
**CONDENSED INTERIM FINANCIAL STATEMENTS OF
E2GOLD INC.
FOR THE THREE MONTHS ENDED OCTOBER 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of E2Gold Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditor.

E2Gold Inc.

Condensed Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

| | As at October 31, 2023 | As at July 31, 2023 |
|---|------------------------------|---------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 109,263 | \$ 60,896 |
| Short-term investments | 40,300 | 60,000 |
| HST receivable | 36,354 | 74,562 |
| Prepaid expenses | 126,916 | 176,608 |
| Total current assets | 312,833 | 372,066 |
| Non-current assets | | |
| Property and equipment (note 3) | 23,718 | 31,195 |
| Total non-current assets | 23,718 | 31,195 |
| Total assets | \$ 336,551 | \$ 403,261 |
| LIABILITIES AND DEFICIT | | |
| Current liabilities | | |
| Amounts payable and accrued liabilities | \$ 823,510 | \$ 808,009 |
| Loan payable (note 4) | 229,088 | 211,274 |
| Flow-through share liability (note 5) | 217,496 | 209,622 |
| Total liabilities | 1,270,094 | 1,228,905 |
| Deficit | | |
| Share capital (note 6) | 8,082,096 | 7,871,044 |
| Warrants reserve (note 7) | 1,777,459 | 1,574,942 |
| Stock options reserve (note 8) | 879,364 | 879,266 |
| Accumulated deficit | (11,672,462) | (11,150,896) |
| Total deficit | (933,543) | (825,644) |
| Total liabilities and deficit | \$ 336,551 | \$ 403,261 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Nature of operations and going concern (note 1)
Commitments (note 12)
Subsequent events (note 14)

E2Gold Inc.**Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

| Three months ended October 31, | 2023 | 2022 |
|---|---------------------|-----------------------|
| Operating expenses | | |
| Depreciation (notes 3 and 10) | \$ 5,038 | \$ 4,408 |
| Exploration and evaluation expenditures (note 10) | 327,200 | 811,548 |
| General and administrative expenses | 42,478 | 50,044 |
| Investor relations | 31,605 | 53,483 |
| Management fees, director fees and salaries (note 11(a)) | 146,686 | 144,807 |
| Professional fees (note 11(b)) | 27,615 | 46,008 |
| Shareholders' information | 13,729 | 8,031 |
| Share-based payments (notes 8 and 11(a)) | 98 | 142,479 |
| Operating loss before interest expense, interest income and premium on flow-through shares | (594,449) | (1,260,808) |
| Interest expense (note 4) | (7,196) | - |
| Interest income | 453 | 975 |
| Premium on flow-through shares (note 5) | 79,626 | 121,916 |
| Loss and comprehensive loss for the period | \$ (521,566) | \$ (1,137,917) |
| Basic and diluted loss per share (note 9) | \$ (0.00) | \$ (0.01) |
| Weighted average number of common shares outstanding - basic and diluted | 166,723,441 | 147,071,309 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

E2Gold Inc.

Condensed Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

| Three months ended October 31, | 2023 | 2022 |
|---|-------------------|---------------------|
| Operating activities: | | |
| Net loss for the period | \$ (521,566) | \$ (1,137,917) |
| Adjustments for: | | |
| Depreciation (notes 3 and 10) | 7,477 | 6,847 |
| Share-based payments (note 8) | 98 | 142,479 |
| Accrued interest | (300) | - |
| Premium on flow-through shares (note 5) | (79,626) | (121,916) |
| Interest expense accrued (note 4) | 7,196 | - |
| Foreign exchange on loan payable | 10,618 | - |
| Changes in non-cash working capital items: | | |
| HST receivable | 38,208 | (88,626) |
| Prepaid expenses | 49,692 | (61,733) |
| Amounts payable and accrued liabilities | 15,501 | 120,194 |
| Net cash used in operating activities | (472,702) | (1,140,672) |
| Investing activities: | | |
| Proceeds from redemption of short-term investment | 20,000 | - |
| Net cash provided by investing activities | 20,000 | - |
| Financing activities: | | |
| Proceeds from private placements (note 6) | 523,500 | - |
| Share issue costs | (22,431) | - |
| Net cash provided by financing activities | 501,069 | - |
| Net change in cash | 48,367 | (1,140,672) |
| Cash, beginning of period | 60,896 | 2,253,229 |
| Cash, end of period | \$ 109,263 | \$ 1,112,557 |

