

**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)

November 10, 2011

3. News Release

Press release attached as Schedule A hereto was released through the facilities of the Marketwire disclosure network on November 10, 2011.

4. Summary of Material Change

On November 10, 2011, Kilo Goldmines Ltd. (the "Company") announced that it had completed its previously announced private placements of common shares raising gross proceeds of C\$10,390,000 from the sale of 51,950,000 common shares at a price of C\$0.20 per share.

5. Full Description of the Material Changes

See press release attached as Schedule A hereto.

Due to the participation of certain insiders in the non-brokered private placement, the transaction is considered to be a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The transaction is exempt from the valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the common shares acquired by insiders in the private placement did not exceed 25% of the Company's market capitalization.

The brokered and non-brokered private placements were proposed, and the proceeds will be used, to fund exploration of the Company's properties in the Democratic Republic of Congo and for general working capital. The pricing of the common shares in the placements was negotiated on an arm's length basis between the Company and Clarus Securities Inc., the Company's agent for the brokered private placement and the common shares acquired by the insiders were purchased on the same terms and conditions as all other investors in the private placements. As such, the board of directors of the Company

did not consider an independent committee to be necessary in connection with the board's consideration of the matter. Directors who participated in the non-brokered placement declared their conflict of interest and refrained from voting on the matter. The insiders' participation and the terms thereof were not determined until shortly prior to closing of the private placements and, accordingly, the Company was not able to file this material change report in advance of the closing.

David Netherway, a director and non-executive Chairman of the Company, acquired 250,000 common shares in the non-brokered placement. Based on information provided by Mr. Netherway to the Company, prior to the placements he owned or controlled no common shares and stock options to acquire 5,000,000 common shares. Following the placements he now owns or controls 250,000 common shares, or approximately 0.1% of the issued and outstanding shares (2.4% on a partially diluted basis), and stock options to acquire a further 5,000,000 common shares.

Alex van Hoeken, a director and the President and Chief Executive Officer of the Company, acquired 250,000 common shares in the non-brokered placement. Based on information provided by Mr. Van Hoeken to the Company, prior to the placements he owned or controlled no common shares and stock options to acquire 5,000,000 common shares. Following the placements he now owns or controls 250,000 common shares, or approximately 0.1% of the issued and outstanding shares (2.4% on a partially diluted basis), and stock options to acquire a further 5,000,000 common shares.

Philip Gibbs, the Chief Financial Officer of the Company, and joint actors acquired 150,000 common shares in the non-brokered placement. Based on information provided by Mr. Gibbs to the Company, prior to the placements he owned or controlled no common shares and stock options to acquire 400,000 common shares. Following the placements he now owns or controls 150,000 common shares, or approximately 0.06% of the issued and outstanding shares (0.25% on a partially diluted basis), and stock options to acquire a further 400,000 common shares.

Libra Fund II (Luxembourg) S.a.r.l. ("Libra"), a greater than 10% shareholder of the Company, acquired 10,000,000 common shares in the non-brokered placement. Based on information provided by Libra to the Company, prior to the placements it owned or controlled 16,860,000 common shares and warrants to acquire a further 10,000,000 common shares. Following the placements it now owns or controls 26,860,000 common shares, or approximately 12.4% of the issued and outstanding shares (16.3% on a partially diluted basis), and warrants to acquire a further 10,000,000 common shares.

Altus Resource Capital Ltd. ("Altus"), a greater than 10% shareholder of the Company, acquired 7,500,000 common shares in the non-brokered placement. Based on information provided by Altus to the Company, prior to the placements it owned or controlled 17,040,500 common shares and warrants to acquire a further 6,835,000 common shares. Following the placements it now owns or controls 24,540,500 common shares, or approximately 11.4% of the issued and outstanding shares (14.0% on a partially diluted basis), and warrants to acquire a further 6,835,000 common shares.

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:

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Chief Financial Officer  
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9. Date of Report

November 14, 2011

SCHEDULE "A"

NEWS RELEASE



**KILO GOLDMINES CLOSES C\$10.4 MILLION PRIVATE PLACEMENT**

**NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR  
DISSEMINATION IN THE U.S.**

Toronto, Ontario. – November 10, 2011 – Kilo Goldmines Ltd. (TSX Venture: KGL; Frankfurt: 02K) (“Kilo” or the “Company”) is pleased to announce that it has closed its previously announced brokered and non-brokered private placement financings (the “Offerings”). The Company issued 51,950,000 common shares at a price of C\$0.20 per common share, for gross proceeds of C\$10,390,000. Clarus Securities Inc. acted as exclusive agent in respect of the brokered offering. Insiders of the Company acquired 18,150,000 common shares under the non-brokered placement. The Company paid aggregate commissions and finder's fees of C\$448,000 in connection with the Offerings.

All of the securities issued under the Offerings will be subject to restrictions on resale for four months.

Proceeds from the Offerings will be used to fund exploration and for general corporate purposes.

The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the issuer of the securities and its management, as well as financial statements.

**About Kilo**

Kilo Goldmines Ltd. is a Canadian gold exploration company operating in the Democratic Republic of Congo (DRC). The Company has over 7,000 square km of favourable Archaean Kabalian greenstone in the Kilo-Moto area in north-eastern DRC. Kilo recently announced an inferred resource on the Adumbi Deposit of the Somituri Project of which the Company owns a 71.25% interest in the DRC entity that holds the Somituri Project Exploitation Permits.

The Company is also working on a number of other prospective areas which contain historical workings in the same region. It also has a joint venture with Rio Tinto Ltd. on potential iron ore licences in north-eastern DRC.

**For more information, please contact:**

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*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.*

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