

## **KILO GOLDMINES LTD.**

### **MANAGEMENT INFORMATION CIRCULAR**

#### **Solicitation of Proxies**

**THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF KILO GOLDMINES LTD. (THE "CORPORATION") OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING.** It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

#### **Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are officers or directors of the Corporation. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT THEM AT THE MEETING MAY DO SO either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent indicated on the enclosed envelope not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the meeting or adjournment thereof.

A proxy given pursuant to this solicitation may be revoked by instrument in writing executed by the shareholder or by their attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the meeting, or adjournment thereof, or in any other manner permitted by law.

The exercise of a proxy does not constitute a written objection for the purposes of subsection 185(6) of the *Business Corporations Act* (Ontario) (the "**OBCA**").

#### **Voting of Proxies**

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, or other matters which may properly come before the meeting. At the time of printing this circular the management of the Corporation knows of no such amendments, variations or other matters to come before the meeting.

### Advice To Non-Registered Shareholders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the meeting. Most shareholders of the Corporation are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-102 (*Communication With Beneficial Owners of Securities of a Reporting Issuer*) of the Canadian Securities Administrators, the Corporation has distributed copies of the notice of meeting, this circular and the form of proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Corporation's transfer agent as provided above; or**
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (or as an alternative, votes may often be registered by telephone or over the Internet), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to

the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

### **Voting Securities and Principal Holders Thereof**

The authorized capital of the Corporation consists of an unlimited number of common shares. At the date hereof the Corporation had issued and outstanding 62,998,069 common shares.

The Corporation will prepared a list of all persons or entities who are registered holders of common shares on April 19, 2010 (the "Record Date") and the number of common shares registered in their name on that date. Each shareholder is entitled to one vote for each common share registered in their name as it appears on the list.

To the knowledge of the directors and officers of the Corporation, as of the date hereof, there are no persons who beneficially own or exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the meeting.

## **Executive Compensation**

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### ***Background***

The Corporation is an exploration stage company engaged in the acquisition, exploration and development of properties prospective for gold in the Democratic Republic of Congo (the "DRC"). The Corporation has no commercial operations and does not earn any operating revenues from its mineral properties.

#### ***Overview***

The Board of Directors is responsible for setting the overall compensation strategy of the Corporation and for evaluating and approving the compensation of directors and executive officers. The Corporation has not delegated these responsibilities to a separate board committee. The Board of Directors annually reviews the base salary, incentive compensation and long-term compensation for the Corporation's executive officers to determine if the compensation package for executive officers continues to be appropriate or if any modifications are required. Factors considered by the Board of Directors in establishing suitable compensation packages for its executive officers include, the early stage of development of the Corporation, the small number of executive officers, financial resources available to the Corporation, competitive factors and the time committed by the executive officer to the affairs of the Corporation.

#### ***Objectives of Compensation Program***

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the Board of Directors to endeavour to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board of Directors gives consideration to the Corporation's contractual obligations, performance, quantitative financial objectives including relative shareholder return as well as to the qualitative aspects of the individual's performance and achievements.

#### ***Role of Executive Officers in Compensation Decisions***

The Board of Directors will receive and review any recommendations of the Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for executive officers.

### ***Elements of the Compensation Program***

The Corporation's compensation program comprises (i) base salary and (ii) long term incentives including an incentive stock option plan (the "Plan"). Each component of the executive compensation program is addressed below.

#### ***Base Salaries and Benefits***

Salaries for executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the executive officers are not determined based on a specific formula. As stated above, base salaries are established to be competitive in order to attract and retain highly qualified executives.

The Corporation does not provide any pension or retirement benefits to its executive officers.

#### ***Long Term Incentives and Stock Option Plan***

The Board of Directors administers the Plan that is designed to provide a long-term incentive that is linked to shareholder value. The Board of Directors determines the number of options to be granted to each executive officer based on the level of responsibility and experience required for the position. The Board of Directors regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options. The Board of Directors sets the number of options as appropriate designed to attract and retain qualified and talented personnel. The Board of Directors also takes account of the Corporation's contractual obligations and the award history for all participants in the Plan.

#### ***Option based awards***

A description of the process that the Corporation uses to grant option-based awards to executive officers including the role of the Board of Directors and executive officers, is included under the heading "*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives and Stock Option Plan*" above.

The purpose of the Plan is to develop the interest of officers, directors, employees, management company employees, and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation.

