 from US\$1,500,000 in consideration for the accelerated payment. It was also confirmed that Rio Tinto had satisfied all other work commitments for the relevant period.

On February 3, 2012, completion of the registration of the Exploitation Licences comprising the Somituri Property was announced and the final payment to minority shareholders of KGL- Somituri was consequently satisfied by the issuance of 1,405,777 Common Shares and a cash payment of €30,000. In accordance with the DRC mining law, a 5% participation in KGL-Somituri was assigned to the State resulting in Kilo's participation in KGL-Somituri of 71.25%.

On March 15, 2012, Kilo announced the results of an updated NI 43-101 compliant inferred resource estimate which was filed on SEDAR on April 27, 2012. The Adumbi Technical Report concluded that the Adumbi gold deposit (contained within Exploitation Licence PE9691), at a cut-off grade of 0.5 g/t Au, hosts an inferred resource of 35.6 million tonnes containing 1.87 million ounces of gold grading 1.63 g/t Au. At a cut-off grade of 1.0 g/t Au the Adumbi gold deposit hosts an inferred resource of 24.6 million tonnes of inferred gold bearing rock containing 1.61 million ounces of gold grading 2.04 g/t Au. The true thickness of the gold bearing zone varies from 20 metres to 140 metres; drilling indicates gold mineralization extends to a vertical depth of at least 350 metres. The Adumbi Technical report also concluded that additional infill drilling, surveying, and bulk density determinations were required in order to re-classify resources into the indicated category.

On December 6, 2012, the Corporation announced the signing of a definitive agreement for a joint venture with Randgold Resources plc ("**Randgold**") over the gold assets of Kilo's KGL-EWR West Exploration Licences in the DRC. In accordance with the agreement, Randgold will undertake to finance all exploration for gold on the KGL-EWR West Exploration Licences for which they will obtain incremental ownership based on milestone events. Randgold has up to five years to complete a pre-feasibility study and a joint venture committee will manage the exploration programmes which will rely on knowledge and expertise from both companies.

The main terms of the agreement are:

- Randgold to earn 51% for the completion of a pre-feasibility study ("**PFS**")
- Kilo's right to maintain 49% post PFS
- Randgold to earn 65% for the completion of a bankable feasibility study ("**BFS**") should Kilo not contribute post PFS
- Kilo's equity to convert to 1.5% royalty if diluted to 10% or less
- Kilo keeps the exploration rights to all minerals not associated with gold
- PFS to be completed within 5 years
- BFS to be completed within 1 year after PFS, or such longer time to be agreed by the parties

The twelve Exploration Licences attributed to the JV Agreement namely PR 2226, PR 2227, PR 2229, PR 2230, PR 2231, PR2285, PR2286, PR 2287, PR2288, PR 2289, PR 2290, and PR 2291, total 2,056.76 km². Concurrent with the announcement of the JV Agreement, Kilo announced the withdrawal of Rio Tinto from its joint venture for iron ore on the KGL-EWR West Exploration Licences. These Exploration Licences had been the subject of the joint venture with Rio Tinto within the Isiro Iron Ore Project pursuant to which Kilo and its partner Suez had retained all non-iron mineral rights. Discussions between Kilo and Rio Tinto respecting the withdrawal process are in progress.

On December 6, 2012, Kilo also announced that it had reached an agreement to buy out its 25% minority partner, Suez, which has a free carried interest through production for non-iron commodities in the KGL-EWR West Exploration Licences under the current Kilo – Suez joint venture agreement. The buyout covers Suez's gold interest in the KWR-Iron

Exploration Licences, as well as Suez's interest in KGL-ERW Sprl which holds permits PR2226 and PR2274. The transaction involves a combination of installments of cash and Common Shares aggregating to US\$635,000 in cash and 356,000 Common Shares over a 6 year period, commencing with an initial share payment only. This transaction allows Kilo, upon the consideration being paid, to retain Randgold as its sole partner.

Details of the Corporation's properties technical and analytical results are published on SEDAR under Kilo's profile at www.sedar.com.

Significant Acquisitions

The Corporation did not complete any significant acquisitions during the fiscal year ended September 30, 2012 or in the subsequent period to date.

DESCRIPTION OF THE BUSINESS

General

The Corporation is a mineral exploration company focused on the exploration for gold on its properties in Oriental Province of the DRC. The Corporation, through its DRC subsidiaries, holds mineral Exploitation and Exploration Licences covering approximately 3,000 square kilometers of favorable Archaen Kabalian greestone in the Kilo-Moto area of the DRC.

The Corporation's strategy is to advance its projects from exploration through feasibility to project development and ultimately to full production in a socially and environmentally responsible manner. Kilo owns a 71.25% interest in KGL-Somituri, the registered holder of mineral rights on eight non-contiguous Exploitation Licences valid until 2039 and covering 606 square kilometers.

Specialized Skill and Knowledge

Various aspects of the Corporation's business require specialized skills and knowledge in various areas including geology, mine development, mining, milling, metallurgy, production, smelting and refining, mechanics, electrical power generation, transportation, finance and accounting. Despite the difficulty to recruit competent employees due to the increased activity in the mining sector, the Corporation has been able to locate and retain competent employees and consultants.

Competitive Conditions

The Corporation is a junior mining company that competes with other mining companies with greater financial and technical resources for the acquisition and development of, and production from, mineral properties, claims, leases and other interests.

Increasing competition in the mining sector has also impacted the level of demand respecting various services, equipment and supplies to carry out Kilo's operations. The Corporation also competes with other companies for qualified and key personnel with the skills and knowledge proper to the mining industry. The ability to recruit such personnel is directly linked to the Corporation's operational success. Despite the competitive conditions of the mining activities, the Corporation has been able to access the technical and human resources it needs to operate. See *Risk Factors- "Competition" and "Key Executives"*.

Environmental Protection

All phases of Kilo's operations are subject to environmental regulation in the jurisdiction in which it operates. The Corporation identifies issues that need to be managed using a number of tools, including environmental base line studies

and impact assessments and ensure that any impact on Kilo's operations has complied with the country's regulation or the International Finance Corporation ("IFC") guidelines, whichever is the more stringent.

Environmental legislation is evolving in a manner which requires stricter standards enforcements and more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for corporations and their officers, directors and employees. While manageable, this evolution might result in increased costs and decreased production and revenue to the Corporation in the current and future years.

The Corporation is aware that regulations do change and that retrospectively trying to meet new legislation is often technical and financially more onerous than designing systems to meet or exceed current international best practices. Any mine the Corporation develops, will be designed with the view of gaining ISO 14001 accreditation from the onset. As a Corporation we are cognisant of the fact that environmental protection cannot occur without socio-economic upliftment and the application of world class environmental operating standards and practices. See *Risk Factors-Environmental Matters*.

Foreign Operations

Kilo's business and everyday operations are dependent on its foreign operations in the DRC, Africa which are exposed to various levels of legal, political, and economic and operational risks and uncertainties associated with operating in a foreign jurisdiction. See *Risk Factors-Foreign Operations and Governmental Matters*.

Social and Environmental Policies

The Corporation is a proponent of grassroots sustainable social and economic development in and around the areas in which it operates and believes that understanding the needs and socio-economic drivers within a local community and the associated role players at a local, regional and national level are an integral part in the development of a successful mining operation. Accordingly, the Corporation uses and requests that its consultant apply International Council on Mining and Metals ("ICMM") and IFC guidelines and methodologies with respect to mapping out and defining stakeholders and undertaking and preparing the requisite socio-economic baseline assessments and management plans.

The Corporation has created the KGL Community Fund ("**KGL Fund**"), registered in Canada and the KGL Foundation ("**KGL Foundation**"). The KGL Fund and the KGL Foundation were established to manage and implement Kilo's socio-economical and environmental development initiatives, with the objective being to uplift and create socially, economically and environmentally sustainable communities that endow our operations with a social license to operate, support the operation of the mine and local communities and after mine closure, allow the communities left behind to be self-sustaining.

As part of this process, the KGL Fund and the KGL Foundation are responsible for implementing, managing and monitoring the community management initiatives/plans that arise from addressing the issues that are developed from the stakeholder assessment process and the environmental and socio-economic baselines studies. The KGL Foundation has initiated a number of projects including educational initiatives, regional malaria and health programmes, small business initiatives and the establishment of sport and recreational facilities.

MINERAL PROJECTS

Kilo's principal property interests are contained within PE9691, a description of which is provided below.

Adumbi Prospect - Somituri Property

Adumbi Technical Report

Information in this section is based on an independent technical report entitled "Updated Mineral Resource Estimate of the Adumbi Prospect, Oriental Province, Democratic Republic of Congo" dated April 2012 (the "Adumbi Technical Report"), prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") by Mr. David Young, BSc (Hons), FGSSA, MSAIMM, FAusIMM of independent geological consulting firm, the Mineral Corporation of South Africa. Mr. Young was a qualified person within the meaning of NI 43-101 for the 2011 calendar year on the Adumbi Prospect. The Adumbi Technical Report which was filed on SEDAR on April 27, 2012 is available under the Corporation's profile at www.sedar.com.

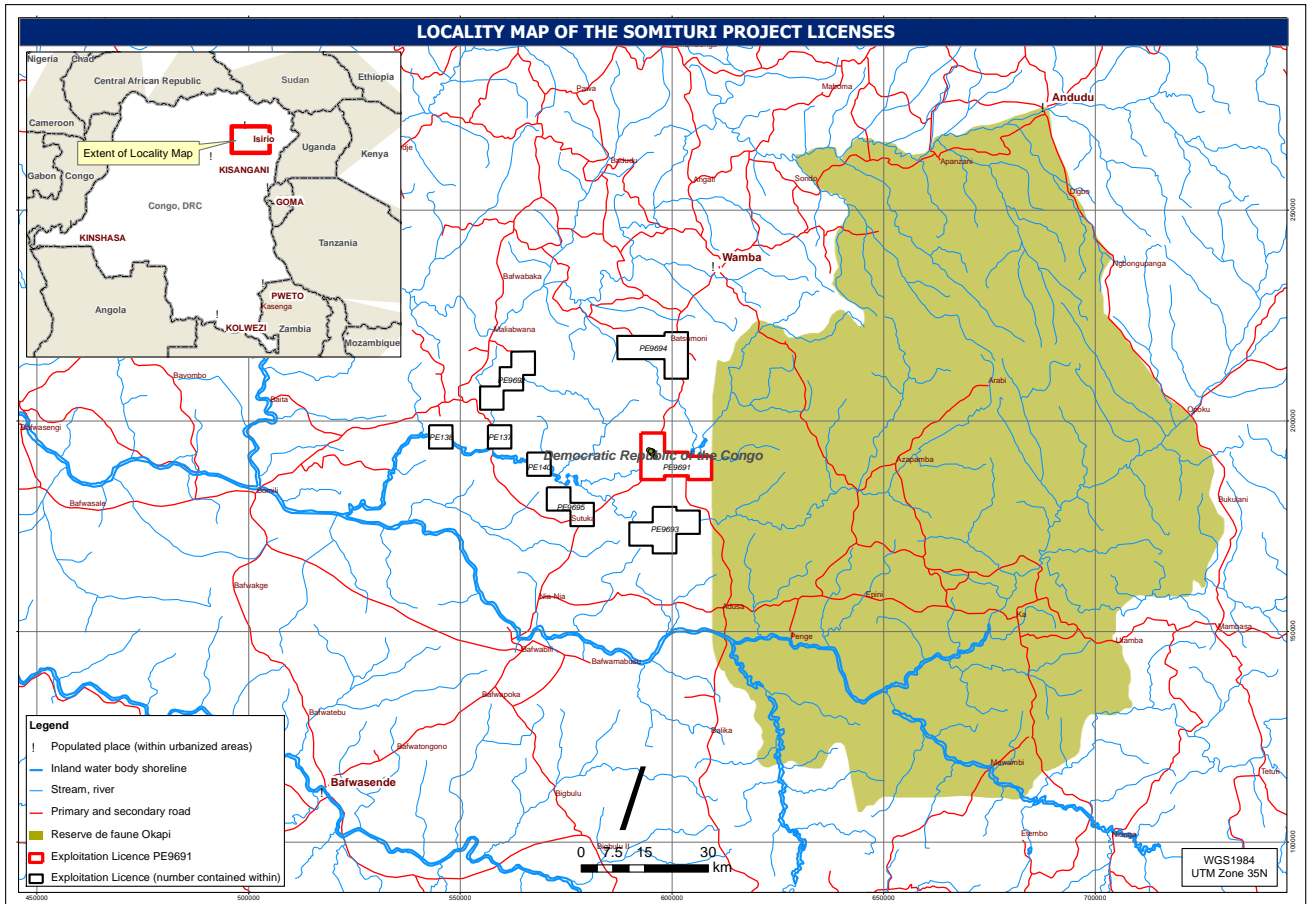
The following description of the Adumbi and Canal Prospects is based upon and in many cases is a direct extract of the disclosures contained in the Adumbi Technical Report as well as on assumptions, qualifications and procedures which are not fully described herein. However, information in this section arising subsequent to the date of the Adumbi Technical Report is provided by the Management of Kilo under the supervision of Mr. Stanley D. Robinson, M.Sc. P.Geo., a consultant to the Corporation, who is a "qualified person". The disclosure in this section is qualified in its entirety by reference to the full text of the Adumbi Technical Report.

