



G2 GOLDFIELDS INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED AUGUST 31, 2020 and 2019

(Expressed in Canadian Dollars)

Notice to Reader

The accompanying unaudited interim condensed consolidated statements of G2 Goldfields Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements have not been reviewed by the Company's auditors

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of G2 Goldfields Inc (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Dan Noone" (signed)
President and Chief Executive Officer

"Paul Murphy" (signed)
Chief Financial Officer

NOTICE TO READER

The accompanying unaudited interim condensed consolidated financial statements of the company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three months ended August 31, 2020 and 2019 have not been reviewed by the Company's auditors.

G2 GOLDFIELDS INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(expressed in Canadian dollars)

	As at August 31, 2020 (Unaudited)	As at May 31, 2020 (Audited)
ASSETS		
Current assets		
Cash	\$ 4,617,059	\$ 583,775
Marketable securities (note 5)	5,000	5,000
Amounts receivable	42,034	15,399
Prepays and other	62,921	49,044
Total current assets	4,727,004	653,218
Non-current assets		
Fixed Assets	262,542	267,895
Mining interests (note 6)	21,228,996	20,024,861
Total non-current assets	21,491,538	20,292,756
Total assets	\$ 26,218,542	\$ 20,945,974
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 883,698	\$ 958,539
Total current liabilities	883,698	958,939
Long-term liabilities (note 11)	303,025	395,910
Total liabilities	1,186,723	1,354,449
Shareholders' equity		
Share capital (note 7)	50,817,545	45,930,579
Warrants (note 8)	2,402,164	1,325,981
Contributed surplus	7,180,904	7,275,146
RSU's (note 9b)	96,432	12,000
Deficit	(35,225,832)	(34,648,787)
Cumulative Translation Adjustment	(239,395)	(303,994)
Total shareholders' equity	25,031,819	19,591,525
Total liabilities and shareholders' equity	\$ 26,218,542	\$ 20,945,974

The accompanying notes are an integral part of the financial statements. The external auditors have not reviewed these unaudited interim condensed consolidated financial statements.

G2 GOLDFIELDS INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
AND COMPREHENSIVE INCOME (LOSS)****Three Month Period ended August 31, 2020 and 2019**

(expressed in Canadian dollars)

	Three Months Ended August 31,	
	2020	2019
Revenue		
Royalties	154,065	-
Operating expenses		
Wages and employee benefits	113,877	18,180
Share-based compensation	353,002	255,272
Consulting fees	17,700	1,810
Office rent and utilities	34,082	17,227
Professional fees	68,355	10,000
Investor and community relations	30,380	1,841
Transfer agent and filing fees	43,651	15,632
Insurance	1,706	3,163
Office and administrative	28,593	(1,663)
Depreciation	37,646	-
Interest and bank charges	2,265	1,194
(Gain) loss on foreign exchange	(147)	-
Loss for the period	\$ (577,045)	\$ (322,656)
Exchange differences on translating foreign operations	64,599	-
Loss and comprehensive loss for the period	\$ (512,446)	\$ (322,656)
Basic and diluted net loss per common share (note 9)	(0.005)	(0.005)
Weighted average number of common shares outstanding - basic and diluted (note 9)	115,234,991	69,069,140

The accompanying notes are an integral part of the financial statements. The external auditors have not reviewed these unaudited interim condensed consolidated financial statements.

