

S2 MINERALS INC.

LISTING STATEMENT - FORM 2A

June 21, 2021

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Cautionary Note Regarding Forward-Looking Statements

This listing statement (the “**Listing Statement**”) has been prepared in connection with the Issuer’s proposed listing on the CSE. The information provided in this Listing Statement, including information incorporated by reference, may contain “forward-looking statements” about S2 Minerals Inc. (the “**Issuer**”). In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward- looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements in this Listing Statement may include, but are not limited to, statements regarding perceived merit of properties; capital expenditures; exploration results at the Sandy Lake Property (as defined below); budgets; work programs; permitting or other timelines; strategic plans; expectations generally about the Issuer’s business plans; use of available funds; market price of precious and base metals; or other statements that are not statements of historical fact. Forward-looking statements may also relate to future financial conditions, results of operations, plans, objectives, performance or business developments. Although the Issuer believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements in this Listing Statement speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These factors and risks include, but are not limited to: the availability of sources of income to generate cash flow and revenue; the dependence on management and directors; conflicts of interest; risks relating to the receipt of the required licenses and permits; risks relating to additional funding requirements; due diligence risks; exchange rate risks; potential transaction and legal risks; a downturn in general economic conditions; a decreased demand or price of precious and base metals; delays in the start of projects with respect to property interests; an inability to locate and acquire additional property interests; uncertainty with respect to government regulation and politics in the province of Ontario and in Canada regarding mining and mineral exploration; potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges; and other factors beyond the Issuer’s control, as more particularly described under the heading “*Risk Factors*” in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including: (i) expectations and assumptions concerning timing of receipt of required shareholder and regulatory approvals, including with respect to the receipt of required licenses and third party consents, if any; (ii) expectations and assumptions concerning the success of the operations of the Issuer; (iii) management’s current expectations, estimates and assumptions about current mineral property interests; (iv) assumptions respecting the global economic environment and the market price and demand for commodities; and (v) the Issuer’s ability to manage its property interests and operating costs.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the

Issuer, and/or persons acting on its behalf may issue. The Issuer does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

1. GLOSSARY OF TERMS

The following is a glossary of certain general terms used in this Listing Statement including in the summary hereof. Terms and abbreviations used in the financial statements appended to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and *vice versa* and words importing any gender include all genders.

“**Affiliate**” means a corporation that is affiliated with another corporation as described below. A corporation is an “**Affiliate**” of another corporation if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same Person.

A corporation is “**controlled**” by a Person if:

- (a) voting securities of the Issuer are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Issuer.

A Person beneficially owns securities that are beneficially owned by:

- (a) a corporation controlled by that Person; or
- (b) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

“**Arrangement**” means the arrangement under Section 192 of the *Canada Business Corporations Act* on the terms and subject to the conditions set out in the Plan of Arrangement involving G2, its shareholders and the Issuer completed on April 9, 2021.

“**Arrangement Agreement**” means the arrangement agreement dated as of February 2, 2021 between the Issuer and G2, including the Schedules appended thereto.

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; or
- (d) in the case of a Person who is an individual:
 - (i) that Person’s spouse or child, or

- (ii) any relative of the Person or of his spouse who has the same residence as that Person.

“**Common Shares**” means the issued and outstanding common shares in the capital of the Issuer.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Approval**” means the final approval of the CSE in respect of the listing of the Common Shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

“**CSE Policies**” means the rules and policies of the CSE in effect as of the date hereof.

“**G2**” means G2 Goldfields Inc., a company incorporated pursuant to the laws of Canada.

“**G2 Common Shares**” means the common shares of G2.

“**G2 Shareholders**” means the holders of G2 Common Shares.

“**Goldeye**” means Goldeye Explorations Limited.

“**Issuer**” means S2 Minerals Inc., a company incorporated pursuant to the laws of Ontario.

“**Issuer’s Board**”, “**Board**” or the “**Board of Directors**” means the board of directors of the Issuer.

“**Listing Statement**” means this listing statement of the Issuer, including the schedules hereto, prepared in support of the listing of the Common Shares on the CSE.

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a chief executive officer;
- (b) a chief financial officer;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and chief financial officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**OBCA**” means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as promulgated or amended from time to time.

“**Option Plan**” means the stock option plan of the Issuer.

“**Options**” means the stock options of the Issuer which are exercisable for Common Shares pursuant to the Option Plan.

“Person or person” is and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.

“Related Person” has the meaning attributed to it in the CSE Policies.

“Reporting Jurisdictions” means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

“Rights Agency Agreement” means the rights agency agreement dated February 23, 2021 between TSX Trust Company and the Issuer in connection with the Rights Offering.

“Rights Offering” means the offering of S2 Rights to Shareholders pursuant to the Arrangement for gross proceeds of approximately \$1.2 million.

“RSU Plan” means the restricted share unit plan of the Issuer.