The Plan is a fixed plan under which up to 6,044,019 common shares of the Corporation may be issued on the exercise of stock options. At the meeting, shareholders will be asked to consider approval of an increase to the aggregate maximum number of common shares which may be issued under the Plan to 9,315,000 common shares (See "Special Business – Amendment to Stock Option Plan").



Peter Hooper <sup>(4)</sup> Executive Chairman	2009	\$228,000	Nil	Nil	\$120,000 <sup>(8)</sup>	Nil	Nil	Nil	\$348,000 <sup>(2)</sup>
Klaus Eckhof <sup>(5)</sup> President & Chief Executive Officer	2009	\$134,722	Nil	Nil	Nil	Nil	Nil	Nil	\$134,722
Paul Andersen <sup>(6)</sup> Chief Financial Officer	2009	\$248,265 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	\$248,265
Randy Koroll <sup>(7)</sup> Chief Financial Officer	2009	\$8,000	Nil	Nil	Nil	Nil	N/A	N/A	\$8,000
Kevin Xuereb <sup>(7)</sup> President & Chief Executive Officer	2009	Nil	Nil	Nil	Nil	Nil	N/A	N/A	Nil

- (1) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total annual salary for each of the Named Executive Officers.
- (2) Paid to Hooper Mining Services Inc., a corporation controlled by Mr. Hooper.
- (3) Paid for accounting and bookkeeping services to Forbes Andersen LLP, an accounting firm in which Mr. Andersen is a partner.
- (4) Served as Chief Executive Officer from March 20, 2009 until appointment as Executive Chairman on July 10, 2009.
- (5) Appointed as Chief Executive Officer on July 10, 2009.
- (6) Served as Chief Financial Officer from the date of completion of the Corporation's Qualifying Transaction with Kilo Goldmines Inc. on March 20, 2009.
- (7) Served in this capacity from October 1, 2008 to March 20, 2009, the date of completion of the Corporation's Qualifying transaction with Kilo Goldmines Inc.
- (8) Discretionary cash bonus.

## INCENTIVE PLAN AWARDS

### *Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended September 30, 2009 in favour of the Named Executive Officers.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Options expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Hooper	200,000	\$0.30	March 20, 2012	\$28,000	Nil	Nil
	200,000	\$0.60	March 20, 2012	\$Nil	Nil	Nil
	250,000	\$1.00	March 20, 2012	\$Nil	Nil	Nil
	250,000	\$1.50	March 20, 2012	\$Nil	Nil	Nil
Klaus Eckhof	Nil	N/A	N/A	N/A	Nil	N/A
Paul Andersen	100,000	\$1.50	March 20, 2012	\$Nil	Nil	Nil
Kevin Xuereb	37,812	\$0.80	March 20, 2010	\$Nil	Nil	Nil
Randy Koroll	Nil	N/A	N/A	N/A	Nil	Nil

(1) Based on the closing price of the common shares on the TSX Venture Exchange of \$0.44 on September 30, 2009 less the exercise price in respect of such options.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth information in respect of all value vested or earned during the year ended September 30, 2009 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by the Named Executive Officers of the Corporation.

<b>Name</b>	<b>Option-based Awards Value vested during the year (\$)</b>	<b>Share-based Awards Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation Value vested during the year (\$)</b>
Peter Hooper	\$Nil	Nil	Nil
Klaus Eckhof	\$Nil	Nil	Nil
Paul Andersen	\$Nil	Nil	Nil
Kevin Xuereb	\$Nil	Nil	Nil
Randy Koroll	\$Nil	Nil	Nil

## **PENSION PLAN BENEFITS**

### ***Defined Benefit Plans Table***

The Corporation does not have any pension or retirement plans.

### ***Deferred Compensation Plans***

The Corporation does not have any deferred compensation plans.

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The provision of Mr. Peter Hooper's services as Executive Chairman of the Corporation is governed by a consulting agreement between the Corporation and Hooper Mining Services Inc., a corporation controlled by Mr. Hooper (the "Hooper Consulting Agreement"). The Hooper Consulting Agreement provides for annual compensation of \$230,000 payable monthly. The Hooper Consulting Agreement commenced on March 1, 2007 and was amended August 11, 2009. The agreement, initially set to expire on January 10, 2010, has been extended to March 2011. The agreement may be terminated by the Corporation for just cause or upon six months prior written notice.