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

E2Gold Inc.**Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)****(Expressed in Canadian Dollars)****(Unaudited)**

| | Share capital | Warrants reserve | Stock options reserve | Accumulated deficit | Total equity (deficit) |
|-------------------------------------|---------------------|---------------------|-----------------------|------------------------|------------------------|
| Balance, July 31, 2022 | \$ 7,569,999 | \$ 4,115,123 | \$ 935,595 | \$ (10,648,814) | \$ 1,971,903 |
| Stock options cancelled | - | - | (203,618) | 203,618 | - |
| Share-based payments (note 8) | - | - | 142,479 | - | 142,479 |
| Loss and comprehensive loss | - | - | - | (1,137,917) | (1,137,917) |
| Balance, October 31, 2022 | \$ 7,569,999 | \$ 4,115,123 | \$ 874,456 | \$ (11,583,113) | \$ 976,465 |
| Balance, July 31, 2023 | \$ 7,871,044 | \$ 1,574,942 | \$ 879,266 | \$ (11,150,896) | \$ (825,644) |
| Private placements (note 6) | 523,500 | - | - | - | 523,500 |
| Flow-through share premium (note 5) | (87,500) | - | - | - | (87,500) |
| Warrants (note 6) | (196,687) | 196,687 | - | - | - |
| Compensation options (note 6) | (5,830) | 5,830 | - | - | - |
| Share issue costs | (22,431) | - | - | - | (22,431) |
| Share-based payments (note 8) | - | - | 98 | - | 98 |
| Loss and comprehensive loss | - | - | - | (521,566) | (521,566) |
| Balance, October 31, 2023 | \$ 8,082,096 | \$ 1,777,459 | \$ 879,364 | \$ (11,672,462) | \$ (933,543) |

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

1. Nature of Operations and Going Concern

E2Gold Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) by articles of incorporation dated October 25, 2018. The principal office of the Company is located at 8 King Street East, Suite 1700, Toronto, Ontario M5C 1B5. The financial year end of the Company is July 31.

On December 30, 2020, the Company completed its Initial Public Offering ("IPO") and its common shares commenced trading on the TSX Venture Exchange ("TSXV") at the opening of business on January 4, 2021. The common shares of the Company trades under the symbol "ETU". On February 23, 2022, the Company's common shares commenced trading in the United States on the OTCQB Market, under the symbol "ETUGF".

The principal business of the Company is the acquisition, exploration and evaluation of mineral properties, and developing these properties further or disposing of them when evaluation is complete.

The Company had no commercial operations and incurred a net loss and comprehensive loss of \$521,566 for the three months ended October 31, 2023, and as of October 31, 2023, the Company's accumulated deficit was \$11,672,462. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

These unaudited condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the unaudited condensed 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. Such adjustments may be material.

2. Significant Accounting Policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of December 20, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended July 31, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2024 could result in restatement of these unaudited condensed interim financial statements.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

2. Significant Accounting Policies (Continued)

New Standards Adopted

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. The adoption of the amendments had no impact on the Company’s unaudited condensed interim financial statements.

3. Property and Equipment

| Cost | Computer equipment | Exploration equipment | Total |
|---|--------------------|-----------------------|-----------|
| Balance, July 31, 2023 and October 31, 2023 | \$ 60,455 | \$ 29,266 | \$ 89,721 |

| Accumulated depreciation | Computer equipment | Exploration equipment | Total |
|--------------------------------|--------------------|-----------------------|-----------|
| Balance, July 31, 2023 | \$ 34,137 | \$ 24,389 | \$ 58,526 |
| Depreciation during the period | 5,038 | 2,439 | 7,477 |
| Balance, October 31, 2023 | \$ 39,175 | \$ 26,828 | \$ 66,003 |

| Carrying value | Computer equipment | Exploration equipment | Total |
|---------------------------|--------------------|-----------------------|-----------|
| Balance, July 31, 2023 | \$ 26,318 | \$ 4,877 | \$ 31,195 |
| Balance, October 31, 2023 | \$ 21,280 | \$ 2,438 | \$ 23,718 |

