
**CONDENSED INTERIM FINANCIAL STATEMENTS OF
E2GOLD INC.
FOR THE THREE AND SIX MONTHS ENDED
JANUARY 31, 2022
(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 January 31, 2022	As at July 31, 2021
ASSETS		
Current assets		
Cash	\$ 969,838	\$ 5,854,701
Short-term investment	60,000	40,000
HST receivable	415,524	124,582
Prepaid expenses	103,866	185,494
Total current assets	1,549,228	6,204,777
Non-current assets		
Property and equipment (note 3)	63,240	50,926
Total non-current assets	63,240	50,926
Total assets	\$ 1,612,468	\$ 6,255,703
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and accrued liabilities	\$ 484,256	\$ 753,389
Flow-through share liability (note 4)	142,854	536,936
Total liabilities	627,110	1,290,325
Equity		
Share capital (note 5)	4,663,451	4,441,922
Warrants (note 6)	3,682,858	3,693,475
Stock options (note 7)	891,961	32,022
Accumulated deficit	(8,252,912)	(3,202,041)
Total equity	985,358	4,965,378
Total liabilities and equity	\$ 1,612,468	\$ 6,255,703

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

Nature of operations and going concern (note 1)
Commitments (note 11)
Subsequent events (note 13)

E2Gold Inc.

Condensed Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three months ended January 31,		Six months ended January 31,	
	2022	2021	2022	2021
Operating expenses				
Depreciation (notes 3 and 9)	\$ 3,089	\$ -	\$ 6,178	\$ -
Exploration and evaluation expenditures (notes 9 and 10(c))	1,709,842	482,491	3,306,960	856,016
General and administrative expenses	29,927	13,306	113,423	24,788
Investor relations	283,098	14,663	491,375	14,663
Management, director fees and salaries (note 10(a))	287,875	101,469	508,254	126,469
Professional fees (note 10(c))	42,218	22,331	106,863	53,803
Shareholders' information	18,154	21,858	61,203	28,588
Share-based payments (notes 7 and 10(a))	116,395	16,511	859,939	21,135
Operating loss before interest income and premium on flow-through shares	(2,490,598)	(672,629)	(5,454,195)	(1,125,462)
Interest income	1,739	-	3,154	-
Premium on flow-through shares (note 4)	168,051	77,713	394,082	77,713
Loss and comprehensive loss for the period	\$ (2,320,808)	\$ (594,916)	\$ (5,056,959)	\$ (1,047,749)
Basic and diluted loss per share (note 8)	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	95,480,743	35,927,740	95,423,870	43,957,115

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 January 31,		Six months ended January 31,	
	2022	2021	2022	2021
Operating activities:				
Net loss for the period	\$ (2,320,808)	\$ (594,916)	\$ (5,056,959)	\$ (1,047,749)
Adjustments for:				
Depreciation (notes 3 and 9)	5,528	-	11,056	-
Share-based payments (note 7)	116,395	16,511	859,939	21,135
Shares issued for acquisition of mineral property (note 9)	200,000	-	200,000	-
Shares issued for services provided (note 5)	5,000	-	5,000	18,520
Premium on flow-through shares (note 4)	(168,051)	(77,713)	(394,082)	(77,713)
Changes in non-cash working capital items:				
HST receivable	(65,576)	(47,412)	(290,942)	(104,119)
Prepaid expenses	35,842	(142,530)	81,628	(102,750)
Amounts payable and accrued liabilities	(301,622)	218,610	(269,133)	310,258
Net cash used in operating activities	(2,493,292)	(627,450)	(4,853,493)	(982,418)
Investing activities:				
Purchase of property and equipment (note 3)	-	(1,879)	(23,370)	(1,879)
Purchase of short-term investment	-	-	(20,000)	-
Net cash used in investing activities	-	(1,879)	(43,370)	(1,879)
Financing activities:				
Proceeds from private placements (note 5)	-	3,384,942	-	4,020,942
Share issue costs	-	(732,031)	-	(784,851)
Exercise of stock options	12,000	-	12,000	-
Net cash provided by financing activities	12,000	2,652,911	12,000	3,236,091
Net change in cash	(2,481,292)	2,023,582	(4,884,863)	2,251,794
Cash, beginning of period	3,451,130	356,156	5,854,701	127,944
Cash, end of period	\$ 969,838	\$ 2,379,738	\$ 969,838	\$ 2,379,738

