



**KALO GOLD**

**KALO GOLD CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)**

## **GENERAL**

This Management's Discussion and Analysis ("MD&A") of Kalo Gold Corp. ("Kalo" or the "Company"), is prepared as of January 29, 2026, and provides analysis of the Company's financial results for the three months ended November 30, 2025 compared to the three months ended November 30, 2024.

The following information should be read in conjunction with the Company's November 30, 2025 condensed interim consolidated financial statements with accompanying notes and related MD&A for the fiscal year ended August 31, 2025, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures are expressed in Canadian dollars unless otherwise stated.

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. 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 once more 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.

### **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 November 30, 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 \$27,418,964 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**

	<b>November 30, 2025</b>	<b>August 31, 2025</b>
<b>Vatu Aurum Project, Fiji</b>	\$1,304	\$1,304
	\$1,304	\$1,304

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

Kalo Exploration Pte Limited, a wholly owned subsidiary of the Company, acquired the Vatu Aurum Project in 2009 from Aurum Exploration Ltd. ("Aurum"). Aurum first applied for the licences in the early 2000's and received the licences consisting of two Special Prospecting Licences ("SPL") including SPL1464 in 2009 and SPL1511 that were granted in 2018. Vatu Aurum Project is located on Vanua Levu, the second largest island (North Island) in the Republic of Fiji. Kalo holds a 100% interest Vatu Aurum.

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

<b>SPL</b>	<b>Issue Date</b>	<b>Expiry Date</b>	<b>Targeted Expenditures (FJD \$)</b>
1464	July 4, 2023	Jul 3, 2028	\$5,400,000
1511	March 26, 2025	March 28 2028	\$590,000
			<b>\$5,990,000</b>

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SPL 1464 and 1511 have minimum targeted expenditures as follows:

For the twelve months period ending	Minimum 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>

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.

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 is 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 1.5 km Namalau Trend has highlighted eight 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.

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2025 exploration work program:

The 2025 exploration program continues to advance systematically across multiple targets within the 367 km<sup>2</sup> Vatu Aurum Project. Field operations have been executed safely and efficiently, with zero lost-time incidents (LTIs) recorded year-to-date. Completed work includes:

Activity	Completed to Date	Notes
Diamond Drilling	2,436.7 m (11 holes)	Focused on Dua and Rua epithermal upwelling zones in the Namalau Trend and QC1 and QC3 in the Qiriyaga Complex
Trenching	2,453 m (21 trenches)	Testing surface anomalies at Namalau, Buca, and Loma Trends, Qiriyaga Complex and Vunikulukulu
Soil Sampling	14,573 samples	Coverage across Aurum Prime, Wainikoro, and Coqeloa

2026 exploration work program:

In 2026, the Company will initially focus on completing a district-scale helicopter-borne airborne geophysics and lidar survey across its 100-per-cent-owned Vatu Aurum project in Fiji. The program will acquire high-resolution magnetic, radiometric and lidar data over approximately 5,700 line kilometres and is designed to directly refine structural interpretation and prioritize drill targets for the company's 2026 drilling program.

**Exploration and Evaluation Expenditures**

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

Fiscal year	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	-	47,028	-	108,415	2,776	156,184	98,080	412,483
2026	235,386	86,114	740,712	356,093	8,355	106,203	67,347	1,600,210
	\$ 891,772	\$ 834,789	\$ 2,506,789	\$ 1,679,166	\$ 649,983	\$ 1,600,461	\$ 1,185,467	\$ 9,348,488

\* 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 three months ended November 30, 2025 and 2024**

During the three months ended November 30, 2025, the Company continued with its exploration work on the Vatu Aurum Project in Fiji.

Key activities include:

- Confirmation of a preserved epithermal gold system system at Wainikoro, located 5 kilometres to the Southwest of Aurum Prime.

- Completion of Quantitative Evaluation of Minerals by Scanning Electron Microscopy (QEMSCAN) analysis of nine samples collected from Dua Target along the Namalau Trend, confirming presence of gold in surface silica caps.
- Geological mapping, soil sampling, and alteration mapping and geological analysis identified a 12.5km<sup>2</sup> preserved clay-silica lithocap with sinter, chalcedony ridges and quartz-adularia veinlets in Wainikoro.

During the year ended August 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. Diamond drilling began in Q3 2025, focusing on the Namalau Trend and Qiriyaga Complex.

