



**KALO GOLD**

**KALO GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED MAY 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)**

## **GENERAL**

This Management's Discussion and Analysis ("MD&A") of Kalo Gold Corp. ("Kalo" or the "Company"), formerly Kalo Gold Holdings Corp., is prepared as of July 29, 2025, and provides analysis of the Company's financial results for the three and nine months ended May 31, 2025 compared to the three and nine months ended May 31, 2024.

The following information should be read in conjunction with the Company's May 31, 2025 condensed interim consolidated financial statements with accompanying notes and related MD&A for the fiscal year ended August 31, 2024, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

All dollar figures are expressed in Canadian dollars unless otherwise stated.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

## **COMPANY OVERVIEW**

Kalo Gold Corp., formerly Kalo Gold Holdings Corp., was incorporated under the Business Corporation Act (British Columbia) on March 6, 2019. On February 25, 2021, the Company changed its name from E36 Capital Corp. to Kalo Gold Holdings Corp. On August 16, 2021, the Company changed its name from Kalo Gold Holdings Corp. to Kalo Gold Corp. The Company's common shares are listed on the TSX Venture Exchange with the symbol "KALO".

The registered office of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7. The head office of the Company is located at Suite 1507 - 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3.

### **Vatu Aurum Project, Republic of Fiji**

**Kalo Gold Corp.**, a gold exploration company, is focused on the exploration and discovery of economic epithermal gold deposits on the Vatu Aurum Project ("Vatu Aurum" or the "Property") located on the island of Vanua Levu (North Island), Republic of Fiji. Kalo holds a 100% interest in two Special Prospecting Licenses, covering a total of 367 square kilometers ("km<sup>2</sup>") or 36,700 hectares ("ha").

Vatu Aurum is located on the Pacific "Ring of Fire," a region known for significant gold deposits. The "Ring of Fire" hosts several world-class gold mines, including the Vatukoula Gold Mine on Fiji's Viti Levu Island, which has produced over 7 million ounces of gold since 1937. The "Ring of Fire" also includes the recently opened Tuvatu Gold Project on Viti Levu, as well as other major deposits such as Kainantu, Porgera, Lihir, Namosi and Grasberg.

The Company has made significant progress over the past year at Vatu Aurum, identifying a large epithermal greenfield system with associated gold targets within the >28 kilometer ("km") long Nubu Graben, a back-arc basin, that underlies the Property. The Nubu Graben is a major geological corridor running northeast through Vanua Levu, shaped by historic rotational tectonic movements of the Pacific Plate. Geophysical surveys indicate the Graben features steeply dipping faults potentially extending several kilometers into the Earth's crust.

Geological and geophysical studies have identified a series of northwest-southeast trending structures that offset the Nubu Graben and create dilational zones. These are filled with brecciated host rocks, including conglomerates and limestones, showing evidence of rotation and a high matrix content, conducive to fluid flow and metal deposition. Exploration has focused on a 12 km<sup>2</sup> target area known as Aurum Prime, within which multiple gold-bearing structural trends have been defined.

Within Aurum Prime, the Namalau Trend hosts eighteen prospective "epithermal upwelling zones," characterized by extensive sinter deposits, advanced argillic alteration, and strong geochemical anomalies, including selenium, mercury and arsenic enrichment and potassium depletion. These signatures are consistent with acidic, deep-sourced hydrothermal fluids and support the interpretation of a vertically preserved epithermal system.

At the southwestern end of the Namalau Trend, the Dua Target exhibits a well-preserved surface hot spring environment, with sinter terraces, vuggy silica, and northwest-striking quartz veins. These features are interpreted to represent the upper level of a high-sulphidation epithermal gold system, preserved from surface to depth.

Adjacent to Namalau, the Qiriyaga Complex comprises a cluster of five diatreme and surge deposits along the Vunisea Fault. This maar-diatreme complex is interpreted to host phreatomagmatic breccias overprinted by epithermal fluid circulation. Gold is hosted in matrix-supported breccias and hydrothermal cement, associated with advanced argillic alteration and volatile pathfinder elements. The Qiriyaga Complex demonstrates a well-preserved vertical system, with breccias, structural feeders and alteration zones extending to depth. Historical exploration at Qiriyaga Hill and Vuinubu Ridge outlined multiple mineralized centers and confirmed the presence of maar-forming volcanic architecture, similar to systems such as Kelian (Indonesia) and Lihir (PNG).

In 2025, the Company also reclassified the Coqeloa Target, located 15 km southwest of Aurum Prime, as a high-priority, vertically preserved low-sulphidation epithermal system. This reinterpretation was based on structural and geochemical insights from Aurum Prime, including pathfinder element enrichment, mapped sinter deposits, and quartz-pyrite veining along a >2.0 km alteration corridor. Coqeloa exhibits epithermal textures such as crustiform banding and chalcedonic silica, preserved quartz lithocaps, and minimal erosion of the upper system. These features suggest the presence of shallow-level feeder structures and deeper mineralized zones that remain untested.

Exploration will continue at Aurum Prime, including the Aurum Epithermal Field, Qiriyaga Complex, Coqeloa and Wainikoro with geological mapping, trenching, soil sampling, field-based XRF and TerraSpec analysis. A, multi-phase diamond drilling program is currently planned to test structurally controlled upwelling zones and potential feeder

conduits across these targets. The Company's integrated geological model confirms that Vatu Aurum hosts a district-scale, vertically preserved epithermal system with multiple corridors of gold discovery potential.

