



KALO GOLD CORP.

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

KALO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT FEBRUARY 28, 2026 AND AUGUST 31, 2025

(Unaudited, expressed in Canadian Dollars)

		FEBRUARY 28, 2026		AUGUST 31, 2025
ASSETS				
Current assets				
Cash	\$	10,498,170	\$	3,178,442
Prepaid expenses		421,530		385,077
Receivables		376,005		188,173
		11,295,705		3,751,692
Non-current assets				
Exploration and evaluation asset (Note 7)		1,304		1,304
Equipment (Note 8)		371,747		186,223
Deposits (Note 6)		60,199		59,466
Restricted cash		6,804		6,902
Total assets	\$	11,735,759	\$	4,005,587
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	\$	1,167,573	\$	1,635,701
Total liabilities		1,167,573		1,635,701
Shareholders' equity				
Share capital (Note 10)		30,459,176		18,223,366
Contributed surplus		6,175,469		6,175,469
Reserves (Note 10)		3,768,587		3,401,680
Accumulated other comprehensive loss		240,200		(107,460)
Deficit		(30,075,246)		(25,323,169)
Total shareholders' equity		10,568,186		2,369,886
Total liabilities and shareholders' equity	\$	11,735,759	\$	4,005,587

Continuance of Operations and Going Concern (Note 2)
Subsequent Events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors on April 29, 2026

/s/ Kevin Ma
Kevin Ma, Director

/s/ David Whittle
David Whittle, Director

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

KALO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	FEBRUARY 28, 2026	FEBRUARY 28, 2025	FEBRUARY 28, 2026	FEBRUARY 28, 2025
Operating expenses				
Consulting	\$ -	\$ (863)	\$ -	\$ 41,226
Depreciation and amortization (Note 8)	6,556	8,633	31,118	17,595
Exploration and evaluation (Note 11)	1,703,081	109,071	3,357,077	521,554
Filing fees	87,193	4,637	98,019	7,264
Financial advisory	268,630	-	305,260	-
Foreign exchange loss	8,872	1	15,768	2,737
General and administrative expenses	23,189	25,238	39,289	26,685
Investor relations and marketing	245,711	23,662	420,141	31,173
Legal and professional fees	155,791	1,995	177,628	38,214
Management fees (Note 13)	115,125	143,125	230,250	230,250
Share based compensation (Note 10)	13,020	88,514	82,207	115,103
Travel	78,990	39,590	94,862	39,590
	(2,706,158)	(443,603)	(4,851,619)	(1,071,391)
Other income				
Interest	49,876	1,598	59,542	8,802
Recovery of flow-through premium	-	-	-	-
Gain on sale of equipment	-	-	-	5,140
Loss on debt settlement	-	-	40,000	-
Net loss	(2,656,282)	(442,005)	(4,752,077)	(1,057,449)
Other comprehensive income				
Items that may be reclassified subsequently to net loss				
Foreign exchange loss on translation of foreign operations	332,115	(190,235)	347,660	(189,643)
Net comprehensive loss for the period	\$ (2,324,167)	\$ (632,240)	\$ (4,404,417)	\$ (1,247,092)
Basic and diluted loss per share	\$ (0.02)	\$ (0.00)	\$ (0.04)	\$ (0.01)
Weighted average number of shares outstanding (basic and diluted)	105,736,741	48,061,214	90,176,299	48,061,214

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

KALO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

	SIX MONTHS ENDED	
	FEBRUARY 28, 2026	FEBRUARY 28, 2025
Cash flows from operating activities		
Net loss for the period	\$ (4,752,077)	\$ (1,057,449)
Adjustments to net loss		
Depreciation and amortization	31,118	17,595
Share based compensation	82,207	115,103
Gain on settlement of debt	(40,000)	-
Gain on sale of equipment	-	(5,140)
Changes in non-cash working capital		
Accounts payable and accrued liabilities	(68,126)	28,694
Prepaid expenses, deposits and other assets	(224,285)	16,449
Cash flows used in operating activities	(4,971,163)	(884,748)
Cash flows from investing activities		
Purchase of equipment	(216,642)	(3,114)
Proceeds from disposal of equipment	-	5,140
Cash flows from investing activities	(216,642)	2,026
Cash flows from financing activities		
Proceeds from issuance of shares, net of share issuance costs	12,160,510	-
Cash flows from financing activities	12,160,510	-
Effect of foreign exchange on cash	347,023	(189,065)
Change in cash during the period	7,319,728	(1,071,787)
Cash – beginning	3,178,442	1,192,169
Cash – ending	\$ 10,498,170	\$ 120,382

Supplemental Cash Flow Information

During the six months ended February 28, 2026, the Company settled \$400,000 of accounts payable through the issuance of 1,000,000 common shares.

