

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 Name and Address of Company

Kalo Gold Corp. (the “**Company**”)  
Suite 1430, 800 West Pender Street  
Vancouver, BC V6C 2V6

#### Item 2 Date of Material Change

September 1, 2022

#### Item 3 News Release

A news release dated September 1, 2022 was disseminated and subsequently filed on SEDAR.

#### Item 4 Summary of Material Change

The Company announced that it has closed the acquisition of 1271895 B.C. Ltd. and the private placement of 2,040,000 flow-through common shares.

#### Item 5 Full Description of Material Change

##### 5.1 Full Description of Material Change

On September 1, 2022, the Company completed its previously announced acquisition (the “**Acquisition**”) of 1271895 B.C. Ltd. (“**BCCo**”), a British Columbia company owned by the principals of Agentis Capital Mining Partners that holds a 100% interest in the AxelGold Property (“**AxelGold**” or the “**Property**”). The Company completed the acquisition of BCCo pursuant to the terms and conditions of a share purchase agreement dated August 12, 2022 between the Company and the shareholders of the BCCo (the “**Vendors**”). The purchase price for BCCo was CAD \$500,000 and was paid in full by issuing to the Vendors a total of 7,496,250 common shares in the capital of the Company (the “**Consideration Shares**”) at a price of \$0.0667 per Consideration Share. The Consideration Shares are subject to a voluntary hold period of one year from closing.

The Vendors retained a two (2%) percent net smelter returns royalty over the Property, including a two (2) kilometre area of interest extending from the external boundaries of the Property (the “**Vendors Royalty**”), which royalty shall be subject to the right of Kalo to buy back one-half (50%) of the Vendors Royalty, being a one (1%) percent net smelter returns royalty, at any time, for a purchase price of C\$1,000,000 cash.

In connection with the acquisition of the Property, the Company closed a non-brokered private placement (the “**Private Placement**”) of 2,040,000 flow-through common shares of the Company (the “**Flow-Through Shares**”) for gross proceeds of \$163,200. The Company intends to use the net proceeds raised towards exploration programs that qualify as "Canadian Exploration Expenses" and "flow-through mining expenditures", as those terms are defined in the *Income Tax Act* (Canada).

The Flow-Through Shares issued are subject to a statutory hold period of four months and one day from the issue date.

*The securities issued pursuant to the Acquisition and the Private Placement have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements. This Material Change Report shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.*

## **Related Party Disclosure**

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

**(a) a description of the transaction and its material terms:**

See item 5.1 above.

**(b) the purpose and business reasons for the transaction:**

See item 5.1 above.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

See item 5.1 above.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Prior to the completion of the Private Placement, Fred Tejada, a director of the Company, controlled 350,000 common shares of the Company. Pursuant to the Private Placement, Fred Tejada acquired 90,000 Flow-Through Shares. After completion of the Private Placement, the number of common shares beneficially owned or controlled by Fred Tejada is 440,000 common shares or approximately 0.67% of the outstanding common shares of the Company.

Prior to the completion of the Private Placement, Kevin Ma, a director of the Company, controlled 1,050,000 common shares of the Company. Pursuant to the Private Placement, Kevin Ma acquired 125,000 Flow-Through Shares. After completion of the Private Placement, the number of common shares beneficially owned or controlled by Kevin Ma is 1,175,000 common shares or approximately 1.79% of the outstanding common shares of the Company.

Prior to the completion of the Private Placement, Lekutu Holdings Limited, an entity wholly-owned by Cam Grundstrom, a director of the Company, controlled 1,875,000 common shares of the Company. Pursuant to the Private Placement, Lekutu Holdings Limited acquired 250,000 Flow-Through Shares. After completion of the Private Placement, the number of common shares beneficially owned or controlled by Lekutu Holdings Limited is 2,125,000 common shares or approximately 3.23% of the outstanding common shares of the Company.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

See item (d)(i) above.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Resolution passed by the board of directors of the Company on August 31, 2022. No special committee was established in connection with the Private Placement.

- (f) **a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than subscription agreements entered into with Fred Tejada, Kevin Ma and Lekutu Holdings Limited (Cam Grundstrom), the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Private Placement.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:**

The participation of Fred Tejada, Kevin Ma and Lekutu Holdings Limited (Cam Grundstrom) in the Private Placement constitutes a related party transaction under MI 61-101. The Company is relying on the exemptions from the valuation requirement and the minority approval requirement set out in subsections 5.5(a) *Fair Market Value Not More than 25% of Market Capitalization* and 5.7(1)(a) *Fair Market Value not More than 25% of Market Capitalization*, of MI 61-101, respectively.

The Company did not file a Material Change Report in respect of the related party transaction at least 21 days before the closing of the Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Private Placement and complete the Private Placement in an expeditious manner.

The Company will send a copy of this Material Change Report to any security holder of the Company upon request and without charge.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

The following executive officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted at:

Kevin Ma, CPA, CA  
Executive Vice President, Capital Markets and Director  
Tel: 604-363-0411

**Item 9 Date of Report**

Dated at Vancouver, BC this 12th day of September, 2022.