**SELECTED FINANCIAL INFORMATION**

<b>Balance Sheet:</b>	<b>November 30, 2025</b>	<b>August 31, 2025</b>
	(\$)	(\$)
Total assets	2,100,843	4,005,587
Current assets	1,858,301	3,751,692
Current liabilities	1,382,020	1,635,701

  

	<b>Three months ended</b>	
<b>Operations:</b>	<b>November 30, 2025</b>	<b>November 30, 2024</b>
	(\$)	(\$)
Operating expenses	2,145,461	627,788
Net loss	2,095,795	615,444
Net comprehensive loss	2,080,250	615,852
Basic and diluted loss per share	0.03	0.01

**SUMMARY OF QUARTERLY RESULTS**

Key financial information for the three months ended November 30, 2025, as well as, the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars:

	<b>F2025-Q2</b>	<b>F2025-Q3</b>	<b>F2025-Q4</b>	<b>F2026-Q1</b>
	<b>February 28,</b>	<b>May 31,</b>	<b>August 31,</b>	<b>November 30,</b>
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2025</b>
	(\$)	(\$)	(\$)	(\$)
Total operating expenses	(443,603)	(1,063,915)	(2,328,863)	(2,145,461)
Net loss	(442,005)	(1,063,436)	(2,879,417)	(2,095,795)
Loss per share	(0.01)	(0.02)	(0.05)	(0.03)

  

	<b>F2024-Q2</b>	<b>F2024-Q3</b>	<b>F2024-Q4</b>	<b>F2025-Q1</b>
	<b>February 29,</b>	<b>May 31,</b>	<b>August 31,</b>	<b>November 30,</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	(\$)	(\$)	(\$)	(\$)
Total operating expenses	(504,586)	(273,174)	(280,991)	(627,788)
Net loss	(502,509)	(216,813)	(788,670)	(615,444)
Loss per share	(0.02)	(0.01)	(0.02)	(0.01)

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2025**

Operating expenses for the three months ended November 30, 2025 were \$2,145,461, compared to \$627,788 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Exploration and evaluation expenses were 1,653,996 during the three months ended November 30, 2025, compared to \$412,483 incurred during the same period in the prior year. The increase is a result of the increase of the exploration activities on the Vatu Aurum Project subsequent to the financing in Q4 2025.
- Financial advisory fees were \$36,630 during the three months ended November 30, 2025 compared to \$nil during the same period in the prior year. The Company did not have financial advisory consultants during Q1 2025.
- Investor relations and marketing was \$159,430 during the three months ended November 30, 2025 compared to \$7,511 in the same period in the prior year. Investor marketing campaigns began during Q3 2025, which resulted in the increased spending.

- Share based payments were \$69,187 during the three months ended November 30, 2025, compared to \$26,589 incurred during the same period in the prior year. The increase in share-based payments is a result of the vesting of DSUs issued on December 16, 2024.

As a result of the foregoing, the Company recorded a comprehensive loss for the three months ended November 30, 2025 of \$2,080,250 as compared to a comprehensive loss of \$614,852 during the same period in the prior year.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **SHARE DATA**

On December 23, 2025, the Company consolidated its share capital on a ratio 4 to 1. As at the date of this MD&A, the Company has 78,611,028 common shares, 2,892,500 stock options, 30,371,926 share purchase warrants, and 4,155,274 DSUs issued and outstanding.

On December 23, 2025, the first tranche of its previously announced non-brokered private placement under the Listed Issuer Financing Exemption of 7,648,750 units (the "Unit") at \$0.32 per Unit (the "Offering Price") for gross proceeds of \$2,447,600 (the "LIFE Offering"). Concurrently, the Company has also closed the first tranche of its previously announced non-brokered private placement of Units of 25,110,625 Units at the Offering Price for gross proceeds of \$8,035,400 (the "Concurrent Offering", and together with the LIFE Offering, the "Offerings") for total aggregate proceeds of \$10,483,000. Each Unit consists of one common share (each, a "Share") in the capital of the Company and one-half of one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable for one Share at the exercise price of \$0.50 for a period of thirty-six months from the date of issue. In connection with the Offerings, the Company paid finder's fees in the amount of \$117,684 and issued 367,762 finder's warrants. Each finder's warrant entitles the holder to acquire one Share at an exercise price of \$0.50 per share for a period of 36 months from the date of issuance, under the same terms as the Warrants issued pursuant to the Concurrent Offering.