### **AxelGold Project, British Columbia, Canada**

On September 1, 2022, the Company acquired 100% of the issued and outstanding shares of 1271895 B.C. Ltd. ("BCCo"), a British Columbia private company owned by the principals of Agentis Capital Mining Partners, that holds a 100% interest in the AxelGold Project ("AxelGold") with the issuance of 7,496,250 Kalo common shares. AxelGold consists of 12 claims covering 4,690.259 ha or 46.9 km<sup>2</sup> and is an alkalic related syenite porphyry gold-copper-molybdenum prospect located in north central British Columbia approximately 150 km northeast of Smithers.

Exploration was performed on AxelGold from August 26, 2022 to August 29, 2022. The 2022 exploration program was carried out as a preliminary site visit to confirm geological potential and gather further information on logistical aspects. An extensive amount of exploration work was conducted on AxelGold between 1984 and 2007 including important work by the BC Geological Survey in 2002 which explored much of the project area. The 2022 field program was filed as assessment work and twelve claims covering 4,690.259 ha are valid until August 19, 2026. Three additional claims covering 597.6 ha, acquired after the 2022 field program was completed, were valid until December 9, 2024, were allowed to lapse.

### **GOING CONCERN**

This MD&A and the Annual Financial Statements have been prepared on the basis that the Company will remain a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the Company's next fiscal year. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

As at May 31, 2025, the Company had not advanced its exploration and evaluation assets to commercial production, is not able to finance its day-to-day activities through operations, had an accumulated deficit of \$22,443,752 and insufficient financial resources to achieve profitable operations or become cash flow positive, and the management of the Company cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital to finance that objective.

The Company's ability to continue as a going concern is dependent upon the ability to find, acquire and develop various businesses with growth potential, its ability to obtain the necessary financing to carry out this strategy and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Therefore, this indicates a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

As a result of the above, realization values may be substantially different from the carrying values shown and the interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

### **MINERAL PROPERTIES**

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	<b>May 31, 2025</b>	<b>August 31, 2024</b>
<b>Vatu Aurum Project, Fiji</b>	\$ 1,304	\$ 1,304
	\$ 1,304	\$ 1,304

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### **Vatu Aurum Project, Republic of Fiji**

Kalo Exploration Pte Limited, a wholly owned subsidiary of the Company, acquired Vatu Aurum in 2009 from Aurum Exploration Ltd. ("Aurum"). Aurum applied for two licences in the early 2000's and received the two licences consisting of Special Prospecting Licences ("SPL") SPL1464 in 2009 and SPL1511 in 2018. Vatu Aurum is located on Vanua Levu, the second largest island (North Island) in the Republic of Fiji. Kalo holds a 100% interest in Vatu Aurum, covering 36,691 hectares that hosts several volcanic arc related calderas and back arc basin / graben structures in a geological setting that could be analogous to the alkaline related low sulphidation epithermal gold deposits of both the Vatukoula

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Gold Mine and the Tuvatu Alkaline Gold Project located on Viti Levu (South Island). Historical exploration work concentrated on the Qiriyaga Hill Prospect and resulted in the identification of over fourteen additional priority epithermal gold exploration targets.

Under the terms of the SPL, the Company has targeted exploration expenditures as follows:

SPL	Issue Date	Expiry Date	Targeted Expenditures (FJD \$)	Targeted Expenditures (CAD \$)
1464	July 4, 2023	July 3, 2028	\$5,400,000	\$3,234,730
1511	March 26, 2025	March 25, 2028	\$1,100,000	\$658,926
			\$6,500,000	\$3,893,656

1464 and 1511 have minimum targeted expenditures as follows:

For the twelve months period ending	Minimum Targeted Annual Expenditures FJD \$
<b>SPL 1464</b>	
July 3, 2024	400,000
July 3, 2025	600,000
July 3, 2026	800,000
July 3, 2027	1,800,000
July 3, 2028	1,800,000
<b>Total SPL 1464</b>	<b>5,400,000</b>
<b>SPL 1511</b>	
March 26, 2026*	120,000
March 26, 2027*	170,000
March 25, 2028*	300,000
<b>Total SPL 1511</b>	<b>590,000</b>

\*SPL 1511 was renewed on March 26, 2025 for a 3 year period.

On March 26, 2025, The Director of Mines, Ministry of Mineral Resources, Republic of Fiji, has formally granted the renewal of Special Prospecting Licence (SPL) 1511. The licence, held by the Company's wholly owned Fijian subsidiary, Kalo Exploration Ltd., has been renewed for a three-year term, and will remain valid until March 25, 2028. The renewal was granted pursuant to the provisions of the Fiji Mining Act, following the submission of the required renewal application. The renewed licence authorizes the Company to continue exploration activities within the SPL 1511 area, including geological mapping, geochemical sampling, trenching, and drilling, as approved under the submitted work program.