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

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

	Share capital	Warrants	Stock options	Accumulated deficit	Total equity
Balance, July 31, 2020	\$ 439,890	\$ -	\$ -	\$ (359,004)	\$ 80,886
Private placements (note 5)	636,000	-	-	-	636,000
Initial Public Offering (note 5)	3,384,942	-	-	-	3,384,942
Shares issued for services provided (note 5)	18,520	-	-	-	18,520
Shares issued as repayment of loan (note 5)	46,650	-	-	-	46,650
Flow-through share premium	(353,356)	-	-	-	(353,356)
Warrants (note 5(b)(i))	(1,313,917)	1,313,917	-	-	-
Broker warrants (note 5(b)(i))	(183,000)	183,000	-	-	-
Share issue costs	(784,851)	-	-	-	(784,851)
Share-based payments (note 7)	-	-	21,135	-	21,135
Loss and comprehensive loss	-	-	-	(1,047,749)	(1,047,749)
Balance, January 31, 2021	\$ 1,890,878	\$ 1,496,917	\$ 21,135	\$ (1,406,753)	\$ 2,002,177
Balance, July 31, 2021	\$ 4,441,922	\$ 3,693,475	\$ 32,022	\$ (3,202,041)	\$ 4,965,378
Shares issued for services provided (note 5)	5,000	-	-	-	5,000
Shares issued for acquisition of mineral property (note 9)	200,000	-	-	-	200,000
Warrants exercised (note 5)	16,529	(4,529)	-	-	12,000
Warrants cancelled	-	(6,088)	-	6,088	-
Share-based payments (note 7)	-	-	859,939	-	859,939
Loss and comprehensive loss	-	-	-	(5,056,959)	(5,056,959)
Balance, January 31, 2022	\$ 4,663,451	\$ 3,682,858	\$ 891,961	\$ (8,252,912)	\$ 985,358

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 and Six Months Ended January 31, 2022 (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 under the name "5003754 Ontario Ltd." On February 11, 2020, the Company filed articles of amendment to change the name of the Company to "E2Gold Inc." On October 14, 2020, the Company filed articles of amendment to remove the private company restrictions contained in its articles. 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 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".

The Board of Directors of the Company approved these unaudited condensed interim financial statements on March 28, 2022.

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 \$5,056,959 for the six months ended January 31, 2022, and as of January 31, 2022, the Company's accumulated deficit was \$8,252,912. 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 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 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.

On March 11, 2020, the World Health Organization declared the rapidly spreading COVID-19 outbreak as a global pandemic. The Company has closely monitored developments in the COVID-19 outbreak and is following all applicable governmental protocols in order to ensure the safety of the Company's workforce and local communities. There have been no outbreaks of COVID-19 at the Company's operations to date. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

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 March 28, 2022, 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, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

New Standards Not Yet Adopted And Interpretations Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the financial statements.

IAS 16 - Property, Plant and Equipment was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

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.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

E2Gold Inc.

Notes to Condensed Interim Financial Statements
For the Three and Six Months Ended January 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

3. Property and Equipment

Cost	Computer equipment	Exploration equipment	Total
Balance, July 31, 2021	\$ 29,526	\$ 29,266	\$ 58,792
Addition	23,370	-	23,370
Balance, January 31, 2022	\$ 52,896	\$ 29,266	\$ 82,162

Accumulated depreciation	Computer equipment	Exploration equipment	Total
Balance, July 31, 2021	\$ 2,988	\$ 4,878	\$ 7,866
Depreciation during the period	6,178	4,878	11,056
Balance, January 31, 2022	\$ 9,166	\$ 9,756	\$ 18,922