“RSUs” means the restricted share units of the Issuer which are issuable pursuant to the RSU Plan.

“S2 Right” means the right to subscribe for a Common Share pursuant to the terms of the Rights Offering.

“Shareholders” means the holders of Common Shares.

“Sandy Lake Property” means the Sandy Lake gold project located in the Red Lake Mining Division, Ontario, Canada.

“Standby Commitment” has the meaning set forth under *“Section 3.1 – General Development of the Business – Rights Offering”* of this Listing Statement.

“Standby Purchase Agreement” has the meaning set forth under *“Section 3.1 – General Development of the Business – Rights Offering”* of this Listing Statement.

“Standby Purchasers” has the meaning set forth under *“Section 3.1 – General Development of the Business – Rights Offering”* of this Listing Statement.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder, as promulgated or amended from time to time.

“Technical Report” means the NI 43-101 technical report entitled “NI 43-101 Updated Technical Report for the Sandy Lake Gold Project Red Lake Mining Division Ontario, Canada” dated May 17, 2021, prepared by Tania Ilieva, Ph.D., P.Geo. and Kevin Kivi, P.Geo. for the Sandy Lake Property.

“Transfer Agent” means TSX Trust Company.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The Issuer's name is “S2 Minerals Inc.” The Issuer's registered and head office are both located at Suite 1101, 141 Adelaide Street West, Toronto, Ontario, M5H 3L5.

The Issuer is a reporting issuer in the Reporting Jurisdictions.

2.2 Jurisdiction of Incorporation

The Issuer was incorporated under the OBCA on November 30, 2020. No material amendments have been made to the Issuer's articles or other constating documents since its incorporation.

2.3 Inter-corporate Relationships

The Issuer currently has no subsidiaries and holds all of the mineral claims comprising the Sandy Lake Property directly.

2.4 Fundamental Change

This section is not applicable to the Issuer.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

The Issuer

The Issuer was incorporated on November 30, 2020 under the OBCA and is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating mineral properties in Canada. It is the intention of the Issuer to remain in the mineral exploration business, with a focus on the exploration and development of the Sandy Lake Property in Ontario, Canada. See Schedule "C" – *Mineral Project* for additional information on the Sandy Lake Property.

There are significant risks associated with the Issuer's business as described in Item 17 – *Risk Factors*.

The Arrangement

The Issuer acquired all of the claims comprising the Sandy Lake Property as part of a spin-out transaction completed by way of a plan of arrangement with G2, a publicly listed issuer on the TSX Venture Exchange.

On February 2, 2021, G2 entered into the Arrangement Agreement with the Issuer pursuant to which G2 agreed to transfer its interest in all of the mineral claims comprising the Sandy Lake Property and G2's 50.1% interest in the approximately 15,000 acres of the "Weebigee Joint Venture" claims and a 50% interest in a further 15,000 acres of the Southern Block claims in joint ventures with Goldeye Explorations Limited, now part of Treasury Metals Inc., in exchange for 12,655,667 Common Shares. The outstanding Common Shares consists of the Common Shares issued to G2 as described in the preceding sentence, as of the effective date of the Arrangement. G2 distributed one Common Share for every ten G2 Common Shares then held by G2 Shareholders as of the effective date of the Arrangement. The Issuer then issued to the Shareholders one S2 Right for each Common Share and the S2 Rights were distributed in accordance with the provisions of the Rights Agency Agreement to those Shareholders who were resident in the Qualified Jurisdictions. Each S2 Right entitled the holder thereof to acquire one Common Share at a price of \$0.10 per Common Share prior to the expiry of the S2 Rights.

The Arrangement resulted in the G2 Shareholders as of the effective time of the Arrangement receiving one Common Share and one S2 Right for every ten G2 Common Shares held as at the effective time of the Arrangement.

G2 received shareholder approval for the Arrangement at a special meeting of G2 Shareholders held on March 29, 2021. G2 also obtained final approval for the Arrangement from the Ontario Superior Court of Justice (Commercial List) on March 31, 2021. The Arrangement was completed on April 9, 2021.

The Sandy Lake Property is the Issuer's sole mineral exploration property. There are currently no mineral resource or mineral reserve estimates for the Sandy Lake Property and the Issuer has not yet determined whether its property interests contain any mineral resources or mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related exploration expenditures are dependent upon the discovery of economically recoverable mineral reserves, confirmation of the Issuer's interest in the underlying mineral claims, the ability of the Issuer to obtain necessary financing to complete the development of the mineral property and upon future profitable production or proceeds from the disposition thereof.

Rights Offering

Pursuant to the Arrangement, the Issuer issued one S2 Right for every Common Share held by Shareholders as of the effective time of the Arrangement. As a result, each G2 Shareholder as of the effective time of the Arrangement received one S2 Right for every ten G2 Common Shares held as of the effective time of the Arrangement. Each S2 Right entitled the holder to subscribe for one Common Share at a price of \$0.10 per Common Share prior to 5:00 p.m. (Toronto time) on May 12, 2021, being the expiry time of the S2 Rights. On May 18, 2021, the Issuer issued a total of 12,655,667 Common Shares, which represented 100% of the maximum number of Common Shares issuable under the Rights Offering, to raise aggregate gross proceeds of approximately \$1.2 million.