4. Loan Payable

| | As at October 31, 2023 | As at July 31, 2023 |
|------------------|------------------------|---------------------|
| Loan payable | \$ 212,226 | \$ 201,608 |
| Accrued interest | 16,862 | 9,666 |
| | \$ 229,088 | \$ 211,274 |

On March 13, 2023, the Company entered into a demand promissory note with Laurel Duquette providing for a loan to the Company in the aggregate principal amount of US\$153,000, and bearing interest at a rate of 12.5% per annum. The loan is unsecured and payable on demand.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

5. Flow-Through Share Liability

Flow-through share liability includes the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability of the flow-through shares issuance:

| | |
|---|-------------------|
| Balance, July 31, 2023 | \$ 209,622 |
| Liability incurred on flow-through shares issued (iii) | 87,500 |
| Settlement of flow-through share liability on incurred expenditures (i)(ii) | (79,626) |
| Balance, October 31, 2023 | \$ 217,496 |

(i) The flow-through common shares issued in the brokered private placement completed on July 7, 2022 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$420,448 and will be derecognized through income as the eligible expenditures are incurred. For the period from July 7, 2022 to July 31, 2022, the Company incurred eligible expenditures of \$nil satisfying \$nil of such premium. For the year ended July 31, 2023, the Company incurred eligible expenditures of \$1,328,493 satisfying \$334,826 of such premium. For the three months ended October 31, 2023, the Company incurred eligible expenditures of \$315,935 satisfying \$79,626 of such premium. The flow-through premium is \$5,996 as at October 31, 2023 (July 31, 2023 - \$85,622).

(ii) The flow-through common shares issued in the brokered private placement completed on March 30, 2023 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$124,000 and will be derecognized through income as the eligible expenditures are incurred. For the period from March 30, 2023 to July 31, 2023, and for the three months ended October 31, 2023, the Company incurred eligible expenditures of \$nil satisfying \$nil of such premium. The flow-through premium is \$124,000 as at October 31, 2023 (July 31, 2023 - \$124,000).

(iii) The flow-through common shares issued in the brokered private placement completed on October 24, 2023 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$87,500 and will be derecognized through income as the eligible expenditures are incurred. For the period from October 24, 2023 to October 31, 2023, the Company incurred eligible expenditures of \$nil satisfying \$nil of such premium and, as a result, the flow-through premium is \$nil as at October 31, 2023 in relation to this private placement.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

6. Share Capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares and class "A" shares. The common shares and class "A" shares do not have a par value. All issued shares are fully paid. There is no class "A" shares outstanding.

b) Common shares issued

Changes in the share capital of the Company for the periods ended October 31, 2023 and 2022 are as follows:

| | Number of common shares | Amount |
|--|-------------------------------|---------------------|
| Balance, July 31, 2022 and October 31, 2022 | 147,071,309 | \$ 7,569,999 |
| Balance, July 31, 2023 | 161,881,866 | \$ 7,871,044 |
| Private placements (i) | 5,783,333 | 173,500 |
| Flow-through private placement (ii) | 17,500,000 | 350,000 |
| Warrants (i)(ii) | - | (196,687) |
| Compensation options (ii) | - | (5,830) |
| Flow-through share premium (note 5) | - | (87,500) |
| Share issue costs | - | (22,431) |
| Balance, October 31, 2023 | 185,165,199 | \$ 8,082,096 |

(i) On September 6, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 5,783,333 units at a price of \$0.03 per unit for total proceeds of \$173,500.

Each unit included one common share and one share purchase warrant, with each full warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.06 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.03; expected dividend yield of 0%; risk-free interest rate of 4.68%; volatility of 146% and an expected life of 2 years. The fair value assigned to these warrants was \$65,116.