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

KALO GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

	Share capital					Accumulated other comprehensive loss		
	Number of shares*	Amount	Contributed Surplus	Reserves			Deficit	Total
Balance – August 31, 2024	47,811,214	12,564,224	\$ 6,175,469	\$ 2,591,193	\$	(82,684)	\$ (20,322,867)	\$ 925,335
Net loss for the period	-	-	-	-	-	-	(1,057,449)	(1,057,449)
Foreign exchange loss on translation of foreign operations	-	-	-	-	(189,643)	-	-	(189,643)
Shares issued for vesting of Restricted Share Units	250,000	55,000	-	(55,000)	-	-	-	-
Share based compensation	-	-	-	115,103	-	-	-	115,103
Balance – February 28, 2025	48,061,214	\$ 12,619,224	\$ 6,175,469	\$ 2,651,296	\$	(272,327)	\$ (21,380,316)	\$ (206,654)
Net loss for the period	-	-	-	-	-	-	(3,942,853)	(3,942,853)
Foreign exchange loss on translation of foreign operations	-	-	-	-	164,867	-	-	164,867
Shares issued for cash	27,476,730	5,495,346	-	-	-	-	-	5,495,346
Shares issued for the settlement of debt	1,925,000	500,000	-	-	-	-	-	500,000
Share issuance costs	148,084	(391,204)	-	-	-	-	-	(391,204)
Share based compensation	-	-	-	750,384	-	-	-	750,384
Balance – August 31, 2025	77,611,028	18,223,366	6,175,469	3,401,680		(107,460)	(25,323,169)	2,369,886
Net loss for the period	-	-	-	-	-	-	(4,752,077)	(4,752,077)
Foreign exchange loss on translation of foreign operations	-	-	-	-	347,660	-	-	347,660
Shares issued for cash	38,920,275	12,454,488	-	-	-	-	-	12,454,488
Shares issued for the settlement of debt	1,000,000	360,000	-	-	-	-	-	360,000
Share issuance costs	-	(578,678)	-	284,700	-	-	-	(293,978)
Share based compensation	-	-	-	82,207	-	-	-	82,207
Balance – February 28, 2026	117,531,303	30,459,176	6,175,469	3,768,587		240,200	(30,075,246)	10,568,186

*Effective December 23, 2025, the Company's common shares were consolidated on the basis of four pre-consolidation common shares for every one post-consolidation common share. This share consolidation has been reflected retrospectively in these condensed interim consolidated financial statements

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

KALO GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

1. Nature of Business

Kalo Gold Corp. ("Kalo" or the "Company"), was incorporated under the Business Corporation Act (British Columbia) on March 6, 2019. The Company's common shares are listed on the TSX Venture Exchange under the symbol "KALO". Kalo is a mineral exploration company focused on the Vatu Aurum Project on Vanua Levu, Republic of Fiji.

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.

2. Continuance of Operations and Going Concern

These 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 February 28, 2026, 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 \$30,075,246 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. 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 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. 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, 2025.

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 4 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.

**KALO GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025**

(Unaudited, expressed in Canadian Dollars)

3. Basis of Preparation and Statement of Compliance (Continued)

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

4. Material Accounting Policies

The material accounting policies used in the preparation of these condensed interim consolidated financial statements are summarized below.

Basis of Consolidation

The Company's consolidated financial statements include the accounts of the parent company and its subsidiaries. Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Company	Place of Incorporation	Ownership
Kalo Gold Corp.	Canada	Parent
Kalo Gold Canada Inc.	Canada	100%
1271895 B.C. Ltd.	Canada	100%
Aloki Mining Limited	British Virgin Islands	100%
Tego Mining Limited	British Virgin Islands	100%
Kalo Exploration Pte Limited	Republic of Fiji	100%

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

(a) Cash

Cash shown on the balance sheet is comprised of cash held in banks and cash held in trust account.

