

**EARLY WARNING REPORT UNDER
NATIONAL INSTRUMENT 62 - 103
ALTERNATIVE MONTHLY REPORTING SYSTEM**

ALTERNATIVE REPORTER: MACKENZIE FINANCIAL CORPORATION
150 Bloor Street West
Toronto, Ontario
M5S 3B5

REPORTING ISSUER: KILO Goldmines Ltd.

REPORT FOR END OF: September 2009

REPORT OF SHARE ACTIVITY:

Mackenzie Financial Corporation (“Mackenzie”) reports that as a result of purchases of common shares and warrants of KILO Goldmines Ltd. (“KILO Goldmines”) by one or more of its mutual fund and private client managed accounts, the aggregate number of common shares on a flow through basis of KILO Goldmines held by all of Mackenzie’s managed accounts on September 30, 2009 was 9,712,300 common shares, representing approximately 14.9% of all outstanding common shares on a flow through basis.

CHANGE FROM PREVIOUS REPORT: Initial Report

BENEFICIAL OWNERSHIP, CONTROL OR DIRECTION:

Mackenzie specifically disclaims any beneficial ownership of the reported common shares, but as investment manager it maintains exclusive power to exercise investment control or direction over such common shares for its managed accounts as the beneficial owners.

PURPOSE OF THE REPORT:

The common shares were acquired in the ordinary course of business, for investment purposes only and not for the purpose of exercising control or direction over KILO Goldmines. Mackenzie managed accounts may from time to time acquire additional common shares, dispose of some or all of the existing or additional common shares or may continue to hold the common shares.

RELIANCE ON EXEMPTION:

This report is issued under the Alternative Monthly Reporting System described in National Instrument 62 - 103. Neither Mackenzie nor any of its managed accounts presently intend to:

- a) make a formal take-over bid for any common shares of KILO Goldmines;

- b) propose a transaction that would constitute a take-over bid in reliance on an exemption in the Securities Act (Ontario); or
- c) propose a reorganization, amalgamation, merger, arrangement or similar business combination with KILO Goldmines which would result in Mackenzie's managed accounts controlling the company, alone or with others.

CERTIFICATION:

To the best of its knowledge:

- a) Mackenzie and its managed accounts do not in the ordinary course of business receive material facts or changes about KILO Goldmines which have not been publicly disclosed;
- b) Mackenzie is eligible to file this Alternative Monthly Reporting System report pursuant to the National Instrument;
- c) Mackenzie is not a joint actor with anyone else in connection with this report; and
- d) Mackenzie and its managed accounts have not entered into any agreements with KILO Goldmines in connection with the purchase.

CONTACT PERSON:

For further information, contact: Tracy Cheng
Telephone: (416) 922-5322, extension 4353

DATE AND SIGNATURE:

This report is dated October 9, 2009 and is signed by an authorized officer of Mackenzie.

MACKENZIE FINANCIAL CORPORATION

D. Lynn Vickers
Vice-President, Chief Compliance Officer