Property Description and Location

The Somituri Property is composed of eight (8) Exploitation Licences: PE9691, PE9692, PE9693, PE9694, PE9695, PE137, PE138 and PE140.

Mineralised zones on the PE9691 include the former gold producers, Adumbi Prospect, Adumbi North Prospect, (Adumbi North was during the colonial-era, known as Bagbaie) Manzako Prospect, Kitenge Prospect, Maipinji Prospect, Canal Prospect, Vatican Prospect and Monde Arabe Prospect as well as a number of other auriferous quartz veins that were exploited during the Belgian administrative era.

PE9691 hosting the Adumbi Prospect, is located in the north-eastern DRC in the Mambasa and Wamba Territories, District of Ituri and Haut-Uele in Oriental Province (Province Orientale) of the DRC. The former Adumbi gold mine contained within PE9691 comprises approximately an area of 210 ha. Nia-Nia village is approximately half-way by road between Beni and Kisangani and situated about 30 kilometres south of the Adumbi Prospect. Kisangani is the capital of Oriental Province.



Mineral tenure for the Adumbi Prospect is through a Permis d'Exploitation (in English the Exploitation Licence) (a "PE"). PE 9691 for gold and diamonds was granted to Société Minère de l'Ituri sprl ("**Somituri**") for the period going from February 22, 2009 to February 22, 2039. PE9691 is held by KGL - Somituri SPRL ("**KGL Somituri**"), a DRC company to which Somituri irrevocably assigned its interest pursuant to an assignment agreement dated April 29, 2010. Registration of title in the name of KGL -Somituri was completed in January 2012. Kilo Goldmines Inc., a wholly-owned subsidiary of the Corporation, owns a 71.25% participation in KGL- Somituri. The balance of 28.75% is held 5% by the DRC and 23.75% by KGL-Somituri. The Adumbi Prospect is one of several gold prospects within PE9691.

In accordance with the Mining Regulations of the DRC, the surface area of an exploitation licence is measured in a unit defined as a "carré" (in English, a square) which is defined as an area that measures 30 seconds on each side. The sides must be oriented north-south and east-west. A square has an area of 84.955 hectares or 0.84955 square kilometres. The maximum size allowable for an exploration licence is 471 carrés. As an exploration licence can be converted into an exploitation licence it follows that the maximum possible size of an exploitation licence is also 471 carrés. PE9691 covers an area of 12,234 hectares.

The registered holder of the mineral rights has a 95% undivided interest in the exploitation licence, subject to the provisions of the Mining Code 2002 and the Mining Regulations. The remaining 5% interest is held by the State as a free carried interest.

Prior to carrying out exploration, holders of an exploration licence must obtain "final approval" from the Ministry of Mines. Pursuant to the Mining Code 2002, holders of an exploration licence must complete and submit for approval an "Étude d'Impact Environnemental et Plan de Gestion Environnemental" of the Project, (in English, an impact assessment

study and environmental management plan) (“**EIE-PGEP**”) in order to convert an exploration licence into an exploitation licence.

An EIE-PGEP report dated 11 December 2007 was prepared for the Exploration Licences which are now comprised in PE9691 and an acknowledgment receipt, number CE/5400/09, had then been issued by the CAMI.

All holders of a mineral right must pay annual rent and taxes to the Government of the DRC prior to March 31 of each year and maintain journals of administrative and technical activities.

Pursuant to a shareholders agreement dated April 29, 2010, which superseded all previous agreements among the KGL-Somituri shareholders, among other things, Kilo has committed to make exploration expenditures of 2,000,000 Euros during the three years following the agreement date with a minimum of 1,000,000 Euros during the first year (with credit given for prior expenditures). The full work commitment has been satisfied. Kilo has also agreed to finance all activities of KGL-Somituri, until the filing of a bankable feasibility study, by way of loans which bear interest at the rate of 5%. Within thirty days of the receipt of a bankable feasibility study, the minority partners may collectively elect to exchange their equity participation for either a 2% net smelter royalty, or a 1% net smelter royalty plus an amount equal to 2 Euros per ounce of proven mineral reserves. Randgold Resources Limited (current owners of Moto Goldmines Limited) has the right to buy back a 10% interest for US \$5 million provided that the feasibility study concludes to a minimum of 2 million ounces.

Kilo is not aware of any pre-existing environmental liabilities in relation to PE9691.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

PE9691 covers an undulating terrain that varies from about 600 metres above mean sea level (“**mamsl**”) to about 800 mamsl. The property is drained by numerous creeks and streams. The hills tend to have relatively steep slopes and the valley floors within the areas of the linear hills are relatively narrow. Away from the linear hills, the property is gently undulating and the entirety of PE9691 is heavily covered by the Ituri Tropical Rainforest.

PE9691 is accessible by an all-weather road northerly from Nia-Nia to Village 47 (47 kilometres north of Nia-Nia). Access within the property is via several gravel roads and trails. Away from areas of habitation and artisanal activity access is on foot through the dense forest growth.

Nia-Nia is accessible from the Ugandan border either through Mahagi in Orientale Province or through Kasindi in North Kivu Province. From Mahagi travel is via the all-weather road westerly to Bunia, Komanda, Mambasa, followed by Nia-Nia a distance of about 440 kilometres from the Ugandan border. From Kasindi travel is via the all-weather road westerly for 77 kilometres to Beni, then northerly to Komanda and westerly to Mambasa and on to Nia-Nia. The road north from Beni for 66 kilometres to the Oriental Province border was upgraded and paved in 2010. Nia-Nia is located about 360 kilometres east of Kisangani, the capital of Oriental Province. Bunia and Beni are accessible several days per week via regularly scheduled commercial flights from Entebbe, Uganda. Kilo maintains an administrative office in Beni. Nia-Nia is also accessible by charter aircraft from Beni, Bunia or Kisangani. Kilo owns and maintains a 1,200 meter long grass-covered laterite base air-strip in Nia-Nia, which can accommodate propeller driven aircraft including medium sized cargo planes.

Kisangani is on the Congo River which links the NE DRC with Kinshasa, the DRC capital city.

Entebbe (Uganda) is directly linked to South Africa, Europe, the United Kingdom and Asia via regularly scheduled commercial carriers. Entebbe is also linked to other African countries as well as Kinshasa, Lubumbashi and Kisangani via Nairobi, Kenya. In addition, Entebbe is linked to the DRC border points of Mahagi and Kasindi by paved highway from the deep sea port of Mambasa, Kenya.

PE9691 is located within a remote area of Oriental Province. Within the immediate environs there are a number of small villages connected to one another with unmaintained roads and trails. These villages are accessed by motorcycle, bicycle and on foot. In addition the larger rivers in the area provide access, at least part of the way, by dug-out canoe. The majority of these villages have less than 300 residents; several larger communities on the Nia-Nia to Wamba and Isiro road have populations exceeding several thousand residents.

The climate is typically tropical characterized by wet and dry seasons. The dry season covers the one to three month period of late December to February and the wet season covers the period of late February to late December. The average annual temperature is approximately 30°C. The annual low is approximately 19°C and the high is approximately 38°C and the annual rainfall is approximately 1,780 mm. The Corporation carried out exploration on PE9691 throughout the entire 12 months of 2010 and progress was not impeded by weather.

PE9691 is well situated for development of a mining operation, as it is at a low altitude in undulating topography amenable to construction of access roads. On-site infrastructure to support a hard-rock mining operation will have to be constructed. The immediate area will not be capable of supplying sufficient materials other than timber to support the construction of mine-site infrastructure. There is a significant local labor pool available for training and recruitment to any envisioned mining operation. Although some main roads dissect the district, it will be necessary to build access roads and bridges for any envisioned mine.

Under the DRC Mining Code 2002, an exploitation licence entitles its holder to the exclusive right to carry out, within the perimeter over which it has been granted, and during its term of validity, exploration, development, construction and exploitation works in connection with the mineral substances for which the licence has been granted, including, without restriction, to:

- enter the exploitation perimeter to conduct mining operations;
- build the installations and infrastructures required for mining exploitation;
- use the water and wood within the mining perimeter for the requirements of the mining exploitation;
- use, transport and freely sell his products originating from within the exploitation perimeter.
- proceed with concentration, metallurgical or technical treatment operations, as well as the transformation of the mineral substances extracted from the deposit within the exploitation perimeter; and
- proceed to carry out works to extend the mine.

The holder or lessee of mining rights must compensate the surface rights owner for the damages caused by the works they carry out in connection with mining activities. Any occupation of land depriving the rightful holders of enjoyment of the surface rights, any modification rendering the land unfit for cultivation, shall cause the holder or lessee of the mining rights, at the request of the holders of the surface rights to pay fair compensation, corresponding either to the rent or the value of the land at the time of its occupation, plus fifty per cent. In the absence of an amicable settlement between the parties within three months from the date on which the dispute arises, the compensation shall be determined by a competent court in the DRC.

History

From 1920 to 1959 gold was reported (unverified by the Corporation) to have been exploited from the Adumbi, Adumbi North, Kitenge and Maipinji mines contained within PE9691. During this period approximately 291,000 ounces of gold production was reported (unverified by the Corporation). Gold mining was also reported to have been carried out from alluvial sources on two of the other Somituri Exploration Licences.

Geological Setting

Regional Geology

Archaean gneisses and granite-greenstone terrains cover much of northeast DRC and extend into the Central African Republic (“**CAR**”), western Uganda and southern Sudan. Old basement gneisses, dated at about 3.5Ga, are known as the Bomu (amphibolite-pyroxene gneisses and granites) and West Nile Complexes. Scattered greenstone belts known as the Ganguan and Kibalian Greenstone Belts have been dated at older than 2.9Ga and 2.81Ga, respectively.

The Archaean Ganguan supracrustal series overlies the Bomu Complex, and includes quartzites, slates and metavolcanics (talc schists). It is considered to be part of the Kibalian-Ganguan greenstones. The Ganguan series is intruded by aplitic and quartz veins and by small doleritic massifs.

The Upper Congo Granite-Greenstone (“**UCGG**”) association of north DRC belongs to the granite-greenstone belts of northeastern DRC and CAR. In NE Congo, the greenstone belts are referred to as the Kibalian (Supergroup) of Archaean age. Greenstones form a number of zones of approximately 10 to 100 km² composed of metavolcanics and some metasediments. Granitoids form a significant part of the Precambrian rocks in northeastern DRC.

Some Upper Kibalian sediments have been identified with some andesitic volcanics, resting upon a Lower Kibalian volcanic granitoid association in DRC. The metavolcanics of the Lower Kibalian have been subdivided into ultramafic, mafic, intermediate and andesitic. The sediments of the upper Kibalian are pelites and banded iron formation (“**BIF**”, also referred to as itabirites). The Lower Kibalian is intruded by 2.81Ga old tonalites, whereas the Upper Kibalian is intruded by 2.46Ga old granodiorites and granites that represent most of the volume of the UCGG belt.

The UCGG associations of the Archaean greenstone belts of the northern Congo craton have been classified according to their characteristics and to that of their basement as, a) the type A UCGG association (about 95% of the gold output) consists of greenstones with abundant mafic-ultramafic volcanics and scarce sediments. Associated granitoids correspond to a typical TTG suite. The tonalites of this UCGG association intruded 2.8 - 2.9Ga ago, and b) the type B UCGG association comprises mafic-intermediate volcanics and sediments (mainly BIFs). Associated granodiorites and granites (2.4 - 2.5 Ga) represent most of the volume of the entire greenstone belts, intruded this type B association and its basement.

The areas of the volcanic-granitoid Lower Kibalian display a synclinal tectonic style, while the greenstones of the Upper Kibalian form belts less than 10 km wide, 30 - 60 km long, made up of units isoclinally folded along subvertical axial planes and horizontal axis. These units “float” within the granitoids.

Local Geology

PE9691 is located within the Upper Kibalian Paragneiss Complex, which regionally consists of quartzitic sandstone commonly containing pyrite, with lesser amounts of pelitic and graphitic shales, fine-grained quartzitic sandstone, banded sericite schists, quartz-sericite schists, phyllites, spotted schists, red banded shale and banded iron formation (“**itabirites**”).

Intrusive rocks in the area of PE9691, intruding indiscriminately all the basement formations, consist of possibly Late Proterozoic dolerite/diabase and doleritic gabbro and diorite. Quartz veins, are predominantly associated with the Upper

Kibalian. The Proterozoic Lindian metasedimentary rocks unconformably overlie the Kibalian rocks. Palaeozoic, Cenozoic and Quaternary metasediments and alluvial sediments are locally present within the project area. Post Karoo rocks are essentially represented by lateritic cuirassie. The Karoo formation comprises black shales, alluvial and alluvial deposits.

