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**G2 GOLDFIELDS INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE TO READER**

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

**G2 Goldfields Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	As at August 31, 2021	As at May 31, 2021
<b>ASSETS</b>		
<i>Current</i>		
Cash	\$ 1,745,989	\$ 2,037,445
Short-term investments (note 3)	62,938	72,000
Amounts receivable (note 4)	15,696	86,504
Due from related parties (note 13)	142,526	127,043
Prepays	32,364	66,981
<b>Total current assets</b>	<b>1,999,513</b>	<b>2,389,973</b>
<i>Non-Current</i>		
Fixed assets (note 5)	236,861	248,596
Mining interests (note 6)	12,011,520	11,283,721
<b>Total non-current assets</b>	<b>12,248,381</b>	<b>11,532,317</b>
<b>Total assets</b>	<b>\$ 14,247,894</b>	<b>\$ 13,922,290</b>
<b>LIABILITIES</b>		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 791,155	\$ 797,428
Due to related parties (note 13)	233,110	227,110
<b>Total current liabilities</b>	<b>1,024,265</b>	<b>1,024,538</b>
<b>Total liabilities</b>	<b>1,024,265</b>	<b>1,024,538</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 7)	52,713,301	52,013,845
Warrants (note 8)	1,542,489	1,679,424
Contributed surplus (note 9)	8,906,096	8,775,464
Deficit	(48,050,249)	(47,564,247)
Cumulative translation adjustment	(1,888,008)	(2,006,734)
<b>Total shareholders' equity</b>	<b>13,223,629</b>	<b>12,897,752</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 14,247,894</b>	<b>\$ 13,922,290</b>

Nature of Operations and Going Concern (note 1)  
Subsequent Events (note 14)

Approved on behalf of the Board:

"Bruce Rosenberg"  
**Director**

"Daniel Noone"  
**Director**

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

**G2 Goldfields Inc.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

<b>Three Months Ended August 31,</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Royalties	\$ 96,778	\$ 154,065
<b>Operating expenses</b>		
Share-based compensation (notes 9 and 12)	170,803	353,002
Professional fees	16,505	68,355
Wages and employee benefits	183,986	113,877
Office rent and utilities	65,614	34,082
Consulting fees	-	17,700
Office and administrative	60,734	28,593
Transfer agent and filing fees	18,645	43,651
Insurance	3,233	1,706
Investor and community relations	53,669	30,380
Interest expense	3,184	2,265
Depreciation	12,938	37,646
<b>Total operating loss</b>	<b>(492,533)</b>	<b>(577,192)</b>
Unrealized loss on short-term investments	(4,062)	-
Gain on foreign exchange	10,593	147
<b>Net loss for the period</b>	<b>(486,002)</b>	<b>(577,045)</b>
<b>Other comprehensive income</b>		
Cumulative translation adjustment	118,726	64,599
<b>Loss and comprehensive loss for the period</b>	<b>\$ (367,276)</b>	<b>\$ (512,446)</b>
<b>Loss and comprehensive loss per share</b>		
- basic and diluted (note 10)	\$ (0.00)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>		
- basic and diluted (note 10)	126,847,316	115,234,991

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**G2 Goldfields Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