2021 exploration work program:

- The Company drilled four holes at the Qiriyaga Hill Deposit with multiple gold intersections starting at surface, included KGD-01 which recorded 101 m averaging 0.94 g/t Au with several higher-grade intervals, including 2 m at 6.0 g/t Au from 8 m to 10 m, within a 9 m thick interval from 4 m to 13 m averaging 2.29 g/t Au and in hole KCD17 recorded 8.75 m averaging 36.02 g/t Au. Work to date has identified a large argillic alteration zone associated with high grade epithermal gold mineralization yielding excellent drill results and will be the focus of continued exploration and follow up diamond drilling.
- Further, the Company completed mapping and a soil sampling program and both Induced Polarization (IP) and magnetic surveys which indicated three significant priority targets beyond the Qiriyaga Hill Deposit that had never been drill tested or they occur beyond the limits of historical drilling. In addition to Qiriyaga Hill Prospect exploration activities, the Company also completed reconnaissance mapping and soil sampling at Mouta Prospect ("Mouta"), located on the northwest part of the Property approximately 9 km north from Qiriyaga Hill Deposit.

2022 exploration work program:

- Exploration work consisted of geological and alteration mapping, rock and trench sampling and a 992.5 m three-hole diamond drilling program at Qiriyaga Hill Prospect.

2023 exploration work program:

- A Project scale bulk leach extractable gold (“BLEG”) sampling program that successfully defined a 33 km long NE-trending gold corridor across the Property. Numerous epithermal gold targets have been discovered within this corridor including Nubu, Qiriyaga Hill, Wainikoro Complex, KoroIwa and Coqeloa South Prospects and correlate with the Nubu Graben and known volcanic centers.
- A Project scale stream sediment sampling program successfully identified several priority target drainages with known and previously unknown Prospects.
- A Controlled-Source Audio-frequency Magnetotellurics (“CSAMT”) geophysical survey consisting of 57.6-line km covering 12.5 km<sup>2</sup> over Aurum Prime, was completed, including coverage of the epithermal gold mineralization of the Qiriyaga Hill and Vuinubu Ridge Gold Deposits.
- The Company renewed the cornerstone Special Prospecting License (“SPL”) 1464, one of two SPLs that make up the Project, for a term of five years to the 4 July 2028.
- Exploration diamond drilling completed at Drudrusavu Prospect, located within Aurum Prime, identified a new and separate epithermal gold system characterized by two stages of quartz-sulphide mineralization with anhedral and open-space (comb) textures within silica-chlorite altered polymictic breccia and dacite. Drudrusavu is associated with a large CSAMT resistivity high target. A total of 87 m of alteration and quartz veining was intersected in three zones in KGD-2023-08 and 65 m was intersected in three zones in KGD-2023-09. This new epithermal gold discovery warrants testing and follow up work along strike and at depth.
- Exploration diamond drilling was completed at Mouta Prospect which successfully intersected two styles of mineralization. The first is the shear-style mineralized zone and the second is the broad zone of multi-directional epithermal sulfide veinlets consisting of zinc sulfides (sphalerite and marmatite) along with pyrite, and minor chalcopyrite. The mineralization is interpreted to be related to a shallowly eroded phreatomagmatic eruption setting like the other Prospects or possibly it is a telescoped epithermal system.
- Ongoing compilation work has identified Vuinubu Ridge to Namalau as a >1,900 m northeast trending priority epithermal gold target located along the deep seated Nubu Graben Fault. A combination of geology, structure, geochemistry and geophysics indicates that the upper 100 m to 150 m of the epithermal system has been eroded and it is interpreted that subsequent trenching and shallow drilling has intersected only the upper portion of the precious metal horizon. Shallow drill testing of Vuinubu Ridge has tested approximately 500 m strike length of the trend and trenching has tested over 1,900 m to the northeast to Namalau. Given that Vuinubu Ridge represents the top of the epithermal system it is estimated that drilling within 300 m of the surface, targeting the main gold mineralized zones which are interpreted to underly the current trench and drill tested zone, are the priority for the next phase of exploration work. Vuinubu Ridge sits on the southern bounding extensional fault of the Nubu Graben. The Nubu Graben, an extremely important deep seated regional scale NE-SW striking structure was formed by the downward drag of the Pacific Plate stretching crust resulting in rifting. The Nubu Graben lies along the Viti Levu Lineament, sometimes referred to as Fiji’s Mineralized Gold Belt which hosts large gold deposits such as Vatukoula / Emperor and Tuvatu. These types of faults extend at depth into the crust and act as conduits for the mineralizing fluids and gases to rise to the surface, which then deposit their mineral content as the system cools and condenses.
- Evidence is emerging through the current reinterpretation work and compilation of historical data that the Nubu Graben may host additional untested epithermal centres, highlighted by their geochemical fingerprint at surface or the occurrence of rocks such as silica sinters which are associated with the hot spring environments that sit at the subaerial interface of epithermal / hydrothermal systems.
- The gold mineralization of the Qiriyaga Hill Deposit is located between two interpreted volcanic centres and sits immediately east of the newly interpreted Vunisea Fault. The Vunisea Fault is associated with a >1,200 m north-northeast trending untested soil anomaly. The Vunisea Fault potentially acted as a metal-bearing epithermal fluid conduit or “feeder zone” that then spread laterally to the east into layers of porous tuffs, volcanic breccias and limestone layers, thereby creating the Qiriyaga Hill Deposit. Historically, drilling at

Qiriyaga Hill was solely focused on the development of a shallow open pit gold mining operation over approximately a 400 m strike length and therefore the deepest hole drilled to date has a vertical depth of only 150 m. No drilling has been undertaken to explore the potential “feeder zone” of the Qiriyaga Hill Deposit.