G2 GOLDFIELDS INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW****Three Month Period ended August 31, 2020 and 2019**

(expressed in Canadian dollars)

	Three Months Ended August 31,	
	2020	2019
Operating activities		
Net loss for the period	(577,045)	(322,656)
Adjustments for:		
Share-based compensation	353,002	255,272
Depreciation	37,646	-
Changes in non-cash working capital items:		
Amounts receivable	(26,635)	(30,087)
Prepaid expenses and deposits	(13,877)	(24,821)
Account payable and accrued liabilities	(74,841)	(224,194)
Net cash used in operating activities	(301,750)	(346,486)
Investing activities		
Mining property investment	(1,171,818)	(465,674)
Net cash used in investing activities	(1,171,818)	(465,674)
Financing activities		
Private placements	5,000,000	-
Share issue costs	(294,283)	(58)
Proceeds from warrants and options exercised	894,020	1,241,000
Due to related parties	(92,885)	40,681
Increase in loan receivable	-	(219,863)
Net cash provided by financing activities	5,506,852	1,061,760
Net change in cash,	4,033,284	249,600
Cash, beginning of period	583,775	1,091,626
Cash, end of period	4,617,059	1,341,226

The accompanying notes are an integral part of the financial statements. The external auditors have not reviewed these unaudited interim condensed consolidated financial statements.

G2 GOLDFIELDS INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Three Month Period ended August 31, 2020 and 2019

(expressed in Canadian dollars)

	Number of Common Shares	Amount	Warrants	RSU's	Contributed Surplus	Cumulative Translation Adjustment	Deficit	Total Equity
As at May 31, 2019	66,983,991	36,344,181	1,588,715		6,459,786		(33,436,645)	10,956,037
Warrants converted to shares	6,205,000	1,519,367	(278,367)					1,241,000
Warrants conversion costs		(58)						(58)
Share-based compensation					255,272			255,272
Period Net Loss							(322,656)	(322,656)
As at August 31, 2019	73,188,991	37,863,490	1,310,348		6,715,058		(33,759,301)	12,129,595
As at May 31, 2020	106,653,991	45,930,579	1,325,981	12,600	7,275,146	(303,994)	(34,648,787)	19,591,525
RSU's								
Vesting				104,832				104,832
Exercised	100,000	21,000		(21,000)				-
Stock Options								
Exercised	975,000	373,500						373,500
Ascribed value		342,412			(342,412)			
Vested in period					248,170			248,170
Warrants								
Exercised	2,054,750	520,520						520,520
Value ascribed		125,921	(125,921)					
Private placement	9,711,537	5,000,000						5,000,000
Costs of private placement		(294,283)						(294,283)
Warrants issued in private placement		(1,039,134)	1,039,134					-
Broker warrants issued		(162,970)	162,970					-
(Loss) gain for the period						64,599	(577,045)	(512,446)
As at August 31, 2020	119,495,278	50,817,545	2,402,164	96,432	7,180,904	(239,395)	(35,225,832)	25,031,819

The accompanying notes are an integral part of the financial statements. The external auditors have not reviewed these unaudited interim condensed consolidated financial statements.

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

G2 Goldfields Inc. (formerly Sandy Lake Gold Inc.) (the "Company") was incorporated as 7177411 Canada Corporation on May 21, 2009, under the laws of Canada. The Company is primarily engaged in the business of acquiring and exploring mineral properties.

On April 4, 2019, the Company filed an article of amendment to (i) change its name from Sandy Lake Gold Inc. to G2 Goldfields Inc. and (ii) consolidate the Company's issued and outstanding common shares for one new share for every two existing common shares. The common shares of the Company, reflecting the name change and consolidation, commenced trading on the TSX Venture Exchange effective April 8, 2019, under the new symbol "GTWO."

The head office, principal address, and records office of the Company are located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, Canada, M5H 3L5.

Going Concern

In order to carry out future exploration activities, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is exploration-focused and is subject to the risks and challenges of companies in the same sector. These risks include, but are not limited to, the challenges of securing adequate capital given exploration, development and operational risks inherent in the mining industry as well as global economic, precious and base metal price volatility; all of which are uncertain under current market conditions. As a result of these risks, there is no assurance that the Company's funding initiatives will continue to be successful and these unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material. The Company has an accumulated deficit of \$35,225,832 from inception and negative working capital of \$4,440,518.

The COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its operations and raise capital.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

These unaudited interim condensed consolidated financial statements were authorized and approved for issue by the Board of Directors on October 26, 2020.