The provision of Mr. Philip Gibbs' services, the present Chief Financial Officer of the Corporation, is governed by a consulting agreement between the Corporation and 1765271 Ontario Inc., a corporation controlled by Mr. Gibbs (the "Gibbs Consulting Agreement"). The Gibbs Consulting Agreement provides for annual compensation of \$90,000 payable monthly. The Gibbs Consulting Agreement commenced on March 1, 2010 and has no set expiry date.

Other than described above, the Corporation does not have in place any compensatory plan or arrangement with any Named Executive Officer that would be triggered by the resignation, retirement or other termination of employment of such officer, from a change of control of the Corporation or a change in the executive officer's responsibilities following any such change of control.

For illustrative purposes, if the Named Executive Officer had been terminated without cause

on September 30, 2009, the following amounts would have been payable:

Name	Aggregate amount payable for base salary	Aggregate amount payable for bonus	Aggregate amount payable for perquisites and benefits	Option-based awards – Value vested	Total
Peter Hooper <i>Executive Chairman</i>	\$115,000	Nil	Nil	Nil	\$115,000

## DIRECTOR COMPENSATION

### *Director Compensation Table*

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the non-executive directors for the Corporation's most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
James Mustard	\$10,000	Nil	\$Nil	Nil	Nil	Nil	\$10,000
Jacques Bouchard	\$10,000	Nil	\$ Nil	Nil	Nil	Nil	\$10,000
David Carbonaro	\$10,500	Nil	\$ Nil	Nil	Nil	Nil	\$10,500
Mark Arnesen	\$6,500	Nil	\$ Nil	Nil	Nil	Nil	\$6,500
Alan Beach <sup>(1)</sup>	Nil	Nil	\$ Nil	Nil	Nil	Nil	\$ Nil
Nicholas Hooper <sup>(1)</sup>	Nil	Nil	\$ Nil	Nil	Nil	Nil	\$ Nil
Ennio D'Ángela <sup>(1)</sup>	Nil	Nil	\$ Nil	Nil	Nil	Nil	\$ Nil

- (1) Served in this capacity from October 1, 2008 to March 20, 2009, the date of completion of the Corporation's Qualifying Transaction with Kilo Goldmines Inc.

## Board Fees

Directors of the Corporation receive \$1,000 per month plus \$500 per attendance at Board meetings, together with reimbursements of out-of-pocket expenses incurred in connection with such duties. Directors are eligible to participate in the Corporation's stock option plan. See "Stock Option Plan". Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. Except as otherwise disclosed herein, during the year ended September 30, 2009, no compensation was paid or payable to directors or entities controlled by directors for services rendered.

## *Incentive Plan Awards for Directors*

### Outstanding Option-Based Awards and Share-Based Awards

The following table (presented in accordance with Form 51-102F6) sets forth for each non-executive director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
James Mustard	100,000	\$1.50	March 20, 2012	Nil	Nil	Nil
Jacques Bouchard	100,000	\$1.50	March 20, 2012	Nil	Nil	Nil
David Carbonaro	150,000	\$0.30	March 20, 2012	\$21,000	Nil	Nil
	150,000	\$0.60	March 20, 2012	Nil	Nil	Nil
	200,000	\$1.00	March 20, 2012	Nil	Nil	Nil
	100,000	\$1.50	March 20, 2012	Nil	Nil	Nil

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Mark Arnesen	Nil	N/A	N/A	Nil	Nil	Nil
Alan Beach	37,812	\$0.80	March 20, 2010	\$Nil	Nil	Nil
Nicholas Hooper	37,812	\$0.80	March 20, 2010	\$Nil	Nil	Nil
Ennio D'Angela	37,812	\$0.80	March 20, 2010	\$Nil	Nil	Nil

- (1) Based on the closing price of the common shares on the TSX Venture Exchange of \$0.44 on September 30, 2009 less the exercise price in respect of such options.

### **Incentive Plan Awards – Value Vested or Earning During the Year**

#### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth information in respect of all value vested or earned during the year ended September 30, 2009 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by directors of the Corporation (who are not also Named Executive Officers).

Name	Option-based Awards Value vested during the year (\$) <sup>(1)</sup>	Share-based Awards Value vested during the year (\$)	Non-equity incentive plan compensation Value vested during the year (\$)
James Mustard	\$ Nil	Nil	Nil
Jacques Bouchard	\$ Nil	Nil	Nil
David Carbonaro	\$ Nil	Nil	Nil
Mark Arnesen	\$ Nil	Nil	Nil
Alan Beach	\$ Nil	Nil	Nil
Nicholas Hooper	\$ Nil	Nil	Nil
Ennio D'Angela	\$ Nil	Nil	Nil

- (1) Based on the closing price of the common shares on the TSX Venture Exchange on the most recent trading dates

prior to the vesting date of the options.

