
**CONDENSED INTERIM FINANCIAL STATEMENTS OF
E2GOLD INC.
FOR THE THREE AND NINE MONTHS ENDED
APRIL 30, 2024
(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 April 30, 2024	As at July 31, 2023
ASSETS		
Current assets		
Cash	\$ 78,791	\$ 60,896
Short-term investments	40,000	60,000
HST receivable	33,955	74,562
Prepaid expenses	113,465	176,608
Total current assets	266,211	372,066
Non-current assets		
Property and equipment (note 3)	11,204	31,195
Total non-current assets	11,204	31,195
Total assets	\$ 277,415	\$ 403,261
LIABILITIES AND DEFICIT		
Current liabilities		
Amounts payable and accrued liabilities	\$ 944,351	\$ 808,009
Loan payable (note 4)	226,386	211,274
Flow-through share liability (note 5)	126,220	209,622
Total liabilities	1,296,957	1,228,905
Deficit		
Share capital (note 6)	8,387,550	7,871,044
Warrants reserve (note 7)	773,703	1,574,942
Stock options reserve (note 8)	762,935	879,266
Accumulated deficit	(10,943,730)	(11,150,896)
Total deficit	(1,019,542)	(825,644)
Total liabilities and deficit	\$ 277,415	\$ 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 and contingencies (note 12)
Subsequent events (note 14)

E2Gold Inc.

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

	Three months ended April 30,		Nine months ended April 30,	
	2024	2023	2024	2023
Operating expenses				
Depreciation (notes 3 and 10)	\$ 5,038	\$ 4,674	\$ 15,114	\$ 13,756
Exploration and evaluation expenditures (note 10)	16,441	521,689	894,581	1,770,688
General and administrative expenses	101,793	67,993	147,002	163,013
Investor relations	11,717	39,155	126,455	157,771
Management fees, director fees and salaries (note 11(a))	147,463	164,088	342,618	460,243
Professional fees (note 11(b))	31,037	61,817	110,825	164,824
Shareholders' information	21,426	16,035	56,676	39,861
Share-based payments (notes 8 and 11(a))	-	692	105,098	155,502
Operating loss before interest expense, interest income and premium on flow-through shares	(334,915)	(876,143)	(1,798,369)	(2,925,658)
Grant from government	200,000	-	400,000	-
Interest expense (note 4)	(11,223)	(3,415)	(29,456)	(3,415)
Interest income	-	1,252	453	3,735
Premium on flow-through shares (note 5)	16,341	70,518	234,485	240,634
Loss and comprehensive loss for the period	\$ (129,797)	\$ (807,788)	\$ (1,192,887)	\$ (2,684,704)
Basic and diluted loss per share (note 9)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	205,881,865	149,183,397	187,445,527	147,772,769

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)

Nine months ended April 30,	2024	2023
Operating activities:		
Net loss for the period	\$ (1,192,887)	\$ (2,684,704)
Adjustments for:		
Depreciation (notes 3 and 10)	19,991	21,073
Share-based payments (note 8)	105,098	155,502
Shares issued for acquisition of mineral property (note 10)	200,000	-
Premium on flow-through shares (note 5)	(234,485)	(240,634)
Interest expense accrued (note 4)	16,072	3,415
Foreign exchange on loan payable	(960)	-
Changes in non-cash working capital items:		
HST receivable	40,607	10,733
Prepaid expenses	63,143	(12,090)
Amounts payable and accrued liabilities	136,342	130,520
Net cash used in operating activities	(847,079)	(2,616,185)
Investing activities:		
Purchase of property and equipment (note 3)	-	(3,198)
Proceeds from redemption of short-term investment	20,000	-
Net cash provided by (used in) investing activities	20,000	(3,198)
Financing activities:		
Proceeds from private placements (note 6)	905,000	310,000
Share issue costs	(60,026)	(15,918)
Proceeds - advance for private placement	-	10,000
Loan payable (note 4)	-	207,743
Net cash provided by financing activities	844,974	511,825
Net change in cash	17,895	(2,107,558)
Cash, beginning of period	60,896	2,253,229
Cash, end of period	\$ 78,791	\$ 145,671