All securities are subject to a statutory hold period expiring on January 7, 2024.

(ii) On October 24, 2023, the Company announced that it closed its previously announced critical minerals flow-through private placement by which it has issued an aggregate of 17,500,000 units at a price of \$0.02 per unit, to raise aggregate gross proceeds of \$350,000.

Each unit is made up of one common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of \$0.05 for a period of 24 months from the date of issuance thereof. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.02; expected dividend yield of 0%; risk-free interest rate of 4.70%; volatility of 155% and an expected life of 2 years. The fair value assigned to these warrants was \$131,571.

E2Gold Inc.

Notes to Condensed Interim Financial Statements
For the Three Months Ended October 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

6. Share Capital (Continued)

b) Common shares issued (continued)

(ii) (continued) In connection with the offering, the Company paid aggregate cash commissions of \$14,000 and issued an aggregate of 700,000 broker warrants to eligible registrants, each such broker warrant entitling the holder thereof to buy one common share at an exercise price of \$0.05 for a period of two years. The fair value of these compensation options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.015; expected dividend yield of 0%; risk-free interest rate of 4.70%; volatility of 155% and an expected life of 2 years. The fair value assigned to these warrants was \$5,830.

Ellie Owens, President of the Company, has subscribed for 2,500,000 units in connection with the offering. In addition, Eric Owens, Chief Executive Officer of the Company, has subscribed for 2,500,000 units in connection with the offering.

All securities are subject to a statutory hold period expiring on February 25, 2024.

7. Warrants

| | Number of warrants | Grant date fair value |
|--|--------------------|-----------------------|
| Balance, July 31, 2022 and October 31, 2022 | 85,729,115 | \$ 4,115,123 |
| Balance, July 31, 2023 | 50,216,638 | \$ 1,574,942 |
| Issued (note 6(b)(i)(ii)) | 23,983,333 | 202,517 |
| Balance, October 31, 2023 | 74,199,971 | \$ 1,777,459 |

The following table reflects the warrants and agent compensation options issued and outstanding as of October 31, 2023:

| Expiry date | Exercise price (\$) | Warrants outstanding | Valuation (\$) |
|--------------------|---------------------|----------------------|------------------|
| December 30, 2023 | 0.24 | 10,911,500 | 988,471 |
| March 16, 2024 | 0.20 | 5,612,227 | 174,471 |
| March 16, 2024 * | 0.20 | 277,200 | 9,537 |
| April 12, 2024 | 0.20 | 213,850 | 6,017 |
| April 12, 2024 * | 0.20 | 7,662 | 128 |
| July 7, 2024 | 0.15 | 17,589,642 | 232,758 |
| July 7, 2024 * | 0.15 | 668,000 | 9,354 |
| June 6, 2025 | 0.07 | 2,896,271 | 31,847 |
| June 23, 2025 | 0.07 | 5,714,286 | 62,323 |
| September 6, 2025 | 0.06 | 5,783,333 | 65,116 |
| October 24, 2025 | 0.05 | 17,500,000 | 131,571 |
| October 24, 2025 * | 0.05 | 700,000 | 5,830 |
| March 30, 2026 | 0.07 | 6,200,000 | 58,052 |
| March 30, 2026 * | 0.07 | 126,000 | 1,984 |
| | 0.12 | 74,199,971 | 1,777,459 |

* Agent compensation options.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

8. Stock Options

| | Number of stock options | Weighted average exercise price |
|--|----------------------------|--|
| Balance, July 31, 2022 | 9,420,000 | \$ 0.13 |
| Stock options granted (i) | 5,490,000 | 0.05 |
| Stock options forfeited | (1,890,000) | 0.13 |
| Balance, October 31, 2022 | 13,020,000 | \$ 0.09 |
| Balance, July 31, 2023 and October 31, 2023 | 13,280,000 | \$ 0.09 |

(i) On September 12, 2022, the Company granted 5,490,000 stock options to directors, officers, and consultants of the Company. The stock options are exercisable for a period of 3 years at a price of \$0.05 and vested immediately. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.04; expected dividend yield of 0%; risk-free interest rate of 3.55%; volatility of 110.20% and an expected life of 3 years. The fair value assigned to these options was \$141,000.