Property Geology

Gold in the Ngayu Greenstone Belt is known to be associated with siliceous chemical metasedimentary rocks including BIFs, and quartz veins. PE9691 is underlain by Upper Kibalian rocks. The dominant lithologies include a well bedded BIF unit, tuffaceous metasedimentary rocks from time to time referred to as greywacke, black shale and mafic intrusion.

Exploration

Prior Years:

Exploration carried out on the PE9691 for the year ended September 31, 2011 consisted of 7,105.46 metres of diamond drilling, 1,714.40 metres of trenching and the collection of 1,700 soil samples (including QC samples). Geological mapping consisted of local reconnaissance mapping; detailed mapping was not carried out. Trenching was carried out on the Adumbi (eight trenches for 444.70 metres), Canal (three trenches for 145.50 metres), Kitenge (five trenches for 736.10 metres) and Manzako (7 trenches for 388.10 metres) Prospects. The soil sampling covered the Kitenge and Manzako Prospects, in part at least, with samples collected at 20 metre intervals on lines 160 to 320 metres apart. The Adumbi North Prospect was also covered with the soil sampling survey at 20 metre intervals on 80 metre spaced lines. Diamond drilling was carried out on the Adumbi Prospect (31 holes for 4,729.43 metres) the Canal Prospect (four holes for 468.60 metres) the Kitenge Prospect (four holes for 789.19 metres), the Vatican Prospect (three holes for 842.66 metres) and the Manzako Prospect (two holes for 275.58 metres).

Exploration during the year ended September 30, 2012

Results for the Adumbi and Canal Prospects trenches, adits and drill holes, completed to calendar year end 2011 are incorporated into the Adumbi Technical Report. Exploration, other than mapping, was not carried out on the Adumbi Prospect and one abandoned drill hole was collared on the Canal Prospect during the nine month period ended September 30, 2012. Hence, the Adumbi Technical Report remains 'up-to-date' as of the date this document. Given that the deposit was not re-interpreted nor was additional analytical obtained, the NI43-101 compliant resource calculation completed in April 2012, remains valid as of the date of this document.

Results of exploration activities obtained to corporate year-ended September 31, 2012 which are either briefly or not referenced in the April 2012 Adumbi Technical Report, are presented herein.

Kilo carried out exploration on six of the eight Exploration Licences of the Somituri Property during the year ended September 30, 2012, consisting of diamond drilling, underground and surface geological mapping, soil and drill core sampling, petrographic study of select samples from one diamond drill hole, an airborne magnetic and aeromagnetic survey, data compilation and interpretation on the Somituri Property.

A total of 9,246.58 metres of diamond drilling was completed. Drilling consisted of: completion of two holes totalling 282 m on the Adumbi prospect; 18 holes on the Manzako Prospect totalling 3,639.67 m; one hole on the Lion Prospect totalling 203.7 m; 22 holes, plus one in progress, on the Kitenge Prospect totalling 4,826.81 m; one hole on the Senegal Prospect totalling 205.74 m; and one hole on the Canal Prospect totalling 89.47 m.

Subsequent to the year end, between September 30, 2012 and November 23, 2012, a total of a further 1,769.75 metres of diamond drilling was completed. This consisted of two holes on the Canal Prospect totalling 297.15 m; one hole on the Senegal prospect totalling 214.25 m; and 5 holes plus completion of one in progress as of September 30, 2012 on the Kitenge Prospect totalling 1,258.35 m.

A Magnetic and Radiometric Survey was carried out by South Africa based New Resolution Geophysics ("NRG") during

April 12th to 15th, 2012 using an Astar B-series helicopter. A total of 1,416 line-kilometres oriented at 040 – 220 degrees (magnetic) and spaced at 100 meter intervals were surveyed. The magnetic survey delineated a number of linear anomalies characterized by de-magnetization. In addition, a banded iron formation (“**BIF**”) over a strike length of 2 km, from the demarcated northwestern limit of the Adumbi-Canal gold deposit was revealed.

A total of 5,527 soil samples including duplicates and commercial quality control samples were collected on PE9691, over the Kitenge, Manzako, Canal, Vatican, Monde Arabe and Adumbi Prospects together with the areas between these prospects and the area extending to the western limits of the property. Sample spacing over the Manzako Prospect was predominantly at 20 m intervals on lines 80 m apart; elsewhere the sample spacing is predominantly on lines spaced 320 m, but locally spaced at 160 m intervals with a sampling interval of 20 m. All soil samples were collected at a vertical depth of one metre. The soil samples consist of all material present at the sampled depth; this material is pulverized in its entirety and analyzed for gold and multi-elements.

A further 5,913 soil samples were collected on other licences as follows: *PE9692* – 2,353; *PE9693* – 627; *PE9695* - 1,306; *PE137* – 833; *PE138* – 794 at a sample spacing of 100 m x 400 m. The sample depth was about 30 cm in flat lying areas and about 60 cm on hill slopes. During April 2012 sample preparation commenced at an on-site sample preparation facility. ALS Chemex built and manages the facility, which is owned by Kilo. All soil samples were submitted to the on-site sample preparation facility.

As of the date of this report analytical data has been received for 2,217 samples from PE9691 and the 2,353 samples collected on PE9692.

Accessible adits and underground workings were geologically mapped. The thicker portions of the BIF are considered due to folding; gold occurs in association with quartz veining hosted within shear zones controlled by the rheological contrasts between the BIF and the meta sedimentary rocks. A preliminary interpretation concludes that the preferential orientation of high grade gold zones hosted within the multiple parallel shear zones may be steeply plunging. One wall in each of two adits, with a cumulative total length of 290 metres, was continuously horizontal chip channel sampled; 294 samples including quality control samples were collected. The wall of one internal cross cut was also horizontal chip channel sampled over its 33 metre length; 38 samples including quality control samples were collected.

Mapping was carried out on the Manzako, Kitenge, and Vatican Prospects. Mapping was also carried out along a gold bearing structure that may be the northwest extension of the Kitenge Prospect; herein referred to as the Senegal Prospect.

Re-logging of the Adumbi gold deposit diamond drill core was carried out. The objective of this program is to add further details on mineralization, structure, alteration and lithology to enable a more definitive interpretation of the ore paragenesis. A total of 46 samples of previously unsampled intervals of drill core, from two holes, were submitted for gold analysis.

A total of 95 samples of drill core, each approximately 10 to 15 cm in length, were selected from Adumbi gold deposit diamond drill hole SADD0019 for petrographic studies by Vancouver Petrographics, British Columbia, Canada. The objective of this study is to determine the gold associations, alteration associated with mineralization and alteration associated with regional orogenic tectonics. A total of 23 samples of half drill core were also collected for gold analysis from drill hole SADD0019.

A total of 749.60 metres of trenching in seven trenches was completed, all on the Manzako Prospect. In addition, analytical results were obtained for trench SMTR008 excavated during year ended September 30th 2011. Subsequent to September 30, 2012 the geological interpretation concluded that the southeastern section of the prospect termed Manzako is actually a fault offset of the Kitenge Prospect. Hence this area was re-assigned as the Lion Prospect.

Trench	From (m)	To (m)	Interval (m)	Gold g/t
SMTR008	<i>Azimuth: 040 degrees</i>		<i>Length: 108.70 metres</i>	
	6.50	15.50	9.00	0.33
	35.30	42.80	7.20	1.11
	95.10	97.80	2.70	1.01
SMTR009	<i>Azimuth: 230 degrees</i>		<i>Length: 42.20 metres</i>	
	11.90	14.90	3.00	1.48
	28.30	37.50	9.20	0.44
SMTR010	<i>Azimuth: 230 degrees</i>		<i>Length: 35.20 metres</i>	
	10.10	19.10	9.00	0.62
SMTR011	<i>Azimuth: 220 degrees</i>		<i>Length: 48.60 metres</i>	
	28.40	33.90	5.50	0.34
	46.90	48.60	1.70	0.44
SMTR012	<i>Azimuth: 042 degrees</i>		<i>Length: 201.10 metres</i>	
	30.90	45.10	13.30	0.88
	79.40	83.10	3.70	1.22
	178.10	184.10	6.00	1.91
SMTR013	<i>Azimuth: 040 degrees</i>		<i>Length: 113.40 metres</i>	
	No significant gold values			
SMTR014	<i>Azimuth: 042 degrees</i>		<i>Length: 102.40 metres</i>	
	Analytical data not received			
SMTR015	<i>Azimuth: 040 degrees</i>		<i>Length: 206.70 metres</i>	
	Analytical data not received			

Mineralization

Mineralization on PE9691 is known to occur at Adumbi North Prospect, Adumbi/Canal Prospects, Kitenge Prospect, Manzako Prospect, Monde Arabe Prospect, Maipinji Prospect, Senegal Prospect and Vatican Prospect. The mineralization on PE9691 predominantly occurs as gold in association with sulphides, mainly fine grained pyrite but also arsenopyrite, pyrrhotite and chalcopyrite. Gold bearing mineralization on PE9691 is hosted within the BIFs, consisting of chert, magnetite BIF, hematite BIF and lesser amounts of chert banded with fine-grained clastic metasedimentary rocks and chert banded with black shale. Locally thin layers of black shale are interlayered with the BIFs.

Diamond drilling on PE9691 intersected gold-bearing mineralization over a strike length in excess of 2.0 kilometres. This gold mineralized structure strikes northwest–southeast and dips steeply too sub-vertically to the northeast. The drilling in the 1.2 kilometre long central section intersected mineralized BIFs over true widths in the order of 100 metres over a depth below surface of 350 metres.

Kilo has identified an inferred mineral resource of 35.6 million tonnes at a gold grade of 1.63g/t above a cut-off grade of 0.5 g/t on PE9691 in 2012 based on information available as of January 31, 2012. The inferred resource estimate is based on 40 of the 53 diamond drill holes collared on the Adumbi and Canal Prospects. Several drill holes were collared beyond the area of the estimated gold resource; the remainder were abandoned. The gold resource estimate has been on modelled on the basis of three discrete gold bearing zones separated with near barren zones. True thicknesses of gold bearing zones vary from 0.7 metres to 40 metres.

Gold mineralization within the Adumbi and Canal Prospects is related to the northwest trending shear zones, which dip steeply towards the northeast, and which in some parts of the area seem to utilise the competency contrast between two lithologies, namely the BIF - chert and the tuffaceous - greywacke metasedimentary rocks.

High gold values are associated with marked silicification (mainly quartz veining), coupled with iron- and magnesium-rich carbonate flooding and sulphidation of magnetite in the BIF. It has been observed that gold on in the Adumbi and Canal Prospects occurs in association with pyrite, pyrrhotite and arsenopyrite.

The following observations were also noted in historical literature reviewed; a) chalcopyrite and galena have been noted as being present, b) gold has been observed to occur within the pyrite as electrum, c) the highest gold grades do not have a direct correlation with the grades of arsenic, and d) ankerite and calcite were observed in addition to quartz associated with the gold mineralization in polished section.

Drilling

Prior periods:

The Corporation carried out 7,031.65 metres of diamond drilling on the Adumbi, Canal, Kitenge and Manzako Prospects from February 2010 to September 30, 2010. A total of 9,928 metres of diamond drilling on the Adumbi, Canal, Manzako, Vatican, and Kitenge Prospects from October 1, 2010 to September 30, 2011. The drilling in years ended September 30, 2010 and 2011 was carried out under contract with SENEX sprl, a DRC subsidiary of the drilling company Geosearch. Two helicopter portable Longyear 38 diamond drill rigs were utilized. Drill holes commenced with PQ size drill rods (core diameter of 85mm). Once the upper weathered zone and fractured formations had been drilled, the drill hole was reduced to HQ sized core (63mm) through the transition zone from highly weathered and/or oxidised units to fresh unweathered competent rocks. The fresh rock was drilled with NQ size drill rods, producing 48mm diameter core. Downhole survey data was collected at 15 m intervals using a Reflex EZ TRAC survey tool with a digital readout. The data was digitally stored, and manually transferred to the daily drill log sheets by SENEX sprl personnel. The location of the drill site collars was determined in the field with a hand held Garmin 60CSx GPS (WGS 84 Zone 35N UTM coordinates). The drill site preparation was generally completed manually, although a bulldozer was used on accessible sites. After clearing the drill pad, the collar site was pegged with respect to UTM coordinates determined by GPS. A compass was used to establish a line oriented with respect to magnetic north to indicate the drill hole azimuth. Once the drilling rig was moved onto the pad by a Eurocopter B3 helicopter, a Kilo geologist verified the set-up orientation of the drill hole by a clinometer and a compass. Rehabilitation of sites was carried out by SENEX. Concrete markers have been erected on all of the drill hole collars. Standard procedure is that drill rig personnel placed the recovered drill core into metal core trays labelled at the drill site with the drill hole number. End-of-run markers are placed in the core tray between the end and start of each recovered drill run. Information on core recovery, depth of the run, stickup length and ground conditions are recorded for each run and inspected by Kilo geologists. The core is transported from the drill site by helicopter, or vehicle, to the core yard facility at Kilo's exploration camp.