(b) Basis of Measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at their fair values, as explained in the relevant accounting policies.

(c) Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

(d) Use of Estimates and Judgement

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant estimates and judgements include valuation of shares issued in non-cash transactions, the fair value of mineral properties transferred, the recoverability of mineral properties, and management's going concern assessment. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements.

Areas of judgement that have the most significant effect on amounts recognized in the financial statements are disclosed in Note 3 of the Company's May 2020 annual audited filing.

(b) Basis of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries in Barbados and Guyana. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company's subsidiary is wholly owned and all inter-company balances, transactions, including income and expenses arising from inter-company transaction are eliminated in preparing the consolidated financial statements.

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and term deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

(d) Exploration and evaluation licenses

All direct costs related to the acquisition of mineral property interests (E&E Assets) are capitalized into exploration and evaluation assets (an intangible asset) on a property by property basis. License costs paid in connection with a right to explore in an exploration area are capitalized.

(e) Acquisition of mineral property interests

The Company treats the acquisition of a mineral property interest as either a business combination or asset purchase. The determination of treatment is based upon an assessment of factors at the time of acquisition. A business combination is a transaction in which control over one or more businesses is obtained. A business is defined as an integrated set of activities and assets that is capable of creating outputs which provide a positive economic return to stakeholders.

If the integrated set of activities and assets is in the exploration or development stage and therefore does not have outputs, the Company considers other factors to determine if the assets are a business. These include, but are not limited to, whether the set of activities and assets:

- i. has planned principal activities;
- ii. has identified mineral reserves and processes needed to generate the inputs required for output;
- iii. production;
- iv. is pursuing a plan to produce outputs; and
- v. will be able to sell the produced outputs.

Not all of the above factors need to be present for a particular integrated set of activities and assets in the development stage to qualify as a business.

Business acquisitions are accounted for using the acquisition method, in which the acquired assets and liabilities are recorded at fair value at the date of acquisition. Direct costs associated with a business combination are expensed as incurred. Acquisitions in which a business is not acquired are treated as an asset purchase. Under an asset purchase, the fair value of the consideration provided is allocated to the individual fair value of assets and liabilities assumed at the time of acquisition. The costs of acquisition for an asset acquisition are deferred and capitalized in the period they are incurred. In the event the acquisition is not completed, these costs would be immediately expensed.

4. ACQUISITION OF BARTICA INVESTMENTS LTD.

As the Company was able to exercise control of Bartica Investments Ltd. (Bartica) as of September 1, 2019 management has determined that its results should be consolidated from that date forward. The actual

G2 GOLDFIELDS INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
2019**

(expressed in Canadian dollars)

shares representing 100% of Bartica were acquired on October 24, 2019. The remaining authorization was considered administrative for that period.

The allocation of the purchase price to the assets acquired and liabilities assumed is based upon values at the date of acquisition.

	Assets Acquired	Liabilities Assumed
Cash and Cash Equivalents	\$ 99,345	\$
Mineral Properties	5,253,763	
Capital Assets	246,539	
Accounts Payable and Accrued Liabilities		199,647
Shares Issued		5,400,000
	\$ 5,599,647	\$ 5,599,647

5. MARKETABLE SECURITIES

Marketable securities have been designated as FVTPL and are recorded at fair value using the last bid price, with changes recognized in the unaudited interim condensed consolidated of comprehensive loss. Marketable securities are composed of:

	Cost	Fair Market Value May 31, 2020	Fair Market Adjustment	Fair Market Value August 31, 2020
Crusader Resources Limited - 500,000 common shares	\$ 211,604	\$ 5,000	\$ -2,000	\$ 5,000