Carrying value	Computer equipment	Exploration equipment	Total
Balance, July 31, 2021	\$ 26,538	\$ 24,388	\$ 50,926
Balance, January 31, 2022	\$ 43,730	\$ 19,510	\$ 63,240

4. 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, 2021	\$ 536,936
Settlement of flow-through share liability on incurred expenditures (i)	(394,082)
Balance, January 31, 2022	\$ 142,854

(i) The flow-through common shares issued in the brokered private placement completed on July 16, 2021 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 \$573,340 and will be derecognized through income as the eligible expenditures are incurred. For the period from July 16, 2021 to July 31, 2021, the Company incurred eligible expenditures of \$371,632 satisfying \$36,404 of such premium. For the six months ended January 31, 2022, the Company incurred eligible expenditures of \$2,627,059 satisfying \$394,082 of such premium. The flow-through premium balance is \$142,854 as at January 31, 2022.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

5. 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 three and six months ended January 31, 2022 and 2021 are as follows:

	Number of common shares	Amount
Balance, July 31, 2020	19,730,000	\$ 439,890
Private placements (i)	7,740,000	387,000
Flow-through private placement (ii)	1,659,998	249,000
Initial Public Offering (v)	16,382,600	3,384,942
Warrants (v)	-	(1,313,917)
Broker warrants (v)	-	(183,000)
Flow-through share premium	-	(353,356)
Shares issued for services provided (iii)	370,400	18,520
Shares issued as repayment of the loan payable (iv)	666,428	46,650
Share issue costs	-	(784,851)
Balance, January 31, 2021	46,549,426	\$ 1,890,878
Balance, July 31, 2021	95,367,615	\$ 4,441,922
Warrants exercised (vi)	50,000	16,529
Shares issued for services provided (vii)	29,070	5,000
Shares issued for mineral property (note 9)	1,459,854	200,000
Balance, January 31, 2022	96,906,539	\$ 4,663,451

(i) In August 2020, the Company issued 7,740,000 common shares at a price of \$0.05 per common share for total gross proceeds of \$387,000.

(ii) On October 13, 2020, the Company closed a flow-through private placement of \$249,000 and issued 1,659,998 flow-through common shares at a price of \$0.15 per flow-through common share.

(iii) In August 2020, the Company issued 370,400 common shares valued at \$18,520 for services provided.

(iv) On September 8, 2020, the Company issued 666,428 common shares valued at \$46,650 as repayment of the loan payable as disclosed in note 10(b).

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

5. Share Capital (Continued)

b) Common shares issued (continued)

(v) On December 30, 2020, the Company completed an IPO of 10,961,500 units at a price of \$0.20 per unit and 5,421,100 flow-through units at a price of \$0.22 per flow-through unit resulting in aggregate gross proceeds of \$3,384,942 all pursuant to the final prospectus of the Company dated December 21, 2020.

Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.24 until December 30, 2023. 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 \$0.20; expected dividend yield of 0%; risk-free interest rate of 0.25%; volatility of 180% and an expected life of 3 years. The fair value assigned to these warrants was \$993,000.

Each flow-through unit consisted of one flow-through common share of the Company and one-half of 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 \$0.28 until December 30, 2022. 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 \$0.20; expected dividend yield of 0%; risk-free interest rate of 0.20%; volatility of 180% and an expected life of 2 years. The fair value assigned to these warrants was \$320,917.

In connection with the IPO, the agents received an aggregate of 1,146,782 compensation options, each such compensation option entitling the holder to acquire one common share of the Company at an exercise price of \$0.20 per share until December 30, 2022. The fair value of the compensation options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.20; expected dividend yield of 0%; risk-free interest rate of 0.20%; volatility of 180% and an expected life of 2 years. The fair value assigned to these warrants was \$183,000.

(vi) On November 8, 2021, 50,000 warrants with an exercise price of \$0.24 and expiry date of December 30, 2023 were exercised for gross proceeds of \$12,000.

(vii) On December 3, 2021, the Company issued 29,070 common shares with a deemed aggregate value of \$5,000 to a consultant in consideration for services rendered.