As at February 28, 2026, the Company's cash balance is \$10,498,170 (August 31, 2025 - \$3,178,442). The Company has \$6,804 (August 31, 2025 - \$6,902) of restricted cash as at February 28, 2026. Restricted cash is held as security deposit for credit card payments by a bank.

(b) Equipment

i) Recognition and measurement

Items of equipment are measured initially at cost, unless they are acquired as part of a business combination in which case they are initially measured at fair value. Thereafter, equipment is recorded net of accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, estimated decommissioning provisions and borrowing costs on qualifying assets.

4. Material Accounting Policies (Continued)

(c) Equipment (Continued)

i) Recognition and measurement (Continued)

Cost may also include any gain or loss realized on foreign currency transactions directly attributable to the purchase or construction of equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate components of equipment. The gain or loss on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized within other expense or income in earnings.

ii) Subsequent costs

The cost of replacing a part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized and recorded as depreciation expense. The cost of maintenance and repair expenses of the equipment are recognized in earnings as incurred.

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in earnings on a straight line or declining balance basis, which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation methods, useful lives, economic lives and residual values are reviewed annually and adjusted if appropriate.

The following table outlines the methods used to depreciate equipment:

Building	Straight line – 14%
Field equipment	Straight line – 20%
Office equipment	Straight line – 20%
Vehicles	Straight line – 30%

(d) Exploration and Evaluation Assets

Exploration and evaluation properties consist of payments to acquire property rights. Property acquisition costs are capitalized. Exploration and evaluation costs are expensed to the consolidated statement of loss and comprehensive loss in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent costs are capitalized into development assets.

Development costs incurred on a mineral property are deferred once management has determined based on a feasibility study that a property is capable of economical commercial production as a result of having established proven and probable reserves. Developmental costs are carried at cost less accumulated depletion and accumulated impairment charges. Exploration costs incurred prior to determining a property has economically recoverable resources are expensed as incurred.

(Unaudited, expressed in Canadian Dollars)

4. Material Accounting Policies (Continued)

(d) Exploration and Evaluation Assets (Continued)

At each reporting period, the Company assesses whether there is an indication that the exploration and evaluation assets may be impaired. When impairment indicators exist, or when the decision to proceed with a particular project is taken based on its technical and commercial viability, the Company estimates the recoverable amount of exploration and evaluation asset and compares it against the carrying amount. The recoverable amount is the higher of the fair value less cost of disposal and the exploration and evaluation asset's value in use. If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the consolidated statement of loss and comprehensive loss for the period. In calculating the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the exploration and evaluation asset. The cash flows are based on the best estimate of expected future cash flows from the continued use of the exploration and evaluation asset.

Once a mine has achieved commercial production, mineral properties and development costs are depleted on a unit of production basis over the life of the mine.

(e) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities and include key management of the Company and its parent. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(f) Foreign Currencies

The consolidated financial statements are presented in Canadian dollars (CAD). The functional currencies of the Company and its controlled entities are measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of Kalo is CAD, the functional currency of the BVI entities is US dollars (USD), and the functional currency of the Fijian entity is Fijian dollars (FJD).

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the costs of assets when they are regarded as an adjustment to interest costs on those currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(Unaudited, expressed in Canadian Dollars)

4. Material Accounting Policies (Continued)

(f) Foreign Currencies (Continued)

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates. The exchange differences arising on translation are recognized in other comprehensive income ("OCI"). On disposal of a foreign operation, the component of OCI relating to that foreign operation is reclassified to profit or loss.

(g) Loss Per Share

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated using the treasury share method whereby all "in the money" options, warrants and equivalents are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period.

Where dilutive potential ordinary shares have an anti-dilutive impact they are excluded from the calculation of diluted loss per share.

(h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(i) Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

4. Material Accounting Policies (Continued)

(i) Financial Instruments (Continued)

The classifications and measurement of the Company's financial assets and liabilities are as follows:

Asset/ liabilities	IFRS 9
Cash	FTVPL
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and digital assets are measured at FVTPL.