<b>Three Months Ended August 31,</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net loss for the period	\$ (486,002)	\$ (577,045)
Items not affecting cash:		
Depreciation (note 5)	12,938	37,646
Share-based compensation (notes 9 and 12)	170,803	353,002
Unrealized loss on short-term investments	4,062	-
Foreign exchange	72,633	-
	<b>(225,566)</b>	<b>(186,397)</b>
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	70,808	(26,635)
Due from related parties	(15,483)	-
Due to related parties	6,000	(92,885)
Prepaid expenses	34,617	(13,877)
Accounts payable and accrued liabilities	(6,273)	(74,841)
<b>Net cash used in operating activities</b>	<b>(135,897)</b>	<b>(394,635)</b>
<b>Investing activities</b>		
Mining interests	(682,355)	(1,171,818)
Redemption of short-term investments	5,000	-
Fixed assets	(554)	-
<b>Net cash used in investing activities</b>	<b>(677,909)</b>	<b>(1,171,818)</b>
<b>Financing activities</b>		
Private placements	-	5,000,000
Share issue costs	-	(294,283)
Proceeds from stock options exercised	42,000	373,500
Proceeds from warrants exercised	480,350	520,520
<b>Net cash provided by financing activities</b>	<b>522,350</b>	<b>5,599,737</b>
<b>Net change in cash</b>	<b>(291,456)</b>	<b>4,033,284</b>
<b>Cash, beginning of period</b>	<b>2,037,445</b>	<b>583,775</b>
<b>Cash, end of period</b>	<b>\$ 1,745,989</b>	<b>\$ 4,617,059</b>

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**G2 Goldfields Inc.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Cumulative Translation Adjustment	Total
<b>Balance, May 31, 2020</b>	<b>106,653,991</b>	<b>\$ 45,930,579</b>	<b>\$ 1,325,981</b>	<b>\$ 7,287,746</b>	<b>\$ (34,648,787)</b>	<b>\$ (303,994)</b>	<b>\$ 19,591,525</b>
Exercise of RSU's	100,000	21,000	-	(21,000)	-	-	-
Units issued for private placement (note 7)	9,711,537	5,000,000	-	-	-	-	5,000,000
Share issue costs	-	(294,283)	-	-	-	-	(294,283)
Warrants issued for private placement (note 7)	-	(1,227,999)	1,227,999	-	-	-	-
Warrants exercised	2,054,750	646,441	(125,921)	-	-	-	520,520
Exercise of stock options	975,000	715,912	-	(342,412)	-	-	373,500
Stock based compensation (notes 9 and 12)	-	-	-	353,002	-	-	353,002
Net loss and comprehensive loss for the period	-	-	-	-	(577,045)	64,599	(512,446)
<b>Balance, August 31, 2020</b>	<b>119,495,278</b>	<b>\$ 50,791,650</b>	<b>\$ 2,428,059</b>	<b>\$ 7,277,336</b>	<b>\$ (35,225,832)</b>	<b>\$ (239,395)</b>	<b>\$ 25,031,818</b>
<b>Balance, May 31, 2021</b>	<b>126,556,758</b>	<b>\$ 52,013,845</b>	<b>\$ 1,679,424</b>	<b>\$ 8,775,464</b>	<b>\$ (47,564,247)</b>	<b>\$ (2,006,734)</b>	<b>\$ 12,897,752</b>
Exercise of RSU's	100,000	17,000	-	(17,000)	-	-	-
Exercise of stock options	200,000	65,171	-	(23,171)	-	-	42,000
Exercise of warrants	1,516,000	617,285	(136,935)	-	-	-	480,350
Stock based compensation (notes 9 and 12)	-	-	-	170,803	-	-	170,803
Net loss and comprehensive loss for the period	-	-	-	-	(486,002)	118,726	(367,276)
<b>Balance, August 31, 2021</b>	<b>128,372,758</b>	<b>\$ 52,713,301</b>	<b>\$ 1,542,489</b>	<b>\$ 8,906,096</b>	<b>\$ (48,050,249)</b>	<b>\$ (1,888,008)</b>	<b>\$ 13,223,629</b>

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

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**G2 Goldfields Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended August 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

G2 Goldfields Inc. 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. The common shares of the Company trade on the TSX Venture Exchange under the 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 condensed interim 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 condensed interim 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 \$48,050,249 from inception and working capital of \$975,248. The continuing operations of the Company are dependent on its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal operations as they come due. The material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The COVID-19 outbreak has been 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 plans and raise capital. Exploration activities in Guyana remain to be operational as the Company has setup an isolated camp to continue its drill program.

