

KALO GOLD CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 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 August 31, 2020, provides analysis of the Company's financial results for the three months ended November 30, 2020 compared to the three months ended November 30, 2019.

The following information should be read in conjunction with the Company's November 30, 2020 condensed interim 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 three months ended November 30, 2020, the Company incurred an operating loss of \$624,273 and as at November 30, 2020, the Company had a deficit of \$6,981,997. While the Company had working capital deficit of \$178,923 as at November 30, 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

| | November 30, 2020 | August 31, 2020 |
|--------------------------------|--------------------------|------------------------|
| Vatu Aurum Gold Project | \$ 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.

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

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 |
| 2021 | 29,398 | - | 79,908 | 7,876 | 573 | - | 117,755 |
| | 728,990 | 1,064,495 | 1,303,709 | 165,925 | 236,699 | 75,536 | 3,575,354 |

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

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

SELECTED FINANCIAL INFORMATION

| Balance Sheet: | November 30, 2020 | Year Ended August 31, 2020 |
|----------------------------------|--|--|
| | Total assets | 378,223 |
| Current assets | 327,134 | 257,751 |
| Current liabilities | 506,057 | 333,705 |
| Operations: | Three months Ended November, 2020 | Three months Ended November, 2019 |
| Net loss | 624,273 | 78,947 |
| Net comprehensive loss | 629,882 | 79,973 |
| Basic and diluted loss per share | (0.02) | (789) |

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended November 30, 2020, as well as, the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars:

| | F2020-Q2 February 28, 2020 (\$) | F2020-Q3 May 31, 2020 (\$) | F2020-Q4 August 31, 2020 (\$) | F2021-Q1 November 30, 2020 (\$) |
|--------------------------|--|-------------------------------------|--|--|
| Total operating expenses | (46,319) | (70,868) | (287,637) | (624,273) |
| Net loss | (46,319) | (70,868) | (286,933) | (624,273) |
| Loss per share | (463) | (709) | (0.09) | (0.02) |

| | F2019-Q2 February 28, 2019 (\$) | F2019-Q3 May 31, 2019 (\$) | F2019-Q4 August 31, 2019 (\$) | F2020-Q1 November 30, 2019 (\$) |
|--------------------------|--|-------------------------------------|--|--|
| Total operating expenses | (26,528) | (38,398) | (70,939) | (78,947) |
| Net loss | (26,528) | (38,398) | (69,816) | (78,947) |
| Loss per share | (265) | (384) | (698) | (789) |

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020

Operating expenses for the three months ended November 30, 2020 were \$624,273, compared to \$78,947 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Exploration and evaluation expenditures were \$117,755 during the three months ended November 30, 2020, comprised of exploration support and administration \$7,876, field operations \$79,908, sampling and geological costs of \$573. Exploration and evaluation expenditures were \$53,903 during the three months ended November 30, 2019, inclusive of exploration support and administration of \$3,983, field operations of \$48,566 and sampling and geological costs of \$1,354. The increase in exploration and evaluation expenditures was primarily costs related to the resumption of the exploration program beginning late November 2020. Costs in the same period in the prior year are primarily related in the maintenance of the exploration site.
- Consulting expenses were \$81,217 during the three months ended November 30, 2020, compared to \$5,251 incurred during the same period in the prior year. Consulting fees recording in the current period include a non-recurring fee of \$50,000 related to the hiring of the CEO for the company. Management elected not to charge the company during the same period in the prior period.
- General and administrative expenses were \$21,136 during the three months ended November 30, 2020, compared to \$7,730 incurred during the same period in the prior year. The increase of general and administrative fees is primarily attributed to the increase of transfer agent and filing fees, which are new to the Company.
- Legal and professional expenses were \$49,098 during the three months ended November 30, 2020, compared to \$9,362 incurred during the same period in the prior year. The increase in legal and professional fees is primarily due to costs related to the share exchange agreement with E36 Capital Corp.
- Share based payments were \$318,500 during the three months ended November 30, 2020, compared to \$nil for the same period in the prior year. The share based payments charged for the three months ended November 30, 2020 is the result of the fair value difference between the issue price of the shares issuance on September 10, 2020 of \$0.001 per share and September 11, 2020 of \$0.05 per share. The fair value of the shares issued on September 10, 2020 is deemed to be \$0.05, and the difference between the proceeds received and the fair value of the shares was recorded as a share based payment.
- Travel expenses were \$40,411 during the three months ended November 30, 2020, compared to \$2,416 during the same period in the prior year. The increase of travel expenses is due to the travel expenses of staff to Fiji during the period and additional travel costs required for COVID-19 compliance.

As a result of the foregoing, the Company recorded a comprehensive loss for the three months ended November 30, 2020 of \$629,882, as compared to a comprehensive loss of \$79,973 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 27,450,001 common shares issued and outstanding.

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.

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, 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 three months ended November 30, 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 November 30, the Company had cash of \$109,364 and working capital deficit of \$178,923. At August 31, 2020, the Company had cash of \$257,751 and working capital of \$75,954.

Cash used in operating activities was \$348,175 during the three months ended November 30, 2020, compared to \$94,697 used in operating activities during the prior period.

Cash flows used investing activities was a \$3,111 for the three months ended November 30, 2020 and \$2,753 for the three months ended November 30, 2020.

Cash flows from financing activities was \$208,550 during the three months ended November 30, 2020 and \$125,733 during same period in the prior year. Cash flow from financing consists from proceeds from the issuance of common shares during the three months ended November 30, 2020 and from capital contributions from shareholders in the same period from the prior period.

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

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

Due to/from Related Parties

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).

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, 2020 and August 31, 2020, 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 than 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.

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.

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.