6. Warrants

	Number of warrants	Grant date fair value
Balance, July 31, 2020	-	\$ -
Issued (note 5(b)(v))	14,818,832	1,496,917
Balance, January 31, 2021	14,818,832	\$ 1,496,917
Balance, July 31, 2021	61,490,534	\$ 3,693,475
Exercised (note 5(b)(vi))	(50,000)	(4,529)
Cancelled	(80,000)	(6,088)
Balance, January 31, 2022	61,360,534	\$ 3,682,858

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

6. Warrants (Continued)

The following table reflects the warrants and agent compensation options issued and outstanding as of January 31, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
December 30, 2022	0.28	2,710,550	320,917
December 30, 2022 *	0.20	1,146,782	183,000
December 30, 2023	0.24	10,911,500	988,471
July 16, 2023	0.15	39,037,035	1,811,868
July 16, 2023 *	0.10	2,314,667	176,146
July 23, 2023	0.15	5,000,000	184,192
July 23, 2023 *	0.10	240,000	18,264
	0.17	61,360,534	3,682,858

* Agent compensation options.

7. Stock Options

	Number of stock options	Weighted average exercise price
Balance, July 31, 2020	-	\$ -
Stock options granted (i)	1,000,000	0.05
Balance, January 31, 2021	1,000,000	\$ 0.05
Balance, July 31, 2021	1,000,000	\$ 0.05
Stock options granted (ii)(iii)(iv)(v)	8,320,000	0.14
Balance, January 31, 2022	9,320,000	\$ 0.13

(i) On August 15, 2020, the Company granted 1,000,000 stock options to a consultant at an exercise price of \$0.05 expiring on August 15, 2025. Vesting provisions of the stock options are as follows: 10% the date of grant and 15% on each of the 6, 12, 18, 24, 30 and 36 months after date of grant. 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 \$0.05; expected dividend yield of 0%; risk-free interest rate of 0.42%; volatility of 180% and an expected life of 5 years. The fair value assigned to these options was \$48,000. For the three and six months ended January 31, 2022, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$3,448 and \$7,192, respectively (three and six months ended January 31, 2021 - \$16,511 and \$21,135, respectively).

(ii) On August 17, 2021, the Company granted 6,850,000 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 \$0.13 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 \$0.13; expected dividend yield of 0%; risk-free interest rate of 0.55%; volatility of 157% and an expected life of 3 years. The fair value assigned to these options was \$739,800. For the three and six months ended January 31, 2022, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$nil and \$739,800, respectively.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

7. Stock Options (Continued)

(iii) On November 17, 2021, the Company granted 250,000 stock options to a consultant at an exercise price of \$0.155 expiring on November 17, 2024 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 \$0.155; expected dividend yield of 0%; risk-free interest rate of 1.13%; volatility of 131% and an expected life of 3 years. The fair value assigned to these options was \$29,000. For the three and six months ended January 31, 2022, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$29,000.

(iv) On December 6, 2021, the Company granted 1,000,000 stock options to a consultant at an exercise price of \$0.17 expiring on December 6, 2026. Vesting provisions of the stock options are as follows: 50% the date of grant and 50% on June 12, 2022. 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 \$0.11; expected dividend yield of 0%; risk-free interest rate of 1.41%; volatility of 147% and an expected life of 5 years. The fair value assigned to these options was \$97,000. For the three and six months ended January 31, 2022, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$62,947.

(v) On January 20, 2022, the Company granted 220,000 stock options to employees at an exercise price of \$0.135 expiring on January 20, 2025 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 \$0.13; expected dividend yield of 0%; risk-free interest rate of 1.46%; volatility of 128% and an expected life of 3 years. The fair value assigned to these options was \$21,000. For the three and six months ended January 31, 2022, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$21,000.