Given that the Qiriyaga Hill Deposit and the Namalau Trend both represents the distal or top of two precious metal epithermal systems respectively it is estimated that drilling within 400 m of the surface, targeting the Namalau Trend and recently discovered Dua Target will be a priority for the next phase of exploration work. With the work that has been completed to date the Company has formulated and completed a detailed trenching, mapping, sampling and drill core relogging program that would be followed up by a diamond drilling program.

2024 exploration work program:

- Exploration work consisted of the collection of 12,601 soil samples, covering the 11 km<sup>2</sup> Aurum Prime area in a 20 m by 20 m spacing, excavator trenching of 34 trenches and collected 2,156 trench channel samples.
- Sample preparation and XRF analysis was conducted by a 24 hour per day, 6 day per week XRF Team. This systematic and intensive exploration approach, in conjunction with the digital integration of over 30 years of geological, geochemical and geophysical exploration data, has resulted in a rapid understanding of Aurum Prime and in particular the Namalau Trend.
- The Aurum Epithermal Field has highlighted eighteen new prospective “epithermal upwelling zones”, which correspond to soil geochemical anomalies. Notably, acidic upwelling fluids have been shown to deplete elements such as potassium while enriching selenium (up to 4.4 ppm). This geochemical signature suggests that the fluids are sourced from deep in the crust, rather than from shallow plutons. The targets are also marked by anomalous mercury (up to 68 ppm) and arsenic (up to 730 ppm) levels, two volatile elements typically associated with epithermal deposits found 100 to 150 meters above the primary precious metal mineralization.
- At the southwestern end of the Namalau Trend, the Dua Target has emerged as a prominent area for further investigation. Geochemical anomalies in this area extend over a 300m by 350m area and are associated with surface features such as a low dome-shaped hill, sinter deposits from ancient hydrothermal springs and vuggy silica outcrops. A series of 12 trenches totaling 956 meters were excavated in the Dua Target, intersecting prospective saprolite layers and following geochemical trends such as anomalous selenium concentrations in soils. The trenching revealed significant alteration from high-temperature, acidic vuggy silica to lower-temperature propylitic alteration zones at the periphery, consistent with a high-sulphidation epithermal system.
- Additionally, the trenches intercepted 32 silicified quartz veins, ranging from 0.7 m to 4.1 m in thickness. These veins display a sigmoidal pattern—indicative of dilational environments—which had not been identified in prior trenching campaigns. Historical assays from earlier trenching returned gold grades of up to 3.64 grams per tonne (g/t) gold along the interpreted strike of these newly identified sigmoidal veins.

2025 exploration work program:

- Exploration is planned with soil sampling and trenching to identify and confirm additional targets within Aurum Prime. This work will include XRF and TerraSpec analysis of soil and trench samples.
- The Company is planning a drilling program to test the potential of the Aurum Epithermal Field and Qiriyaga Complex and further delineate the extent of the mineralized system along the Namalau Trend and any other areas defined by the pending results.

**AxelGold Project, British Columbia, Canada**

1271985 B.C. Ltd, a wholly owned subsidiary of the Company, owns 100% of the AxelGold Project (“AxelGold”) located approximately 150 km northeast of Smithers in northern British Columbia. AxelGold consists of 12 mineral claims and is subject to a 2% Net Smelter Returns Royalty (“NSR”). Up to 1% of the NSR can be repurchased by the Company at any time for \$1,000,000. AxelGold consists of 12 claims covering 4,690.259 ha or 46.9 km<sup>2</sup> with an alkalic related syenite porphyry gold-copper-molybdenum target.

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AxelGold is an early stage greenfield alkalic related syenite related gold prospect with a significant amount of historical exploration work. AxelGold is underlain by a multi-phase syenite feldspar porphyry, as an intrusion or sill, that is located proximal to the deep-seated Pinchi Fault system. Older Paleozoic Cache Creek Group, including ultramafic rocks, are juxtaposed against carbonaceous Triassic sediments of the Takla Group. These rocks are then intruded by a +/-3 km by +0.5 km, Cretaceous, pyritic multiphase alkalic intrusive complex or possibly overlain as a sill.

Exploration work conducted between 1984 and 2002 includes >2,900 soils, 550 rock samples, 2,091 m of diamond drilling in 16 holes that indicates that the AxelGold syenite complex is gold bearing yet both it and its margins remain underexplored. Soil surveys identified seven strong large multi-element (Au-Sb-As-Mo-Cu-Zn-Pb) anomalies (up to 700 m by 300 m) within and immediately adjacent to the syenite. Hydrothermal stages of alteration, including various styles of sericite, carbonate alteration is recognized in drill core. The abundance of carbonate minerals and identification of tellurium in geochemistry results and roscoelite in alteration assemblages is diagnostic of alkaline related precious metal systems.

