

**Kalo Gold Corp.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE ENDED NOVEMBER 30, 2020**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

**KALO GOLD CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT NOVEMBER 30, 2020 AND AUGUST 31, 2020**

*(expressed in Canadian Dollars)*  
*(unaudited)*

	<b>NOVEMBER 30, 2020</b>	<b>AUGUST 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 109,364	\$ 257,751
Prepaid expenses (Note 6)	217,770	-
	327,134	257,751
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 7)	1,304	1,304
Equipment (Note 8)	10,483	7,350
Deposits and other assets (Note 9)	32,499	35,515
Restricted cash	6,803	6,783
<b>Total assets</b>	<b>\$ 378,223</b>	<b>\$ 308,703</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 246,260	\$ 142,921
Due to shareholder (Note 16 c)	259,797	190,784
<b>Total liabilities</b>	<b>506,057</b>	<b>333,705</b>
<b>Shareholders' deficiency</b>		
Share capital (Note 11)	772,619	119
Shareholders' contributions (Note 12)	6,175,469	6,175,469
Subscription payable	-	220,150,
Share subscriptions receivable	(25,300)	-
Accumulated other comprehensive loss	(68,625)	(63,016)
Deficit	(6,981,997)	(6,357,724)
<b>Total shareholders' deficiency</b>	<b>(127,834)</b>	<b>(25,002)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 378,223</b>	<b>\$ 308,703</b>

Continuance of Operations and Going Concern (Note 2)

Approved and authorized for issue on behalf of the Board of Directors on February 4, 2021.

/s/ Serco Management Limited  
Serco Management Limited, Sole Director

The accompanying notes are integral to these unaudited condensed interim consolidated financial statements.

**KALO GOLD CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

*(expressed in Canadian Dollars)*  
*(unaudited)*

	<b>THREE MONTHS ENDED NOVEMBER 30, 2020</b>	<b>THREE MONTHS ENDED NOVEMBER 30, 2019</b>
<b>Operating expenses</b>		
Consulting	\$ 81,217	\$ 5,251
Depreciation and amortization	-	285
Exploration and evaluation (Note 13)	117,755	53,903
Foreign exchange loss (gain)	(3,844)	-
General and administrative expenses	21,136	7,730
Legal and professional fees	49,098	9,362
Share based payments (Note 11)	318,500	-
Travel	40,411	2,416
<b>Loss for the period</b>	<b>(624,273)</b>	<b>(78,947)</b>
<b>Other comprehensive income (loss)</b>		
Foreign exchange gain (loss) on translation of foreign operations	(5,609)	(1,027)
<b>Net comprehensive loss for the period</b>	<b>\$ (629,882)</b>	<b>\$ (79,973)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (789)</b>
<b>Weighted average number of shares outstanding (basic and diluted)</b>	<b>25,653,847</b>	<b>100</b>

The accompanying notes are integral to these unaudited condensed interim consolidated financial statements.

**KALO GOLD CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

*(expressed in Canadian Dollars)*  
*(unaudited)*

	<b>Three months ended November 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (624,273)	\$ (78,947)
Adjustments to net loss		
Depreciation and amortization	-	215
Share-based payments	318,500	-
Changes in non-cash working capital		
Accounts payable and accrued liabilities	103,339	(10,556)
Prepaid expenses, deposits and other assets	(214,754)	(5,409)
Due to shareholder	69,013	-
<b>Cash flows used in operating activities</b>	<b>(348,175)</b>	<b>(94,697)</b>
<b>Cash flows from investing activities</b>		
Purchase of equipment	(3,111)	(2,753)
<b>Cash flows used in investing activities</b>	<b>(3,111)</b>	<b>(2,753)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares	428,700	-
Share subscriptions received	(220,150)	-
Shareholders' contributions	-	125,733
<b>Cash flows from financing activities</b>	<b>208,550</b>	<b>125,733</b>
<b>Effect of foreign exchange on cash</b>	<b>(5,651)</b>	<b>(1,153)</b>
<b>Change in cash during the period</b>	<b>(148,387)</b>	<b>198,547</b>
<b>Cash – beginning</b>	<b>257,751</b>	<b>199,700</b>
<b>Cash – ending</b>	<b>\$ 109,364</b>	<b>\$ 398,247</b>

The accompanying notes are integral to these unaudited condensed interim consolidated financial statements.