In connection with the Rights Offering, the Issuer also entered into a standby purchase agreement (the "**Standby Purchase Agreement**") with Patrick Sheridan, the Chairman of G2 and its controlling shareholder, and Daniel Noone, the Chief Executive Officer and a director of G2 (together, the "**Standby Purchasers**"). The Standby Purchasers agreed, subject to certain terms and conditions, to exercise their basic subscription privilege in respect of all S2 Rights issued to them under the Arrangement, and, in addition thereto, to acquire any additional Common Shares available as a result of any unexercised S2 Rights (the "**Standby Commitment**"), such that the Issuer would, subject to the terms of the Standby Purchase Agreement, be guaranteed to issue Common Shares in connection with the exercise of S2 Rights for aggregate gross proceeds of approximately \$1.2 million. The Rights Offering was fully subscribed and therefore no Common Shares were issued under the Standby Commitment. The Standby Purchasers received no compensation for providing the Standby Commitment.

3.2 Significant Acquisitions and Dispositions

See Item 3.1 – *General Development of the Business – The Arrangement*.

3.3 Trends, Commitments, Events or Uncertainties

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations as at the date of this Listing Statement, except as otherwise disclosed herein or except in the ordinary course of business.

There are significant risks associated with the Issuer's business as described in Item 17 – *Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 (1) Narrative Description of the Issuer's Business

The Issuer has minimal business operations and its assets include one material exploration property, the Sandy Lake Property located in Ontario, Canada. For more detail on the Sandy Lake Property, see Schedule "C" – *Mineral Project*.

The Issuer has not yet determined whether its property interests contain any mineral resources or mineral reserves. The recoverability of amounts shown for mineral properties and related exploration expenditures are dependent upon the discovery of economically recoverable mineral reserves, confirmation of the Issuer's interest in the underlying mineral claims, the ability of the Issuer to obtain necessary financing to complete the development of the mineral property and upon future profitable production or proceeds from the disposition thereof.

In the forthcoming 12-month period, the principal business intended to be carried on by the Issuer is mineral exploration. Specifically, the Issuer will carry on the business of acquiring, exploring and evaluating mineral properties.

In the forthcoming 12-month period, the Issuer expects to accomplish the following:

- (a) Complete Phase 1 of the exploration program set out in the Sandy Lake Report; and
- (b) continue to review other mineral properties for acquisition and development.

Use of Funds Available

In connection with the Arrangement, the Issuer completed the Rights Offering for aggregate gross proceeds of approximately \$1.2 million. Accordingly, the Issuer has approximately \$1.2 million available for the principal purposes of exploration and development of the Sandy Lake Property and general corporate and working capital purposes. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Issuer to achieve its objectives. The Issuer may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Issuer will be available, if required. It is anticipated that the available funds will be sufficient to satisfy the Issuer's objectives for the forthcoming 12-month period. The amounts shown in the table below are estimates only and are based on the information available to the Issuer as of the date hereof.

Forecast 12 Month Budget

Funds Available to the Issuer	\$1,200,000
Sandy Lake Property – Complete Phase 1 of the Exploration Program (Access/Exploration Agreements with First Nations and Geophysical Surveys)	(\$364,000)
Travel	(\$42,000)
Office	(\$42,000)
Salary	(\$50,000)
Legal and Audit	(\$75,000)
Excess Funds Available to the Issuer for General Working Capital	\$627,000

4.1(2) Principal Products or Services

This section is not applicable to the Issuer.

4.1(3) Production and Sales

This section is not applicable to the Issuer.

4.1(4) Competitive Conditions and Position

The mining industry is intensely competitive in all its phases. The Issuer competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Issuer. The competition in the mineral exploration and development business could have an adverse effect on the Issuer's ability to acquire suitable properties or prospects for mineral exploration in the future.

The Issuer is well suited to compete in the exploration-stage mining industry in Ontario and Canada as a result of its existing interest in the Sandy Lake Property and the level of experience of management of the Issuer.

See Item 17 – *Risk Factors – Competition*.

4.1(5) Lending and Investment Policies and Restrictions

This section is not applicable to the Issuer.

4.1(6) Bankruptcy and Receivership

The Issuer has never been the subject of any bankruptcy or any receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings, within any of the three most recently completed financial years (as applicable) or the current financial year.

4.1(7) Material Restructuring

See Item 3.1 – *General Development of the Business – The Arrangement*.

4.1(8) Fundamental Social and Environmental Policies

The Issuer has not implemented social or environmental policies that are fundamental to the Issuer's operations.

4.2 Asset Backed Securities

The Issuer does not have any asset backed securities.