(ii) The portion of the estimated fair value of options granted in the prior periods and vested during the three months ended October 31, 2023, amounted to \$98 (three months ended October 31, 2022 - \$142,479).

The following table reflects the stock options issued and outstanding as of October 31, 2023:

| Expiry date | Exercise price (\$) | Options outstanding | Weighted average remaining contractual life (years) | Options exercisable | Fair Value (\$) |
|--------------------|---------------------|---------------------|---|---------------------|-----------------|
| August 17, 2024 | 0.130 | 5,000,000 | 0.80 | 5,000,000 | 540,000 |
| November 17, 2024 | 0.155 | 250,000 | 1.05 | 250,000 | 29,000 |
| January 20, 2025 | 0.135 | 140,000 | 1.22 | 140,000 | 13,364 |
| August 15, 2025 | 0.050 | 1,000,000 | 1.79 | 1,000,000 | 48,000 |
| September 12, 2025 | 0.050 | 5,490,000 | 1.87 | 5,490,000 | 141,000 |
| January 13, 2026 | 0.050 | 400,000 | 2.21 | 400,000 | 11,000 |
| December 6, 2026 | 0.170 | 1,000,000 | 3.10 | 1,000,000 | 97,000 |
| | | 13,280,000 | 1.54 | 13,280,000 | 879,364 |

9. Loss Per Share

The calculation of basic and diluted loss per share for the three months ended October 31, 2023 was based on the loss attributable to common shareholders of \$521,566 (three months ended October 31, 2022 - \$1,137,917) and the weighted average number of common shares outstanding of 166,723,441 (three months ended October 31, 2022 - 147,071,309). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

E2Gold Inc.

Notes to Condensed Interim Financial Statements
For the Three Months Ended October 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

10. Exploration and Evaluation Expenditures

| | Three months ended October 31, | |
|--|-----------------------------------|-------------------|
| | 2023 | 2022 |
| Hawkins Gold Property (i) | | |
| Depreciation | \$ 2,439 | \$ 2,439 |
| Drilling | 13,406 | - |
| First nations | 842 | - |
| Geology | 299,687 | 383,314 |
| Geophysics | 1,000 | 5,504 |
| Mineral property / claims | 5,906 | - |
| | \$ 323,280 | \$ 391,257 |
| Band-Ore Property (ii) | | |
| Community relations | \$ - | \$ 762 |
| Drilling | - | 292,250 |
| Geology | 1,000 | 16,860 |
| Mineral property / claims | 2,920 | 8,400 |
| Option payment | - | 102,019 |
| | \$ 3,920 | \$ 420,291 |
| Exploration and evaluation expenditures | \$ 327,200 | \$ 811,548 |

(i) On January 28, 2020, the Company entered into a definitive option agreement with Pavey Ark Mineral Inc., whereby the Company may earn 100% interest in the Hawkins Gold Property located in the Province of Ontario.

Consideration payable is summarized as follows:

| | Cash payments | Common shares | Exploration expenditures |
|-------------------------------|--------------------------|------------------------|-----------------------------|
| On signing of the agreement | \$ 20,000 ⁽¹⁾ | \$ - | \$ - |
| On or before July 28, 2020 | 50,000 ⁽¹⁾ | 100,000 ⁽²⁾ | - |
| On or before January 28, 2021 | 100,000 ⁽¹⁾ | 100,000 ⁽³⁾ | 500,000 ⁽⁷⁾ |
| On or before January 28, 2022 | 200,000 ⁽¹⁾ | 200,000 ⁽⁴⁾ | 500,000 ⁽⁷⁾ |
| On or before January 28, 2023 | 200,000 ⁽¹⁾ | 200,000 ⁽⁵⁾ | 500,000 ⁽⁷⁾ |
| On or before January 28, 2024 | 200,000 | 200,000 ⁽⁶⁾ | 500,000 |
| On or before January 28, 2025 | 230,000 | 200,000 ⁽⁶⁾ | 500,000 |
| | \$ 1,000,000 | \$ 1,000,000 | \$ 2,500,000 |

(1) Cash payment made.