## **2. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards 34, Financial Reporting, as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee. They do not include all the information required for full annual financial statements by IFRS. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2021 which includes the information necessary or useful to understanding the Company's business and financial statement presentation.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on October 22, 2021.

**G2 Goldfields Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended August 31, 2021**  
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**3. SHORT-TERM INVESTMENTS**

Short-term investments consist of marketable securities and Canadian Guaranteed Investments (“GICs”) which have been designate as fair value through profit or loss. As at each period end, short-term investments are recorded at fair value, with changes recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss. The fair value of marketable securities are determined using the last bid price and the fair value of GICs are determined by reference to the risk-free market rate of interest at period end. Short-term investments are composed of the following:

<b>August 31, 2021</b>	<b>Number of securities</b>	<b>Cost</b>	<b>Fair Market Value</b>
Big River Gold Ltd.	62,500	\$ 211,604	\$ 17,938
GIC's	-	45,000	45,000
	<b>62,500</b>	<b>\$ 256,604</b>	<b>\$ 62,938</b>

<b>May 31, 2021</b>	<b>Number of securities</b>	<b>Cost</b>	<b>Fair Market Value</b>
Big River Gold Ltd.	62,500	\$ 211,604	\$ 22,000
GIC's	-	50,000	50,000
	<b>62,500</b>	<b>\$ 261,604</b>	<b>\$ 72,000</b>

During the three months ended August 31, 2021, a loss on marketable securities totaling \$4,062 (three months ended August 31, 2020 - \$nil) was recognized in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

**4. AMOUNTS RECEIVABLE**

	<b>As at August 31, 2021</b>	<b>As at May 31, 2021</b>
Receivables	\$ 15,696	\$ 2,238
Harmonized sales tax - Canada	-	84,266
<b>Total</b>	<b>\$ 15,696</b>	<b>\$ 86,504</b>

**G2 Goldfields Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**5. FIXED ASSETS**

<b>Cost</b>	<b>Furniture and equipment</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Total</b>
<b>Balance, May 31, 2021</b>	<b>\$ 7,919</b>	<b>\$ 207,254</b>	<b>\$ 116,728</b>	<b>\$ 331,901</b>
Additions	554	-	-	554
Foreign currency adjustment	33	681	384	1,098
<b>Balance, August 31, 2021</b>	<b>\$ 8,506</b>	<b>\$ 207,935</b>	<b>\$ 117,112</b>	<b>\$ 333,553</b>

**Accumulated amortization**

<b>Balance, May 31, 2021</b>	<b>\$ 1,596</b>	<b>\$ 55,923</b>	<b>\$ 25,786</b>	<b>\$ 83,305</b>
Depreciation	261	7,729	4,948	12,938
Foreign currency adjustment	9	289	151	449
<b>Balance, August 31, 2021</b>	<b>\$ 1,866</b>	<b>\$ 63,941</b>	<b>\$ 30,885</b>	<b>\$ 96,692</b>

**Carrying amounts**

<b>Balance, May 31, 2021</b>	<b>\$ 6,323</b>	<b>\$ 151,331</b>	<b>\$ 90,942</b>	<b>\$ 248,596</b>
<b>Balance, August 31, 2021</b>	<b>\$ 6,640</b>	<b>\$ 143,994</b>	<b>\$ 86,227</b>	<b>\$ 236,861</b>

**6. MINING INTERESTS**

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.

	<b>Guyana Project</b>
<b>Balance, May 31, 2021</b>	<b>\$ 11,283,721</b>
Additions	682,355
Foreign currency adjustment	45,444
<b>Balance, August 31, 2021</b>	<b>\$ 12,011,520</b>

**7. SHARE CAPITAL**

**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 Condensed Interim Consolidated Financial Statements**  
**Three Months Ended August 31, 2021**  
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**7. SHARE CAPITAL (CONTINUED)**