Diamond drilling on the Adumbi Prospect intersected gold-bearing mineralization over a strike length in excess of 2.0 kilometres. This gold mineralized structure strikes northwest-southeast and dips steeply sub-vertically to the northeast. The drilling in the 1.2 kilometre long central section intersected mineralised BIFs over true widths in the order of 100 metres over a depth below surface of 350 metres. (The true width is the width normal to the interpreted ore body sidewalls and can be generally considered as the horizontal width of the ore body).

Kitenge Prospect (2010 & 2011)

Gold values intersected in five diamond drill holes and one road channel drilled at 160 m to 480 m intervals along the northwest – southeast strike orientation of a Kitenge Prospect gold bearing shear zone in 2010 are presented below from southeast to northwest. Also presented below, interspersed in the same sequence, are five trenches, SKTR001 to SKTR005, and four drill holes SKDD0006 to SKDD0009 commenced during corporate year ended September 30, 2011. Some of the analytical data for the 2011 drill holes and trenches was received during the year ended September 30, 2012.

Hole/Trench	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	Gold g/t
Road Channel	<i>Azimuth: 20 degrees magnetic</i>		<i>Length: 139.00 metres</i>			
			20.00	23.00	3.00	0.77
SKDD0002	<i>Azimuth: 40 degrees magnetic</i>		<i>Length: 364.70 metres</i>			
	24797	60377	0.00	4.60	4.60	0.97
			28.30	32.70	4.40	0.40
			38.50	43.80	5.30	2.15
		includes	43.10	43.80	0.70	9.72
			184.50	187.70	3.20	0.86
SKTR005	<i>Azimuth: 20 degrees magnetic</i>		<i>Length: 139.00 metres</i>			
	24680		21.10	24.10	3.00	10.89
			92.80	97.80	5.00	0.32
SKDD0005	<i>Azimuth: 40 degrees magnetic</i>		<i>Length: 355.80 metres</i>			
	24643	60284	4.30	6.40	2.10	0.70
			245.30	252.30	7.00	0.33
SKDD0004	<i>Azimuth: 40 degrees magnetic</i>		<i>Length: 368.80 metres</i>			
	24640	60397	13.35	40.85	27.50	0.25
		includes	20.35	26.15	5.80	0.42
		and	32.85	37.35	0.44	4.50
			65.30	68.30	3.00	0.68
			116.95	131.00	14.05	1.35
		includes	116.95	125.10	8.15	1.89
		and	122.85	123.45	0.60	9.77
SKDD0007	<i>Azimuth: 220 degrees Dip: -50 degrees</i>		<i>Length: 97.40 metres</i>			
	24605	60198	93.52	96.26	2.74	1.43
			103.16	118.00	14.84	0.25
			131.23	132.03	0.80	0.42
SKDD0006	<i>Azimuth: 220 degrees Dip: -50 degrees</i>		<i>Length: 97.40 metres</i>			
	24605	60259	19.20	20.60	1.40	0.63
			48.64	50.04	1.40	0.59
			84.18	85.68	1.50	0.68
SKTR002	<i>Azimuth: 20 degrees magnetic</i>		<i>Length: 139.00 metres</i>			
	24600		99.00	107.20	8.20	1.15
			119.70	131.20	11.50	0.76
			162.90	194.00	31.10	0.76
SKDD0009	<i>Azimuth: 220 degrees Dip: -50 degrees</i>		<i>Length: 97.40 metres</i>			
	24530	60131	32.00	33.50	1.50	0.75
			38.70	39.50	0.80	1.64
			44.80	45.90	1.10	1.00
			64.60	65.60	1.00	5.25
			123.60	124.60	1.00	0.66
			139.10	142.60	3.50	0.17
			159.60	160.60	1.00	0.46

			182.60	183.60	1.00	2.27
			189.60	190.20	0.60	1.47
			218.90	225.60	6.70	0.54
SKTR004	<i>Azimuth: 20 degrees magnetic</i>	<i>Length: 139.00 metres</i>				
	24520		96.00	97.80	1.80	0.80
			118.40	119.40	1.00	1.19
			132.00	134.80	2.80	0.34
			150.30	151.00	0.73	0.70
SKDD0008	<i>Azimuth: 220 degrees</i>	<i>Dip: -50 degrees</i>	<i>Length: 97.40 m</i>			
	24450	60173	0.75	2.30	1.55	0.44
			69.50	72.00	2.50	0.54
			79.80	80.80	1.00	0.54
			92.20	93.10	0.90	1.42
			142.70	147.30	4.60	0.52
			152.40	153.40	1.00	0.49
			163.00	170.60	7.60	0.30
			176.60	177.90	1.30	0.87
SKDD0003	<i>Azimuth: 40 degrees magnetic</i>	<i>Length: 369.60 metres</i>				
	24153	60441	133.50	136.80	3.30	6.71
		includes	134.65	135.60	0.95	21.40
			201.70	203.70	2.00	0.46
SKTR003	<i>Azimuth: 20 degrees magnetic</i>	<i>Length: 139.00 metres</i>				
	24010		82.25	95.10	12.85	1.05
			136.00	143.00	7.00	0.61
SKDD0001	<i>Azimuth: 40 degrees magnetic</i>	<i>Length: 256.60 metres</i>				
	23845	60486	0.00	2.00	2.00	0.39
			16.00	17.00	1.00	0.65
			30.00	36.00	6.00	2.46
		includes	35.00	36.00	1.00	12.40
			106.30	117.30	1.00	2.18
			146.40	148.30	1.90	0.75
SKTR001	<i>Azimuth: 20 degrees magnetic</i>	<i>Length: 139.00 metres</i>				
			9.00	11.30	2.30	4.56
			31.60	34.00	2.40	1.26

Note: Trench SKTR001 is on the Senegal Prospect.

Vatican Prospect – 2011

Analytical results of three drill holes totalling 842.66 metres, although drilled in corporate year-ended September 30, 2011, were received during the year-ended September 30, 2012. Gold intersections obtained in each of the drill holes are presented below.

Drill Hole	From (m)	To (m)	Interval (m)	Gold g/t
SVDD0001	<i>Azimuth: 040 degrees</i>	<i>Dip: -50 degrees</i>	<i>Length: 301.70 m</i>	

43.30	45.70	2.40	6.31
55.90	57.40	1.50	3.66
78.60	82.90	4.30	0.59
106.80	107.90	1.10	8.70
147.30	148.30	1.00	1.65
157.10	160.70	3.60	8.33

SVDD0002 *Azimuth: 040 degrees Dip: -50 degrees Length: 229.68 metres*
No anomalous gold values

SVDD0003 *Azimuth: 220 degrees Dip: -50 degrees Length: 311.28 metres*

28.90	29.90	1.00	0.38
191.08	191.98	0.90	0.31
204.68	205.78	1.10	1.35
221.38	222.58	1.20	0.46
226.88	227.68	0.80	0.51
235.38	236.38	1.00	0.35
256.28	257.38	1.10	1.11
261.88	262.68	0.80	0.43
267.48	268.28	0.80	0.51
273.78	276.68	2.90	0.55

Drill holes SVDD0001 and SVDD0003 were, in essence, collared on the same section line but drilled in opposite directions to evaluate a series of parallel historical workings. Drill hole SVDD0002 was drilled into the hangingwall of the historical workings to explore for 'blind' parallel zone(s) of gold mineralization.

Manzako Prospect - 2010 & 2011

Three diamond drill holes collared on the Manzako Prospect in corporate year ended September 30, 2010 returned the following gold intersections.

Drill Hole	From (m)	To (m)	Interval (m)	Gold g/t
SMDD0001	<i>Azimuth: 040 degrees Length: 316.70 m</i>			
	No anomalous gold values			
SMDD0002	<i>Azimuth: 040 degrees Length: 316.70 m</i>			
	24.40	28.30	3.90	3.32
	75.30	78.30	3.00	0.60
	94.20	98.90	4.70	9.37
SMDD0003	<i>Azimuth: 040 degrees Length: 361.80 metres</i>			
	147.50	149.90	2.40	2.63
	183.80	184.70	0.90	2.10
	217.80	219.00	1.20	5.49
	236.80	243.30	6.50	7.76
includes	236.80	241.80	5.00	9.92
and	236.80	239.00	2.20	21.40
	249.70	251.10	1.40	0.47
	282.60	284.20	1.60	5.83

Diamond drill hole SMDD0002 targeted a +2 km gold bearing structure exploited near surface during the colonial-era. SMDD0003 was collared 350 metres southeast of SMDD0002 to intersect the same gold bearing structure along strike.

During the year-ended September 31, 2011 assay results of the first seven trenches, and two additional diamond drill holes, in an ongoing trenching and drilling program aimed at evaluating a number of gold bearing structures were received. Gold intersections are presented below.

Trench	From (m)	To (m)	Interval (m)	Gold (g/t)	
SMTR001	<i>Azimuth: 230 degrees</i>	<i>Length: 19.40 metres</i>			
	5.30	12.40	7.10	0.52	
SMTR002	<i>Azimuth: 040 degrees</i>	<i>Length: 57.10 metres</i>			
	17.80	18.80	1.00	0.47	
	56.30	57.10	0.80	0.44	
SMTR003	<i>Azimuth: 040 degrees</i>	<i>Length: 31.70 metres</i>			
	0.00	31.70	31.70*	4.39	
includes *	8.60	22.20	13.60	8.99	
	<i>*1 metre not sampled</i>				
SMTR004	<i>Azimuth: 040 degrees</i>	<i>Length: 38.10 metres</i>			
	21.20	22.30	1.10	0.43	
SMTR005	<i>Azimuth: 224 degrees</i>	<i>Length: 44.50 metres</i>			
	5.00	6.00	1.00	0.44	
	9.00	10.00	1.00	5.03	
SMTR006	<i>Azimuth: 220 degrees</i>	<i>Length: 44.30 metres</i>			
	no elevated gold values				
SMTR007	<i>Azimuth: 220 degrees</i>	<i>Length: 44.30 metres</i>			
	0.00	8.50	8.50	1.90	
	includes	0.00	0.80	0.80	10.65
	and	6.30	8.50	2.12	3.30
		18.20	19.20	0.31	1.00
		29.90	35.40	0.35	5.50

Gold intersections obtained in the year ended September 30, 2012 for two holes drilled in the year ended September 30, 2011 to undercut the gold intersection obtained in Trench SMTR0003 are presented below.

Drill Hole	From (m)	To (m)	Interval (m)	Gold g/t
SMDD0004	<i>Azimuth: 220 degrees</i>	<i>Length: 100.00 metres</i>		
	19.30	20.70	1.40	10.55
	25.20	30.50	5.30	7.62
SMDD0005	<i>Azimuth: 220 degrees</i>	<i>Length: 175.68 metres</i>		
	114.68	115.80	1.12	1.26
	118.30	128.34	10.04	1.24
	includes	118.30	126.68	8.38

Drilling during the year-ended September 30, 2012

During corporate Q1 - 2012 Senex completed two drill holes on Adumbi for a total of 282 metres and their drills were de-mobilized. Congo Core ETS, a DRC based drilling company was awarded a 10,000 metre contract. Two new Zenix-A5 diamond drill rigs were sourced from Nanaimo, British Columbia. By 2012 corporate year-end 40 drill holes totaling 9,246.58 m were completed. Drilling was carried out on the Manzako Prospect with 18 holes totaling 3,639.67 m, the Kitenge Prospect with 22 holes, plus one in progress, totaling 4,826.81 m, the Lion Prospect with one 203.70 m hole, the Canal Prospect with one 89.74 m hole and the Senegal Prospect with one 205.74 m hole.

In the period subsequent to year-end, between September 30 and to November 23, 2012, a total of 1,769.75 m was completed in six holes plus completion of one in progress as of September 30, 2012. These drill holes targeted the Senegal Prospect with one 214.25 m hole, the Canal Prospect with 297.15 m and the Kitenge Prospect with five diamond drill holes, plus completion of one in progress for a total of 1,258.35 m.

Two unitized Zenix A-5 drill rigs were utilized and movement between drill sites was by Kilo's bulldozer. Drill holes commenced with HQ size drill rods (core diameter of 63mm). Once the upper weathered zone and fractured formations had been drilled, the drill hole was reduced to NQ size drill rods, producing 48mm diameter core. Downhole survey data was collected at 15 m intervals using a Reflex EZ TRAC survey tool with a digital readout. The data was digitally stored, and downloaded by Kilo's geologists to a Kilo computer. The location of the drill site collars was determined in the field with a hand held Garmin, 60CSx or 62SC, GPS (WGS 84 Zone 35N UTM coordinates). The drill site preparation was generally completed by bulldozer. Following drill pad clearing, the collar site was pegged with respect to UTM coordinates determined by GPS. A compass was used to establish a line oriented with respect to magnetic north to indicate the drill hole azimuth. Once the drill rig was moved onto the pad by bulldozer, a Kilo geologist verified the set-up orientation and dip of the drill hole by compass and clinometer respectively. Rehabilitation of dill sites was carried out by Kilo and Congo Core. Concrete markers have been erected on all of the drill hole collars. Standard procedure is that drill rig personnel placed the recovered drill core into metal core trays labelled at the drill site with the drill hole number. End-of-run markers are placed in the core tray between the end and start of each recovered drill run. Information on core recovery, depth of the run, stickup length and ground conditions are recorded for each run and inspected by Kilo geologists. The core is transported from the drill site by Kilo vehicle, to the core yard facility at Kilo's exploration camp.