4.3 Companies with Mineral Projects

Aside from the Sandy Lake Property, the Issuer does not have any mineral projects.

The Sandy Lake Property is a group of mineral claims located approximately 225 kilometres (km) north of Red Lake, northwestern Ontario.

The Sandy Lake Property consists of 2,692 cell mining claims. The details for the current project land holdings are provided in Table 1.1 and Table 1.2. All claims within the Sandy Lake Property are contiguous.

For further detail, see Schedule “C” – *Mineral Project*, which contains a summary of the Technical Report and the additional disclosure required by this section. Readers are encouraged to review the Technical Report in its entirety.

4.4 Companies with Oil and Gas Operations

The Issuer does not have any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Consolidated Financial Information – Annual Information

The Issuer’s Annual Information

The Issuer has not completed a complete financial year. The financial information of the Issuer as at February 28, 2021 is summarized below. Such information is derived from the financial statements of the Issuer and should be read in conjunction with such financial statements. See Schedule “A” – *Financial Statements of S2 Minerals Inc.*

	As at February 28, 2021
Balance Sheet Data:	
Total assets	\$1
Total liabilities	\$(135,416)

5.2 Consolidated Financial Information – Quarterly Information

The Issuer’s Quarterly Information

The unaudited *pro forma* financial results of the Issuer for the nine months ended February 28, 2021 are summarized below. Such information is derived from the unaudited *pro forma* financial statements of the Issuer and should be read in conjunction with such financial statements. See Schedule “A” – *Financial Statements of S2 Minerals Inc.*

	Nine months ended February 28, 2021
Operating Data:	
Total revenues	\$Nil
Total expenses	\$(1,178,165)
Net gain (loss) for the period	\$(1,178,165)
Basic and diluted loss per share	\$0.05
Dividends	\$Nil
Balance Sheet Data:	
Total assets	\$12,197,611
Total liabilities	\$(135,416)

5.3 Dividends

The Issuer has not paid dividends since its incorporation. The Issuer currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

5.4 Foreign GAAP

This item does not apply to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's MD&A for the period from November 30, 2020 (date of incorporation) to February 28, 2021 is attached to this Listing Statement as Schedule "B" – *MD&A of S2 Minerals Inc.*

7. MARKET FOR SECURITIES

The Common Shares are not currently listed for trading on any stock exchange. Upon listing on the CSE, it is expected that the Common Shares will be listed for trading on the CSE under the symbol "STWO".

8. CONSOLIDATED CAPITALIZATION

As of the date of this Listing Statement, the outstanding capital of the Issuer consists of:

- (a) 25,311,334 Common Shares;
- (b) nil Options; and
- (c) nil RSUs.

9. OPTIONS TO PURCHASE SECURITIES

The Board has adopted the Option Plan. The purpose of the Option Plan is to allow the Issuer to grant Options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Issuer. The granting of such Options is intended to align the interests of such persons with that of the Shareholders.

The Board has also adopted the RSU Plan. The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive for selected eligible persons related to the achievement of long-term financial and strategic objectives of the Issuer and the resulting increases in shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Issuer.

The material terms of the Option Plan and the RSU Plan are summarized below. No Options and RSUs are outstanding as of date of this Listing Statement.

Option Plan

The purpose of the Option Plan is to allow the Issuer to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Issuer. The granting of such options is intended to align the interests of such persons with that of the Shareholders. Pursuant to the Option Plan, the Board may from time to time authorize the issue of Options to directors, officers, employees and consultants of the Issuer and its affiliated entities. The maximum number of Common Shares which may be issued pursuant to Options granted under the Option Plan will not exceed 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the total number of Common Shares which may be reserved for issuance to any one individual within any one year period may not exceed 5% of the aggregate number of Common Shares issued and outstanding at the time of grant, or 2% of the aggregate number of Common Shares issued and outstanding if the optionee is engaged in investor relations activities or is a consultant.

Options will be exercisable over periods of up to ten years as determined by the Board. The Board will establish the exercise price of an Option at the time each Option is granted on the basis of the market price, where "market price" shall mean the prior trading day closing price of the Common Shares on any stock exchange on which the Common Shares are listed or last trading price on the prior trading day on any dealing network where the Common Shares trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the Common Shares on any stock exchange on which the Common Shares are listed or dealing network on which the Common Shares trade for the five immediately preceding trading days. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board. The approval of disinterested Shareholders will be required for any reduction in the exercise price of a previously granted Option to an insider of the Issuer.

The Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion, provided that if required by any stock exchange on which the Common Shares trade, Options issued to a person or consultant engaged in investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the Options vesting in any three month period.

The aggregate number and kind of shares available under the Option Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Issuer. The Options granted under the Option Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such Options and in the exercise price in the event of any such change. If there is a reduction in the exercise price of the Options of an insider of the Issuer, the Issuer will be required to obtain approval from disinterested shareholders.