**Common shares issued**

	Number of Shares	Share Capital
<b>Balance, May 31, 2020</b>	<b>106,653,991</b>	<b>\$ 45,930,579</b>
RSU's converted	100,000	21,000
Common shares issued for private placements	9,711,537	5,000,000
Warrants issued for private placements	-	(1,227,999)
Exercise of warrants	2,054,750	646,441
Stock options exercised	975,000	715,912
Share issuance costs	-	(294,283)
<b>Balance, August 31, 2020</b>	<b>119,495,278</b>	<b>\$ 50,791,650</b>
<b>Balance, May 31, 2021</b>	<b>126,556,758</b>	<b>\$ 52,013,845</b>
RSU's converted	100,000	17,000
Stock options exercised	200,000	65,171
Warrants exercised	1,516,000	617,285
<b>Balance August 31, 2021</b>	<b>128,372,758</b>	<b>\$ 52,713,301</b>

**2021 activity**

On June 23, 2020, the Company closed its non-brokered private placement (the "Offering") pursuant to which it has issued an aggregate of 9,615,384 units ("Units") at a price of \$0.52 per Unit to raise aggregate gross proceeds of approximately \$5,000,000. Each Unit consists of one common share of the Company (a "Share") and one-half of one share purchase warrant (each whole such share purchase warrant, a "Warrant"), with each Warrant exercisable to acquire one additional Share at an exercise price of \$1.00 for a period of 18 months from the closing of the Offering. In connection with the Offering, the Company paid a cash costs of \$318,770, as well as a \$50,000 finder's fee which was satisfied by the issuance of 96,153 Units. In addition, the Company issued to eligible registrants an aggregate of 517,366 broker warrants ("Broker Warrants"). Each Broker Warrant is exercisable to acquire one Unit at an exercise price of \$0.52 for a period of 18 months from the closing of the Offering. The warrants were valued at \$1,083,467 and broker warrants were valued at \$144,532.

The fair value of the warrants and broker warrants was estimated using the Black-Scholes option pricing model with the following assumptions: share price of \$1.04 for warrants and unit price of \$0.52 for broker warrants; expected dividend yield of 0%; risk-free interest rate of 0.27%; volatility of 119.66% and an expected life of 1.5 years.

During the three months ended August 31, 2020, 2,054,750 warrants with an exercise price between \$0.20 and \$0.40 were exercised for gross proceeds of \$520,520. The fair value of the warrants exercised was \$125,921 which was reallocated from warrants to share capital.

During the three months ended August 31, 2020, 975,000 stock options with an exercise price between \$0.18 and \$0.40 were exercised for gross proceeds of \$373,500. The fair value of the stock options exercised was \$342,412 which was reallocated from contributed surplus to share capital.

During the three months ended August 31, 2020, 100,000 restricted share units ("RSUs") were vested and the corresponding 100,000 common shares were issued from treasury. The fair value of the RSUs exercised was \$21,000 which was reallocated from contributed surplus to share capital.

**G2 Goldfields Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three Months Ended August 31, 2021**  
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**7. SHARE CAPITAL (CONTINUED)**

**2022 activity**

During the three months ended August 31, 2021, 1,516,000 warrants with an exercise price between \$0.20 and \$0.35 were exercised for gross proceeds of \$480,350. The fair value of the warrants exercised was \$136,935 which was reallocated from warrants to share capital.

During the three months ended August 31, 2021, 200,000 stock options with an exercise price of \$0.21 were exercised for gross proceeds of \$42,000. The fair value of the stock options exercised was \$23,171 which was reallocated from contributed surplus to share capital.

During the three months ended August 31, 2021, 100,000 RSUs were vested and the corresponding 100,000 common shares were issued from treasury. The fair value of the RSUs exercised was \$17,000 which was reallocated from contributed surplus to share capital.