Kitenge Prospect

Listed in the following table, by section line from the southeast to the northwest are the drill holes and gold intersections obtained as of January 22, 2013.

Drill Hole	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	Gold g/t
SKDD0027	<i>Azimuth: 222 degrees</i>		<i>Dip: -50 degrees Length: 236.75 m</i>			
	24956	60481	56.30	62.30	7.17	0.92
			143.50	149.95	6.45	0.85
			157.46	159.34	1.88	0.79
			188.86	190.59	1.73	1.06
		201.08	203.68	2.60	0.71	
SKDD0026	<i>Azimuth: 215 degrees</i>		<i>Dip: -50 degrees Length: 268.64 m</i>			
	24948	60622	253.63	260.13	6.50	1.14
SKDD0025	<i>Azimuth: 216 degrees</i>		<i>Dip: -50 degrees Length: 435.40 m</i>			
	24804	60528	24.35	26.55	2.20	1.28
			35.20	36.90	1.70	0.42
			39.80	40.30	0.50	0.42
		49.08	50.08	1.00	1.07	

			60.50	69.25	8.75	0.27
			95.35	99.10	3.75	0.43
			111.20	113.34	2.14	0.72
			166.74	169.74	3.00	0.52
			188.95	198.37	9.42	0.36
			209.08	210.08	1.00	0.36
			213.78	214.78	1.00	0.33
			219.78	223.50	3.72	0.42
			229.20	230.20	1.00	1.25
SKDD0012	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 242.15 m</i>			
	24641	60623	118.00	121.33	3.33	0.62
			210.00	216.00	6.00	1.06
			221.00	224.00	3.00	0.35
SKDD0010	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 310.97 m</i>			
	24641	60514	273.00	275.00	2.00	0.51
SKDD0011	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 200.00 m</i>			
	24639	60498	6.65	23.35	16.70	1.32
			61.13	64.04	2.91	0.27
			85.00	87.00	2.00	0.43
			102.60	106.00	3.40	0.47
			114.37	117.10	2.73	0.57
			121.50	122.05	0.55	1.03
			174.50	178.50	4.00	0.62
SKDD0013	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 215.40 m</i>			
	24471	60556	47.45	49.60	2.15	1.06
			109.00	111.00	2.00	2.01
			161.00	165.00	4.00	0.53
			200.00	202.42	2.42	1.08
SKDD0015	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 205.45 m</i>			
	24317	60589	71.60	73.82	2.22	0.55
			101.60	102.60	1.00	0.32
			149.65	151.65	2.00	1.09
SKDD0014	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 47.80 m</i>			
	24316	60576	abandoned – re-drilled as SKDD0015			
SKDD0028	<i>Azimuth: 223.5 degrees</i>		<i>Dip: -45 degrees Length: 343.20 m</i>			
	24152	60446	160.30	166.30	6.00	0.42
SKDD0022	<i>Azimuth: 217 degrees</i>		<i>Dip: -50 degrees Length: 269.10 m</i>			
	24151	60570	4.90	7.95	3.05	1.13
			53.65	55.10	1.45	0.33
			71.35	74.30	2.95	9.19
			261.00	263.00	2.00	0.55
SKDD0024	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 265.90 m</i>			

	24150	60669	189.92	192.00	2.08	1.97
SKDD0023	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 56.75 m</i>			
	24150	60672	abandoned re-drilled as SKDD0024			
SKDD0020	<i>Azimuth: 216 degrees</i>		<i>Dip: -50 degrees Length: 223.60 m</i>			
	24020	60782	0.00	1.75	1.75	0.33
SKDD0037	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 211.80 m</i>			
	24014	60679	100.00	101.00	1.00	1.22
			121.40	123.00	1.60	7.25
SKDD0035	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 293.20 m</i>			
	24012	60664	165.80	169.55	3.75	27.08
			178.40	182.00	3.60	0.73
			235.85	237.40	1.55	0.78
			278.20	284.20	6.00	0.74
SKDD0021	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 243.05 m</i>			
	24006	60593	19.40	21.00	1.60	0.56
			61.30	65.18	3.88	1.38
			78.20	84.00	5.80	42.24
			131.00	133.00	2.00	0.30
			156.60	157.30	0.70	0.98
			199.05	203.60	4.55	0.58
SKDD0033	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length:</i>			
	23934	60924	abandoned re-drilled as SKDD0034			
SKDD0034	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 221.50 m</i>			
	23934	60924	116.78	117.62	0.84	8.00
			166.62	170.36	3.74	0.68
			177.05	177.73	0.68	3.26
SKDD0036	<i>Azimuth: 220 degrees</i>		<i>Dip: -65 degrees Length: 299.00 m</i>			
	239348	60622	166.24	168.35	2.11	14.57
			224.50	227.05	2.55	1.35
			235.47	238.48	3.01	0.30
			247.00	248.00	1.00	13.00
			265.55	266.55	1.00	0.55
SKDD0019	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 161.40 m</i>			
	23849	60586	46.19	48.65	2.46	2.07
			107.10	108.20	1.10	1.11
SKDD0031	<i>Azimuth: 217 degrees</i>		<i>Dip: -50 degrees Length: 188.00 m</i>			
	23767	60637	76.11	78.27	2.16	1.02
			87.35	89.36	2.01	0.65
			114.07	116.55	2.48	4.23
			140.48	141.85	1.37	0.47
			178.46	183.87	5.41	0.82
SKDD0032	<i>Azimuth: 220 degrees</i>		<i>Dip: -65 degrees Length: 278.00 m</i>			

	23767	60637	107.16	116.17	9.01	0.70
			124.91	132.50	7.59	1.35
			157.30	166.00	8.70	1.35
SKDD0018	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 227.10 m</i>			
	23693	60604	16.40	19.10	2.70	0.90
			60.20	62.20	2.00	0.65
			70.85	74.77	3.92	13.60
			88.77	89.77	3.31	1.00
			99.77	100.77	1.00	0.30
			196.54	198.54	2.00	0.87
SKDD0029	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 177.05 m</i>			
	23604	60654	59.75	60.95	1.20	1.30
			71.90	76.13	4.23	0.89
			111.70	116.88	5.18	1.05
SKDD0030	<i>Azimuth: 220 degrees</i>		<i>Dip: -65 degrees Length: 203.05 m</i>			
	23604	60654	55.42	58.12	2.70	1.24
			152.70	160.50	7.80	11.47
SKDD0016	<i>Azimuth: 216 degrees</i>		<i>Dip: -50 degrees Length: 14.60 m</i>			
	23529	60648	abandoned re-drilled as SKDD0017			
SKDD0017	<i>Azimuth: 216 degrees</i>		<i>Dip: -50 degrees Length: 246.45 m</i>			
	23529	60648	11.60	12.45	0.85	3.20
			50.27	51.27	1.00	3.43
			100.15	105.84	5.69	1.62
			141.66	143.66	2.00	0.84
			157.66	158.85	1.19	1.66

Manzako Prospect

Listed below, are the gold intersections obtained in a series of Manzako Prospect drill holes, from southeast to northwest collared at about 160 m intervals to evaluate an approximate 2.2 km long gold bearing structure. All analytical data has been received for the 2012 drill core samples submitted for gold assay.

Drill Hole	From (m)	To (m)	Interval (m)	Gold g/t
SMDD0022	<i>Azimuth: 223 degrees</i>		<i>Dip: -50 degrees Length: 250.55 m</i>	
	79.26	81.00	1.74	2.00
	87.10	88.50	1.40	0.74
	109.55	111.70	2.15	3.34
	201.86	217.55	15.69	0.85
	202.86	211.60	8.74	1.11
SMDD0008	<i>Azimuth: 220 degrees</i>		<i>Dip: -50 degrees Length: 80.85 m</i>	
	74.85	77.85	3.00	168.21
includes	76.05	76.35	0.30	1,680.00
SMDD0009	<i>Azimuth: 222 degrees</i>		<i>Dip: -50 degrees Length: 168.85 m</i>	
	83.55	87.85	4.30	43.04

	includes	84.75	87.85	3.10	59.50
		103.00	104.00	1.00	0.61
		124.00	125.00	1.00	0.87
SMDD0007	<i>Azimuth: 220 degrees</i>			<i>Dip: -50 degrees</i>	<i>Length: 206.30 m</i>
		120.75	121.50	0.75	0.40
		151.00	151.75	0.75	2.07
		169.00	170.00	1.00	0.77
SMDD0010	<i>Azimuth: 217 degrees</i>			<i>Dip: -50 degrees</i>	<i>Length: 160.86 m</i>
		17.75	22.45	4.70	0.71
SMDD0011	<i>Azimuth: 216 degrees</i>			<i>Dip: -50 degrees</i>	<i>Length: 206.40 m</i>
		47.16	48.16	1.00	0.38
		118.50	119.40	0.90	0.44
SMDD0012	<i>Azimuth: 220 degrees</i>			<i>Dip: -50 degrees</i>	<i>Length: 193.85 m</i>
		15.85	16.85	1.00	0.72
		29.45	32.55	3.10	0.35
		95.55	96.45	0.90	0.38
		114.55	117.55	3.00	0.52
SMDD0014	<i>Azimuth: 223 degrees</i>			<i>Dip: -50 degrees</i>	<i>Length: 221.20 m</i>
		53.50	57.95	4.45	1.89
		72.75	73.75	1.00	0.37
		78.40	79.20	0.80	1.07
		83.25	83.95	0.70	0.38
		92.10	93.10	1.00	0.32
		99.20	102.25	3.05	4.75
	Includes	100.20	102.25	2.05	6.98
		137.05	139.55	2.50	0.48
		178.80	180.30	1.50	9.62
SMDD0015	<i>Azimuth: 215 degrees</i>			<i>Dip: -46 degrees</i>	<i>Length: 199.95 m</i>
		53.40	54.90	1.50	0.45
SMDD0016	<i>Azimuth: 218 degrees</i>			<i>Dip: -48 degrees</i>	<i>Length: 210.05 m</i>
		24.70	26.20	1.50	0.55
		68.75	75.30	6.55	1.49
		102.40	103.65	1.25	0.53
		110.15	111.20	1.05	2.30
		136.70	139.00	2.30	2.40
		143.50	145.00	1.50	0.45
		180.80	185.20	4.40	2.00
SMDD0017	<i>Azimuth: 218 degrees</i>			<i>Dip: -51 degrees</i>	<i>Length: 207.45 m</i>
		81.00	83.70	2.70	6.68
		103.75	112.90	9.55	2.72
		132.00	134.25	2.25	0.79
SMDD0018	<i>Azimuth: 218.5 degrees</i>			<i>Dip: -52 degrees</i>	<i>Length: 281.05 m</i>
		49.50	63.40	13.90	0.91

includes	49.50	52.50	3.00	0.64
and	60.21	63.40	3.19	3.17
	126.83	129.40	4.07	17.25
includes	126.83	127.90	1.07	63.80
	142.35	143.00	0.65	6.72

SMDD0019 *Azimuth: 215 degrees* *Dip: -68 degrees Length: 218.55 m*
 82.25 82.65 0.40 1.06
 88.20 90.00 1.80 1.43
 183.30 184.45 1.15 8.54

SMDD0020 *Azimuth: 213 degrees* *Dip: -50 degrees Length: 301.40 m*
 46.45 47.50 1.05 0.79
 53.81 56.81 3.00 2.43
 100.51 102.15 2.00 23.46
 includes 100.15 101.15 1.00 45.10
 175.97 176.97 1.00 1.32

SMDD0021 *Azimuth: 219 degrees* *Dip: -50 degrees Length: 220.70 m*
 39.45 40.10 0.65 0.60
 45.55 47.35 1.80 2.10
 89.20 94.35 5.15 0.42

Manzako Prospect drill hole SMDD0023 undercut drill hole SMDD0004 that was collared to undercut trench SMTR003.

SMDD0023 *Azimuth: 220 degrees* *Dip: -50 degrees Length: 97.40 m*
 38.45 41.50 3.05 2.54
 56.60 58.10 1.50 1.18
 65.90 73.50 7.60 3.91
 includes 68.25 72.00 3.75 7.44

Manzako Prospect drill holes SMDD0006 and SMDD0013 were collared to evaluate short parallel gold mineralized zones within the hangingwall of the 2.2 km long gold bearing structure.

SMDD0006 *Azimuth: 220 degrees* *Dip: -50 degrees Length: 205.06 m*
 98.75 102.00 3.25 0.62

SMDD0013 *Azimuth: 224 degrees* *Dip: -50 degrees Length: 209.20m*
 28.00 29.80 1.80 0.42
 63.10 64.00 0.90 0.40

Lion

The drill hole collared on the Lion Prospect returned gold values of 10.04 m @ 0.58 g/t Au and 7.42 m @ 0.34 g/t Au.