Impairment of financial assets

IFRS 9, Financial Instruments, uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An expected credit loss impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

(Unaudited, expressed in Canadian Dollars)

4. Material Accounting Policies (Continued)

(i) Financial Instruments (Continued)

Impairment of financial assets (Continued)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized costs. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on de-recognition are generally recognized in profit or loss.

(j) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. The Company does not currently have material rehabilitation requirements.

(k) Share-Based Compensation

The Company may grant stock options to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options are measured on the date of grant, using the Black-Scholes option pricing model with an expense recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

KALO GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

5. Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated 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 consolidated 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 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.

- *Functional Currency*

The functional currency of Canadian entities is CAD, the functional currency of the BVI entities is US dollars (USD), and the functional currency of Fijian entity is Fijian dollars (FJD) - the currencies of the primary economic environment in which the entities operate. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

- *Share-Based Compensation*

In determining the fair value of share-based compensation, the Company uses the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions such as the expected life of the options, estimates of interest rates and share price volatility that can materially affect the fair value estimate.

6. Deposits

	February 28, 2026	August 31, 2025
Deposits	\$60,199	\$59,466

As at February 28, 2026, the Company held a term deposit of the amount in FJD \$99,620 (August 31, 2025 – FJD \$99,620) for an environmental bond with the Mineral Resource Department ("MRD") of Fiji for the Vatu Aurum Project. An amount is required to either be held as a deposit or paid directly to the MRD for the environmental bond in accordance with the budgeted exploration expenses.

KALO GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2026 AND 2025

(Unaudited, expressed in Canadian Dollars)

7. Exploration and Evaluation Asset

	February 28, 2026	August 31, 2025
Vatu Aurum Project, Fiji	\$1,304	\$1,304
	\$1,304	\$1,304

Kalo Exploration Pte Limited, a wholly owned subsidiary of the Company, owns 100% of the Vatu Aurum Project ("Vatu Aurum"). Vatu Aurum consists of Special Prospecting Licences (SPL) 1464 and 1511, granted by the MRD, and is located on Vanua Levu (North Island), Republic of Fiji.

SPL 1464 and 1511 have minimum targeted expenditures as follows:

For the twelve months period ending	Minimum Targeted Annual Expenditures FJD \$
SPL 1464	
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
Total SPL 1464	5,400,000
SPL 1511	
March 26, 2026	120,000
March 26, 2027	170,000
March 25, 2028	300,000
Total SPL 1511	590,000

During the year ended August 31, 2025, SPL 1511 was successfully renewed for a further term of 36 months from March 27, 2025 to March 25, 2028.

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8. Equipment

		Office		Vehicles		Field Equipment		Building		Total
As at August 31 2024	\$	26,305	\$	65,854	\$	135,584	\$	-	\$	227,743
Additions		3,113		-		-		-		3,113
Disposal		-		-		(5,292)		-		(5,292)
As at February 28, 2025	\$	29,418	\$	65,854	\$	130,292	\$	-	\$	225,564
As at August 31, 2025	\$	19,550	\$	128,094	\$	99,420	\$	121,982	\$	369,046
Additions		2,586		-		87,223		126,833		216,642
As at February 28, 2026	\$	22,136	\$	128,094	\$	186,643	\$	248,815	\$	585,688
Accumulated depreciation										
As at August 31, 2024	\$	(20,266)	\$	(55,060)	\$	(84,135)	\$	-	\$	(159,461)
Depreciation		(2,111)		(4,555)		(10,929)		-		(17,595)
Disposal		-		-		4,834		-		4,834
As at February 28, 2025	\$	(22,377)	\$	(59,615)	\$	(90,230)	\$	-		(172,222)
As at August 31, 2025		(17,107)	\$	(68,178)	\$	(97,538)	\$	-	\$	(182,823)
Depreciation		(2,275)		(7,794)		(12,321)		(8,728)		(31,118)
As at February 28, 2026	\$	(19,382)	\$	(75,972)	\$	(109,859)	\$	(8,728)	\$	(213,941)
Net book value										
As at August 31, 2025	\$	2,443	\$	59,916	\$	1,882	\$	121,982	\$	186,223
As at February 28, 2026	\$	2,754	\$	52,122	\$	76,784	\$	240,087	\$	371,747

During the six months ended February 28, 2026, the Company sold equipment for gross proceeds of \$nil (2025 - \$5,140) and a recorded a gain in disposal of equipment of \$nil (2025 - \$5,140).