On January 19, 2026, the Company closed the final tranche of its previously announced non-brokered private placement under the Listed Issuer Financing Exemption of 1,480,275 units (the "Unit") at \$0.32 per Unit (the "Offering Price") for gross proceeds of \$473,688 (the "LIFE Offering"). Concurrently, the Company has also closed the second tranche of its previously announced non-brokered private placement of Units of 4,680,625 Units at the Offering Price for gross proceeds of \$1,497,800 (the "Concurrent Offering", and together with the LIFE Offering, the "Offerings") for total aggregate proceeds of \$ 1,971,488. Including the first tranche, the Company issued an aggregate of 38,920,275 Units for total gross proceeds of \$12,454,488 in connection with the offering. In connection with the first, second and final tranche of the Offerings, the Company paid finder's fees in the amount of \$209,046 and issued 1,260,261 finder's warrants. Each finder's warrant entitles the holder to acquire one Share at an exercise price of \$0.50 per share for a period of 36 months from the date of issuance, under the same terms as the Warrants issued pursuant to the Concurrent Offering. The Company intends to use the net proceeds of the Offerings for drilling and exploration on the Vatu Aurum Project and working capital, marketing and general corporate purposes.

On November 26, 2025, the Company issued 1,000,000 common shares at a fair value of \$0.36 per share for the settlement of \$400,000 of payables with a vendor of the Company. As a result of this transaction, the Company recorded a gain on debt settlement of \$40,000

During the year ended August 31, 2025, the Company issued common shares as follows:

- On July 25, 2025, the Company issued 2,500,000 units for gross proceeds of \$500,000 in the final tranche of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant exercisable at \$0.32 per warrant for 24 months from the date of issuance.
- On July 3, 2025, the Company issued 6,092,980 units for gross proceeds of \$1,218,596 in the second tranche of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant, exercisable at \$0.32 per warrant for 24 months from the date of issuance. In connection with the issuance, the Company recorded share issuance costs of \$59,243 in cash and 148,084 common shares as finders' fees. The Company further issued 275,084 share purchase warrants, exercisable at \$0.32 per warrant for 24 months from the date of issuance, to unrelated third parties and recorded \$71,700 as a share issuance cost.

The Company issued further 475,000 units with common shares with a fair value of \$152,000 and warrants valued at \$123,809 for the settlement of \$95,000 of payables. The Company recorded a loss on debt settlement of \$181,809.

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- On May 12, 2025, the Company issued 18,883,750 units for gross proceeds of \$3,776,750 in a first tranche of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant, exercisable at \$0.32 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 finders' fees. The Company further issued 695,113 share purchase warrants, exercisable at \$0.32 per warrant for 24 months from the date of issuance, to unrelated third parties and recorded \$135,238 as a share issuance cost.

The Company further issued 1,450,000 units with common shares with a fair value of \$348,000 and warrants valued at \$282,109 for the settlement of \$290,000 payables. The Company recorded a loss on debt settlement of \$339,105.

- On November 14, 2024, the Company issued 250,000 common shares for vesting of RSUs to an officer of the Company.

**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	
\$1.36	30,000	5.26	\$1.36	30,000	\$1.36	
\$1.04	225,000	0.65	\$1.04	225,000	\$1.04	
\$0.80	942,500	5.24	\$0.80	942,500	\$0.80	
\$0.40	1,237,500	2.29	\$0.40	1,237,500	\$0.40	
\$0.20	457,500	2.47	\$0.20	457,500	\$0.20	
	2,892,500	3.18	\$0.56	2,892,500	\$0.56	

On December 23, 2025, the Company consolidated its share capital on a ratio 4 to 1.

**Warrants**

The following warrants are outstanding as of the date of the MD&A:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
May 12, 2025	May 13, 2027	21,028,863	\$0.32
July 3, 2025	July 3, 2027	6,843,063	\$0.32
July 25, 2025	July 25, 2027	2,500,000	\$0.32
December 23, 2025	December 23, 2028	16,747,449	\$0.50
January 19, 2026	January 19, 2029	4,340,710	\$0.50
		51,460,085	\$0.39

On December 23, 2025, the Company consolidated its share capital on a ratio 4 to 1.

On January 11, 2025, 413,000 warrants expired unexercised.

On May 12, 2025, the Company issued 695,113 share purchase warrants expiring two years from the issuance were valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.58% per annum, an expected life of warrants of 2 years, an expected volatility of 194% and no expected dividends. The fair value of the warrants was determined to be \$135,238.