**KALO GOLD CORP.  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

*(expressed in Canadian Dollars)  
(unaudited)*

	Share capital						Accumulated other comprehensive loss	Deficit	Total
	Number of shares	Amount	Shareholders' contributions	Subscriptions received	Subscriptions to be received				
<b>Balance – August 31, 2019</b>	100	\$ 119	\$ 6,151,916	\$ -	\$ -	\$ (72,318)	\$ (5,874,662)	\$ 205,055	
Net loss for the period	-	-	-	-	-	-	(78,947)	(78,947)	
Foreign exchange gain on translation of foreign operations	-	-	-	-	-	(1,027)	-	(1,027)	
Shareholders' contributions	-	-	125,733	-	-	-	-	125,733	
<b>Balance – November 30, 2019</b>	100	\$ 119	\$ 6,277,649	\$ -	\$ -	\$ (73,345)	\$ (5,953,609)	\$ 250,815	
<b>Balance – August 31, 2020</b>	12,000,001	\$ 119	\$ 6,175,469	\$ 220,150	\$ -	\$ (63,016)	\$ (6,357,724)	\$ (25,002)	
Net loss for the period	-	-	-	-	-	-	(624,273)	(624,273)	
Foreign exchange loss on translation of foreign operations	-	-	-	-	-	(5,609)	-	(5,609)	
Shares issued for cash	15,450,000	454,000	-	(220,150)	(25,300)	-	-	208,550	
Share based payment	-	318,500	-	-	-	-	-	318,500	
<b>Balance –November 30, 2020</b>	27,450,001	\$ 772,619	\$ 6,175,469	\$ -	\$ (25,300)	\$ (68,625)	\$ (6,981,997)	\$ (127,834)	

The accompanying notes are integral to these unaudited condensed interim consolidated financial statements.

**KALO GOLD CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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*(expressed in Canadian Dollars)*  
*(unaudited)*

**1. Nature of Business**

Kalo Gold Corp. (“Kalo” or the “Company”) was incorporated on June 8, 2020 under the Business Corporation Act of the Province of British Columbia. The Company’s registered records office is located at 1055 West Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

**Reverse Takeover**

On August 6, 2020, the Company completed a reverse takeover transaction (“RTO”) pursuant to which it acquired Aloki Mining Limited (“Aloki”), a company incorporated under the laws of the British Virgin Islands on December 8, 2009. Aloki through its subsidiary, is a natural resource company principally engaged in the exploration and development of the Vatu Aurum Gold Project. Aloki’s wholly-owned subsidiary, Kalo Exploration Pte Limited, is a limited liability company formed under the laws of Fiji, holds the license related to the Vatu Aurum Gold Project (Note 7), and is the operator of all related mineral exploration activities.

**2. Continuance of Operations and Going Concern**

These unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

As at November 30, 2020, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day-to-day activities through operations. The Company had an accumulated deficit of \$6,981,997 and working capital deficiency of \$178,923 as at November 30, 2020, 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. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

The unaudited condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management intends to finance mineral property acquisition, exploration and general administration costs over the next twelve months from proceeds of private placements of its common shares and by receiving contributions from its shareholders.

**3. COVID-19 Impact assessment**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. There has not been a material impact on the Company’s operations during this period and as a result no material impact to the Company’s condensed interim consolidated financial statements from the COVID-19 pandemic.

**KALO GOLD CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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**4. Basis of Preparation and Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), has issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IFRS has been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended August 31, 2020.

These financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit and loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting. The accounting policies set out in Note 5 have been applied consistently by the Corporation during the periods presented.

The Company’s financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, and are presented in Canadian Dollars except where otherwise indicated.

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Inputs for the asset or liability that are unobservable

**5. Significant Accounting Policies**

The Company’s accounting policies are the same as those applied in the Company’s annual consolidated financial statements for the year-ended August 31, 2020. These condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended August 31, 2020.

**6. Prepaid Expenses**

	November 30, 2020	August 31, 2020
<b>Prepaid expense</b>	\$ 217,770	\$ -
	\$ 217,770	\$ -

Prepaid expenses consist primarily of advances for investor relations fees.

**KALO GOLD CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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**7. Exploration and Evaluation Assets**

	November 30, 2020	August 31, 2020
<b>Vatu Aurum Gold Project</b>	\$ 1,304	\$ 1,304
	\$ 1,304	\$ 1,304

Kalo Exploration Pte Limited, a wholly owned subsidiary of the Company, acquired Vatu Aurum Gold Project, a Special Prospecting Licence 1464 (formerly SPL 1214) in 2009 from Aurum Exploration Ltd. Aurum first applied for the licence in the early 2000's, and received the licence in 2009. Vatu Aurum is located in the North Island of Fiji and is approximately 36,700 hectares.