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	Shares to be issued	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
Private placements (note 6)	310,000	-	-	-	-	310,000
Flow-through share premium (note 5)	(124,000)	-	-	-	-	(124,000)
Warrants (note 6)	(58,052)	-	58,052	-	-	-
Compensation options (note 6)	(1,984)	-	1,984	-	-	-
Share issue costs	(15,918)	-	-	-	-	(15,918)
Shares to be issued	-	10,000	-	-	-	10,000
Warrants expired	-	-	(503,917)	-	503,917	-
Stock options cancelled	-	-	-	(212,436)	212,436	-
Share-based payments (note 8)	-	-	-	155,502	-	155,502
Loss and comprehensive loss	-	-	-	-	(2,684,704)	(2,684,704)
Balance, April 30, 2023	\$ 7,680,045	\$ 10,000	\$ 3,671,242	\$ 878,661	\$ (12,617,165)	\$ (377,217)
Balance, July 31, 2023	\$ 7,871,044	\$ -	\$ 1,574,942	\$ 879,266	\$ (11,150,896)	\$ (825,644)
Private placements (note 6)	905,000	-	-	-	-	905,000
Flow-through share premium (note 5)	(151,083)	-	-	-	-	(151,083)
Warrants (note 6)	(366,087)	-	366,087	-	-	-
Compensation options (note 6)	(11,298)	-	11,298	-	-	-
Share issue costs	(60,026)	-	-	-	-	(60,026)
Shares issued for acquisition of mineral property (note 10)	200,000	-	-	-	-	200,000
Warrants expired	-	-	(1,178,624)	-	1,178,624	-
Stock options cancelled	-	-	-	(221,429)	221,429	-
Share-based payments (note 8)	-	-	-	105,098	-	105,098
Loss and comprehensive loss	-	-	-	-	(1,192,887)	(1,192,887)
Balance, April 30, 2024	\$ 8,387,550	\$ -	\$ 773,703	\$ 762,935	\$ (10,943,730)	\$ (1,019,542)

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 Nine Months Ended April 30, 2024 (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 \$1,192,887 for the nine months ended April 30, 2024, and as of April 30, 2024, the Company's accumulated deficit was \$10,943,730. 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 June 26, 2024, 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 and Nine Months Ended April 30, 2024 (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 April 30, 2024	\$ 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	15,114	4,877	19,991
Balance, April 30, 2024	\$ 49,251	\$ 29,266	\$ 78,517

Carrying value	Computer equipment	Exploration equipment	Total
Balance, July 31, 2023	\$ 26,318	\$ 4,877	\$ 31,195
Balance, April 30, 2024	\$ 11,204	\$ -	\$ 11,204

4. Loan Payable

	As at April 30, 2024	As at July 31, 2023
Loan payable	\$ 210,314	\$ 201,608
Accrued interest	16,072	9,666
	\$ 226,386	\$ 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.

On February 26, 2024, the Company entered into a general security agreement (the "GSA") in connection with this promissory note. Pursuant to the GSA, security was granted against the promissory note in respect of all or substantially all of the assets of the Company.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (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)(iv)	151,083
Settlement of flow-through share liability on incurred expenditures (i)(ii)(iii)	(234,485)
Balance, April 30, 2024	\$ 126,220

(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 nine months ended April 30, 2024, the Company incurred eligible expenditures of \$339,724 satisfying \$85,622 of such premium. The flow-through premium is \$nil as at April 30, 2024 (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 nine months ended April 30, 2024, the Company incurred eligible expenditures of \$310,000 satisfying \$124,000 of such premium. The flow-through premium is \$nil as at April 30, 2024 (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 April 30, 2024, the Company incurred eligible expenditures of \$99,452 satisfying \$24,863 of such premium and, as a result, the flow-through premium is \$62,637 as at April 30, 2024 in relation to this private placement.

(iv) The flow-through common shares issued in the brokered private placement completed on December 20, 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 \$63,583 and will be derecognized through income as the eligible expenditures are incurred. For the period from December 20, 2023 to April 30, 2024, the Company incurred eligible expenditures of \$nil satisfying \$nil of such premium and, as a result, the flow-through premium is \$63,583 as at April 30, 2024 in relation to this private placement.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (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 April 30, 2024 and 2023 are as follows:

	Number of common shares	Amount
Balance, July 31, 2022	147,071,309	\$ 7,569,999
Flow-through private placement (i)	6,200,000	310,000
Warrants (i)	-	(58,052)
Compensation options (i)	-	(1,984)
Flow-through share premium (note 5)	-	(124,000)
Share issue costs	-	(15,918)
Balance, April 30, 2023	153,271,309	\$ 7,680,045
Balance, July 31, 2023	161,881,866	\$ 7,871,044
Private placements (ii)	5,783,333	173,500
Flow-through private placements (iii)(iv)	30,216,666	731,500
Warrants (ii)(iii)(iv)	-	(366,087)
Compensation options (iii)(iv)	-	(11,298)
Flow-through share premium (note 5)	-	(151,083)
Shares issued for mineral property (note 10)	8,000,000	200,000
Share issue costs	-	(60,026)
Balance, April 30, 2024	205,881,865	\$ 8,387,550

(i) On March 30, 2023, the Company closed a private placement pursuant to which it issued an aggregate of 6,200,000 flow-through units at a price of \$0.05 per flow-through unit for total proceeds of \$310,000.

Each flow-through unit included one flow-through share and one common 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 \$0.07 for a period of 36 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 \$0.02; expected dividend yield of 0%; risk-free interest rate of 3.53%; volatility of 110% and an expected life of 3 years. The fair value assigned to these warrants was \$58,052.

In connection with the private placement, the Company issued a finders fee consisting of cash and compensation options, totalling \$6,300 and 126,000 compensation options. Each compensation options entitles the holder to acquire one common share at an exercise price of \$0.07 for a period of three 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 \$0.03; expected dividend yield of 0%; risk-free interest rate of 3.53%; volatility of 110% and an expected life of 3 years. The fair value assigned to these warrants was \$1,984.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

6. Share Capital (Continued)

b) Common shares issued (continued)

(ii) 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.

(iii) 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.

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.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

6. Share Capital (Continued)

b) Common shares issued (continued)

(iv) On December 20, 2023, the Company announced that it closed its previously announced critical minerals flow-through private placement by which it has issued an aggregate of 12,716,666 units at a price of \$0.03 per unit, to raise aggregate gross proceeds of \$381,500.

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 \$0.03; expected dividend yield of 0%; risk-free interest rate of 3.91%; volatility of 197% and an expected life of 2 years. The fair value assigned to these warrants was \$169,400.

In connection with the offering, the Company paid aggregate cash commissions of \$16,800 and issued an aggregate of 280,000 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 \$0.025; expected dividend yield of 0%; risk-free interest rate of 3.91%; volatility of 197% and an expected life of 2 years. The fair value assigned to these warrants was \$5,468.

Jeffrey Pritchard, Director of the Company, has subscribed for 450,000 units in connection with the offering. In addition, David Good, Chairman of the Board of Directors, has subscribed for 333,333 units in connection with the offering.

7. Warrants

	Number of warrants	Grant date fair value
Balance, July 31, 2022	85,729,115	\$ 4,115,123
Issued (note 6(b)(i))	6,326,000	60,036
Expired	(3,857,332)	(503,917)
Balance, April 30, 2023	88,197,783	\$ 3,671,242
Balance, July 31, 2023	50,216,638	\$ 1,574,942
Issued (note 6(b)(ii)(iii)(iv))	36,979,999	377,385
Expired	(17,022,439)	(1,178,624)
Balance, April 30, 2024	70,174,198	\$ 773,703

E2Gold Inc.

Notes to Condensed Interim Financial Statements
For the Three and Nine Months Ended April 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

7. Warrants (Continued)

The following table reflects the warrants and agent compensation options issued and outstanding as of April 30, 2024:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
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
December 20, 2025	0.05	12,716,666	169,400
December 20, 2025 *	0.05	280,000	5,468
March 30, 2026	0.07	6,200,000	58,052
March 30, 2026 *	0.07	126,000	1,984
	0.08	70,174,198	773,703

* Agent compensation options.

8. Stock Options

	Number of stock options	Weighted average exercise price
Balance, July 31, 2022	9,420,000	\$ 0.13
Stock options granted (i)(ii)	5,890,000	0.05
Stock options forfeited	(2,030,000)	0.13
Balance, April 30, 2023	13,280,000	\$ 0.09
Balance, July 31, 2023	13,280,000	\$ 0.09
Stock options granted (iii)	5,650,000	0.05
Stock options forfeited	(4,100,000)	0.07
Balance, April 30, 2024	14,830,000	\$ 0.08

(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) On January 13, 2023, the Company granted 400,000 stock options to a director 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 \$0.035; expected dividend yield of 0%; risk-free interest rate of 3.49%; volatility of 110.91% and an expected life of 3 years. The fair value assigned to these options was \$11,000.