In the event of (i) an acquisition by any "offeror" (as defined in Part XX of the *Securities Act* (Ontario)) of beneficial ownership of more than 50% of the outstanding voting securities of the Issuer, by takeover bid or otherwise, (ii) any consolidation or merger of the Issuer, (iii) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Issuer or (iv) approval by Shareholders of any liquidation or dissolution of the Issuer, the Issuer shall notify the optionee in writing of such a transaction or an offer or proposal in respect thereof as soon as practicable and, provided that the Board has determined that no adjustment shall be made pursuant to the Option Plan, the Board may permit the optionee to exercise the Options, as to all or any of the Common Shares in respect of which such Option has not previously been exercised (regardless of any vesting restrictions) during the period specified in the notice (but in no event later than the expiry date of the Options), so that the optionee may participate in such transaction, offer or proposal; and (ii) the Board may require the acceleration of the time for the exercise of the said Option and of the time for the fulfilment of any conditions or restrictions on such exercise.

If a director, officer, employee or consultant ceases to be an eligible participant for any reason (whether or not for cause), other than death, each Option held will cease to be exercisable 90 days after such termination date, or 30 days after such termination date if such person provides engaged in investor relations activities, or any such longer period as determined by the Board up to a maximum of one year from the termination date. If a director, officer, employee or consultant dies, the legal representative may exercise the Options within a period of one year after such person's death and in no event after the expiry date of the Option. The Options are non-assignable and non-transferrable.

The Board may at any time amend or terminate the Option Plan, but where amended, such amendment is subject to regulatory approval.

The Option Plan is a rolling stock option plan which sets the number of options available for grant by the Issuer at an amount equal to 10% of the Issuer issued and outstanding common shares from time to time.

RSU Plan

The RSU Plan provides for the grant of RSUs to directors, officers, employees and consultants of the Issuer as set forth therein. The RSUs will be settled through the issuance of Common Shares.

The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive for selected eligible persons related to the achievement of long-term financial and strategic objectives of the Issuer and the resulting increases in shareholder value. The RSU Plan is intended to promote a greater alignment of interests between Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Issuer. The RSU Plan is administered by the Board, which has the authority to delegate all of its powers and authority under the RSU Plan to the Governance, Nominating and Compensation Committee or to another committee of the Board.

RSUs are akin to “phantom shares” that track the value of the underlying Common Shares but do not entitle the recipient to the actual underlying Common Shares until maturity and upon satisfaction of any applicable vesting requirements. The RSU Plan permits the Board to grant awards of RSUs to eligible persons, upon such vesting conditions and subject to such maturity dates as the Board may determine. In the event of a change of control of the Issuer, all unvested RSUs will automatically vest.

A grantee may elect to defer the receipt of all or any part of their Common Shares following the applicable maturity date until a deferred payment date specified in accordance with the terms of the RSU Plan. Subject to any vesting restrictions, RSUs will be settled by way of the issuance of Common Shares from treasury on a one-for-one basis as soon as practicable following the relevant maturity date or deferred payment date, if applicable, or as otherwise may be determined by the Board or specified in the RSU Plan.

Except by a will or by the laws of descent and distribution, RSUs are not assignable or transferable.

Subject to the Board determining otherwise within the limitations of the RSU Plan, in the event of the retirement, death or disability of a grantee, any unvested RSUs held by such person will automatically vest and the underlying Common Shares will be issued as soon as practicable thereafter. In the event of a termination without cause (as determined in accordance with the RSU Plan) of a grantee, any unvested RSUs of such grantee will vest in accordance with their normal vesting schedule, unless the Board determines otherwise within the limitations of the RSU Plan. In the event of a termination with cause or resignation of a grantee (each as determined in accordance with the RSU Plan), all of such grantee’s RSUs that have not yet vested shall become void, unless the Board determines otherwise within the limitations of the RSU Plan.

The maximum number of Common Shares issuable under the RSU Plan shall be the lesser of (i) 2,510,000 Common Shares; and (ii) such number of Common Shares, when combined with all other Common Shares subject to grants made under the Issuer’s other share compensation arrangements (pre-existing or otherwise, and including the Option Plan), as is equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time. The grant of RSUs under the RSU Plan is subject to restrictions such that (i) the number of RSUs granted to insiders of the Issuer within any one year period, and (ii) the number of Common Shares reserved for issuance under RSUs granted to insiders of the Issuer at any time, in each case under the RSU Plan when combined with all of the other share compensation arrangements of the Issuer, shall not exceed 10% of the total issued and outstanding Common Shares.

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 Common 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 Common Shares issued and outstanding as at the grant date.