On May 12, 2025, the Company issued 1,450,000 share purchase warrants associated with the debt settlement for units (see Note 11(b)) expiring two years from the issuance were valued using the Black-Scholes Option Pricing Model,

assuming a risk-free interest rate of 2.58% per annum, an expected life of warrants of 2 years, an expected volatility of 194% and no expected dividends. The fair value of the warrants was determined to be \$282,109.

On July 3, 2025, the Company issued 275,083 share purchase warrants (see Note 10(b)) expiring two years from the issuance were valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.69% per annum, an expected life of warrants of 2 years, an expected volatility of 185% and no expected dividends. The fair value of the warrants was determined to be \$71,700.

On July 3, 2025, the Company issued 475,000 share purchase warrants associated with the debt settlement for units (see Note 10(b)) expiring two years from the issuance were valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.69% per annum, an expected life of warrants of 2 years; an expected volatility of 185% and no expected dividends. The fair value of the warrants was determined to be \$123,809.

On December 23, 2025, the Company issued 16,747,449 share purchase warrants associated with the closing of the first tranche of its non-brokered private placement of its LIFE Offering, and concurrently, the closing of the first tranche of its non-brokered private placement of its Concurrent Offering.

On January 19, 2026, the Company issued 4,340,710 share purchase warrants associated with the closing of the second and final tranche of its non-brokered private placement of its LIFE Offering, and concurrently, the closing of the second and final tranche of its non-brokered private placement of its Concurrent Offering.

### **Deferred Share Units**

On January 11, 2023, the Company issued 1,250,000 Deferred Share Units ("DSU"). The DSUs vest 12 months from the date of grant. The 1,250,000 are valued at the date of grant at \$675,000, of which \$nil has been recorded as share-based payment during the three months ended November 30, 2025 (2024 - \$nil).

On March 18, 2024, the Company issued 1,250,000 DSUs. The DSUs vest 12 months from the date of grant. The 1,250,000 are valued at the date of grant at 4100,000, of which \$nil has been as a share-based payment during the three months ended November 30, 2025 (2024 - \$14,932).

On December 16, 2024, the Company issued 1,655,274 DSUs. The DSUs vest 12 months from the date of grant. The 1,655,274 are valued at the date of grant at \$264,844, of which \$66,029 has been recorded as a share-based payment during the three months ended November 30, 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 November 30, 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 November 30, 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 November 30, 2025 the Company had cash of \$1,519,264 and working capital of \$476,281. At August 31, 2025, the Company had cash of \$3,178,442 and working capital of \$2,115,991.

Cash used in operating activities was \$1,661,514 during the three months ended November 30, 2025 compared to \$567,0155 used in operating activities during the prior period.

Cash flows from investing activities were \$(12,535) during the three months ended November 30, 2025 and \$2,026 during same period in the prior year. Cash flow used in financing in 2025 was to purchase equipment while cash flow

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from financing in 2024 consisted primarily of proceeds from the sale of equipment during the three months ended November 30, 2024.

Cash flows from financing activities were \$nil during the three months ended November 30, 2025 and \$nil during same period in the prior year.

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. 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 2026 targeting a significant gold discovery. Interpretation of preliminary results to date indicates the key focus will be the Aurum Prime.

## **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.

During the three months ended November 30, 2025 and 2024, the Company paid and/or accrued the following fees to key management personnel:

	<b>Three months ended</b>	
	<b>November 30, 2025</b>	<b>November 30, 2024</b>
<b>Consulting Fees and Exploration Overhead</b>		
Management	\$ 157,125	\$ 151,125
<b>Share based compensation</b>		
Management	\$ 37,596	\$ 65,494
Director	18,062	5,318
	\$ 55,658	\$ 70,812

On December 16, 2024, the Company issued 1,574,024 DSUs to related parties. The DSUs vest 12 months from the date of grant. The 1,574,024 were valued at the date of grant at \$251,844, of which \$55,658 has been recorded as a share-based payment during the three months ended November 30, 2025 (2024 - \$nil).

### *Due to/from Related Parties*

As at November 30, 2025, the Company has accounts payable of \$nil (August 31, 2025 – \$10,583) due to management and directors of the Company.

### *Transactions with Related Parties*

Between May 12 and July 25, 2025, the Company issued 300,000 units to certain officers of the Company for the settlement of outstanding account payables balance of \$60,000.

## **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 November 30, 2025 and August 31, 2025, 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 months ended November 30, 2025.