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

8. Stock Options (Continued)

(iii) 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 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 \$0.025; expected dividend yield of 0%; risk-free interest rate of 4.22%; volatility of 148.93% and an expected life of 3 years. The fair value assigned to these options was \$105,000.

(iv) The portion of the estimated fair value of options granted in the prior periods and vested during the three and nine months ended April 30, 2024, amounted to \$nil and \$105,098, respectively (three and nine months ended April 30, 2023 - \$692 and \$155,502, respectively).

The following table reflects the stock options issued and outstanding as of April 30, 2024:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Fair Value (\$)
August 17, 2024	0.130	3,800,000	0.30	3,800,000	410,400
November 17, 2024	0.155	250,000	0.55	250,000	29,000
January 20, 2025	0.135	140,000	0.73	140,000	13,364
September 12, 2025	0.050	4,290,000	1.37	4,290,000	110,180
January 13, 2026	0.050	400,000	1.71	400,000	11,000
November 21, 2026	0.050	4,950,000	2.60	4,950,000	91,991
December 6, 2026	0.170	1,000,000	2.56	1,000,000	97,000
		14,830,000	1.57	14,830,000	762,935

9. Loss Per Share

The calculation of basic and diluted loss per share for the three and nine months ended April 30, 2024 was based on the loss attributable to common shareholders of \$129,797 and \$1,192,887, respectively (three and nine months ended April 30, 2023 - \$807,788 and \$2,684,704, respectively) and the weighted average number of common shares outstanding of 205,881,865 and 187,445,527, respectively (three and nine months ended April 30, 2023 - 149,183,397 and 147,772,769, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

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10. Exploration and Evaluation Expenditures

	Three months ended April 30,		Nine months ended April 30,	
	2024	2023	2024	2023
Hawkins Gold Property (i)				
Assays and analysis	\$ 5,459	\$ -	\$ 52,953	\$ -
Community relations	-	-	-	6,649
Depreciation	-	2,439	4,877	7,317
Drilling	-	8,344	-	27,045
Equipment	3,000	-	25,085	-
Field expenses	-	-	61,776	-
First nations	-	19,944	-	38,096
Geochemistry	-	18,000	-	28,828
Geology	4,507	219,246	304,194	867,868
Geophysics	-	30,336	206,322	72,214
Mineral property / claims	3,475	5,489	9,381	14,489
Option payments ⁽¹⁾	-	207,072	200,000	207,072
Other	-	-	26,073	-
	\$ 16,441	\$ 510,870	\$ 890,661	\$ 1,269,578
Band-Ore Property (ii)				
Community relations	\$ -	\$ -	\$ -	\$ 762
Drilling	-	-	-	292,250
First nations	-	-	-	3,497
Geology	-	6,164	1,000	54,004
Mineral property / claims	-	-	2,920	8,400
Option payment	-	4,655	-	107,906
	\$ -	\$ 10,819	\$ 3,920	\$ 466,819
Other				
General exploration	\$ -	\$ -	\$ -	\$ 34,291
Exploration and evaluation expenditures	\$ 16,441	\$ 521,689	\$ 894,581	\$ 1,770,688

(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 ⁽⁸⁾
On or before January 28, 2022	200,000 ⁽¹⁾	200,000 ⁽⁴⁾	500,000 ⁽⁸⁾
On or before January 28, 2023	200,000 ⁽¹⁾	200,000 ⁽⁵⁾	500,000 ⁽⁸⁾
On or before January 28, 2024	200,000 ⁽⁹⁾	200,000 ⁽⁶⁾	500,000 ⁽⁸⁾
On or before January 28, 2025	230,000	200,000 ⁽⁷⁾	500,000
	\$ 1,000,000	\$ 1,000,000	\$ 2,500,000

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

10. Exploration and Evaluation Expenditures (Continued)

(i) (continued)

- (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) 8,000,000 common shares valued at \$200,000 were issued on January 26, 2024.
- (7) 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.
- (8) The Company met the minimum exploration expenditures.
- (9) The Company has also negotiated an extension of property option payments to the underlying claim holder of the Hawkins optioned claims. Under the terms of the agreement, the Company has been granted an extension of the annual cash payment, which is normally due on January 28, 2024, to January 28, 2025, in exchange for an added cash payment of \$20,000 on January 28, 2028, and other non-cash remuneration relating to the transfer of assessment credits and other housekeeping matters.