The Board may amend the provisions of the RSU Plan and any grant of RSUs from time to time, including with respect to: (a) amendments of a housekeeping nature; (b) changes to any vesting provisions of an

RSU; (c) changes to the termination provisions of an RSU or the RSU Plan; and (d) amendments to reflect changes to applicable securities or tax laws. However, other than the foregoing, any amendment to the RSU Plan which would:

- (a) increase the number of Common Shares issuable under the RSU Plan;
- (b) permit RSUs to be transferred other than for normal estate settlement purposes;
- (c) remove or exceed the specified insider participation limits;
- (d) materially modify the eligibility requirements for participation in the RSU Plan; or
- (e) modify the amending provisions of the RSU Plan.

10. DESCRIPTION OF THE SECURITIES

10.1 Description of the Issuer's Securities

The Issuer

The authorized capital of the Issuer consists of an unlimited number of common shares. As of the date of this Listing Statement, there are 25,311,334 Common Shares outstanding. A further 2,531,133 Common Shares are available for issuance under the Option Plan and RSU Plan.

Holders of Common Shares are entitled to one vote per share at all meetings of shareholders, to receive dividends as and when declared by the directors and to receive a *pro rata* share of the assets of the Issuer available for distribution to holders of Common Shares in the event of liquidation, dissolution or winding up of the Issuer. All rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of Common Shares.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

10.2 – 10.6 Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 (as the only securities being listed are Common Shares), 10.4 (as only securities being listed are Common Shares), 10.5 (as there are no provisions to modify or amend rights of Common Shares) or 10.6 (as all material attributes of the Common Shares are described above) of CSE Form 2A are applicable to the share structure of the Issuer.

10.7 Prior Sales of Common Shares

The Issuer

The Issuer has not issued any shares except:

- (a) one incorporation Common Share to Mr. Paul Murphy on November 30, 2020 for consideration of \$1.00, which was subsequently transferred to G2 on January 25, 2021. This Common Share was subsequently cancelled pursuant to the Arrangement; and
- (b) Common Shares issued pursuant to the completion of the Arrangement on April 9, 2021 and on May 18, 2021 following expiry of the Rights Offering on May 12, 2021.

10.8 Stock Exchange Price

The Common Shares are not currently listed for trading on any stock exchange.

11. ESCROWED SECURITIES

There are no Common Shares currently held in escrow or that are subject to a contractual restriction on transfer.

12. PRINCIPAL SHAREHOLDERS

12.1 and 12.2 Principal Shareholders

To the knowledge of the Issuer's directors and executive officers, and based on existing information as of the date hereof, no person or company, upon completion of the Arrangement will, beneficially own, or control or direct, directly or indirectly, voting securities of the Issuer carrying 10% or more of the voting rights attached to any class of voting securities of the Issuer, except Mr. Patrick Sheridan, who holds a total of 8,517,421 Common Shares, representing approximately 33.65% of the outstanding Common Shares.

12.3 Voting Trusts

To the knowledge of the Issuer, no voting trust exists within the Issuer such that more than 10% of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

12.4 Associates and Affiliates

To the knowledge of the Issuer no principal Shareholder is an Associate or Affiliate of any other principal Shareholder.

13. DIRECTORS AND OFFICERS

13.1 – 13.5 Directors and Officers

The Articles of the Issuer provide that the number of directors should be not fewer than one (1) director and up to a maximum of ten (10) directors. Each director shall hold office until the close of the next annual general meeting of the Issuer, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

The Issuer's Board currently consists of five (5) directors, of whom four (4) can be defined as an "unrelated director" or a director who is independent of management and is free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Issuer, other than interests and relationships arising from shareholders and do not have interests in or relationships with the Issuer.

The following table lists the names, municipalities of residence of the directors and officers of the Issuer, their positions and offices held and their principal occupations during the past five (5) years and the number of securities of the Issuer that are beneficially owned, directly or indirectly, or over which control or direction will be exercised by each.

Name, Jurisdiction of Residence and Position(s) ⁽¹⁾	Principal Occupation ⁽¹⁾	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Common Shares Issued and Outstanding ⁽³⁾
J. Patrick Sheridan, Surrey, United Kingdom <i>Director, Non-Executive Chairman of the Board</i>	Executive Chairman of G2 (since November 2018) President & Chief Executive Officer of G2 (from November 2018 to February 2020) Executive Chairman of Guyana Goldfields Inc. (2013 to July 2018)	8,517,421	33.65%
Daniel Noone, Ontario, Canada <i>Director, Chief Executive Officer</i>	President & Chief Executive Officer of G2 (since February 2020) Vice-President, Exploration of Guyana Goldfields Inc. until October 2018 Interim President & CEO of G2 from October 2016 to November 2018)	1,123,772	4.43%
Stephen Stow, British Columbia, Canada <i>Director</i>	Chairman of Zen Capital and Mergers Ltd., a private family office advisory company (1996 to present) Director of Lumina Gold Corp. (2015 to present) and Amarillo Gold Corporation (2017 to present)	760,000	3.00%
Bruce Rosenberg, Ontario, Canada <i>Director</i>	Lawyer practicing in the Province of Ontario	67,086	0.26%
Kieran Prashad, Ontario, Canada <i>Director</i>	Vice-President Corporate Development of The Sheridan Platinum Group Ltd. President & Chief Executive Officer of Aurora Royalties Inc.	2,220	<0.01%