The best mineralization observed on AxelGold to date occurs in the valley bottom, between diamond drill holes AX87-03 to AX87-06, in a poorly defined quartz-carbonate-fluorite stockwork zone approximately 650 m long. The stockwork zones occur within silicified megacrystic feldspar syenite porphyry. The mineralized zones contain up to 3.12 g/t Au over 5.79 m in drill core and up to 12.6 g/t Au in grab samples from surface trenching. Gold appears to be related to these stockwork zones and is associated with tellurides, chalcocite, pyrite, galena, sphalerite and stibnite mineralization.

The Company conducted field exploration on AxelGold from August 26 to August 29, 2022. The 2022 exploration program was carried out as a preliminary site visit to confirm geological potential and gather further information on logistical aspects. In addition, a 711-line km airborne magnetic survey was completed which confirmed all the major structural elements mapped at AxelGold and the surface extent of the syenite intrusion or sill.

During the four days on site, the team covered most of the major targets outlined prior to the expedition as well as expanding into some additional areas. The focus area was primarily around a feature called Gossan Hill named so due to the bright weathering rocks which are conspicuous in the landscape. This is defined as a syenite intrusion or sill and historically has been the main source of gold mineralization. The team carried out mapping of the highlighted areas as well as stream sediment and rock sampling. During the program, a total of twelve rock samples and 6 stream sediment samples were collected and X-Ray Fluorescence (XRF) analysis was conducted on 56 rock samples and 10 stream sediment samples.

AxelGold is an important project of merit for the Company and as such further exploration is warranted. Usually something this remote would have major logistical considerations, but the proximity of access roads and now the major exploration and development of copper-targets to the east makes this more feasible.

**Exploration and Evaluation Expenditures**

The Company has spent the following amounts on exploration and evaluation activities:

	Assay	Camp	Drilling	Geology	Geophysics	Operations	Overhead	Total
2010	\$ -	\$ 64,609	\$ 387,009	\$ 75,071	\$ -	\$ 111,212	\$ -	\$ 637,901
2011	79,107	62,741	335,565	124,852	-	100,853	9,378	712,496
2012	61,404	48,550	143,888	180,496	-	104,008	12,029	550,375
2013	43,792	53,619	122,377	133,080	-	69,353	11,944	434,165
2014	27,175	21,351	14,640	113,470	-	42,696	44,152	263,484
2015	5,794	23,676	64,245	47,944	-	32,524	1,434	175,617
2016	1,351	16,466	32,610	-	-	27,896	4,564	82,877
2017	-	39,436	39,683	3,836	-	47,185	39,253	169,393
2018	1,508	17,636	65,526	619	-	39,230	11,821	136,340
2019	151	5,996	32,674	-	-	28,052	86	66,959
2020	15,844	37,601	39,217	20,224	-	91,708	23,388	227,982
2021*	206,141	92,971	291,162	190,335	278,514	188,457	21,313	1,268,893
2022	166,244	34,044	133,630	134,377	38,730	255,378	31,283	793,686
2023	47,934	148,403	52,024	122,289	319,351	171,203	353,291	1,214,495
2024	-	34,548	11,827	68,065	2,257	28,319	219,999	365,015
2025	10,307	112,550	48,315	250,599	8,232	365,895	259,061	1,054,959
	\$ 666,752	\$ 814,197	\$ 1,814,392	\$ 1,465,257	\$ 647,084	\$ 1,703,969	\$ 1,279,101	\$ 8,390,752

\* From 2010 to 2020, exploration and evaluation expenditures were incurred by the Company's wholly owned subsidiary prior to the reverse takeover transaction dated February 25, 2021.

**Exploration and Evaluation activities during the nine months ended May 31, 2025 and 2024**

During the nine months ended May 31, 2025, the Company advanced its exploration efforts at the Vatu Aurum Project in Fiji through a comprehensive, multi-phase program aimed at unlocking the district-scale potential of the Vatu Aurum Project.

Key activities included:

- Commencement of field operations in September 2024, including systematic geological mapping, trenching, and geochemical sampling. A total of 12,601 soil samples and 2,156 trench samples were collected across key target areas including the Namalau Trend, Qiriyaga Complex, and the newly delineated Buca and Loma Trends.
- Confirmation of a well-preserved, vertically intact epithermal gold system at the Dua Target, located within the Namalau Trend. Trenching exposed multiple quartz veins (0.5–4.2 m wide) hosted in hydrothermal breccias, with associated vuggy silica, kaolinite, and illite-smectite alteration.
- Definition of 25 high-priority epithermal targets, based on integrated soil geochemistry, XRF analysis, TerraSpec mineralogy, and structural mapping within Aurum Prime, including the Aurum Epithermal Field and Qiriyaga Complex. These targets are marked by elevated pathfinder elements (e.g., selenium, mercury, arsenic, antimony, thallium) and strong alteration zonation, indicating proximity to the epithermal boiling horizon and potential deeper mineralized feeder structures.
- Completion of a district-scale geological model incorporating over 30 years of historical data and 2024 exploration results. This model supports the interpretation of multiple mineralized corridors, including the structurally controlled Buca and Loma Faults, each hosting several epithermal upwelling zones.
- Observation of epithermal geological textures across multiple zones—such as spheroidal silica sinters, opaline quartz, bladed and chalcedonic quartz—consistent with the uppermost parts of low-sulphidation epithermal systems and comparable to major Pacific Rim deposits including Vatukoula (Fiji), Martha (New Zealand), and Lihir (PNG), supporting the interpretation of a preserved, vertically zoned hydrothermal system at Vatu Aurum.
- The Qiriyaga Complex has been interpreted as a preserved maar-diatreme system hosting epithermal gold mineralization within breccias and surge deposits, sharing geological and structural similarities with the Kelian gold deposit in Indonesia. This analogy supports ongoing targeting of diatreme-related feeder zones at depth; the comparison is made strictly for geological context and exploration model development and does not imply resource or economic equivalency.
- Reclassification of the Coqeloa target, under renewed SPL 1511, as a high-priority, vertically preserved low-sulphidation epithermal gold system. Comparative analysis with Pacific Rim analogues and legacy surface geochemistry (including samples up to 33.2 g/t Au) identified over 2 km of alteration with strong pathfinder signatures, requiring follow-up mapping and targeting.
- Ongoing interpretation of historical data at Wainikoro, to evaluate its structural relationship to the Nubu Graben and identify potential epithermal targets for future field work.
- Modeling of a planned 9,000-metre diamond drill program for 2025. Phase 1 drilling is expected to begin in Q3 2025, focusing on the Namalau Trend and Qiriyaga Complex. Phase 2 will test deeper feeder structures within the Aurum Epithermal Field.