6. MINING INTERESTS

	Sandy Lake Project	Guyana Project	Total
Balance, May 31, 2019	10,410,411		10,410,411
Additions to August 31, 2019	465,674		465,674
Balance August 31, 2019	\$ 10,876,085	\$ -	\$ 10,876,085
			-
Balance at May 31, 2020	10,867,285	9,157,576	20,024,861
Additions to August 31, 2020	38,537	1,165,598	1,204,135
Balance August 31, 2020	\$ 10,905,822	\$ 10,323,174	\$ 21,228,996

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

The Company enters into exploration agreements or permits with other companies or foreign governments under which it may explore or earn interests in mineral properties by issuing common shares and making an option or rental payments and incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

(a) Sandy Lake Project, Ontario, Canada

On May 16, 2016, the Company and GPM Metals Inc. ("GPM") entered into a definitive agreement governing a proposed acquisition (the "Acquisition") by the company from GPM of GPM's interests in the Sandy Lake district, Northwestern Ontario. These interests include a 100% interest in 1,421 contiguous claim units known as the "East Block" (the "Additional Interest") as well as GPM's right to earn up to a 70% interest in the Weebigee Project, also known as the "Northwest" claim block (collectively, the "Sandy Lake Property") which are subject to a 1% net smelter returns royalty. In addition, in order to earn up to a 70% interest in the Weebigee Project, the Company is required to complete the following as per the Option Agreement (as defined below):

To exercise the right and option to earn an undivided 50.1% interest ("50.1% Option") in the Weebigee Project the Company was required to:

- make payment of \$50,000 (paid by GPM) in cash and issue such number of common shares to Goldeye Explorations Limited (Goldeye) (Goldeye is a wholly owned subsidiary of Treasury Metals Incorporated (TMI)) and shall have an aggregate fair market value of \$25,000 (issued by GPM);
- make three additional cash payments of an aggregate total of \$500,000 to Goldeye over 3 years (\$100,000 paid by GPM, \$150,000 paid by the Company in May 2017 and \$250,000 paid by the Company in May 2018); and
- complete expenditures on the Weebigee Project of an aggregate total of \$5,000,000 over 4 years:
 - a) \$500,000 on or prior to the first anniversary;
 - b) \$1,000,000 on or prior to the second anniversary;
 - c) \$1,500,000 on or prior to the third anniversary; and
 - d) \$2,000,000 on or prior to the fourth anniversary.

To exercise the right and option to acquire a further 19.9% interest ("70% Option") the Company was required to:

- deliver feasibility study to Goldeye on or prior to the date which is five years following the date upon which the Company exercises the 50.1% Option; or
- make cash payments to Goldeye and complete exploration expenditures on the Weebigee Project as follows:
 - a) three cash payments to Goldeye of an aggregate total of \$1,500,000 over 2 years;
 - b) complete expenditures on the Weebigee Project of \$1,000,000 prior to the 1st anniversary of the 70% Option notice date;
 - c) complete additional expenditures on the Weebigee Project of \$2,000,000 prior to the second anniversary of the 70% Option notice date.

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests in the Weebigee Claims.

On July 27, 2016, the Company announced that an event of force majeure under the option agreement between GPM and Goldeye dated April 15, 2015 relating to the property known as the Weebigee Project ("Option Agreement") was declared. GPM's rights under the Option Agreement were acquired by the Company pursuant to the Acquisition on July 21, 2016.

The event of force majeure resulted from the positions taken by local First nations and subsequent discussions with the Government of Ontario, which rendered it necessary for the Company to cease all work on the Sandy Lake Project, including the Weebigee Project.

On September 22, 2016, the Company announced that it received a formal notice of arbitration (the "notice") pursuant to the Option Agreement. The notice demands arbitration concerning among other things, the dispute regarding the Additional Interest.