Name, Jurisdiction of Residence and Position(s) ⁽¹⁾	Principal Occupation ⁽¹⁾	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Common Shares Issued and Outstanding ⁽³⁾
Paul Murphy, Ontario, Canada <i>Chief Financial Officer</i>	Chief Financial Officer of G2 (since March 2020) Chairman of Alamos Gold Inc. Chief Financial Officer and Executive Vice President of Guyana Goldfields Inc. (until 2019) Chief Financial Officer of Guyana Precious Metals (until 2018)	77,040	0.30%

Notes:

- (1) The information as to residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.
- (2) Directors serve until the earlier of the next annual general meeting or their resignation.
- (3) Based on 25,311,334 Common Shares outstanding as of the date of this Listing Statement.

The directors and executive officers of the Issuer as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of approximately 10,547,539 Common Shares, representing approximately 41.67% of the issued Common Shares.

Board Committees

The Issuer currently has an audit committee (the “**Audit Committee**”) and a governance, nominating and compensation committee (the “**Compensation Committee**”). A brief description of each committee is set out below.

Audit Committee

The Audit Committee, among its responsibilities, assists the Issuer’s Board in fulfilling its responsibilities relating to: (a) the integrity of the Issuer’s financial statements; (b) the Issuer’s compliance with legal and regulatory requirements, as they relate to the Issuer’s financial statements; (c) the qualifications, independence and performance of the Issuer’s external auditor; (d) internal controls and disclosure controls; (e) the performance of the Issuer’s internal audit function; and (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

The Audit Committee has established a practice of approving audit and non-audit services provided by the external auditor. The Audit Committee intends to delegate to its Chair the authority, to be exercised between regularly scheduled meetings of the Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such preapprovals would be reported by the Chair at the meeting of the Audit Committee next following the pre-approval.

The members of the audit committee include the following three directors. Also indicated is whether they are “independent” and “financially literate” within the meaning of National Instrument 52-110 – *Audit Committees*.

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Bruce Rosenberg	Yes	Yes
Stephen Stow	Yes	Yes
Kieran Prashad	Yes	Yes

Notes:

- (1) A member of the audit committee is independent if he or she has no direct or indirect 'material relationship' with the Issuer. A material relationship is a relationship which could, in the view of the Issuer's Board, be reasonably expected to interfere with the exercise of a member's independent judgment. An executive officer of the Issuer, such as the President or Secretary, is deemed to have a material relationship with the Issuer.
- (2) A member of the audit committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Governance, Nominating and Compensation Committee

The Compensation Committee's primary function is to assist the Board in fulfilling its responsibilities relating to: (i) the recruitment, compensation and performance evaluation of the CEO and other executive officers of the Issuer; and (ii) the development of the Issuer's compensation structure for the CEO, other executive officers of the Issuer and non-management directors. The Compensation Committee is responsible for, among other things, assessing and making recommendations to the Board with respect to the compensation (including long-term incentive in the form of stock options) to be granted to the Issuer's executive officers and directors to ensure that such compensation reflects the responsibilities and risks associated with each position.

With respect to the director recruitment in general, the Compensation Committee is responsible for: (a) conducting an analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Issuer's current operational and financial condition, the industry in which it operates and the strategic outlook of the Issuer; (b) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and (c) recommending, as required, changes to the selection criteria used by the Board to reflect the needs of the Board. Nominees are to be selected for qualities such as integrity, business judgment, independence, business or professional expertise, international experience, residency and familiarity with geographic regions relevant to the Issuer's strategic priorities. Additional considerations include: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing director to possess; and (c) the competencies and skills each new nominee will bring to the boardroom.

The Compensation Committee will engage and compensate any outside adviser that it determines to be necessary or advisable to carry out its duties. The Compensation Committee reviews compensation paid to directors and officers of companies of similar industries, size and stage of development, and makes such other enquiries deemed necessary on a case-by-case basis, in order to determine appropriate compensation levels for the directors and officers of the Issuer.

The Compensation Committee is currently comprised of three directors, namely Messrs. Bruce Rosenberg, Kieran Prashad and Stephen Stow, all of whom are considered "independent" for Compensation Committee purposes.

13.6 – 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

To the knowledge of the Issuer, no director or officer of the Issuer or a Shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of the Issuer or a Shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No director or officer of the Issuer or a Shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10. Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Issuer also holding positions as directors or officers of other companies. Some of the individuals that are directors and officers of the Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under OBCA.

13.11. Management

The principal occupations of each of the proposed directors and executive officers of the Issuer within the past five years are disclosed in the brief biographies set forth below.