9. Accounts Payable and Accrued Liabilities

	February 28, 2026	August 31, 2025
Accounts payable	\$1,167,573	\$1,420,075
Accrued liabilities	-	215,626
	\$1,167,573	\$1,635,701

As at February 28, 2026, included in accounts payable are amounts totalling \$8,300 (August 31, 2025 - \$10,583) due to related parties (Note 13).

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10. Share Capital

(a) Authorized Share Capital

The Company is authorized to issue unlimited of common shares without par value.

(b) Issued Share Capital

During the six months ended February 28, 2026, the Company issued common shares as follows:

- On December 23, 2025, the Company issued an aggregate 32,759,375 units for gross proceeds of \$10,483,000 in the first tranche of its Listed Issuer Financing Exception ("LIFE Offering") and concurrent non-brokered private placement. Each unit consisted of one common share and one half share purchase warrant, exercisable at \$0.50 per warrant for 36 months from the date of issuance. \$nil value was allocated to the share purchase warrants.

In connection to the first tranche of the LIFE Offering and non-brokered private placement, the Company paid share issuance costs of \$173,124 and issued 367,762 agent warrants and recorded \$68,500 as share issuance costs (Note 10(d)).

- On January 19, 2026, the Company issued an aggregate 6,160,900 units for gross proceeds of \$1,971,488 in the second tranche of its Listed Issuer Financing Exception ("LIFE Offering") and concurrent non-brokered private placement. Each unit consisted of one common share and one-half share purchase warrant, exercisable at \$0.50 per warrant for 36 months from the date of issuance. \$nil value was allocated to the share purchase warrants.

In connection to the second tranche of the LIFE Offering and non-brokered private placement, the Company paid share issuance costs of \$120,854 and issued 1,260,261 agent warrants and recorded \$216,200 as share issuance costs (Note 10(d)).

- 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. \$nil value was allocated to the share purchase warrants.
- 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. \$nil value was allocated to the share purchase warrants. 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 (Note 10(d)) for the settlement of \$95,000 of payables. The Company recorded a loss on debt settlement of \$181,809.

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10. Share Capital (Continued)

(b) Issued Share Capital (Continued)

- 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. \$nil value was allocated to the share purchase warrants. 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 (Note 10(d)) for the settlement of \$290,000 of payables. The Company recorded a loss on debt settlement of \$339,105.

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

(c) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares.

The changes in incentive share options outstanding are summarized as follow:

	Weighted average exercise price	Number of shares issued or issuable on exercise
Balance – August 31, 2025 and February 28, 2026	\$0.56	2,892,500

Stock options outstanding and exercisable are summarized as follows:

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

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(d) Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – August 31, 2025	\$0.32	30,371,926
Share purchase warrants issued	\$0.50	21,088,159
Balance – February 28, 2026	\$0.39	51,460,085

The expiry of warrants are as follows:

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
Dec 23, 2025	Dec 23, 2028	16,747,449	\$0.50
Jan 19, 2026	Jan 19, 2029	4,340,710	\$0.50
		51,460,085	\$0.39

On December 23, 2025, the Company issued 367,762 agent warrants expiring three years from the issuance were valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.35% per annum, an expected life of warrants of 3 years, an expected volatility of 139% and no expected dividends. The fair value of the warrants was determined to be \$68,500.

On January 19, 2026, the Company issued 1,260,261 share purchase warrants expiring three years from the issuance were valued using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 2.35% per annum, an expected life of warrants of 3 years, an expected volatility of 118% and no expected dividends. The fair value of the warrants was determined to be \$216,200.

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 275,084 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.

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10. Share Capital (Continued)

9. Warrants (Continued)

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.

(e) Restricted Share Units

On October 14, 2022, the Company issued 750,000 Restricted Share Units ("RSU") to the CEO of the Company expiring December 31, 2025. 500,000 RSUs vested in 12 months from the date of grant, 125,000 RSUs vest in 18 months from the date of grant, and the remaining 125,000 RSUs vest 24 months from the date of grant. The 750,000 RSUs are valued at the date of grant at \$165,000, of which, \$nil has been recorded as a share-based payment during the six months ended February 28, 2026 (2025 - \$1,657). On October 22, 2023, 500,000 RSUs vested and common shares were issued on January 24, 2024. On October 14, 2024, the remaining 250,000 RSUs vested and on November 14, 2024, 250,000 common shares were issued.