### ***Discussion***

The significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at year end, are set out above in the Compensation Discussion and Analysis. No outstanding options held by directors were exercised during the financial year ended September 30, 2009.

Generally, each year the Board considers whether to grant additional options to the directors. However, there are no definitive arrangements and such consideration is done after review and consideration by the Board of Directors. During the fiscal year ended September 30, 2009, no additional options were granted to non-executive directors.

### **Stock Option Plan**

On October 9, 2008, shareholders approved an Amended and Restated Stock Option Plan (the "Plan") to be effective on the completion of the Corporation's Qualifying Transaction with Kilo Goldmines Inc., which was completed on March 20, 2009.

The purpose of the Plan is to attract, retain and motivate directors, officers, employees and persons engaged to provide ongoing management and consulting services ("service providers") by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth.

Options may be granted under the Plan to directors, officers, employees or consultants of the Corporation and its affiliates. The Plan is a "fixed" plan pursuant to the policies of the Exchange, which provides that the aggregate number of common shares which may be issuable pursuant to the Plan shall not exceed 6,044,019 common shares. At the meeting, shareholders will be asked to consider approval of an increase to the aggregate maximum number of common shares which may be issued under the Plan to 9,315,000 common shares (See "Special Business – Amendment to Stock Option Plan"). The aggregate number of common shares which may be issued pursuant to the Plan to any one optionee in any 12-month period may not exceed 5% of the issued common shares on a non-diluted basis on the date of the grant (2% in the case of consultants and persons involved in investor relations activities). The maximum length of any option shall be ten (10) years from the date the option is granted for a Tier I issuer listed on the Exchange or five (5) years for a Tier II issuer listed on the Exchange, provided that participant's options expire ninety (90) days after ceasing to act for the Corporation, except upon the death of a participant, in which case his estate shall have six (6) months in which to exercise the outstanding options. The Plan is administered by the board of directors of the Corporation, which has full and final authority with respect to the granting of options thereunder and the terms of such options (including duration, price and vesting, if any), subject to compliance with the requirements of the Exchange.

On October 21, 2009 the board of directors granted 4,526,500 options to directors, officers,

employees and consultants of the Corporation and its subsidiary exercisable at a price of \$0.45 per share for a five year period, subject to an increase in the number of shares authorized under the Plan (See "Special Business – Amendment to Stock Option Plan"). As at the date hereof, there were options outstanding under the Plan to purchase 7,051,500 common shares as follows:

Relationship to the Corporation	No. of Common Shares under Option	Date of Grant	Expiry Date	Exercise Price	Market Price on Date of Grant/Repricing <sup>(1)</sup>
Executive Officers (2), as a group	200,000	November 1, 2006	March 20, 2012	\$0.30	N/A
	200,000	March 1, 2007	March 20, 2012	\$0.60	N/A
	250,000	October 1, 2007	March 20, 2012	\$1.00	N/A
	250,000	January 24, 2008	March 20, 2012	\$1.50	N/A
	2,850,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Directors (who are not also Executive Officers) (2), as a group	100,000	January 24, 2008	March 20, 2012	\$1.50	N/A
	100,000	April 3, 2008	March 20, 2012	\$1.50	N/A
	500,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
David Carbonaro (legal advisor/former director and officer)	150,000	November 1, 2006	March 20, 2012	\$0.30	N/A
	150,000	March 1, 2007	March 20, 2012	\$0.60	N/A
	200,000	October 1, 2007	March 20, 2012	\$1.00	N/A
	100,000	January 24, 2008	March 20, 2012	\$1.50	N/A
Paul Anderson (accounting and bookkeeping consultant/former CFO)	100,000	June 16, 2008	March 20, 2012	\$1.50	N/A
	150,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Paul Moase (financial advisor)	375,000	March 1, 2007	March 20, 2011	\$0.60	N/A
	150,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45