Goldeye alleges that, pursuant to the Option Agreement, 525 of the claim units comprising the Additional Interest have become part of the Weebigee Project, and 896 of the claim units comprising the Additional Interest have become part of a 50/50 joint venture. The company disagreed with these allegations and stated that Goldeye did not complete the exercise of its option to acquire the Additional Interest or make the required payment to GPM of its share of the costs of acquiring the Additional Interest prior to the required date, such that Goldeye has not acquired, and does not have any right to acquire, any rights or interest in the Additional Interest. In addition, the notice sets forth certain ancillary claims made by Goldeye and seeks relief regarding other matters concerning the Weebigee Project including, without limitation (i) a determination that the previously announced event of force majeure does not constitute an event of force majeure under the Option Agreement; and (ii) a determination relating to the validity of certain expenses claimed by GPM in satisfaction of the obligation to incur certain exploration expenditures on the Weebigee Project in accordance with the terms of the Option Agreement.

On September 22, 2017, the Company announced the Arbitral tribunal's decision with regard to the May 8, 2017 hearing on the event of force majeure found that:

- a force majeure event under the Option Agreement occurred and was declared on July 27, 2016;
- the force majeure event existed continuously, without change, until June 7, 2017;
- the force majeure event was not within the control of the Company; and
- the failure of the Company to comply with its obligations under the Option Agreement to incur the required exploration work expenditures of \$1,000,000 by April 15, 2017 was caused by, or arose out of, the force majeure event.

On or about February 9, 2018, the Arbitration panel made a partial award in the company's favour that: (a) the effective date of the Option Agreement is May 5, 2015; and, (b) that as a result of the force majeure, the date by which the Company is required to incur \$1,000,000 in exploration work expenditures in accordance with the Option Agreement is June 28, 2018. The \$1,000,000 in exploration work expenditures has been completed.

The Arbitration resumed its hearings in January and February 2018 on the remaining matters.

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

On April 23, 2018, the Company declared an event of force majeure pursuant to the Option Agreement relating to the Property (as defined in the Option Agreement) at the Weebigee Project due to inability to work on or near, or have any access to the land relating to the Property. Furthermore, the Company has ceased all work that requires access to the land relating to the Property. Continuing efforts will be made to resolve this event of force majeure.

On July 6, 2018, the Company received a partial award in the Arbitration Proceedings with Goldeye. The Arbitral Tribunal has ruled in favour of the Company on all substantive issues. The two main issues were the amount of first year expenditures and whether Goldeye exercised an option to participate as a 50% joint venture with the Company in the ownership of a large group of claims staked around the original Weebigee project in 2015. Goldeye, which initiated the proceedings, had alleged that the Company had failed to incur minimum first year expenditures of \$500,000 on the Weebigee property as required by the May 2015 option agreement. The Arbitral Tribunal panel ruled that in fact the Company had incurred expenditures of \$1,292,130 in the first year.

On January 21, 2019, the Arbitral Panel ruled in favor of the Company on all substantive issues. The company has been awarded \$926,960 in costs in the Arbitration Proceedings with TMI ("Cost Award").

On September 13, 2019, Goldeye made payment for the full amount of the Cost Award (\$926,960) but Goldeye insisted that its notice of default dated on August 6, 2019 is still valid.

On July 14, 2020, the Company notified Goldeye that it had completed the \$5,000,000 expenditures in accordance with the terms of the Option agreement.

On August 17, 2020, the Company notified Goldeye that it exercises its option to acquire a 50.1% interest in the properties and to initiate the formation of a joint venture in accordance with the option agreement.

(b) Guyana Interests

On October 24, 2019, the Company acquired 100% of the shares of Bartica (note 4). As a result of the acquisition, the Company acquired various prospecting and mining permits for the areas known as the Peters Mine and the Aremu properties. The Company also acquired an option agreement to acquire 100% of various mining permits known as the Oko property (the "Oko option agreement").

The Oko Option Agreement

Through the Oko option agreement (which was executed on December 22, 2017), the Company has the right to acquire a 100% interest in 8 mining permits. The Oko option agreement is subject to the following payments to the Owner:

- A cash payment of US\$50,000 on the date of signing (paid by Ontario Inc.);
- US\$100,000 on the first anniversary (paid by Ontario Inc.), US\$200,000 on the second anniversary (paid), US\$200,000 on the third anniversary and US\$200,000 on the fourth anniversary.