Senegal

A drill hole collared 800 m northwest of Kitenge drill hole SKDD0017 intersected 3.30 m @ 2.49 g/t Au and 3.85 m @ 0.97 g/t Au.

Canal Prospect :As of the date of this report assay data had not been received for the two completed drill holes on Canal and the abandoned drill hole did not reach the mineralized target.

Sampling and Analysis

Prior years

Trench samples were dug by labourers, using picks and shovels to bedrock where practicable. Sampling commenced following completion of geological logging of trenches. In mineralised sections, and sections of geology considered to be favourable for mineralisation, a maximum sample length of 1.0m was applied. Approximately 1.5m sample lengths within deemed to be un-mineralised, lithologies were generally applied. Sampling intervals did not cross lithological boundaries, with the exception where the presence of narrow veining hosted within a unit were sampled. After all the sample intervals were marked, continuous channel samples were collected from each marked interval, under the supervision of the geologist. Sampling took place along one wall of the trench to minimise the possibility of contamination.

The drill core (laid in appropriately sized SANDVIK metal core trays) was transported from the drill site in an aluminium bin by helicopter, using a sling, or transported by vehicle if there was road access. Prior to logging and sampling the drill core was digitally photographed in order to maintain a permanent record. In addition the 'end-of-run' depth markers, rock quality determinations ("RQD") and a record of the down-hole metre depth of drill core in each core tray were recorded. All of the drill core photographs were downloaded into the Somituri Project database retained in the Corporation's computers on site and in the corporate office in Toronto, Canada.

One metre sample lengths were marked on the core in the BIF horizon during logging. The sample depths for each sample were entered into a sample ticket book, which contained removable duplicate sample ticket tags. The core sample numbers and sample intervals were written onto pre-printed diamond drill log forms. Each marked sample was split along its length by trained staff using a dedicated drill core diamond saw. The core was broken at the sample position marks using a geological pick. The 1m sampling lengths were reduced when necessary, e.g. where lithological contacts or core size changes were encountered, with the bottom/top end of the sample being about 2cm from the contact. One half of the core was replaced in the core tray and the remaining half was placed in a plastic sample bag, in which the sample number is folded in along the open end of the bag, which was then closed using a stapler. Sample tags were placed in the core box at the position of the bottom end where samples had been obtained. A brick was sawn ("brick cleaning") after each sample had been split to ensure that no cross-contamination takes place between samples.

The total length of core through the BIF horizon was sampled and a further 30m above and below the contacts with the hanging- and footwalls. Sample lengths in the hangingwall and footwall were locally increased to 2m. Hanging- and footwall zones where there are any features, such as sulphide concentrations, which may be gold-bearing, were also sampled. Sampling intervals ranged between 0.5m – 2.0m, depending on lithological and alteration characteristics. Samples in the mineralised section were generally 1.0m in length or less. Samples did not cross lithological, alteration, or sulphide mineralization boundaries or where core size was changed.

The individual samples were placed into large rice bags, labelled and weighed and retained in locked storage on-site. Samples were transported in the Corporation's owned vehicles to the Corporation's administrative office in Beni, and then to ALS Chemex in Tanzania by a commercial freight forwarding agent.

The following table shows a summary of samples (including quality control samples) submitted to ALS Chemex Laboratories for analysis during the years ended September 30, 2010 and September 30, 2011:

Sample Type	No of Samples	No of Standards	No of Blanks	No of Duplicates	Total QC samples (%)
Adit	512	11	18	0	
Drill hole	6,838	158	251	0	
Trench	818	22	36	43	
Total	8,168	191	305	43	
% of Field Samples	100	2.3	3.7	0.5	6.6

The following items have the potential to affect reliability of analytical results based on The Mineral Corporation's observations: (i) chain of custody during sample transport; (ii) possible sample contamination within the laboratory due to poor dust collection; (iii) possible inadequate pulp particle size for the assay charge; and (v) inhomogenous medium being sampled, i.e. a nugget effect.

Based on the site visit and data verification on results received to date, The Mineral Corporation was of the opinion that the sampling quality is within acceptable standards and no material biases were identified. Logging took place on site at the Adumbi exploration camp. The Mineral Corporation observed the logging procedures on site and noted the following: (i) an initial visual assessment of the core was made and zones of good and poor mineralization were noted; and (ii) detailed geological logging was then completed. Notes were made of the lithology, alteration, mineralization and general rock description. The rock description recorded colour and approximate mineral assemblage.

All sample preparation took place at the ALS Chemex sample preparation facility in Mwanza, Tanzania. Standard procedures and quality controls are in place to ensure that samples are prepared in compliance with client requirements. The laboratory does not have a LIMS (digital Laboratory Management System) in place at present, but perusal of the laboratory records indicated that continual control of individual samples is maintained during the various preparation phases.

The sample preparation procedures carried out by ALS Chemex consisted of the following: (i) the samples were sorted and compared with the packing slips; (ii) the samples were placed in metal trays and air dried; final drying was in an oven; (iii) the samples were weighed; (iv) the entire sample was crushed to a minimum of 70% passing a 2mm screen; (v) the entire sample was pulverised to 90% less than 75 microns; and, the sample pulps were shipped by commercial courier to either ALS Chemex in Johannesburg, South Africa or to ALS Chemex in Vancouver, Canada for analysis.

ALS Chemex in Mwanza, Tanzania, submitted pulps of, adit, trench and diamond drill core samples to the ALS Chemex full service facilities in Johannesburg, South Africa and in Vancouver, Canada. The sample analysis was carried out as follows:

Multi-element suite of 34 elements were analyzed by the low level ICP method;

The gold content in adit, trench and diamond drill core pulps were determined on a 50g charge by the fire assay method with an Atomic Absorption ("AA") finish (ALS Assay method Au-AA24).

In the fire assay with AA finish method, a prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents, as required, inquartered with 6mg of gold-free silver and cupelled to yield a precious metal bead (inquartering is the addition of gold-free silver). The bead is then digested in 0.5ml dilute nitric acid in a microwave oven. 0.5ml concentrated hydrochloric acid is added and the bead is further digested in the microwave oven at a lower power setting. The digested solution is cooled, diluted to a total volume of 4ml with demineralised water and analysed by atomic absorption spectrometry against matrix-matched standards.

Gold was reported in ppm; and

Adit, trench and diamond drill core pulps samples that returned gold values greater than 10 ppm were re-assayed by the gravimetric method (ALS Assay method Au-AA24). In this method, a prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents in order to produce a lead button. The lead button containing the precious metal is cupelled (oxidation and melting of lead under high temperatures, which is absorbed into a porous cupel) to remove the lead. The remaining gold and silver bead is parted in dilute nitric acid, annealed and weighed as gold.

ALS Chemex in Johannesburg is accredited by SANAS, the South African National Accreditation System, according to the recognized international Standard ISO/IEC 17025:2005 for gold analysis by fire assay and either gravimetric, AAS or ICP-AES finish. The SANAS Facility Accreditation Number is T0387 and is valid to April 2013.

The Corporation also inserted blanks and standards into the sampling streams, duplicate trench samples were inserted as well. Corporation's geologists only duplicated samples from the trenches. Certified reference materials (standards) were introduced by Corporation's geologists into the sample streams and also internally by ALS Chemex.

Based on the sample preparation techniques observed at the ALS Chemex preparation facility, the security protocols described by Corporation's geologists and the analytical procedures adopted by the ALS Chemex Laboratory, Johannesburg, The Mineral Corporation was satisfied that the protocols and procedures have been followed to acceptable levels for the use in its mineral resource estimation.

Sampling in the year ended September 30, 2012

The sampling and analytical methods practiced during the year were the same as those in previous years as described above, with the exception of the location of sample preparation and transport method from the DRC to Johannesburg.

Sample preparation was performed at an on-site sample preparation laboratory at the Somituri Project exploration base camp on the Imbo Licence. Kilo purchased the sample preparation laboratory from ALS Chemex, who manufactured it. ALS Chemex operates and manages the facility. The sample preparation methodology is identical to that described above for previous years. All reject material is retained in on-site storage at the exploration base camp.

Sample pulps were shipped from the DRC by commercial courier to Johannesburg, South Africa for analysis.

PE9691

A total of 5,527 soil samples including duplicates and commercial quality control samples were collected on PE9691, over the Kitenge, Manzako, Canal, Vatican, Monde Arabe and Adumbi Prospects together with the areas between these prospects and the area extending to the western limits of the property. Sample spacing over the Manzako Prospect was predominantly at 20 m intervals on lines 80 m apart; elsewhere the sample spacing is predominantly on lines spaced 320 m, but locally spaced at 160 m intervals with a sampling interval of 20 m. All soil samples were collected at a vertical depth of one metre. The soil samples consist of all material present at the sampled depth; this material is pulverized in its entirety and analyzed for gold and multi-elements.

PE9692

The entire 85.8 square kilometre area of PE9692 was soil sampled, with four crews each led by a geologist, at 100 metre intervals on east-west oriented lines at 400 metre intervals. A total of 2,353 samples, including duplicates and commercial quality control samples, were collected. The soil sample sites were recorded as GPS waypoints and the downloaded GPS data was entered into the database. The samples were collected from depths of about 30 to 60 cm; the deeper samples were collected on steep hill slopes to partially mitigate against excessive transport of the material being collected. A series of parallel northwest – southeast linear gold-in-soil anomalies up to 5 kilometres in length were delineated

PE138

A total of 794 soil samples, including duplicates and commercial quality control samples, were collected from the entire 30.58 square kilometre PE138 by four crews, each led by a geologist, at 100 metre intervals on north-south oriented lines spaced at intervals of 400 metres. The samples in this flat lying area were collected at a depth of about 30 cm. The soil sample sites were recorded as GPS waypoints and the downloaded GPS data was entered into the database. Analytical results have not been received as of the date of this document.

PE137

A total of 833 soil samples, including duplicates and commercial standards, were collected from the entire 30.58 square kilometre area of PE137 by four crews, each led by a geologist, at 100 metre intervals on north-south oriented lines spaced at intervals of 400 metres. The samples in this relatively flat lying area were collected at a depth of about 30 cm. The soil sample sites were recorded as GPS waypoints and the downloaded GPS data was entered into the database. Analytical results have not been received as of the date of this document.

PE9695

A total of 1,306 soil samples including duplicates and commercial standards, were collected from a portion of the 61.17 square kilometre PE9695. Samples were collected by up to three crews, each led by a geologist, at 100 metre intervals on east west oriented lines spaced at intervals of 400 metres. Samples in the relatively flat lying areas were collected at a depth of about 30 cm and the hill slopes were sampled at a depth of approximately 60 cm. The soil sample sites were recorded as GPS waypoints and the downloaded GPS data was entered into the database. Analytical results have not been received as of the date of this document.

PE9693

A total of 627 soil samples, including duplicates and commercial standards, were collected from a portion of the 122.34 square kilometre area of PE9693. A maximum of three crews, each led by a geologist, collected samples at 100 metre intervals on north south oriented lines spaced at intervals of 400 metres. Samples in flat lying areas were collected from a depth of about 30 cm and the hill slopes were sampled at a depth of approximately 60 cm. The soil sample sites were recorded as GPS waypoints and the downloaded GPS data was entered into the database. Analytical results have not been received as of the date of this document.

Security of Samples

No employee, officer, director or associate of the Corporation carried out any sample preparation of samples from the exploration programme. In prior years, all collected samples were retained in a locked secure shed until they were dispatched by Corporation vehicle to the Corporation's administrative office in Beni. A commercial freight forwarding agent transported the samples from Beni to ALS Chemex laboratory in Mwanza, Tanzania for sample preparation.

Since the commissioning of the on-site sample preparation laboratory, all collected samples were submitted to the on-site sample preparation facility, managed and operated by ALS Chemex, located within a secure fenced enclosure at the Kilo exploration camp. Once sample preparation was completed, sample pulps were dispatched from the exploration camp by helicopter to Beni followed by road to Bunia. Upon obtaining the required export permits the sample consignments were presented to an international commercial courier service for furtherance to Johannesburg, South Africa.

Metallurgical

Wardell Armstrong has completed certain metallurgical test-work on quarter core samples from seven boreholes that represent material from the modelled oxide and sulphide zones of PE9691 over a strike length of 650 metres taken from the centre of the ore body. The focus of this work has been to broadly understand the recovery of gold by gravity separation and then the recovery of gold from the gravity tailings by cyanide leaching as to conventional cyanide leach on material milled to a d80 of 100µm. To obtain the required grind Wardell Armstrong had to complete preliminary Bond Ball Mill Work indices in order to generate grind calibration curves specific to each type of ore.