Emery Wafwana (DRC legal advisor)	54,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Didier Mbaya (DRC administrative services consultant)	100,000	July 1, 2007	July 1, 2010	\$1.00 US	N/A
	200,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Lighthouse Media & Communications Ltd. (investor relations consultant)	122,500	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Sally Hooper (administrative services consultant)	50,000	November 1, 2006	March 20, 2012	\$0.30	N/A
	50,000	March 1, 2007	March 20, 2012	\$0.60	N/A
	50,000	October 1, 2007	March 20, 2012	\$1.00	N/A
	50,000	January 24, 2008	March 20, 2012	\$1.50	N/A
	100,000	October 21, 2009	October 21, 2014	\$0.45	\$0.45
Charles Hooper (administrative services consultant)	50,000	January 24, 2008	March 20, 2012	\$1.50	N/A
	100,000	October 21, 2009	October 21, 2015	\$0.45	\$0.45
360 Connect Investor Relations Corp. (investor relations consultant)	300,000	April 14, 2010	April 14, 2012	\$0.60	\$0.55

- (1) Based on the last closing trading price of the common shares on the Exchange immediately prior to the date of the option grant.

### **Indebtedness of Management and Directors**

No present or former officer or director of the Corporation or associate thereof is indebted to the Corporation or any subsidiary at the date hereof.

### **Interest of Informed Persons in Material Transactions**

No director or officer of the Corporation, proposed nominee for election as a director of the Corporation, principal shareholder of the Corporation or any associate or affiliate of the foregoing has

any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries other than as disclosed below, elsewhere in this information circular or in a prior information circular:

1. During the fiscal year ended September 30, 2009, the Corporation's incurred legal fees of \$535,729 from Heenan Blaikie LLP, a law firm in which Jacque Bouchard, a director, and David Carbonaro, a former director and Secretary, are partners.
2. During the fiscal year ended September 30, 2009 accounting and bookkeeping fees of \$248,265 were paid to Forbes Andersen LLP, an accounting firm in which the Corporation's former Chief Financial Officer, Paul Andersen, serves as a partner.
3. During the fiscal year ended September 30, 2009, the Corporation incurred management fees of \$348,000 with Peter Hooper, Executive Chairman of the Corporation, in respect of his services as CEO and Executive Chairman of the Corporation.
4. During the fiscal year ended September 30, 2009 fees of \$132,000 in the aggregate were paid to the spouse and son of Peter Hooper, Executive Chairman of the Corporation, for administrative services provided to the Corporation.
5. During the fiscal year ended September 30, 2009 accounting and bookkeeping fees of \$150,848 were paid to Forbes Andersen LLP, an accounting firm in which the Corporation's Chief Financial Officer, Paul Andersen, serves as a partner.
7. During the fiscal year ended September 30, 2009, the Corporation incurred publicity and advertising fees in respect of web-based applications of \$39,600 with Policom Canada, a company controlled by the son of Peter Hooper, Executive Chairman of the Corporation.
8. During the fiscal year ended September 30, 2009, the Corporation incurred management fees of \$134,722 with Klaus Eckhof, Chief Executive Officer of the Corporation.

**Interest of Certain Persons in Matters to be Acted Upon**

No director or officer of the Corporation since the commencement of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon other than as disclosed under the heading "Particulars of Matters to be Acted Upon".

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Fixing Number of Directors

The Corporation's Articles provide for a minimum of one (1) and maximum of ten (10) directors. It is proposed that four (4) directors be elected at the meeting. Accordingly, shareholders are being asked to consider and, if thought fit, approve a special resolution fixing the number of directors of the Corporation and the number to be elected at the meeting at four (4).

To approve the special resolution, a majority of not less than two-thirds or 66 $\frac{2}{3}$ % of the votes cast by the shareholders of the Corporation, whether in person or by proxy, must be voted in favour of it. The form of the proposed special resolution is set forth below.

#### **"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the number of directors of the Corporation within the minimum and maximum specified in the articles of the Corporation is hereby fixed at four (4);
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts and things, as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing special resolution."

### Election of Directors

At the meeting, shareholders will be asked to elect four directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director will hold office until the next annual meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws.

Name and Residence	Office Held with the Corporation	Period of Service as a Director	Principal Occupation if Different from Office Held <sup>(1)</sup>	Number of Common Shares Beneficially Owned or Over Which Control is Exercised <sup>(2)</sup>
Peter Hooper <sup>(3)</sup> Toronto, Ontario	Executive Chairman and Director	since Mar. 2009	Also serves as President, Macusani Yellowcake Inc. (uranium	1,770,000

			exploration company)	
Klaus Eckhof Avenue de Guelfes, Monaco	President, Chief Executive Officer and Director	since April 2009	Geologist, Cara Pec AG (a mineral exploration and mining company)	60,000
James Mustard <sup>(3)</sup> Vancouver, BC	Director	since Mar. 2009	Vice President, Investment Banking, PI Financial Corp. (financial services company)	290,000
Jacques Bouchard <sup>(3)</sup> St. Lambert, Quebec	Director	since Mar. 2009	Lawyer, Director of International Affairs Heenan Blaikie LLP (a law firm)	Nil