(2) 2,000,000 common shares valued at \$100,000 were issued on July 27, 2020.

(3) 543,478 common shares valued at \$100,000 were issued on February 19, 2021 following TSXV approval.

(4) 1,459,854 common shares valued at \$200,000 were issued on January 28, 2022.

(5) 3,333,333 common shares valued at \$200,000 were issued on July 7, 2022.

(6) The number of common shares to be issued in relation to the dollars amount will be based on the 20-day volume weighted average price of the common shares prior to the day of issuance.

(7) The Company met the minimum exploration expenditures.

The Company is in process of renegotiating the terms of the option agreement with Pavey Ark Mineral Inc.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

10. Exploration and Evaluation Expenditures (Continued)

(ii) On October 14, 2021, the Company announced that it entered into an agreement with Golden Share Resources Corporation ("Golden Share") who granted an option to the Company to earn a 100% interest in the Band-Ore property. The Band-Ore property is located west of Thunder Bay, Ontario. In order to acquire its interest in the property, the Company is required to make aggregate cash payments to Golden Share in the amount of \$2,000,000 as follows:

| | Cash payments |
|-----------------------------|--------------------------|
| On signing of the agreement | \$ 50,000 ⁽¹⁾ |
| 1 year anniversary | 100,000 ⁽¹⁾ |
| 2 year anniversary | 100,000 |
| 3 year anniversary | 100,000 |
| 4 year anniversary | 150,000 |
| 5 year anniversary | 200,000 |
| 6 year anniversary | 300,000 |
| 7 year anniversary | 500,000 |
| 8 year anniversary | 500,000 |
| | \$ 2,000,000 |

(1) Cash payment made.

In addition, the Company agreed to reimburse the costs incurred by the optionor in connection with the preparation of a National Instrument 43-101 compliant technical report on the property, to a maximum amount of \$35,000 (actual amount of \$29,500 and paid in November 2021), and reimburse tax payments to be incurred by the optionor with respect to the 16 patented mining claims and the one leased mining claim. The optionor will retain a 2% net smelter return royalty, one-half of which may be purchased by the Company by making a cash payment to the optionor in the amount of (i) \$3,000,000 at any time up to the fifth anniversary of the date on which the Company earns its interest in the property (the "Acquisition Date"); (ii) \$5,000,000 at any time from the fifth anniversary of the Acquisition Date up to the 10th anniversary of the Acquisition Date; or (iii) \$10,000,000 at any time on or following the 10th anniversary of the Acquisition Date.

On July 24, 2023, the Company sent property option termination notice to Golden Share.

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Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

11. Related Party Balances and Transactions

a) Remuneration of directors and officers

| | Three months ended October 31, | |
|----------------------|-----------------------------------|-------------------|
| | 2023 | 2022 |
| Management fees | \$ 116,250 | \$ 92,917 |
| Consulting fees | 19,381 | 21,000 |
| Share-based payments | - | 127,131 |
| | <u>\$ 135,631</u> | <u>\$ 241,048</u> |

During the three months ended October 31, 2023, the Company paid the following management fees:

- \$40,000 (three months ended October 31, 2022 - \$40,000) to Invera Consulting, a business owned by Ellie Owens, for services of Ms. Owens as President of the Company.
- \$53,750 (three months ended October 31, 2022 - \$52,917) to Sheer Strategic Inc., a corporation owned by Eric Owens, for services of Mr. Owens as Chief Executive Officer of the Company.
- \$22,500 (three months ended October 31, 2022 - \$nil) to Jeffrey Pritchard, Director, for services of Mr. Pritchard as investor relations advisor of the Company.

As at October 31, 2023, Invera Consulting was owed \$36,733 (July 31, 2023 - \$81,733) and Sheer Strategic Inc. was owed \$29,886 (July 31, 2023 - \$80,893) and all these amounts were included in amounts payable and accrued liabilities at such date.

As at October 31, 2023, directors were owed \$20,056 (July 31, 2023 - \$18,364) and this amount was included in amounts payable and accrued liabilities at such date.