			Gravity Testing			Cyanidation Testing
			Gravity Separation (% Recovery)	Tailings Leach (% Recovery)	Combined (% Recovery)	Conventional Leach
Wardell Armstrong Composite No	Location wrt Oxide/ Transition Model Contact	Location wrt Transition/Sulphide Model Contact				
Oxide 1	0m to 100m above	N/A	46.1	46.2	92.2	80.6
Oxide 2	60m above to 75m above	N/A	33.7	60.6	94.3	86.8
Oxide 3	50m above to 80m above	N/A	32.8	59.4	92.2	90.0
Oxide Averages	0m to 100m above	N/A	37.5	55.4	92.9	85.8
Sulphide 1	N/A	130m below to 140m below	5.6	37.3	42.9	38.2
Sulphide 2	N/A	15m below to 50m below	35.0	57.5	92.5	93.8
Sulphide 3	N/A	0m to 50m below	36.6	59.6	96.2	87.3
Sulphide Span	N/A	0m to 140m below	25.7	51.5	77.2	73.1

Due to the volume of the material investigated, The Mineral Corporation considered these results can only be considered as indicative and not definitive.

The above mentioned metallurgical work was conducted in 2011 and no metallurgical work was conducted in the current year.

Mineral Resource and Mineral Reserve Estimates

The Mineral Corporation estimated the resources of the Adumbi and Canal Prospects as follows at a 0.5 g/t cut-off grade using data obtained from the February 2010 to September 2011 exploration program of audit sampling and diamond drilling on the Adumbi and Canal Prospects.

Mineral Resources (0.5 g/t cut-off)

Cut off (g/t Au)	Tonnes above cut off	Grade above cut off (g/t Au)	Million ounces gold above cut-off
0.50	35, 655, 280	1.63	1.87

Results from only one borehole were available to estimate density. An analysis of the results of this borehole, for which density measurements were obtained on a metre by metre basis by means of the water immersion method, showed no discernable difference between mineralized BIF and un-mineralized BIF and only a small difference between the BIF and other lithologies. A density of 3.04 t/m³ was applied to the un-mineralized zones and a density of 3.09 t/m³ was applied to the mineralized zones.

The Mineral Corporation considers the lack of reliable density information to be a limitation in the Mineral Resource estimates and this is reflected in the restriction of the Mineral Resource to the inferred category.

Mining Operations

No mining or mine development operations have been conducted by Kilo on the Somituri Property.

Exploration and Development

Results to date indicate that PE9691 has the potential to host at least one or more large gold deposits. The Corporation's consulting geologist, has recommended that infill drilling of the delineated inferred resources be carried out to convert these inferred resources to the indicated category. In addition, metallurgical testing, petrographic studies, an environmental study to international standards as well as a preliminary economic assessment are also recommended. preliminary reconnaissance exploration will continue on each of the remaining seven unexplored Exploration Licences of the Somituri Property with the ultimate objective of defining drill targets.

KGL-ERW Properties

The KGL- ERW Properties consist of one isolated Exploration Licence PR2274 west of Mambasa in Oriental Province, DRC (the "**KGL-ERW East Property**"), covering 118.45 square kilometres overlying Upper Kibalian metavolcanics and metasediments that are known to host active gold artisanal sites, and an additional 12 PR's (the "**KGL-ERW West Property**"), as two separate contiguous blocks covering 2,056 square kilometres; the northern most block is approximately centred on Isiro, also in Oriental Province, DRC. The PRs composing the KGL- ERW West Property (now registered in the name of KWR-Iron) are each underlain by a belt of Upper Kibalian metavolcanics and metasediments and is known to host high grade haematite iron ore. Kilo has entered into a joint venture with Randgold whereby Randgold can earn up to a 65% interest in the KGL-ERW West Property for the purpose of exploring for and mining gold ore. KGL-EWR continues to hold all the rights pertaining to other non-iron minerals that could be identified on the KGL-ERW West Property.

The following table summarizes the characteristics of the properties as of the date hereof :

Property Name	Type of Permits	Area (km ²)	% Ownership	Expiry Dates
Somituri	Exploitation	606	71.25%	March 2039
KGL-ERW West	Exploration	2,056	75%	February 4, 2017
KGL-ERW East	Exploration	118	75%	Under renewal

RISK FACTORS

An investment in our securities is subject to certain risks, including those set out below and under the heading "Note Regarding Forward-Looking Information" elsewhere in this AIF, and should be carefully considered by an investor before making any investment decision. Additional risks not currently known to us, or that we currently believe to be immaterial, may also affect our business and negatively impact upon an investment in our securities.

Certain Assets are Held, and Certain Business is Conducted, by Subsidiaries

It is not uncommon for public companies with foreign operations to hold assets and to carry on business through local subsidiary entities. The Corporation holds its mining assets and carries on its mining exploration and development business through its majority-owned subsidiaries, KGL-Somituri, KGL-Sihu Sprl, KGL-ERW, KWR-Iron and KGL-Exploration Sprl, each a company incorporated in the DRC. As each subsidiary is a majority-owned subsidiary of the Corporation, the Corporation effectively controls each subsidiary through the Corporation's ability to elect and/or remove directors and the directors of the subsidiaries are ultimately accountable to the Board of Directors and senior Management.

In addition, the Corporation believes it has mitigated any risks of its corporate structure through the adoption of an effective system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Corporation, including the subsidiaries as set out below. These systems are overseen by the Board of Directors, and implemented by senior Management.

Issuer's Control Over Subsidiaries. The Corporation's corporate structure has been designed to ensure that the Corporation plays a dominant role in the operations of the subsidiaries. The subsidiaries are majority-owned by the Corporation. Accordingly, the Corporation directly controls the appointments of the directors of the subsidiaries and the directors of the subsidiaries are ultimately accountable to the Board of Directors and senior Management. In this way, the Corporation has complete control over and access to the books and records of the subsidiaries.

Risk Assessment. The Board of Directors is responsible for the overall stewardship of the Corporation and, as such, supervises the management of the business and affairs of the Corporation. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are thought to be material to the Corporation including those of the subsidiaries.

Internal Control Over Financial Reporting. The Corporation prepares its consolidated financial statements and management's discussion & analysis ("MD&A") on a quarterly and annual basis, using International Financial Reporting Standards ("IFRS"), which require financial information and disclosures from each subsidiary. The Corporation implements internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS. These internal controls include the following:

- (i) The Corporation has established a quarterly reporting package relating to subsidiaries that standardizes the information required from each subsidiary in order to complete the consolidated financial statements and MD&A. Management of the Corporation has direct access to relevant financial management of each subsidiary in order to verify and clarify all information required.
- (ii) Although not specifically a management control, the Corporation engages its external auditor to perform an audit of the annual consolidated financial statements in accordance with Canadian generally accepted auditing standards.
- (iii) All public documents and statements relating to the Corporation and each subsidiary containing material information (including financial information) are reviewed by senior Management (including the Chief Executive Officer and Chief Financial Officer) of the Corporation and legal counsel before such material information is disclosed, to make sure that all material information has been considered by management of the Corporation and properly disclosed.
- (iv) The Corporation's Audit Committee obtains confirmation from the Chief Executive Officer and Chief Financial Officer of the Corporation as to the matters addressed in the quarterly and annual certifications required under National Instrument 52-109 - *Certification of Disclosure in the Company's Annual and Interim Filings* ("NI 52-109").
- (v) The Corporation's Audit Committee reviews and approves the Corporation's quarterly financial statements and MD&A and recommends to the Board of Directors for the Board's approval the Corporation's annual financial statements and MD&A, and any other financial information requiring Board approval, prior to their publication or release.

- (vi) The Corporation's Audit Committee assesses and evaluates the adequacy of the procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than annual and quarterly financial disclosure.

Disclosure Controls and Procedures. The responsibilities of the Corporation's Audit Committee include oversight of the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements.

CEO and CFO Certifications. In order for the Corporation's Chief Executive Officer and Chief Financial Officer to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109, the Corporation has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting, in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Company and the subsidiaries containing material information, is prepared with input from the responsible officers and employees, and is available for review by the Chief Executive Officer and Chief Financial Officer of the Corporation in a timely manner.

Risks Relating to the Corporation

Nature of Exploration and Development

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Corporation will result in a profitable commercial mining operation.

Furthermore, resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of ore deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices.

Ability to Raise Financing

The Corporation has limited financial resources, has no operating cash flow and has no assurance that sufficient funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Corporation will require additional financing if ongoing exploration of its properties is warranted.

Global financial markets have been subject to significant volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Access to financing has been negatively impacted by various factors. These factors, among others, may negatively impact the ability of the Corporation to obtain loans and/or other credit facilities or project financing in the future if development of any of its properties is pursued and, even if obtained, may impact the terms on which any such financing may be obtained.

Future sales or issuances of equity securities could decrease the value of the Common Shares and dilute purchaser's voting power.

Future Sales or Issuances of Equity Securities Could Decrease the Value of the Common Shares and Dilute Purchasers' Voting Power

The Corporation may sell additional equity securities in subsequent offerings (including through the sale of debt securities or other securities convertible into equity securities) and may issue additional equity securities to finance future acquisitions and other projects.

Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, purchasers will suffer dilution of their voting power.

Foreign Operations and Governmental Matters

The Corporation is exposed to risks of political instability and changes in government policies, laws and regulations in the DRC. The Corporation holds mineral interests in the DRC that may be affected in varying degrees by political stability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect of the DRC. Any changes in regulations or shifts in political conditions are beyond the Corporation's control and may adversely affect the Corporation's business. The Corporation's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety.

There is no assurance that permits can be obtained, or that delays will not occur in obtaining all necessary permits or renewals of such permits for existing properties or additional permits required in connection with future exploration and development programs. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Kilo's operations may also be adversely affected in varying degrees by economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, risk of corruption including violations under U.S. and Canadian foreign corrupt practices statutes, fluctuations in currency exchange rates and high inflation.

The Corporation's operations, and the development of its properties, are subject to obtaining and maintaining licenses and permits from appropriate governmental authorities. There is no assurance that such licenses and permits can be obtained, renewed or re-registered, as applicable, or that delays will not occur in obtaining all necessary licenses and permits or renewals of such licenses and permits for Kilo's existing properties or additional permits required in connection with future exploration and development programs. Prior to any development of its principal properties, being the prospects contained within the Somituri Property (the "**Properties**"), the Corporation must receive licenses and permits from appropriate governmental authorities. There can be no assurance that the Corporation will obtain or continue to hold all licenses and permits necessary to develop or continue operating any of the Properties. Any failure to obtain or maintain the necessary licenses and permits to advance the development of any of the Properties will have a material adverse impact on the Corporation and its business, assets, financial condition, results of operations and prospects.

Even if any of the Properties can be advanced to a development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labor standards, environmental protections, mine safety and other matters. In addition, new laws and regulations governing operations and activities of mining companies could have a material adverse impact on any of the Corporation's projects in the mine development stage.

There can be no assurance that industries deemed of national or strategic importance to the DRC, such as mining, will not be nationalized. Government policy may change to discourage foreign investment, re-nationalization of the mining industry may occur and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Corporation's assets in the DRC will not be subject to nationalization, requisition, expropriation or confiscation, whether legitimate or not, by any authority or body.

Inability to Enforce the Corporation's Legal Rights in Certain Circumstances

In the event of a dispute arising in respect of the Corporation's foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. The Corporation may also be hindered or prevented from enforcing its rights with respect to a government entity or instrumentality because of, among other things, the doctrine of sovereign immunity. Any adverse or arbitrary decision of a court, arbitrator or other governmental or regulatory body may have a material adverse impact on the Corporation's business, assets, prospects, financial condition and results of operations.

The Corporation's inability to enforce its contractual rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition, as well as its business, assets and prospects.

Currency Fluctuations

The Corporation is exposed to currency fluctuations as it presently holds funds in Canadian dollars and a significant amount of its costs will be incurred in United States dollars, British pounds, South African rands and DRC francs (CDF). The Corporation has not entered into any foreign currency hedging contracts.

Environmental Matters

All phases of the Corporation's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties in which the Corporation holds interests which are presently unknown to the Corporation and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

Estimates of Mineral Resources May Prove to Be Inaccurate

Calculations of mineral reserves, mineral resources and metal recovery are only estimates, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on commodity prices. Any material change in the quantity of resources, grade or stripping ratio or recovery rates may adversely affect the economic viability of the Properties and the Corporation's financial condition and prospects.

Limited Operating History and Losses

The Corporation to date has limited experience in mining or processing of metals. The Corporation has experienced losses in all years of its operations. All activities have been of an exploration and development nature. There can be no assurance that the Corporation will generate profits in the future.

No History of Mineral Production

The Corporation has never had an interest in a producing property. There is no assurance that commercial quantities of minerals will be discovered on any of the properties of the Corporation or any future properties, nor is there any assurance that the exploration programs of the Corporation thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Corporation will ever be brought to a stage where minerals can profitably be produced thereon. Factors which may limit the ability of the Corporation to

produce from its properties include, but are not limited to, the price of the minerals which are currently being explored for, availability of additional capital and financing and the nature of any mineral deposits.

Insurance and Uninsured Risks

The business of the Corporation is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Corporation or others, delays in mining, monetary losses and possible legal liability. Although the Corporation may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Corporation's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Corporation.