1. All of the Nominees have held the indicated positions for the past five years, except for Mr. Hooper, who between March 2009 and July 2009 served as Chief Executive Officer of the Corporation, between 2006 and March 2009 served as Chief Executive Office of the Corporation's subsidiary, Kilo Goldmines Inc., and between 2004 and 2006 served as Chief Operating Officer of Afcan Mining (a mineral exploration and mining company), Mr. Eckhof, who between 1994 and May 2007 served as a director of Iguana Resources (a mineral exploration and mining company) and Mr. Mustard, who between September 2007 and October 2009 served as President of Canada Zinc Metals Corp. (formerly Mantle Resources Corp.) (a base metals exploration company), and between October 1996 and September 2007 served as Vice President and Senior Mine Analyst of Haywood Securities Inc. (an investment dealer).
2. The information as to shares beneficially owned or over which the above-named officers and directors exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective nominees individually.
3. Member of the Audit Committee. The Corporation does not have an Executive Committee.

IF ANY OF THE ABOVE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THEIR SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

None of the Nominees is as at the date of the circular, or has been within the 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company, including any personal holding company of such director, chief executive officer or chief financial officer, that was subject to an order that was issued while that person was acting in that capacity, or 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 such capacity.

None of the Nominees is as at the date of this circular, or has been within the 10 years before the date of this circular, a director or executive officer of any company, including any personal holding company of such director or executive officer, 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 the assets of such company.

None of the Nominees is, or has been within the ten (10) year period prior to the date hereof, a director or officer of any company that, while that person was acting in that capacity or within one year of 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 the assets of such company.

No Nominee has within the 10 years before the date of this circular, 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 the assets of such individual.

No Nominee has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Reappointment of Auditors**

Collins Barrow Toronto LLP and its predecessor firms were first appointed as independent auditors of the Corporation on September 12, 2006.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Collins Barrow Toronto LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Corporation for the year ending September 30, 2010, and to authorize the directors to fix their remuneration.

### **Amendment to Stock Option Plan**

As of the date hereof, as noted above (see " Stock Option Plan" for details of the Plan and options outstanding), 7,051,500 common shares have been granted and are reserved for issuance upon the exercise of outstanding options. Of these outstanding options, 4,526,500 were granted on October 21, 2009 to directors, officers, employees and consultants of the Corporation and its subsidiaries exercisable at a price of \$0.45 per share for a five year period, and are subject to an increase in the number of shares authorized under the Plan.

As the aggregate maximum number of common shares which may be issued under the Plan is currently 6,044,019, it is necessary to amend the Plan to increase the number of common shares authorized thereunder to permit the exercise of the 4,526,500 options granted in October 2009 and to permit the Corporation to grant further stock options in future. Management is of the view that it would

be in the Corporation's best interest to increase the number of options available for grant under the Plan so as to provide the Corporation with the ability to grant stock options in appropriate circumstances to attract and retain qualified senior management, directors, employees and other service providers. Accordingly at the meeting, shareholders will be asked to consider, and if thought fit, approve an ordinary resolution to amend the Plan by increasing the maximum number of common shares that may be issued under the Plan by 3,270,981 from 6,044,019 to 9,315,000 (the "Option Plan Resolution"). As a result of shares issued in financing and other transactions in the past 12 months, the increase will allow the total number of shares authorized under the Plan to remain consistent at approximately 15% of the number of outstanding shares. Pursuant to the policies of the Exchange, all votes cast by or on behalf of insiders of the Corporation and their associates will be excluded from voting on the Option Plan Resolution.

The proposed increase, if approved, will permit the grant of up to 2,263,500 additional options under the Plan. As at the date hereof, the Corporation had issued and outstanding 62,998,069 common shares. The 2,263,500 additional common shares that could be issued under the Plan following the amendment represents approximately 3.6% of the number of issued and outstanding common shares of the Corporation.

Disinterested shareholders will be asked at the meeting to consider and, if thought fit, to pass an ordinary resolution in substantially the following form:

**"BE IT RESOLVED THAT:**

1. the "Kilo Goldmines Ltd. Amended and Restated Stock Option Plan" be amended to increase the maximum number of common shares issuable thereunder by 3,270,981 from 6,044,019 common shares to 9,315,000 common shares;
2. any director or officer of the Company is hereby authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts and things as in the opinion of such director or officer may be necessary or desirable to give effect to this resolution; and
3. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors are hereby authorized in their sole discretion to revoke this resolution before it is acted on without further approval of the shareholders of the Company.

