

**KILO GOLDMINES LTD.**

**FORM 51-102F3**

***MATERIAL CHANGE REPORT***

1. Name and Address of Company

Kilo Goldmines Ltd.  
Suite 1200, 141 Adelaide Street West  
Toronto, Ontario M5H 3L5

2. Date(s) of Material Change(s)

July 7, 2011

3. News Release

Press release attached as Schedule A hereto was released through the facilities of the Marketwire disclosure network on July 7, 2011.

4. Summary of Material Change

On July 7, 2011, Kilo Goldmines Ltd. (the "Corporation") announced that Klaus Eckhof and Peter Hooper have stepped down from their offices of Chief Executive Officer and Executive Chairman, respectively, of the Corporation. Both will remain on the board of directors of the Corporation and Mr. Hooper has agreed to serve as Interim Chief Executive Officer until a replacement has been named. The Corporation also announced the appointment of David Netherway as Non-executive Chairman, subject to regulatory approval.

5. Full Description of the Material Changes

See press release attached as Schedule A hereto.

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of Kilo Goldmines Ltd. may be contacted for additional information:

Philip Gibbs  
Chief Financial Officer  
Kilo Goldmines Ltd.  
Suite 1200, 141 Adelaide Street West  
Toronto, Ontario M5H 3L5

Tel: (416) 360-3415  
Fax: (416) 360-3416

9. Date of Report

July 12, 2011

## SCHEDULE "A"



### NEWS RELEASE

**KILO GOLDMINES LTD.**  
Suite 1200, 141 Adelaide Street West  
Toronto, Ontario M5H 3L5

### **FOR IMMEDIATE RELEASE**

## **Kilo Announces Changes in Management and Board**

Toronto, Canada, July 7, 2011 – Kilo Goldmines Ltd. (TSXV-KGL) (FRANKFURT: 02K) ("Kilo" or the "Company") announced today that Klaus Eckhof will be stepping down as Chief Executive Officer and Peter Hooper will be stepping down as Executive Chairman. Mr. Hooper has agreed to serve as interim President and Chief Executive Officer until a replacement has been named, expected shortly. Messrs. Eckhof and Hooper will continue to serve as Directors of the Company.

Subject to regulatory approval, David Netherway will join the Board of Directors as Non-Executive Chairman. Mr Netherway is currently the Chairman of African Aura Mining Inc. (TSX & AIM), GMA Resources plc (AIM) and Altus Strategies Ltd. and a non-executive director of Gryphon Minerals Ltd (ASX) and Altus Resource Capital Ltd (LSE). In connection with Mr. Netherway's appointment and subject to regulatory approval, Kilo has granted Mr. Netherway options to acquire 5,000,000 common shares under the Company's stock option plan exercisable for a period of three years at an exercise price of \$0.20 per share.

A candidate for the CEO position with mining and exploration experience in Africa, including the DRC, has been identified and discussions with this individual are continuing. Further details will be provided as appropriate.

In less than two years as a public company Kilo has successfully delineated over 2 million ounces of gold in an NI 43-101 inferred resource statement (see March 2, 2011 press release). This achievement places Kilo as an industry leader in terms of exploration efficiency. With a well-established camp, a recently completed \$10 million financing (see May 12, 2011 press release), and further exploration underway at the Somituri Project (see June 28, 2011 press release), Kilo is well positioned to delineate additional ounces in the near term. Two diamond drill rigs are currently turning on gold targets surrounding the Adumbi Deposit and a steady flow of additional results are expected in the coming weeks.

Rio Tinto is engaged in an earn-in option with Kilo for iron ore in the DRC. The KGL ERW project shows compelling mineralization characteristics and has the potential to prove up large tonnages of direct shipping haematite. Under this earn-in agreement Rio Tinto is financing, managing and conducting all iron ore exploration activities.

Peter Hooper stated, “Despite the success of Kilo’s exploration program our stock continues to experience downward pressure. Klaus and I felt that it was in the best interest of shareholders to change the composition of the Board and management team. We would like to wish continued success to the new Board of Directors, management, and Kilo shareholders.”

### **About Kilo**

Kilo Goldmines Ltd. is a Canadian gold exploration company that is listed on the TSX Venture Exchange under the symbol 'KGL' and on the Frankfurt Exchange under the symbol '02K'. The Company has over 7,000 square kilometres of favourable Archaean Kabalian greenstone in the Kilo-Moto area in the Democratic Republic of the Congo. Kilo's principal focus is to advance its projects from exploration through feasibility to project development and ultimately to full production in a socially and environmentally responsible manner. The Company owns a 71.25% interest in the DRC entity that holds the Somituri Project Exploitation Permits and a 75% interest in the DRC entity that holds the ERW Exploration Permits.

### **For more information, please contact:**

Peter Hooper

[peter@kilogoldmines.com](mailto:peter@kilogoldmines.com)

Tel: +1 416-312-4550

Email: [info@kilogoldmines.com](mailto:info@kilogoldmines.com)

Facebook: [www.kilogoldmines.com/facebook](http://www.kilogoldmines.com/facebook)

Website: [www.kilogoldmines.com](http://www.kilogoldmines.com)

*This news release may contain forward looking statements concerning future operations of Kilo Goldmines Ltd. All forward looking statements concerning the Company's future plans and operations, including management's assessment of the Company's project expectations or beliefs may be subject to certain assumptions, risks and uncertainties beyond the Company's control. Investors are cautioned that any such statements are not guarantees of future performance and that actual performance and exploration and financial results may differ materially from any estimates or projections.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*