Land Title

Although the nature and extent of the interests of the Corporation in the properties in which it holds an interest has been reviewed by or on behalf of the Corporation and title opinions have been obtained by the Corporation with regard to certain of such properties, there may still be undetected title defects affecting such properties. Title insurance generally is not available, and the ability of the Corporation to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, in certain cases, the Corporation has not conducted surveys of the licences in which it holds direct or indirect interests and, therefore, the precise area and location of such licences may be in doubt. Accordingly, the properties in which the Corporation holds an interest may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Corporation's operations. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Corporation holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Corporation.

Competition

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious metals, base metals diamonds and iron ore. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Corporation could be materially adversely affected.

Fluctuations in Commodity Prices

The price of the Common Shares, and the consolidated financial results and exploration, development and mining activities of the Corporation may in the future be significantly and adversely affected by declines in the price of gold and other minerals. The price of gold and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Corporation such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of gold and other minerals could cause continued development of and commercial production from the properties in which the Corporation holds an interest to be impracticable. Depending on the price of gold and other minerals, cash flow from any mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Any future production from the Corporation's mining properties is dependent upon the prices of gold and other minerals being adequate to make these properties economic. In addition to adversely affecting the resource estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Key Executives

The Corporation is dependent upon the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of these persons or the inability of the Corporation to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute,

assurance with respect to the reliability of financial reporting and financial statement preparation. Any failure in the Corporation's internal controls over financial reporting may have a material adverse impact on the Corporation, its financial condition or its results of operations.

The Impact of Hedging Activities on Profitability

Although Kilo has no present intention to do so, if appropriate in the future, it may hedge a portion of any future gold production in an effort to protect against low gold prices and/or to satisfy any covenants that may be required to obtain project financings. Although hedging activities may protect a Corporation against low gold prices, they may also limit the price that can be realized on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract.

Joint Ventures

The Corporation participates in joint ventures with third parties. There are risks associated with joint ventures, including: (i) disagreement with a joint venture partner about how to develop, operate or finance a project, (ii) a joint venture partner not complying with a joint venture agreement, (iii) possible litigation between joint venture partners about joint venture matters, (iv) the inability to exert control over decisions related to a joint venture we do not have a controlling interest in. These risks could result in legal liability, affect the Corporation's ability to develop or operate a project under a joint venture, or have a material and adverse effect on the Corporation's earnings, cash flows, financial condition or results of operations.

Carrying Values of Assets

The Corporation evaluates the carrying value of its assets to decide whether current events and circumstances indicate whether or not the Corporation can recover the carrying amount. Fair value is based on estimates and on various assumptions, however, the actual fair values can be significantly different than the estimates. If the Corporation does not have any mitigating valuation factors or experiences a decline in the fair value of an asset, it could ultimately result in an impairment charge.

Risks Relating to the Common Shares

Market Price of Shares

Securities of small-cap resource companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold prices, the U.S. dollar, the Canadian dollar, the political environment in the DRC, or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Corporation's securities to be delisted from any exchange upon which they trade, further reducing market liquidity. If an active market for the Common Shares cannot be sustained, the liquidity of an investor's investment may be limited and investors may lose their entire investment in Common Shares. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation

may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

DIVIDENDS

The Corporation has not paid any dividends during the last three financial years and does not anticipate that dividends will be paid on the Common Shares in the foreseeable future. The future payment of dividends will be dependent upon financial requirements of Kilo to fund future growth, Kilo's earnings and financial condition and other factors the Board of Directors may consider appropriate in the circumstances. However, there are no restrictions on Kilo's ability to pay cash dividends on the Common Shares.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date hereof 219,049,978 Common Shares are issued and outstanding.

The following is a summary of the material provisions of the Common Shares.

Common Shares

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive the remaining property and assets of the Corporation.

Shareholder Rights Plan

On May 25, 2011, the Board of Directors approved the adoption of a shareholder rights plan (the "**Rights Plan**") designed to encourage the fair and equal treatment of shareholders in connection with any takeover bid for the outstanding securities of the Corporation. In accordance with its terms, the Rights Plan was confirmed at the Corporation's annual and special meeting of shareholders held on September 1, 2011. Under the terms of the Rights Plan, one right is attached to each Common Share currently outstanding (and will attach to each Common Share issued subsequently). Each right will entitle the holder, upon the occurrence of certain specified events and subject to certain limitations, to purchase Common Shares at an exercise price equal to five times the current market price for the Common Shares at the time the Rights Plan is triggered (the "**Exercise Price**"), subject to adjustment under certain circumstances. If certain events occur (including when a person or group becomes the beneficial owner of 20% or more of any class of voting shares of the Corporation without complying with the "permitted bid" provisions of the Rights Plan or without the approval of the Board of Directors), exercise of the rights would entitle the holders (other than the acquiring person or group), to acquire that number of Common Shares having an aggregate market price on the date of the event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price. Accordingly, exercise of the rights may cause substantial dilution to a person who attempts to acquire control of the Corporation.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on TSXV under the symbol "KGL" and on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the symbol "02K". The table below shows the range in share price per month and volume traded for the Common Shares on the TSXV during the Corporation's most recently completed financial year.

MONTH	High	Low	Volume Traded
October -- 2011	0.23	0.14	3,825,230
November	0.21	0.17	4,319,177
December	0.19	0.12	1,119,707
January	0.26	0.16	4,791,396
February	0.27	0.22	8,272,485
March	0.24	0.19	3,114,979
April	0.20	0.16	3,577,104
May	0.20	0.13	895,490
June	0.19	0.13	1,057,957
July	0.19	0.13	561,942
August	0.16	0.12	2,539,800
September -- 2012	0.14	0.09	8,737,223

Prior Sales

Other than the issuances of warrants and stock options disclosed in Notes 9 and 10, respectively, to the audited consolidated financial statements of the Corporation for the year ended September 30, 2012 which notes are incorporated by reference herein, the Corporation did not issue or sell any securities that were not listed or quoted on a marketplace during the financial year ended September 30, 2012.

DIRECTORS AND OFFICERS

Directors are elected at each annual shareholder meeting and hold office until the next annual meeting or until their successors are elected or appointed. The following information sets out, for each director and executive officer of the Corporation, his name, province and country of residence, the positions and offices in the Corporation currently held by that individual, the period during which such individual has served as a director of the Corporation and that individual's principal occupation during the past five years.

Name, Province and Country of Residence	Position with Corporation	Period of service as a Director	Present Occupation and Principal Occupation for last five years
Alexander Van Hoeken Noord Brabant, The Netherlands	President & CEO	since Sept 2011	President & CEO of the Corporation since Sept 2011. Previously M. Van Hoeken was a mining consultant, which included services to Mwana Africa (a multi commodity miner and explorer) as DRC country representative since March 2006.
David Netherway ⁽¹⁾ South Africa, Johannesburg	Independent Non-Executive Chairman of the Board of Directors	since July 2011	Non-Executive Independent Chairman of the Corporation (July 2011 to present), Non-Executive Independent Chairman of Aureus Mining Inc. (February 2011 to present). Non-Executive Independent Chairman of Afferro Mining Inc. (October 2009 to present). Chairman of Altus Strategies Limited (July 2007 to present). Non-Executive Director of Crusader Resources Ltd. (July 2011 to present). Non-Executive Director of Altus Resource Capital Limited (April 2009 to present). Non-Executive Director of Gryphon Minerals Limited (October 2010 to present). Non-Executive Director of Altus Global Gold Limited (October 2011 to present).
James Williams ⁽²⁾ Wales, UK	Non-Executive Director	since January 2012	CEO and director of Arian Silver Corporation (a silver miner and explorer in Mexico).
Loudon Owen ⁽³⁾ Ontario, Canada	Non-Executive Director	since March 2012	Partner at McLeanWatson Capital, a Toronto based venture capital fund. Mr.Owen also serves on the Board of Directors of i4i (Chairman), i4ilp (Chairman), Hanfeng Evergreen (Chairman), Vismand Exploration (Chairman), Amplus Communication, Ntegrator International Quantec Geoscience (Chairman), and Posera – HDX.
Philip Gibbs Ontario, Canada	Chief Financial Officer	n/a	Chief Financial Officer of the Corporation since March 2010. Mr. Gibbs also serves as Chief Financial Officer of Macusani Yellowcake Inc. (a uranium exploration Corporation), PC Gold Inc and Asante Gold Corporation. Previously Mr. Gibbs served as Chief Financial Officer of PMI Gold Corporation from March 2008 to June 2011 and prior to March 2008 served as acting Chief Financial Officer to Luxell Technologies Inc. (a developer of display screen technology).
James Mustard ⁽⁴⁾ Vancouver, BC	Non-Executive Director	since March 2009	Vice President, Investment Banking, PI Financial Corp. (financial services Corporation). Between September 2007 and October 2009 Mr. Mustard served as President of Canada Zinc Metals Corp. (formerly Mantle Resources Corp.) (a base metals exploration Corporation), and between October 1996 and September 2007 served as Vice President and Senior Mine Analyst of Haywood Securities Inc. (an investment dealer).
Stuart Thomson Gauteng, South Africa	Vice President Operations	n/a	Vice President Operations of the Corporation since February 2012. Previously Mr Thomson served as a Study Manager for AMEC Minproc from 2008 until 2012, and as a Manager/Process Consultant for Anglo American from 1999 to 2008.

(1) Chair of the Compensation, Governance and Nominating Committee.

- (2) Member of the Audit Committee.
- (3) Member of the Audit Committee and of the Compensation, Governance and Nominating Committee.
- (4) Chair of the Audit Committee and member of the Compensation, Governance and Nominating Committee.

As at the date hereof, the directors and executive officers of the Corporation beneficially owned, directly or indirectly, or exercised control or direction over Common Shares representing approximately 0.5% of the number of Common Shares of the Corporation outstanding.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Corporation is, as at the date of this AIF, or has been within the last ten years, a director, chief executive officer or chief financial officer of any Corporation that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant Corporation access to any exemption under applicable securities legislation (an “**Order**”), which in all cases was in effect for a period of more than 30 consecutive days and which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such Corporation; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such Corporation,

No director or executive officer of the Corporation or any shareholder holding a sufficient number of Common Shares of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this AIF, or has been within the last ten years, a director or executive officer of any Corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding the Corporation.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors and executive officers of the Corporation.

Conflicts of Interest

To the best of the Corporation’s knowledge, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Corporation and any directors or officers of the Corporation, except that certain of the directors and officers serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officers of the Corporation and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will

rely upon such laws in respect of any directors and officers conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not a party to any material legal proceedings and is not aware of any such proceedings that are contemplated. During Kilo's financial year ended September 30, 2012: (i) no penalties or sanctions were imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions were imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; and (iii) the Corporation did not enter into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this AIF, none of the following persons:

- (a) a director or executive officer of the Corporation;
- (b) a person or Corporation that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of the Corporation's voting securities; or
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above,

has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Corporation or during the current financial year of the Corporation that has materially affected or will materially affect the Corporation other than:

Investor relations and promotional, publicity and advertising services in respect of web-based applications provided to the Corporation by companies controlled by the son of Peter Hooper, former Executive Chairman of the Corporation. The following aggregate fees were incurred and paid or payable to these companies (financial year to date: \$24,000; financial year ended September 30, 2012: \$36,000; financial year ended September 30, 2011: \$72,976; financial year ended September 30, 2010: \$69,200). These services have been terminated.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Equity Financial Trust Corporation, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, there are no material contracts entered into by the Corporation within its most recently completed financial year or prior thereto but which are still in effect.

INTEREST OF EXPERTS

Names of Experts

Set forth below are the persons and companies who prepared or certified a statement, report, valuation or opinion described, included or referred to in a filing that the Corporation made under National Instrument 51-102- *Continuous Disclosure Obligations* during or relating to our most recently completed financial year.

A predecessor firm to the Corporation's auditors, Collins Barrow Toronto LLP, was first appointed as independent auditors of the Corporation on September 12, 2006. Collins Barrow Toronto LLP prepared the auditor's report on our annual consolidated financial statements for the financial years ended September 30, 2012, 2011, 2010 and 2009. Collins Barrow Toronto LLP is independent in accordance with the auditor's rules of professional conduct in Ontario.

Mr. Stanley D. Robinson, M.Sc. P.Geo., a geological consultant to the Corporation, and a "qualified person" under NI 43-101, prepared or supervised the preparation of certain scientific or technical information about the Corporation's mineral projects during its most recently completed financial year.

Mr. David Young, BSc (Hons), FGSSA, MSAIMM, FAusIMM is a geological consultant with The Mineral Corporation of South Africa, and a "qualified person" under NI 43-101 and prepared or supervised the preparation of the Adumbi Technical Report.

Interests of Experts

None of the experts named under "Names of Experts" has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of any of the Corporation's associates or affiliates in connection with the preparation or certification of any statement, report or valuation prepared by such person. To the knowledge of the Corporation, none of the experts so named (or any of the designated professionals thereof) held securities of the Corporation representing more than 1% of all issued and outstanding securities of that class as at the date of the statement, report or valuation in question.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. The information available at www.sedar.com includes copies of the full text of any and all of the technical reports prepared for the Corporation in respect of our properties described herein.

Additional financial information is provided in our audited consolidated financial statements and related management's discussion and analysis for our financial year ended September 30, 2012.