

## EARLY WARNING REPORT

### **Made Pursuant To Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, National Instrument 62-103 – *The Early Warning System and Related Take-Over bid and Insider Reporting Issues* and Section 102.1 of the *Securities Act* (Ontario)**

This report is made pursuant to the provisions of the securities legislation referred to above in connection with certain acquisitions of securities of KILO Goldmines Ltd. (“KILO”).

**1. Name and address of Offeror.**

Sheldon Inwentash (the “Offeror”)  
c/o The Exchange Tower  
130 King Street West, Suite 2500  
Toronto, Ontario M5X 1A9

**2. Designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.**

On April 30, 2012, the Offeror acquired ownership of 87,000 common shares of KILO (the “Common Shares”) through the facilities of the TSX Venture Exchange. These holdings represent approximately 0.04% of the total issued and outstanding common shares of KILO as of April 30, 2012.

**3. Designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release.**

Immediately following the acquisition noted in item 2 above, the Offeror, together with its joint actors, owns an aggregate of 23,186,000 common shares of KILO, including the Common Shares, and rights to acquire an additional 3,050,000 common shares of KILO upon the exercise of convertible securities (the “Convertible Securities”). Of these totals, the Offeror owns 4,288,000 common shares, including the Common Shares, and 1,000,000 of the Convertible Securities (the “Inwentash Convertible Securities”) directly. In the event that the Convertible Securities are fully exercised, the holdings of the Offeror and joint actors represents a total of 26,236,000 common shares of KILO, or approximately 11.9% of all issued and outstanding common shares as at April 30, 2012, calculated on a partially diluted basis assuming the exercise of the Convertible Securities only. In the event that the Inwentash Convertible Securities are fully exercised, the direct holdings of the Offeror represents a total of 5,288,000 common shares of KILO, or approximately 2.4% of all issued and outstanding common shares as at April 30, 2012, calculated on a partially diluted basis assuming the exercise of the Inwentash Convertible Securities only.

**4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

- (a) **the Offeror, either alone or together with any joint actors, has ownership and control;**

See 3. above.

- (b) **the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor; and**

NIL

- (c) **the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership**

NIL

**5. (a) The name of the market where the transaction or occurrence that gave rise to the news release took place.**

TSX Venture Exchange

- (b) The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

The Common Shares were purchased at a price of \$0.17 per common share.

**6. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Common Shares noted in 2. above were acquired for investment purposes. The Offeror or its joint actors may from time to time acquire additional securities of KILO, dispose of some or all of the existing or additional securities they hold or will hold, or may continue to hold their current positions.

**7. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, or disposition or voting of any of the securities.**

N/A

**8. Names of joint actors in connection with the disclosure required in this report.**

Pinetree Capital Ltd. and Lynn Factor.

**9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror.**

N/A

**10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements of Part 4 in respect of the reporting issuer's securities.**

N/A

**11. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance.**

N/A.

**DATED** as of the 1<sup>st</sup> day of May, 2012.

**Sheldon Inwentash**

“Sheldon Inwentash”  

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