**SELECTED FINANCIAL INFORMATION**

<b>Balance Sheet:</b>	<b>May 31, 2025</b>	<b>August 31, 2024</b>
	(\$)	(\$)
Total assets	3,654,537	1,189,174
Current assets	3,543,075	504,605
Current liabilities	726,339	651,628

  

<b>Operations:</b>	<b>Nine Months Ended</b>	<b>Nine months Ended</b>
	<b>May 31, 2025</b>	<b>May 31, 2024</b>
	(\$)	(\$)
Net loss	2,120,885	867,623
Net comprehensive loss	2,127,781	868,281
Basic and diluted loss per share	0.01	0.01

**SUMMARY OF QUARTERLY RESULTS**

Key financial information for the three months ended May 31, 2025, as well as the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars:

	<b>F2024-Q4</b>	<b>F2025-Q1</b>	<b>F2025-Q2</b>	<b>F2025-Q3</b>
	<b>August 31,</b>	<b>November 30,</b>	<b>February 28,</b>	<b>May 31,</b>
	<b>2024</b>	<b>2024</b>	<b>2025</b>	<b>2025</b>
	(\$)	(\$)	(\$)	(\$)
Total operating expenses	(280,991)	(627,788)	(443,603)	(1,063,915)
Net loss	(788,670)	(615,444)	(442,005)	(1,063,436)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

  

	<b>F2023-Q4</b>	<b>F2024-Q1</b>	<b>F2024-Q2</b>	<b>F2024-Q3</b>
	<b>August 31,</b>	<b>November 30,</b>	<b>February 29,</b>	<b>May 31,</b>
	<b>2023</b>	<b>2023</b>	<b>2024</b>	<b>2024</b>
	(\$)	(\$)	(\$)	(\$)
Total operating expenses	(788,388)	(454,580)	(504,586)	(273,174)
Net loss	(753,008)	(365,114)	(502,509)	(216,813)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MAY 31, 2025**

Operating expenses for the three months ended May 31, 2025 were \$1,063,915, compared to \$273,174 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting expenses were \$193,049 during the three months ended May 31, 2025, compared to \$nil incurred during the same period in the prior year. Consulting expenses increased due to increased corporate activity during the period.
- Management fees were \$95,125 during the three months ended May 31, 2025, compared to \$115,125 incurred during the same period in the prior year.
- Exploration and evaluation expenses were \$533,405 during the three months ended May 31, 2025, compared to \$101,895 incurred during the same period in the prior year. The increase is a result of the increase of spending in the Vatu Aurum Project.
- Investor relations and marketing of \$81,047 during the three months ended May 31, 2025, compared to \$1,000 during the prior year. The increase is a result services for updating marketing materials, creation of new website and other collateral material.

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- Share based payments were \$73,814 during the three months ended May 31, 2025, compared to \$26,081 incurred during the same period in the prior year. The increase in share-based payments is a result of the issuance of stock options and DSUs issued during the Q2 2025.

As a result of the foregoing, the Company recorded a comprehensive loss for the three months ended May 31, 2025 of \$880,689 as compared to a comprehensive loss of \$221,429 during the same period in the prior year.

**RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED MAY 31, 2025**

Operating expenses for the nine months ended May 31, 2025 were \$2,135,306, compared to \$1,232,340 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting expenses were \$234,275 during the nine months ended May 31, 2025, compared to \$nil incurred during the same period in the prior year. Consulting expenses increased due to increased corporate activity during the period.
- Management fees were \$325,375 during the nine months ended May 31, 2025 compared to \$345,375 during the same period in the prior year
- Exploration and evaluation expenses were \$1,054,959 during the nine months ended May 31, 2025, compared to \$349,911 incurred during the same period in the prior year. The increase is a result of the commencement of the exploration program on the Vatu Aurum Project that started in September 2024.
- Investor relations and marketing expenses were \$112,220 for the nine months ended May 31, 2025 compared to \$7,000 incurred in the same period in the prior year.
- Legal and professional fees were \$81,111 during the nine months ended May 31, 2025, compared to \$124,790 incurred during the same period in the prior year.
- Share based payments were \$188,917 during the nine months ended May 31, 2025, compared to \$310,438 incurred during the same period in the prior year. The decrease was primarily due vesting of DSUs which completed its vesting during the prior year period.