In order to be approved, the resolution will require the favourable vote of a simple majority of the votes cast by disinterested shareholders eligible to vote on the resolution in person or by proxy at the meeting.

### **Number of Directors**

The Corporation's articles provide for a minimum of one (1) and maximum of ten (10). The Corporation's governing corporate legislation, the OBCA, provides that where a minimum and maximum number of directors of a corporation is provided for in its articles, the number of directors of the corporation shall be such number as shall be determined from time to time by special resolution of the shareholders or, if the special resolution empowers the directors to determine the number, by resolution of the directors. As a special resolution empowering the directors to determine the number of directors within the minimum and maximum number specified in the Articles of the Corporation does not exist, shareholders of the Corporation are being asked to pass a special resolution authorizing the directors to do so. The board of directors believes that the interests of the Corporation would be best served by providing the directors of the Corporation with the flexibility to increase or decrease from time to time the number of directors of the Corporation, without having to obtain shareholder approval for each such increase or decrease. For example, the authority would permit the board of directors to add a suitable director candidate without having to wait until the next annual meeting or requiring any incumbent director to resign. The OBCA provides that where a special resolution empowers the directors to determine the number of directors, the directors may not, between meetings of shareholders, appoint an additional director if, after such appointment, the total number of directors would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.

The resolution requires approval of shareholders by special resolution. To approve the resolution, a majority of not less than two-thirds or 66 $\frac{2}{3}$ % of the votes cast by the shareholders of the Corporation, whether in person or by proxy, must be voted in favour of it. The resolution will empower the directors of the Corporation to revoke the special resolution, without further approval of the shareholders of the Corporation, in the directors' sole discretion at any time. The form of the proposed special resolution is set forth below.

#### **"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the directors of the Corporation are hereby empowered to determine from time to time the number of directors of the Corporation, subject to the limitations established by the articles of the Corporation and the provisions of the *Business Corporations Act* (Ontario);
2. notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors are hereby authorized in their sole discretion to revoke this special resolution before it is acted on without further approval of the shareholders of the Corporation; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts and

things, as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing special resolution."

\* \* \* \* \*

### **Audit Committee and Relationship with Auditor**

The Audit Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation's external auditors. The committee is also responsible for reviewing the Corporation's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the board of directors. A copy of the audit committee charter can be found at Schedule "B" to the management information circular of the Corporation (formerly Blue Ribbon Capital Corporation) dated September 2, 2008 filed on SEDAR at [www.sedar.com](http://www.sedar.com) or can be obtained by a shareholder upon request without charge from the Corporation at 141 Adelaide Street West, Suite 1200, Toronto, Ontario M5H 3L5, telephone no. (416) 360-3415 or fax no. (416) 360-3416.

The Audit Committee is comprised of Mr. Peter Hooper, Mr. James Mustard and Mr. Jacques Bouchard. Mr. Hooper is an executive officer of the Corporation and therefore is not independent for purposes of National Instrument 52-110 *Audit Committees* ("NI 52-110"). Mr. Bouchard's law firm receives fees for legal services provided to the Corporation and therefore is also not independent. Mr. Mustard is independent. Each member of the Audit Committee is "financially literate" within the meaning of NI 52-110.

#### *Relevant Education and Experience*

Set out below is a description of the education and experience of each of the Corporation's audit committee members, which is relevant to the performance of his responsibilities as an audit committee member.

Mr. Peter Hooper – Mr. Hooper served as Managing Director of Kingsdale Capital Inc., an investment banking firm, from 2002-2004 where his duties included the financing of small to mid-size companies. In addition, Mr. Hooper has served on the audit committees of several reporting issuers, including, Nevsun Resources Ltd. (1996-1999), PMI Resources Corporation (2005-2008) and Khan Resources Inc. (2004 to present).

Mr. James Mustard – Mr. Mustard has been involved for over 10 years in the capital and financial

markets. He was previously President of a public company and responsible for the company's overall guidance, including budgeting, and financial management. He was previously a Director for Valley High Ventures (January 2008 to November 2009) where he served on the audit committee until his resignation from the board.