**8. WARRANTS**

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, May 31, 2020</b>	<b>17,487,730</b>	<b>\$ 0.31</b>
Issued	5,373,134	0.95
Exercised	(2,054,750)	0.25
<b>Balance, August 31, 2020</b>	<b>20,806,114</b>	<b>\$ 0.48</b>
<b>Balance, May 31, 2021</b>	<b>10,910,634</b>	<b>\$ 0.59</b>
Exercised	(1,516,000)	0.32
<b>Balance, August 31, 2021</b>	<b>9,394,634</b>	<b>\$ 0.66</b>

  

Expiry Date	Exercise Price (\$)	Black Scholes / Fair Value (\$)	Number of Warrants Outstanding
September 6, 2021	0.35	200,433	2,006,500
September 27, 2021	0.20	114,057	2,015,000
December 23, 2021	1.00	10,727	48,076
December 23, 2021	0.958	1,072,740	4,807,692
December 23, 2021	0.52	144,532	517,366
		<b>1,542,489</b>	<b>9,394,634</b>

The exercise price of 4,807,692 of the 4,855,768 warrants with an exercise price of \$1.00 (the "Adjusted Warrants") that were outstanding on April 9, 2021 (the effective date of the spin-out of the Sandy Lake project (the "Spin-Out Arrangement")) were adjusted in accordance with the terms of such warrants to reflect the special distribution of the shares of S2 Minerals Inc. ("S2") in connection with the Spin-Out Arrangement. The adjusted exercise price for the Adjusted Warrants, as reflected in the table above, is \$0.958.

**G2 Goldfields Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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**9. STOCK OPTIONS**

The Company issued stock options to acquire common shares as follows:

	Number of Stock options	Weighted Average Exercise Price (\$)
<b>Balance, May 31, 2020</b>	<b>7,725,000</b>	<b>0.34</b>
Issued (i)	1,000,000	0.75
Forfeited	(175,000)	0.40
Exercised (note 7)	(975,000)	0.38
<b>Balance, August 31, 2020</b>	<b>7,575,000</b>	<b>0.39</b>
<b>Balance, May 31, 2021</b>	<b>8,250,000</b>	<b>0.42</b>
Issued (ii)(iii)(iv)	1,025,000	0.58
Forfeited	(56,250)	0.50
Exercised (note 7)	(200,000)	0.21
<b>Balance, August 31, 2021</b>	<b>9,018,750</b>	<b>0.44</b>

(i) On August 13, 2020, the Company granted 1,000,000 stock options with an exercise price of \$0.75 per share to two officers of the Company. The options expire on August 13, 2023 and vesting 25% immediately and 25% after each of 6, 12 and 18 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 \$0.73; expected dividend yield of 0%; risk-free interest rate of 0.32%; volatility of 126% and an expected life of 3 years. The fair value assigned to these options was \$526,352.

(ii) On June 25, 2021, the Company granted an aggregate of 50,000 options to an employee of the Company with such options being exercisable at a price of \$0.50 per share until June 24, 2024 and vesting as to one-quarter immediately and one-quarter after 6, 12 and 18 months respectively from the 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 \$0.51; expected dividend yield of 0%; risk-free interest rate of 0.63%; volatility of 112% and an expected life of 3.00 years. The fair value assigned to these options was \$17,145.

(iii) On July 27, 2021, the Company announced that Carmelo Marrelli has been appointed as the Company's Chief Financial Officer. Mr. Marrelli will succeed Paul Murphy, who has retired from the position. In connection with his appointment, Mr. Marrelli has been granted 150,000 options of the Company exercisable at a price of \$0.50 per share until July 27, 2024 and vesting as to one-quarter immediately and one-quarter after 6, 12 and 18 months respectively from the 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 \$0.49; expected dividend yield of 0%; risk-free interest rate of 0.54%; volatility of 109% and an expected life of 3.00 years. The fair value assigned to these options was \$48,147.