As a result of the foregoing, the Company recorded a comprehensive loss for the nine months ended May 31, 2025 of \$2,127,781 as compared to a comprehensive loss of \$1,094,424 during the same period in the prior year.

**LIQUIDITY AND CAPITAL RESOURCES**

**SHARE DATA**

As at the date of this MD&A, the Company has 309,851,776 common shares, 11,570,000 stock options, 121,487,704 share purchase warrants and 16,621,096 and DSUs issued and outstanding.

- Subsequent to May 31, 2025, on July 3, 2025, the Company issued 26,271,920 for gross proceeds of \$1,313,596 in the second and final tranche of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant, exercisable at \$0.08 per warrant for 24 months from the date of issuance. In connection with the issuance, the Company recorded share issuance costs of \$25,400 in cash finders' fees. The Company further issued 1,100,334 share purchase warrants, exercisable at \$0.08 per warrant for 24 months from the date of issuance, to unrelated third parties.
- On July 25, 2025, the Company issued 10,000,000 units for gross proceeds of \$500,000 in the non-brokered private placement. Each unit consists of one common share and one share purchase warrant, exercisable at \$0.08 per warrant for 24 months from the date of issuance. There were no finders' fees in connection with the private placement.

During the nine months ended May 31, 2025, the Company issued common shares as follows:

- On May 12, 2025, the Company issued 81,335,000 units for gross proceeds of \$4,066,750 in a non-brokered private placement. Each unit consists of one common share and one share purchase warrant, exercisable at \$0.08 per warrant for 24 months from the date of issuance. In connection with the issuance, the Company recorded share issuance costs of 125,023 in cash. The Company further issued 2,780,450

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share purchase warrants, exercisable at \$0.08 per warrant for 24 months from the date of issuance, to unrelated third parties and recorded \$68,150 as a share issuance cost. \$55,000 of the proceeds were received subsequent to May 31, 2025.

- On November 14, 2024, the Company issued 1,000,000 common shares for the vesting of RSUs to an officer of the Company

During the year ended August 31, 2024, the Company issued common shares as follows:

- Between July 22 and August 14, 2024, the Company issued 50,688,757 common shares for gross proceeds of \$1,520,663 in a non-brokered private placement. In addition, the Company issued 7,966,666 common shares to certain officers and directors of the company for the settlement of outstanding accounts payable balance of \$239,000. The Company further issued 903,883 common shares to an unrelated third party for settlement of debt of \$27,116. In connection with the private placement closed that between July 22 and August 14, 2024, the Company incurred \$71,733 of share issuance costs.
- On March 19, 2024, the Company issued 10,440,000 common shares for the settlement of outstanding accounts payable balance to certain officers and directors of the Company. The Company recorded \$208,800 in equity and a \$52,200 gain on settlement of debt.
- On January 24, 2024, 2,000,000 Restricted Share Units ("RSU's") vested and were converted to common shares. The Company recorded a \$110,000 charge to equity.

**Stock Options**

Stock options outstanding and exercisable as at the date of the MD&A:

Exercise Price	Options Outstanding			Options Exercisable		
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price	
\$0.34	120,000	5.76	\$0.34	120,000	\$0.34	
\$0.26	900,000	1.15	\$0.26	900,000	\$0.26	
\$0.20	3,770,000	5.74	\$0.20	3,770,000	\$0.20	
\$0.10	4,950,000	2.79	\$0.10	4,950,000	\$0.10	
\$0.05	1,830,000	2.37	\$0.05	1,830,000	\$0.05	
	11,570,000	3.68	\$0.14	11,570,000	\$0.14	

On December 16, 2024, the Company issued 500,000 stock options expiring December 16, 2029 with an exercise price of \$0.05. The fair value of the options at the date of the grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 3.12% per annum, an expected life of option of 5 years, an expected volatility of 128.83% and no expected dividends. Expected volatility is determined using the average volatility of comparative companies over the expected life of the option. The fair value of the options of \$16,900 has been recorded as share based payment expense. Half of the stock options vest immediately upon grant and the remaining half of the stock options vest one year from the date of grant. During the nine months ended May 31, 2025, the Company recorded share-based payments related to the vesting of the stock options of \$12,292.

## Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance - August 31, 2023	\$0.10	2,144,936
Warrants expired	\$0.25	(492,936)
Balance – May 31, 2024 and August 31, 2024	\$0.05	1,625,000
Warrants expired	\$0.05	(1,625,000)
Warrants issued	\$0.08	84,115,450
Balance - May 31, 2025	\$0.08	84,115,450

On May 12, 2025, the Company issued 2,780,450 expiring two years from the issuance have been valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.64% per annum, an expected life of warrants of 2 years, an expected volatility of 127.32% and no expected dividends. The fair value of the warrants was determined to be \$98,065 and has been recorded as a share issuance cost in equity.