(b) Services rendered

During the three months ended October 31, 2023, the Company paid fees the following:

- \$nil in consulting fees (three months ended October 31, 2022 - \$21,000) paid to 5044563 Ontario Ltd., a corporation controlled by Bereket Berhe, a director of the Company, which were included in professional fees.
- \$19,381 in professional fees (three months ended October 31, 2022 - \$15,259) to Marrelli Group of Companies (defined as Marrelli Support Services Inc., Marrelli Trust Company Limited, DSA Corporate Services Inc. and DSA Filing Services Limited) who is controlled by Carmelo Marrelli, Chief Financial Officer (since July 29, 2022) of the Company. As at October 31, 2023, Marrelli Group of Companies was owed \$61,667 (July 31, 2023 - \$56,185).

(c) Private placement

On October 24, 2023, the Company completed an offering of \$350,000. Each of Eric Owens (Chief Executive Officer of the Company), Ellie Owens (President of the Company) and Laurel Duquette (spouse of Eric Owens) subscribed for 2,500,000 units in connection with the offering for gross proceeds of \$50,000 each, for an aggregate total of \$150,000.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three Months Ended October 31, 2023 (Expressed in Canadian Dollars) (Unaudited)

11. Related Party Balances and Transactions (Continued)

(d) Loan payable

On March 13, 2023, the Company entered into a demand promissory note with Laurel Duquette, providing for a loan to the Company in the aggregate principal amount of US\$153,000, and, bearing interest at a rate of 12.5% per annum. The loan is unsecured and payable on demand. Laurel Duquette is the spouse of Eric Owens, the Chief Executive Officer of the Company. Refer to note 4.

12. Commitments

Flow-Through Obligation

Pursuant to the terms of flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of October 31, 2023, the Company is committed to incurring approximately \$1,878,000 and \$450,000, respectively in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2023 and December 31, 2024 arising from the flow-through offerings.

As of October 31, 2023, the actual spent towards the flow-through obligations is \$1,644,000 and \$nil, respectively for December 31, 2023, and December 31, 2024, with a remaining balance of \$234,000 and \$450,000, respectively to be spent by December 31, 2023, and December 31, 2024.

13. Segmented Information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

14. Subsequent Events

(i) On November 21, 2023, the Company granted 5,650,000 stock options to directors, officers, employees and consultants of the Company. The stock options are exercisable for a period of 3 years at a price of \$0.05 and vest immediately.

(ii) On November 30, 2023, the Company announced that it proposes to complete a private placement pursuant to which it will issue up to 16,666,667 flow-through units at a price of \$0.03 per flow-through unit, to raise aggregate gross proceeds of up to \$500,000.

Each flow-through unit will be comprised of one "flow-through" common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of \$0.05 for a period of 24 months from the date of issuance thereof. Up to 50% of the offering may be purchased by insiders.

The offering remains subject to various closing conditions, including the approval of the TSXV. An amount equal to the gross proceeds allocated to the sale of the flow-through units will be used for expenditures which qualify as Canadian exploration expenses ("CEE") (within the meaning of the Income Tax Act (Canada)). The Company will renounce such CEE with an effective date of no later than December 31, 2023. The Company intends to apply the gross proceeds from the offering towards its proposed fall exploration program.

E2Gold Inc.

Notes to Condensed Interim Financial Statements
For the Three Months Ended October 31, 2023
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14. Subsequent Events (Continued)

(iii) On December 6, 2023, the Company announced that Ellie Owens, President of the Company, has been appointed to the Board of Directors of the Company.

(iv) On December 20, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 12,716,666 flow-through units at a price of \$0.03 per flow-through unit for total proceeds of \$381,500. Each flow-through unit will be comprised of one "flow-through" common share of the Company and one common share purchase warrant; with each whole warrant exercisable to acquire one additional common share at a price of \$0.05 for a period of 24 months from the date of issuance thereof. All securities issued and issuable pursuant to the offering are subject to a statutory hold period expiring April 21, 2024.

Insiders of the Company purchased an aggregate of 783,333 flow-through units in connection with the offering.