G2 GOLDFIELDS INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 2019

(expressed in Canadian dollars)

Once the above payments are made and upon the notification to the Owner of the determination of gold resources greater than 250,000 ounces, the Company can exercise its option and is then subject to a Net Smelter Royalty (NSR) payment of US\$1,000,000 to the Owner. After the exercise, the Property will be subject to a 2 1/2% NSR on all marketable minerals derived from the properties. The Company can purchase this NSR through a US\$5,000,000 cash payment to the owner.

The Jubilee Option Agreement

On November 19, 2019 the Company entered into the Jubilee option agreement. In accordance with the agreement, the Company has the right to acquire a 100% interest in 7 mining permits. The Jubilee option agreement is subject to the following payments to the Owner:

- A cash payment of US\$25,000 on the date of signing (paid);
- US\$50,000 on the first anniversary, US\$100,000 on the second anniversary, US\$300,000 on the third anniversary.

Once the above payments are made and upon the notification to the Owner of the determination of gold resources greater than 150,000 ounces, the Company can exercise its option. After the exercise, the Property will be subject to a 2% NSR on all marketable minerals derived from the properties. The Company can purchase this NSR through a US\$2,000,000 cash payment to the owner.

The Ghanie Option Agreement

On February 25, 2020 the Company entered into the Ghanie option agreement. In accordance with the agreement, the Company has the right to acquire a 100% interest in 4 mining permits. The Ghanie option agreement is subject to the following payments to the Owner:

- A cash payment of US\$15,000 on the date of signing (paid);
- US\$25,000 on the first anniversary, US\$100,000 on the second anniversary, US\$75,000 on the third anniversary and US\$100,000 on the fourth anniversary.

Once the above payments are made and upon the notification to the Owner of the determination of gold resources greater than 150,000 ounces, the Company can exercise its option. After the exercise, the Company will be subject to a 2% NSR on all marketable minerals derived from the properties. The Company can purchase this NSR through a US\$2,000,000 cash payment to the owner.

7. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

G2 GOLDFIELDS INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
2019**

(expressed in Canadian dollars)

(b) Common shares issued

	Number of common shares	Amount
Balance, May 31, 2019	66,983,991	\$36,344,181
Warrants converted into units	6,205,000	1,519,367
Cost of issue		(58)
Balance, August 31, 2019	73,188,991	37,863,490
Balance, May 31, 2020	106,653,991	\$45,930,579
Units issued for private placement	9,711,537	3,797,896
RSU's converted	100,000	21,000
Cost of private placement		(294,283)
Exercise of warrants and stock options	3,029,850	1,362,353
Balance, August 31, 2020	119,495,278	\$50,817,545

In addition to warrant and option conversions in the first quarter, the Company completed a private placement of shares and warrants. It issued 9,711,537 shares and 4,855,768 warrants to purchase common shares at \$1.00 with an 18 month maturity to raise \$5,000,000 less costs of the issue of \$294,283. As well, 517,366 broker warrants were issued.

8. WARRANTS

The following table reflects the continuity of warrants for the following periods.

	Number of Warrants	Weighted Averaged Exercised Price
Balance, May 31, 2019	27,207,730	\$0.25
Warrants conversion to common share	6,205,000	0.20
Warrants Expired	175,000	0.20
Balance, August 31, 2019	20,827,730	\$0.25
Balance, May 31, 2020	17,487,730	0.31
Exercised to August 31, 2020	(2,054,750)	0.25
Issued by private placement	4,855,768	1.00
Broker warrants	517,366	0.52
Balance, August 31, 2020	20,806,114	\$0.48

G2 GOLDFIELDS INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
2019**

(expressed in Canadian dollars)

The following table reflects the warrants issued and outstanding as of February 29, 2020:

Number of Warrants Outstanding	Black Scholes / Fair value (\$)	Exercise Price (\$)	Expiry date
2,962,500	256,250	0.40	February 25, 2021
3,300,000	169,119	0.20	February 28, 2021
2,350,000	133,019	0.20	September 27, 2021
1,672,750	144,550	0.40	March 4, 2021
120,480	18,828	0.32	March 4, 2021
1,652,750	141,157	0.40	March 28, 2021
3,375,000	337,138	0.35	September 6, 2021
4,855,768	1,039,134	1.00	December 23, 2021
517,366	162,970	0.52	December 23, 2021
20,806,114	2,402,164	0.48	

9. STOCK OPTIONS AND RSU'S GRANTED**(a) Stock Options**

The following table reflects the continuity of options for the following periods.

	Number of Options	Weighted Averaged Exercise Price
Balance, May 31, 2019	4,900,000	\$0.34
Issued on August 19, 2019 @0.40	1,100,000	0.40
Balance on August 31, 2019	6,000,000	\$0.35
Balance, May 31, 2020	7,725,000	\$0.34
Issued on August 13, 2020	1,000,000	0.75
Cancelled	(175,000)	0.40
Exercised to August 31, 2020	(975,000)	0.38
Balance on August 31, 2020	7,575,000	\$0.39

G2 GOLDFIELDS INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
2019**

(expressed in Canadian dollars)

Details of the stock options outstanding as at August 31, 2020, are as follows:

Remaining contractual life (Years)	Exercisable Options	Number of Options Vested	Weighted Average Exercise Prices	Expiry Date
1.16	1,650,000	1,650,000	\$ 0.30	October 19, 2021
3.46	475,000	475,000	\$ 0.18	March 6, 2023
1.66	1,825,000	1,150,000	\$ 0.40	April 12, 2022
2.08	900,000	825,000	\$ 0.40	August 19, 2022
2.25	625,000	312,500	\$ 0.40	October 19, 2022
2.51	1,100,000	366,666	0.21	March 11, 2023
2.95	1,000,000	250,000	0.75	August 13, 2023
Total	7,575,000	4,204,166	\$ 0.39	

(b) RSU's

The Company has 1,200,000 RSU's outstanding with vesting dates over the next 15 months.

10. NET LOSS PER COMMON SHARE

The diluted net loss per common share did not include the effect of stock options, warrants and special warrants for the three months ended August 31, 2020 and 2019, as they are anti-dilutive.

11. RELATED PARTY TRANSACTIONS

(a) The Company entered into the following transactions with Related Parties:

	Three Months Ended August 31,	
	2020	2019
Amounts Owing to Patrick Sheridan (i)	\$331,292	\$163,686

i. Advances from Patrick Sheridan and Daniel Noone are non-interest bearing and included in Long Term Liabilities.

At August 31, 2019, the Guyanese subsidiary of Bartica Investments, Ontario Inc. owed the Company an advance of \$496,612. Ontario Inc was at that time controlled by Mr. Sheridan, and accordingly a related party.

(b) Director compensation:

	Three Months Ended August 31	
	2020	2019
Director's Fees—Stock based compensation	\$176,501	\$111,505

G2 GOLDFIELDS INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
2019**

(expressed in Canadian dollars)

- (c) Major shareholder

To the knowledge of the directors and senior officers of the Company, as at August 31, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	Number of common shares	Percentage of outstanding common shares
Patrick Sheridan	34,139,074	28.6%

12. SEGMENTED INFORMATION

As of October, 2019, the Company operates primarily in two reportable geographical segments, being the exploration for minerals in Canada and Guyana. The Company maintains a head office in Toronto, Canada.

Three months ended August 31, 2020

	Canada	Guyana	Total
Net loss (profit) and comprehensive loss (profit)	608,283	(31,238)	577,045
Total Assets Deployed	15,605,921	10,612,621	26,218,542

Three months ended August 31, 2019

All assets and activity of the Company was Canada based in the three months ended August 31, 2019.