KALO GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2020

(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 February 4, 2021, provides analysis of the Company's financial results for the year ended August 31, 2020, compared to the year ended August 31, 2019.

The following information should be read in conjunction with the Company's August 31, 2020 consolidated financial statements with accompanying notes and with the Company's audited consolidated financial statements with accompanying notes and related MD&A for the fiscal year ended August 31, 2020, 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. ("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 and is the operator of all related mineral exploration activities.

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.

During the year ended August 31, 2020, the Company incurred an operating loss of $483,766 and as at August 31, 2020, the Company had a deficit of $6,357,724. While the Company had working capital deficit of $75,954 as at August 31, 2020, the Company expects to incur further operating losses for the foreseeable future in the development of its business and expects that it will require additional financing.

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 PROPERTY

Vatu Aurum Gold Project		
Balance August 31, 2019 (Restated)	$	1,330
Effects of foreign exchange translation		(36)
Balance August 31, 2020	$	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.

Exploration and Evaluation Expenditures

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

	Consulting	Drilling	Field	Exploration support and administration	Sampling and assaying	Travel and accommodations	Total
2010	75,071	387,009	175,821	-	-	-	637,901
2011	124,852	335,565	163,594	9,378	79,107	-	712,496
2012	180,496	143,888	130,187	12,029	61,404	22,371	550,375
2013	133,080	122,377	119,129	11,944	43,792	3,843	434,165
2014	113,470	-	76,368	44,152	27,175	2,319	263,484
2015	47,944	48,461	71,984	1,434	5,794	-	175,617
2016	-	10,678	62,924	4,564	1,351	3,370	82,877
2017	3,836	13,260	104,511	39,253	-	8,533	169,393
2018	619	3,257	104,790	11,821	1,508	14,345	136,340
2019	-	-	58,843	86	151	7,879	66,959
2020	20,224	-	155,650	23,888	15,844	12,876	227,982
	699,592	1,064,495	1,223,801	158,049	236,126	75,536	3,457,599

SELECTED ANNUAL INFORMATION

Balance Sheet:	Year Ended August 31, 2020	Year Ended August 31, 2019
Total assets	308,703	269,626
Current assets	257,751	199,700
Current liabilities	333,705	64,571
Operations:		
Net loss	483,062	174,536
Comprehensive loss	473,760	
Basic and diluted loss per share	0.58	1,753

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended August 31, 2020, as well as, the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars:

	F2020-Q1 November 30, 2019 ($)	F2020-Q2 February 28, 2020 ($)	F2020-Q3 May 31, 2020 ($)	F2020-Q4 August 31, 2020 ($)
Total operating expenses	(78,942)	(46,319)	(70,868)	(287,637)
Net loss	(78,942)	(46,319)	(70,868)	(286,933)
Loss per share	(790)	(463)	(709)	(0.09)

	F2019-Q1 November 30, 2018 ($)	F2019-Q2 February 28, 2019 ($)	F2019-Q3 May 31, 2019 ($)	F2019-Q4 August 31, 2019 ($)
Total operating expenses	(40,794)	(26,528)	(38,398)	(70,939)
Net loss	(40,794)	(26,528)	(38,398)	(69,816)
Loss per share	(408)	(265)	(384)	(698)

FINANCIAL RESULTS

Operating expenses for the year ended August 31, 2020 were $483,766, compared to $176,413 incurred in the prior year. The significant differences in expenditures were as follows:

- Exploration and evaluation expenditures were $227,982 during the year ended August 31, 2020, comprised of geological consultancy fees of $20,244, field operations $155,650, exploration support and administration of $23,388, sampling and geological costs of $15,844, and Travel and accommodations of $12,876. Exploration and evaluation expenditures were $66,951 during the year ended August 31, 2019, inclusive of exploration support and administration of $86, field operations of $58,835, sampling and geological costs of $151, and transportation of $7,879.

- Consulting expenses were $13,972 during the year ended August 31, 2020, compared to $10,918 incurred during the same period in the prior year.

- General and administrative expenses were $40,732 during the year ended August 31, 2020, compared to $28,869 incurred during the same period in the prior year. The increase is due to advertising expenses incurred by the company.

- Legal and professional expenses were $163,966 during the year ended August 31, 2020, compared to $64,230 incurred during the same period in the prior year. The increase is primarily related to increased legal and accounting fees for the acquisition of Kalo Gold Corp and fees incurred in preparation for the amalgamation with E36 Capital Corp.

As a result of the foregoing, the Company recorded a comprehensive loss for the year ended August 31, 2020 of $473,760, as compared to a comprehensive loss of $174,536 during the year ended August 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

SHARE DATA

As at the date of this MD&A, the Company has 12,000,000 common shares issued and outstanding.

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 11,999,900 common shares in the reverse acquisition of Kalo.

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 August 31, 2020, 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 year ended August 31, 2020.

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 August 31, 2020, the Company had cash of $257,751 as compared to $199,700 as at August 31, 2019 and working capital deficit of $75,954 as at August 31, 2020, as compared to working capital of $135,129 as at August 31, 2019.

Cash used in operating activities was $187,079 during the year ended August 31, 2020, compared to $114,489 used in operating activities during the prior year.

Cash flows from investing activities was $186,819 for the year ended August 31, 2020 and $nil for the year ended August 31, 2019.

Cash flows from financing activities was $49,303 during the year ended August 31, 2020 and $173,846 for the prior year. Cash flow from financing consists of capital contributions from shareholders.

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 on the Vatu Aurum Gold Project. Further exploration and corporate costs are expected to be funded through future equity financing.

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 Personnel Compensation

During the year ended August 31, 2020 and 2019, the Company paid and/or accrued the following fees to key management personnel:

	August 31, 2020	August 31, 2019
Management	$ 6,441	$ 5,616
Director	7,531	5,302
	$ 13,972	$ 10,918

Due to/from Related Parties

As at August 31, 2020, the Company has prepayments of $1,739 paid to a related party and accounts payable of $931 (2019 – accounts payable of $3,546).

Due to Shareholder

	August 31, 2020	August 31, 2019
Due to shareholder	$ 190,784	$ -
	$ 190,784	$ -

As at August 31, 2020, $190,784 (2019 – nil) for expenses paid by a shareholder and amounts owed to a shareholder.

Shareholders' Contributions

As at August 31, 2020 and 2019, the Company has received capital contributions as follows:

	Shareholder Contributions
Balance August 31, 2019 (restated)	$ 6,151,916
Contributions for the year	23,553
Balance August 31, 2020	$ 6,175,469

The contributions received by the Company are used primarily as funding for exploration and evaluation related activities

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

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 August 31, 2020 and 2019, the Company has the does not any have 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 that Canadian dollars. The functional currency of Kalo 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 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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation include allowances for doubtful accounts.

Areas requiring a significant degree of judgement that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

- *Going Concern*

  The assessment of the Company's ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Company's ability to generate adequate financing. Significant judgements are used in the Company's assessment of its ability to continue as a going concern.

- *Income taxes*

  Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

  The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

- *Acquisition Accounting*

  Aloki has accounted for the reverse acquisition of Kalo as a reverse acquisition as an asset acquisition. Significant judgements and estimates were required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Aloki was not considered a business under IFRS 3: Business Combinations.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are summarized in Note 5 to the audited consolidated financial statements for the year ended August 31, 2020 and 2019.

COVID-19 PANDEMIC

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 was no material impact on the Company's operations and consolidated financial statements from the COVID-19 pandemic.