**8. Equipment**

	<b>Equipment</b>	
<b>As at August 31, 2020</b>	\$	93,739
Additions		3,111
Foreign exchange		269
<b>As at November 30, 2020</b>	\$	97,119
<b>Accumulated depreciation</b>		
<b>As at August 31, 2020</b>	\$	(86,388)
Depreciation		-
Foreign exchange		(248)
<b>As at November 30, 2020</b>	\$	(86,636)
<b>Net book value</b>		
<b>As at August 31, 2020</b>	\$	7,351
<b>As at November 30, 2020</b>	\$	10,483

**9. Deposits and Other Assets**

	November 30, 2020	August 31, 2020
Prepaid expenses and deposits	\$ 10,920	\$ 19,846
Value-added tax receivable	16,587	10,648
Other receivables	4,992	5,021
	\$ 32,499	\$ 35,515



**KALO GOLD CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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*(unaudited)*

**10. Accounts Payable and Accrued Liabilities**

	November 30, 2020	August 31, 2020
Accounts payable	\$ 124,159	\$ 37,409
Accrued liabilities	122,101	79,496
Due to E36	-	26,016
	\$ 246,260	\$ 142,921

As at November 30, 2020, included in accounts payable are amounts totalling \$nil (August 31, 2020 - \$931) due to related party (see Note 16).

**11. Share Capital**

**(a) Authorized Share Capital**

The Company is authorized to issue unlimited of common shares without par value. At November 30, 2020 the Company had 27,450,001 (August 31, 2020 12,000,001) common shares outstanding.

**(b) Issued Share Capital**

During the three months ended November 30, 2020, the Company issued common shares as follows:

- On September 10, 2020, the Company issued 6,500,000 common shares at a price of \$0.001 per share for gross proceeds of \$6,500. The deemed fair value of the shares is \$0.05 per share and a share based payment of \$318,500 is recorded.
- On September 11, 2020, the Company issued 8,950,000 common shares at a price of \$0.05 per share for gross proceeds of \$447,500.

During the year ended August 31, 2020, the Company issued common shares as follows:

- On August 6, 2020, the Company is deemed to have issued 11,999,901 common shares in the reverse acquisition of Kalo.

**12. Shareholders' Contributions**

	November 30, 2020	August 31, 2020
Shareholders' contributions	\$ 6,175,469	\$ 6,175,469
	\$ 6,175,469	\$ 6,175,469

Shareholders' contributions consist of amounts received from shareholders of the Company as funding for exploration and evaluation activities. The amounts are non-repayable.

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**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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*(unaudited)*

**13. Exploration and Evaluation Expenses**

Exploration and evaluation expenses incurred for the three months ended November 30, 2020 and 2019 are as follows:

	Three months ended November 30, 2020	Three months ended November 30, 2019
Consulting	\$ 29,398	\$ -
Exploration support and administration	7,876	3,983
Field operations and consumables	79,908	48,566
Sampling and geological costs	573	1,354
	<u>\$ 117,755</u>	<u>\$ 53,903</u>

**14. Financial Instruments**

Financial Assets and Liabilities

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. 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.

As at November 30, 2020 and August 31, 2020 the Company does not any have level 2 or 3 financial assets or liabilities.

There were no transfers between level 1 and 2 during the three months ended November 30, 2020 and 2019.

Financial Instrument Risk Exposure

The Company's financial instruments expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance, in the context of its general capital management objectives as further described in Note 15.

**KALO GOLD CORP.**  
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**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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*(unaudited)*

**15. Management of Capital**

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of the Vatu Aurum Gold Project. Capital is comprised of the Company's shareholders' equity. 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. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

**16. Related Party Transactions**

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

**(a) Key Management Personnel Compensation**

During the three months ended November 30, 2020 and 2019, the Company paid and/or accrued the following fees to key management personnel:

	<b>Three months ended November 30, 2020</b>	<b>Three months ended November 30, 2019</b>
Management	\$ 29,900	\$ -
Director	1,317	5,251
	<b>\$ 31,217</b>	<b>\$ 5,251</b>

**(b) Due to/from Related Party**

As at November 30, 2020, the Company has accounts payable of \$29,900 (August 31, 2020 – \$931) due to a related party and prepaid expenses of \$435 (August 31, 2020 - \$1,739).

**(c) Due to Shareholder**

	<b>November 30, 2020</b>	<b>August 31, 2020</b>
Due to shareholder	\$ 259,797	\$ 190,784
	<b>\$ 259,797</b>	<b>\$ 190,784</b>

As at November 30, 2020, \$259,797 (August 31, 2020, \$190,784) is owned to a shareholder for expenses paid by a shareholder and amounts owed. The amount owed to the shareholder is interest free and payable on demand.

**KALO GOLD CORP.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020 AND 2019**

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*(expressed in Canadian Dollars)*  
*(unaudited)*

**17. Segmented Information**

For the three months ended November 30, 2020 and August 31, 2020 the Company operated in a single operating segment and evaluates the performance of the business as a single segment.