(f) 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. During the six months ended February 28, 2026, the Company recorded \$nil (2025 - \$nil) as a share based payment.

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 DSUs are valued at the date of grant at \$100,000, of which \$nil has been recorded as a share-based payment during the six months ended February 28, 2026 (2025 - \$49,590).

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 DSUs are valued at the date of grant at \$264,840, of which \$77,638 has been recorded as a share-based payment during the six months ended February 28, 2026 (2025 - \$53,694).

11. Exploration and Evaluation Expenses

Exploration and evaluation expenses for the Vatu Aurum Project, Fiji, for the six months ended February 28, 2026 and 2025 are as follows:

	2026		2025	
Assay	\$	348,660	\$	75,755
Camp		57,793		12,221
Drilling		1,098,545		-
Geology		624,422		118,749
Geophysics		768,831		3,472
Operating		319,079		159,765
Overhead		139,747		151,592
	\$	3,357,077	\$	521,554

12. 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.

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.

Concentration of 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 obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process.

As at February 28, 2026, the Company has a cash balance of \$10,498,170 (August 31, 2025 - \$3,178,442) to settle current liabilities of \$1,167,573 (August 31, 2025 - \$1,635,701). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk of cash balances. The Company periodically monitors cash balances and is of the opinion that it has no significant exposure at February 28, 2026 and August 31, 2025 to interest rate risk through its other financial instruments.

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12. Financial Instruments (Continued)

Currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company is exposed to foreign currency risk on fluctuations related to cash, deposits and other current assets, and accounts payable 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. Net liabilities exposed to foreign currency risk in FJD is \$4,800,911 (\$366,513 CAD). A 5% change in the CAD-FJD foreign exchange rate would affect comprehensive loss by approximately \$18,236 (2025 - \$13,136).

13. 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 and six months ended February 28, 2026 and 2025, the Company paid and/or accrued the following fees to key management personnel:

	Three Months Ended		Six Months Ended	
	February 28, 2026	February 28, 2025	February 28, 2026	February 28, 2025
Consulting Fees and Exploration Overhead				
Management	\$ 157,125	\$ 157,125	\$ 314,250	\$ 347,250
Directors	10,000	-	10,000	-
Share based compensation				
Management	\$ 37,596	\$ 51,581	\$ 44,206	\$ 66,035
Director	18,061	19,619	21,237	24,937
	\$ 222,782	\$ 228,325	\$ 389,693	\$ 438,222

On December 16, 2024, the Company issued 1,395,274 DSUs to related parties. The DSUs vest 12 months from the date of grant. The DSUs were valued at the date of grant at \$268,840, of which \$65,443 has been recorded as a share-based payment during the Six months ended February 28, 2026 (2025 - \$55,658).

(b) Due to/from Related Party

As at February 28, 2026, the Company has accounts payable of \$8,300 (August 31, 2025 – \$10,583) due to management and directors of the Company.

(c) 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. Refer to Note 10(b) for additional details.

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14. Segmented Information

The breakdown of assets and liabilities by geographic area as at February 28, 2026 is as follows

	Canada		Fiji		BVI		Consolidated
Assets	\$	11,032,388	\$	703,166	\$	205	\$ 11,735,759
Liabilities		368,855		784,731		13,987	1,167,573
Operating expenses	\$	1,497,213	\$	3,354,406	\$	-	\$ 4,851,619

The breakdown by geographic area as at August 31, 2025 is as follows

	Canada		Fiji		BVI		Consolidated
Assets	\$	2,903,143	\$	1,102,244	\$	201	\$ 4,005,587
Liabilities		725,374		896,681		13,646	1,635,701
Operating expenses	\$	1,655,687	\$	2,808,482	\$	-	\$ 4,464,169

15. Subsequent events

- On March 19, 2026, the Company issued 243,335 common shares at a deemed price of \$0.20 per share to settle debt with a vendor of the Company.