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**Three Months Ended August 31, 2021**  
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**9. STOCK OPTIONS (CONTINUED)**

(iv) On August 25, 2021, the Company has granted an aggregate of 825,000 options to directors, officers, employees and consultants of the Company, with such options being exercisable at a price of \$0.60 per share until August 25, 2024 and vesting as to one-quarter immediately and one-quarter after 6, 12 and 18 months respectively from the 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 \$0.51; expected dividend yield of 0%; risk-free interest rate of 0.57%; volatility of 107% and an expected life of 3.00 years. The fair value assigned to these options was \$260,666.

The following table reflects the actual stock options issued and outstanding as of August 31, 2021:

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested (Exercisable)</b>
October 13, 2021	0.50	0.12	18,750	18,750
October 19, 2021	0.30	0.13	1,325,000	1,325,000
April 12, 2022	0.40	0.61	1,750,000	1,750,000
August 19, 2022	0.40	0.97	900,000	900,000
October 18, 2022	0.40	1.13	625,000	625,000
March 6, 2023	0.18	1.51	225,000	225,000
March 11, 2023	0.21	1.53	875,000	766,667
August 13, 2023	0.75	1.95	1,000,000	750,000
November 19, 2023	0.52	2.22	1,150,000	575,000
December 8, 2023	0.52	2.27	125,000	62,500
June 25, 2024	0.50	2.82	50,000	12,500
July 27, 2024	0.50	2.91	150,000	37,500
August 25, 2024	0.60	2.99	825,000	206,250
<b>Total</b>	<b>0.44</b>		<b>9,018,750</b>	<b>7,254,167</b>

Total share-based compensation recognized in the unaudited condensed interim consolidated statements of loss and comprehensive loss from the vesting of stock options during the three months ended August 31, 2021 was \$116,495 (three months ended August 31, 2020 - \$248,170).

**10. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three months ended August 31, 2021 was based on the loss attributable to common shares of \$486,002 (three months ended August 31, 2020 – loss of \$577,045) and the weighted average number of common shares outstanding of 126,847,316 (three months ended August 31, 2020 – 115,234,991). Diluted loss did not include the effect of stock options, RSUs and warrants for the three months ended August 31, 2021 and August 31, 2020, as they are anti-dilutive.

**G2 Goldfields Inc.**  
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**(Unaudited)**

**11. SEGMENTED INFORMATION**

<b>August 31, 2021</b>	<b>Canada</b>		<b>Guyana</b>
Revenue	\$	-	\$ 96,778
(Loss) income for the period	\$	(489,898)	\$ 3,896
Total assets	\$	1,936,660	\$ 12,311,234

<b>May 31, 2021</b>	<b>Canada</b>		<b>Guyana</b>
Revenue	\$	-	\$ 436,327
Loss for the year	\$	(12,878,485)	\$ (36,975)
Total assets	\$	2,260,797	\$ 11,661,493

**12. RESTRICTED SHARE UNITS ("RSUs")**

The Company has a formal RSU plan (the "RSU Plan"). The maximum number of shares available for issuance from treasury under this RSU Plan shall be the lesser of (i) 7,300,000 shares; and (ii) such number of shares, when combined with all other shares subject to grants made under the Company's other share compensation arrangements, as is equal to 10% of the aggregate number of shares issued and outstanding from time to time.

The grant of RSUs under the RSU Plan is subject to a restriction such that (i) the number of RSUs granted to Insiders of the Company within any one (1) year period, and (ii) the number of shares reserved for issuance under RSUs granted to Insiders of the Company at any time, in each case under the RSU Plan when combined with all of the Other Share Compensation Arrangements, shall not exceed 10% of the Company's total issued and outstanding shares, respectively.

The total number of RSUs granted to any one individual under the RSU Plan within any one year period shall not exceed 5% of the total number of shares issued and outstanding at the grant date. The maximum number of RSUs which may be granted to any one consultant within any one year period must not exceed in the aggregate 2% of the shares issued and outstanding as at the grant date.