The expiry of the warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
May 12, 2025	May 13, 2027	84,115,450	\$0.08
July 3, 2025	July 3, 2027	27,372,254	\$0.08
		84,115,450	\$0.08

## Restricted Share Units

On October 14, 2022, the Company issued 3,000,000 Restricted Share Units (“RSU”) to the CEO of the Company expiring December 31, 2025. 2,000,000 RSUs vested in 12 months from the date of grant, 500,000 RSUs vest in 18 months from the date of grant, and the remaining 500,000 RSUs vest 12 months from the date of grant. The 3,000,000 RSUs are valued at the date of grant at \$165,000, of which, \$1,657 has been recorded as a share-based payment during the nine months ended May 31, 2025 (2024 - \$29,152). On October 22, 2023, 2,000,000 RSUs vested and common shares were issued on January 24, 2024. On October 14, 2024, the remaining 1,000,000 RSUs vested and on November 14, 2024, 1,000,000 common shares were issued.

## Deferred Share Units

On January 11, 2023, the Company issued 5,000,000 Deferred Share Units (“DSU”). The DSUs vest 12 months from the date of grant. The 5,000,000 are valued at the date of grant at \$675,000, of which \$nil has been recorded as a share-based payment during the nine months ended May 31, 2025 (2024 - \$255,205).

On March 18, 2024, the Company issued 5,000,000 DSUs. The DSUs vest 12 months from the date of grant. The 5,000,000 are valued at the date of grant at \$100,000, of which \$54,521 has been recorded as a share-based payment during the nine months ended May 31, 2025 (2024 - \$20,274 I).

On December 16, 2024, the Company issued 6,621,096 DSUs. The DSUs vest 12 months from the date of grant. The 6,621,096 are valued at the date of grant at \$264,843, of which \$120,448 has been recorded as a share-based payment during the nine months ended May 31, 2025 (2024 - \$nil).

## **CAPITAL RESOURCES**

The Company defines capital as consisting of shareholder's equity and cash. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at May 31, 2025, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended May 31, 2025.

## **LIQUIDITY**

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At May 31, 2025 the Company had cash of \$3,079,588 and working capital of \$2,579,569. At August 31, 2024, the Company had cash of \$1,192,169 and working capital deficit of \$787,926.

Cash used in operating activities was \$2,041,431 during the nine months ended May 31, 2025 compared to \$461,447 used in operating activities during the prior period.

Cash flows from investing activities were \$2,026 during the six months ended May 31, 2025 and \$90,404 during same period in the prior year. Cash flow from financing consists of primarily of proceeds from the sale of equipment during the six months ended May 31, 2025.

Cash flows from financing activities was \$3,931,719 during the nine months ended May 31, 2025 compared to \$nil during the same period in the prior year. Cash flow from financing activities consist primarily of proceeds from share issuance during Q3 2025.

The development of the Company in the future will depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurance that the Company will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

## **OUTLOOK**

The Company plans to conduct further exploration at Vatu Aurum and AxelGold. Further exploration and corporate costs are expected to be funded through future equity financing.

The focus of the ongoing work on Vatu Aurum is to rank and prioritize targets for follow-up drilling in 2025 that will lead to a gold discovery.

## **RELATED PARTY TRANSACTIONS**

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common. Key management includes the Board of Directors and members of senior management.

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During the three and nine months ended May 31, 2025 and 2024, the Company paid and/or accrued the following fees to key management personnel:

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
<b>Consulting Fees</b>				
Management	\$ 157,125	\$ 173,625	\$ 347,250	\$ 347,250
<b>Share based compensation</b>				
Management	\$ 51,581	\$ 64,398	\$ 66,035	\$ 195,035
Director	19,619	17,383	24,937	51,041
	\$ 71,200	\$ 81,781	\$ 90,972	\$ 246,076

*Due to/from Related Parties*

As at May 31, 2025, the Company has accounts payable of \$22,313 (August 31, 2024 – \$635) due to management and directors of the Company.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company currently has no off-balance sheet arrangements.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at May 31, 2025 and August 31, 2024, the Company does not have any level 2 or 3 financial assets or liabilities.

**Financial Risk Factors**

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

*Foreign Currency Risk*

Foreign Currency Risk is the risk on fluctuation of currency related to monetary items with a settlement currency other than Canadian dollars. The functional currency of Kalo and its subsidiary located in Canada is Canadian Dollars, its subsidiaries located in the BVI is US Dollar and the functional currency of the subsidiary in Fiji is Fijian dollars. The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, prepayments, and accrued liabilities that are denominated in Fijian dollars. The Company has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

**BUSINESS RISKS AND UNCERTAINTIES**

Kalo is engaged in mineral exploration and development activities, which by their nature, are speculative due to the high-risk nature of the business and the present stage of the development of the Project. Any investment in the common shares of Kalo should be considered a highly speculative investment due to the nature of the Company's business. Such risk factors could materially affect Kalo's future financial results and could cause actual results and events to differ materially from those described in forward looking statements and forward-looking information relating to Kalo or the business, property or financial results, any of which could cause investors to lose part or all of their investment in Kalo.

**CONTRACTUAL OBLIGATIONS**

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years other than pursuant to the Purchase Agreement and agreements entered into in the ordinary course of business.

**MATERIAL ACCOUNTING POLICIES & CRITICAL ACCOUNTING ESTIMATES**

The Company's material accounting policies and critical accounting estimates are summarized in Note 4 and Note 5 of the condensed interim consolidated financial statements for the three and six months ended May 31, 2025.