Mr. Jacques Bouchard – Mr. Bouchard holds a law degree and regularly reviews financial statements of publicly traded resource companies in connection with his duties as Director of International Affairs of law firm Heenan Blaikie LLP.

#### *Pre-Approval Policies and Procedures*

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Corporation's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

#### *External Auditor Service Fees*

##### Audit Fees

The aggregate audit fees billed by the Corporation's external auditors for the year ended September 30, 2009 were \$35,000 (September 30, 2008 –\$30,000). The audit fees relate to the audit of financial statements.

##### Audited-Related Fees

There were no audit-related fees billed by the Corporation's external auditors for the years ended September 30, 2009 and 2008.

##### Tax Fees

There were no tax fees in respect of tax compliance, tax advice and tax planning billed by the Corporation's external auditors for the years ended September 30, 2009 and 2008.

##### All Other Fees

There were no other fees billed by the Corporation's external auditors in the past two fiscal years.

#### *Exemption*

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110 for the

year ended September 30, 2009. This exemption exempts a "venture issuer" from the requirement for all members of its audit committee to be independent, as would otherwise be required by NI 52-110.

## **Corporate Governance**

### General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose annually the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The board of directors of the Corporation believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA has implemented Form 58-101F2 under NP 58-101 which prescribes the disclosure required to be made by the Corporation about its corporate governance practices. This section sets out the Corporation's approach to corporate governance and addresses the Corporation's compliance with NI 58-101.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the board examines the effectiveness of the Corporation's internal control processes and management information systems. The board reviews executive compensation and recommends stock option grants.

The independent members of the board currently are currently James Mustard and Jacques Bouchard. The non-independent directors are Klaus Eckhof and Peter Hooper by virtue of their positions as officers of the Corporation. As such, a majority of the board is currently not independent.

## Directorships

Mr. Peter Hooper is currently a director of Khan Resources Inc., a company listed on the Toronto Stock Exchange, and Macusani Yellowcake Inc. and Arehada Mining Limited, companies listed on the TSX Venture Exchange Inc.

Mr. Klaus Eckhof is currently a director of Carnival Resources Ltd., a company listed on the Australian Stock Exchange, and De Beira Goldfields Inc., a company quoted on the US OTC Bulletin Board.

Mr. James Mustard and Mr. Jacques Bouchard are currently not directors of any other company that is a reporting issuer or equivalent in any Canadian or foreign jurisdiction.

## Orientation and Continuing Education

The board does not have a formal orientation or education program for its members. The board's continuing education is typically derived from information provided by the Corporation's legal counsel on recent developments in relevant corporate and securities' law matters. Additionally, historically board members have been nominated who are familiar with the Corporation and the nature of its business.

## Ethical Business Conduct

The board has not adopted specific guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct. The board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Corporation.

## Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The Corporation does not have a nominating committee. Prior to standing for election, new nominees to the board are reviewed by the entire board.

## Compensation

The directors decide as a board the compensation for the Corporation's officers, based on industry standards and the Corporation's financial situation. The directors currently do not receive any cash remuneration for their acting in such capacity, however, they are entitled to participate in the Corporation's stock option plan.

## Other Board Committees

The board has no other committees other than the audit committee.

## Assessments

Currently the board takes responsibility for monitoring and assessing its effectiveness as a whole, and the performance of its committees and individual directors, including reviewing the board's decision-making processes and the quality of information provided by management.

## **Securities Authorized for Issuance Under Equity Compensation Plans**

The following chart details the number of securities to be issued upon the exercise of outstanding stock options under the Corporation's stock option plan. The Corporation does not have any other equity compensation plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted –average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders <sup>(1)</sup>	7,051,500	\$0.644	2,263,500
Equity compensation plans not approved by securityholders	Nil	-	Nil
<b>Total</b>	<b>7,051,500</b>	<b>\$0.644</b>	<b>2,263,500</b>

(1) Stock Option Plan. See " Stock Option Plan" for a description of the Plan.

## **Additional Information and Availability of Documents**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's financial statements for its most recently completed financial year. Copies of the following documents are available without charge to shareholders upon written request to the President of the Corporation at 141 Adelaide Street West, Suite 1200, Toronto, Ontario M5H 3L5:

1. the consolidated financial statements for the year ended September 30, 2009, together with the accompanying report of the auditor; and
2. this Information Circular.

\* \* \* \* \*

The contents and sending of this information circular have been approved by the board of directors of the Corporation.

DATED as of the 19<sup>th</sup> day of April, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Peter Hooper*"

Peter Hooper  
Executive Chairman