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

(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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11. Related Party Balances and Transactions

a) Remuneration of directors and officers

	Three months ended April 30,		Nine months ended April 30,	
	2024	2023	2024	2023
Management fees	\$ 81,312	\$ 120,417	\$ 266,312	\$ 280,417
Director fees	-	12,000	10,000	32,000
Consulting fees	20,703	-	74,881	42,000
Share-based payments	-	-	78,050	138,131
	\$ 102,015	\$ 132,417	\$ 429,243	\$ 492,548

During the three and nine months ended April 30, 2024, the Company paid the following management fees:

- \$nil and \$40,000, respectively (three and nine months ended April 30, 2023 - \$40,000 and \$120,000, respectively) to Invera Consulting, a business owned by Ellie Owens, for services of Ms. Owens as President of the Company.
- \$53,750 and \$161,250, respectively (three and nine months ended April 30, 2023 - \$53,750 and \$160,417, respectively) to Sheer Strategic Inc., a corporation owned by Eric Owens, for services of Mr. Owens as Chief Executive Officer of the Company.
- \$45,479 and \$82,979, respectively (three and nine months ended April 30, 2023 - \$nil) to Jeffrey Pritchard, Director, for services of Mr. Pritchard as investor relations advisor of the Company.

As at April 30, 2024, Invera Consulting was owed \$36,733 (July 31, 2023 - \$81,733) and Sheer Strategic Inc. was owed \$110,869 (July 31, 2023 - \$80,893) and all these amounts were included in amounts payable and accrued liabilities at such date.

As at April 30, 2024, directors were owed \$14,415 (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 and nine months ended April 30, 2024, the Company paid fees the following:

- \$nil in consulting fees (three and nine months ended April 30, 2023 - \$nil and \$42,000, respectively) paid to 5044563 Ontario Ltd., a corporation controlled by Bereket Berhe, a director of the Company, which were included in professional fees.
- \$20,703 and \$74,881, respectively in professional fees (three and nine months ended April 30, 2023 - \$38,862 and \$71,752, respectively) 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 April 30, 2024, Marrelli Group of Companies was owed \$79,325 (July 31, 2023 - \$56,185).

E2Gold Inc.

Notes to Condensed Interim Financial Statements For the Three and Nine Months Ended April 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

11. Related Party Balances and Transactions (Continued)

(c) Private placements

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.

On December 20, 2023, the Company completed an offering of \$350,000. Jeffrey Pritchard (Director of the Company) and David Good (Chairman of the Board of Directors) subscribed for 783,333 units in connection with the offering for an aggregate total \$23,500.

(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 and Contingencies

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 April 30, 2024, the Company is committed to incurring approximately \$731,500 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2024 arising from the flow-through offerings.

As of April 30, 2024, the actual spent towards the flow-through obligations is \$99,452 for December 31, 2024, with a remaining balance of \$632,048 to be spent by December 31, 2024.

Lawsuit

The Company was named as a defendant in a statement of claim filed issued on November 9, 2023. The plaintiff, KS 8 King Street East Inc., has claimed payment \$72,835 in rental arrears as well as additional damages for further amounts it alleges are payable concerning an alleged breach of contract with respect to the Company's efforts to lease an office unit from it. The Company served a statement of defense on December 19, 2023. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of the lawsuit or to estimate the loss, if any, which may result.

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.

E2Gold Inc.

**Notes to Condensed Interim Financial Statements
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14. Subsequent Events

(i) On June 12, 2024, the Company announced that it plans to raise up to \$500,000 in an equity private placement. The private placement will consist of a combination of units ("HD Units"), priced at \$0.020, and flow-through units ("FT Units"), priced at \$0.025, in any combination to raise a maximum aggregate gross proceeds of up to \$500,000.

Each HD Unit will consist one common share of the Company plus one common share purchase warrant to acquire one additional common share at a price of \$0.05 for a period of 24 months from the date of issuance. Each FT Unit will be comprised of one "flow-through" common share of the Company (a "FT Share") and one common share purchase warrant (a "Warrant"), with each whole Warrant exercisable to acquire one additional common share at a price of \$0.06 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 the approval of the TSXV.

The Company also announced the resignation of Ellie Owens from the Board of Directors and as President of the Company. Ellie has taken a new position within the industry and wants to avoid any potential conflicts of interest.