The following table reflects the stock options issued and outstanding as of January 31, 2022:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Fair Value (\$)
August 17, 2024	0.130	6,850,000	2.55	6,850,000	739,800
November 17, 2024	0.155	250,000	2.80	250,000	29,000
January 20, 2025	0.135	220,000	2.97	220,000	21,000
August 15, 2025	0.050	1,000,000	3.54	400,000	48,000
December 6, 2026	0.170	1,000,000	4.85	500,000	97,000
		9,320,000	2.92	8,220,000	934,800

8. Loss Per Share

The calculation of basic and diluted loss per share for the three and six months ended January 31, 2022 was based on the loss attributable to common shareholders of \$2,320,808 and \$5,056,959, respectively (three and six months ended January 31, 2021 - \$594,916 and \$1,047,749, respectively) and the weighted average number of common shares outstanding of 95,480,743 and 95,423,870, respectively (three and six months ended January 31, 2021 - 35,927,740 and 43,957,115, respectively). 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 and Six Months Ended January 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

9. Exploration and Evaluation Expenditures

	Three months ended January 31,		Six months ended January 31,	
	2022	2021	2022	2021
Hawkins Gold Property (i)				
Community relations	\$ 2,000	\$ 11,660	\$ 3,922	\$ 11,660
Depreciation	2,439	-	4,878	-
Drilling	880,813	41,243	1,896,777	41,243
Geology	209,931	90,029	537,336	405,762
Geophysics	198,046	131,259	278,638	143,901
Mineral property / claims	-	-	88,225	-
Option payments	400,000	200,000	400,000	200,000
Resources estimate	-	5,400	-	50,550
	\$ 1,693,229	\$ 479,591	\$ 3,209,776	\$ 853,116
Band-Ore Property (ii)				
Geology	\$ 9,800	\$ -	\$ 40,371	\$ -
Mineral property / claims	1,213	-	1,213	-
Option payment	-	-	50,000	-
	\$ 11,013	\$ -	\$ 91,584	\$ -
Other				
General exploration	\$ 5,600	\$ 2,900	5,600	2,900
Exploration and evaluation expenditures	\$ 1,709,842	\$ 482,491	\$ 3,306,960	\$ 856,016

(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 ⁽⁶⁾
On or before January 28, 2022	200,000 ⁽¹⁾	200,000 ⁽⁴⁾	500,000 ⁽⁶⁾
On or before January 28, 2023	200,000	200,000 ⁽⁵⁾	500,000
On or before January 28, 2024	200,000	200,000 ⁽⁵⁾	500,000
On or before January 28, 2025	230,000	200,000 ⁽⁵⁾	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) 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.

(6) The Company met the minimum exploration expenditures.

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Notes to Condensed Interim Financial Statements
For the Three and Six Months Ended January 31, 2022
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9. 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
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 \$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.

10. Related Party Balances and Transactions

a) Remuneration of directors and officers

	Three months ended January 31,		Six months ended January 31,	
	2022	2021	2022	2021
Management fees	\$ 207,469	\$ 89,469	\$ 356,375	\$ 114,469
Director fees	29,000	-	62,000	-
Consulting fees	23,606	-	59,912	-
Share-based payments	-	-	599,400	-
	\$ 260,075	\$ 89,469	\$ 1,077,687	\$ 114,469

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Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

10. Related Party Balances and Transactions (Continued)

a) Remuneration of directors and officers (continued)

During the three and six months ended January 31, 2022, the Company paid the following management fees:

- \$45,969 and \$80,875, respectively (three and six months ended January 31, 2021 - \$21,469 and \$26,469, respectively) to Bractea Enterprises Ltd. ("Bractea"), a corporation owned by Erik H. Martin, for services of Mr. Martin as Chief Financial Officer (the "CFO") of the Company.
- \$42,500 and \$72,500, respectively (three and six months ended January 31, 2021 - \$10,000) to Invera Consulting, a business owned by Ellie Owens, for services of Ms. Owens as Vice-President of the Company, as well as \$nil (three and six months ended January 31, 2021 - \$12,000 and \$32,000, respectively) to Ellie Owens.
- \$73,000 and \$121,000, respectively (three and six months ended January 31, 2021 - \$16,000) to Sheer Strategic Inc., a corporation owned by Eric Owens, for services of Mr. Owens as President and Chief Executive Officer of the Company, as well as \$nil (three and six months ended January 31, 2021 - \$30,000) to Eric Owens.
- \$46,000 and \$82,000, respectively (three and six months ended January 31, 2021 - \$12,000) to Renaud Geological Consulting Ltd. ("RGC"), a corporation owned by Natalie Pietrzak-Renaud, for services of Mrs. Pietrzak-Renaud as Vice-President Exploration of the Company.