Movements in RSU's are summarized below:

	<b>Number of RSUs</b>
<b>Balance, May 31, 2020</b>	<b>300,000</b>
Granted (i)	1,000,000
<b>Balance, August 31, 2020</b>	<b>1,300,000</b>
<b>Balance, May 31, 2021</b>	<b>1,200,000</b>
Exercised (ii)	(100,000)
Granted (iii)(iv)	160,000
<b>Balance, August 31, 2021</b>	<b>1,260,000</b>

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**G2 Goldfields Inc.**  
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**(Unaudited)**

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**12. RESTRICTED SHARE UNITS (RSUs) (CONTINUED)**

(i) On August 13, 2020 the Company issued 1,000,000 RSUs to two officers of the Company with a maturity date that is 15 months from the grant date. 1/3 of the RSUs vest after each 3, 9 and 15 months after the date of grant. The fair value of the RSUs granted was \$730,000 and were valued based on the fair market value of one common share on the date of issuance.

(ii) On June 18, 2021, 100,000 RSUs were exercised resulting in the issuance of 100,000 common shares.

(iii) On June 25, 2021 the Company issued 60,000 RSUs to employees of the Company with a maturity date that is 15 months from the grant date. 1/3 of the RSUs vest after each 3, 9 and 15 months after the date of grant. The fair value of the RSU's granted was \$30,600 and were valued based on the fair market value of one common share on the date of issuance.

(iv) On August 25, 2021 the Company issued 100,000 RSUs to a consultant of the Company with a maturity date that is 15 months from the grant date. 1/3 of the RSUs vest after each 3, 9 and 15 months after the date of grant. The fair value of the RSUs granted was \$51,000 and were valued based on the fair market value of one common share on the date of issuance.

As of August 31, 2021, 1,260,000 RSUs were outstanding (May 31, 2021 – 1,200,000) and 733,333 RSUs were exercisable (May 31, 2021 – 700,000). Total share-based compensation recognized in the unaudited condensed interim consolidated statements of loss and comprehensive loss from the vesting of RSUs during the three months ended August 31, 2021 was \$54,308 (three months ended August 31, 2020 - \$104,832).

**13. RELATED PARTY TRANSACTIONS**

The Company has identified its directors and certain senior officers as its key management personnel. The compensation cost for key management personnel is as follows:

<b>Three Months Ended August 31,</b>	<b>2021</b>	<b>2020</b>
Salaries and fees	\$ 52,500	\$ -
Share-based compensation	119,214	176,501
	<b>\$ 171,714</b>	<b>\$ 176,501</b>

At August 31, 2021, accounts payable and accrued liabilities and amounts due to related parties includes \$233,110 (May 31, 2021 - \$257,110) owing to officers, directors and companies controlled by officers and directors. The amounts due to related parties bear no interest and are due and payable on demand beginning October 1, 2021.

As at August 31, 2021, G2 is owed \$142,526 (May 31, 2021 - \$127,043) from S2, a company with common directors and management with G2, which is unsecured, non-interest bearing, and due on demand. The amount is included in current assets.

**Major shareholder**

To the knowledge of the directors and senior officers of the Company, as at August 31, 2021, 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 Patrick Sheridan, who owns 35,089,074 common shares (May 31, 2021 - 35,089,074) or 27.33% (May 31, 2021 - 27.73%) of the outstanding common shares.

#### **14. SUBSEQUENT EVENTS**

Subsequent to August 31, 2021, the follow transactions have occurred:

- 1,994,000 warrants with an expiry date of September 6, 2021 were exercised;
- 12,500 warrants with an expiry date of September 6, 2021 expired unexercised;
- 2,015,000 warrants with an expiry date of September 27, 2021 were exercised;
- 200,000 stock options with an expiry date of March 11, 2023 were exercised;
- 70,000 stock options with an expiry date of October 18, 2022 were exercised;
- 18,750 stock options with an expiry date of October 13, 2021 expired unexercised;
- 800,000 stock options with an expiry date of October 19, 2021 were exercised; and
- 525,000 stock options with an expiry date of October 19, 2021 expired unexercised.