As at January 31, 2022, Bractea was owed \$12,084 (July 31, 2021 - \$5,684), Invera Consulting was owed \$11,300 (July 31, 2021 - \$11,300), Sheer Strategic Inc. was owed \$18,080 (July 31, 2021 - \$18,080) and RGC was owed \$18,732 (July 31, 2021 - \$22,941) and all these amounts were included in amounts payable and accrued liabilities at such date.

As at January 31, 2022, directors were owed \$12,650 (July 31, 2021 - \$nil) and this amount was included in amounts payable and accrued liabilities at such date.

(b) Loan payable

On December 18, 2019, the Company signed a shareholder loan agreement with Laurel Duquette, an insider and the former President and a former director of the Company, pursuant to which a non-interest bearing loan in the aggregate principal amount of \$46,650 was advanced from Laurel Duquette to the Company. On September 8, 2020, the \$46,650 was fully repaid via the issuance of 666,428 common shares. Refer to note 5.

(c) Services rendered

During the three and six months ended January 31, 2022, the Company paid fees the following:

- \$23,606 and \$54,912, respectively (three and six months ended January 31, 2021 - \$4,348) to RGC, a corporation owned by Natalie Pietrzak-Renaud, the Vice-President Exploration of the Company, for fees and expense reimbursements which were included in exploration and evaluation expenditures.
- \$nil and \$5,000, respectively (three and six months ended January 31, 2021 - \$nil) for consulting fees to Sheer Strategic Inc., a corporation owned by Eric Owens, which were included in professional fees.
- \$nil (three and six months ended January 31, 2021 - \$6,960) for consulting fees to Laurel Duquette.
- \$nil (three and six months ended January 31, 2021 - \$42,000) for consulting fees related to the IPO to 5044563 Ontario Ltd.,

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Notes to Condensed Interim Financial Statements For the Three and Six Months Ended January 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

11. 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 January 31, 2022, the Company is committed to incurring approximately \$995,000 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2022 arising from the flow-through offerings.

Management and Other Contracts

The Company entered into consulting agreements for the services of its officers. For the CFO, the agreement was effective October 1, 2020 and for the President and Chief Executive Officer, the Vice-President and the Vice-President Exploration, the agreements were effective January 1, 2021. Under the agreements, additional payments totaling \$798,000 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim financial statements. Also, on July 15, 2020, the Company entered into a service agreement with a party who subsequently became a member of the Board of Directors on October 5, 2020. The aggregate commitment upon termination of the agreements is \$129,000. The minimum commitment due within one year under the terms of the agreements is \$600,000, in aggregate.

12. 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.

13. Subsequent Events

(i) On February 22, 2022, the Company announced the promotion of Ellie Owens from Vice-President to President, while Eric Owens remains as Chief Executive Officer and board member of the Company.

(ii) On February 22, 2022, the Company announced that it received approval for trading its common shares in the United States on the OTCQB Market, under the symbol "ETUGF", effective February 23, 2022. The Company's common shares will continue to trade on the TSX Venture Exchange under the symbol "ETU".

(iii) On March 17, 2022, the Company closed the first tranche of its private placement pursuant to which it issued an aggregate of 5,615,000 units at a price of \$0.10 per unit and 5,609,454 flow-through units at a price of \$0.11 per flow-through unit resulting in aggregate gross proceeds of \$1,178,540. Insiders of the Company purchased an aggregate of 2,000,000 units in connection with the offering. Each unit and flow-through units included one-half 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 \$0.20 for a period of 24 months from the date of issuance.