Patrick Sheridan, M.Sc. – Executive Chairman of the Board. Mr. Sheridan has over 25 years experience working in Guyana and has raised over 400 million dollars for exploration and development projects in Guyana. Mr. Sheridan is credited with the discovery, financing, and development of the Aurora Gold project. Mr. Sheridan was involved in the financing, development, and sale of Gold Eagle Mining, FNX Mining and others, during the previous mining cycle 2007 – 2011. He is a graduate of the London School of Economics.

Daniel Noone – Director and Chief Executive Officer. Mr. Noone has more than 30 years of international mineral exploration and development experience ranging from implementing grassroots programs through to feasibility studies. He is currently the Chairman of GPM Metals Inc. Previous roles include Executive Director and V.P. of Exploration at Guyana Goldfields, V.P. of Peruvian Operations for Aquiline Resources Inc. and the President and CEO of Absolut Resources Inc. Mr. Noone has managed projects in Guyana, Papua New Guinea, Indonesia, Peru, Ecuador and Argentina. Mr. Noone holds a degree in geology from Ballarat University and an MBA from Melbourne University. He is a Member of the Institute of Australian Geoscientists (AIG).

Stephen Stow – Director. Mr. Stow holds an MA in jurisprudence from Wadham College at Oxford University, of which he is a Foundation Fellow. Mr. Stow has been an adviser, investor, and executive engaged in various resource driven opportunities for over 30 years. Amongst private companies which Mr. Stow helped established Prior to 1995, he served as Director of Corporate Finance, Asia for the National Westminster Bank. In 1998, as well as his role in resource companies, he was the original Executive Director of what became a listed fibre optic company with a market cap in excess of US\$50BN. He served as the President & CEO of Odin Mining & Exploration Ltd from 1994, until it became Lumina Gold Corp. in 2015 and remains a Director. Mr. Stow currently serves as an Independent Director of Amarillo Gold Corporation.

Bruce Rosenberg, LL.B – Director. Mr. Rosenberg has been practicing law in Ontario since 1980. He has extensive experience as a corporate lawyer and commercial litigator. Mr. Rosenberg has acted as legal counsel for several TSX listed junior mining companies and serves on the board of directors of three Canadian charitable foundations.

Kieran Prashad – Director. Mr. Prashad has over ten years of experience in capital markets and the mining industry. He has been involved in the acquisition, development and sale of various stage resource projects around the world and currently serves as Vice President Corporate Development for the Sheridan Platinum Group Ltd.; Trustee for Sheridan Brothers Trust; and CEO of Aurora Royalties Inc. Mr. Prashad is a graduate of the Lassonde Mineral Engineering Program at the University of Toronto.

Paul Murphy – Chief Financial Officer. Mr. Murphy was a Partner and National Mining Leader of PricewaterhouseCoopers LLP from 2004 to April 2010 and Partner since 1981. He has worked primarily in the resource sector, with clients including major international oil and gas and mining companies. His professional experience includes financial reporting controls, operational effectiveness, International Financial Reporting Standards, and SEC reporting issues, financing, valuation, and taxation. Mr. Murphy is currently the Chairman of Alamos Gold and a Director of Generation Mining. He was previously CFO and Executive VP, Guyana Goldfields from 2010 to 2019, CFO of Guyana Precious Metals from 2012 to 2018. Mr. Murphy obtained a Bachelor of Commerce degree from Queen’s University and completed his Chartered Accountant designation in 1975.

None of the members of management have entered into a non-competition or non-disclosure agreement with the Issuer.

14. CAPITALIZATION

14.1 Issued Capital

To the best knowledge of the Issuer, the following table sets out the number of the Common Shares available in the Issuer's Public Float and Freely-Tradeable Float on a diluted and non-diluted basis:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<hr/>				
<u>Public Float</u>				
Total outstanding (A)	25,311,334	25,311,334	100%	100%
<hr/>				
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	10,547,539	10,547,539	41.67%	41.67%
<hr/>				
Total Public Float (A-B)	14,763,795	14,763,795	58.33%	58.33%
<hr/>				
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	8,517,421	8,517,421	33.65%	33.65%
<hr/>				
Total Tradeable Float (A-C)	16,793,913	16,793,913	66.34%	66.34%
<hr/>				

Public Securityholders (Registered)

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	6	116
100 – 499 securities	8	2,390
500 – 999 securities	6	4,089
1,000 – 1,999 securities	7	9,201
2,000 – 2,999 securities	2	4,458
3,000 – 3,999 securities	1	3,250
4,000 – 4,999 securities	2	8,939
5,000 or more securities	12	14,731,352
Total	44	14,763,795

Public Securityholders (Beneficial – CAD)

Class of Security: Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	359	12,905
100 – 499 securities	267	66,282
500 – 999 securities	129	84,666
1,000 – 1,999 securities	130	171,140
2,000 – 2,999 securities	96	224,912
3,000 – 3,999 securities	49	163,121
4,000 – 4,999 securities	36	151,041
5,000 or more securities	289	13,889,728
Unable to confirm	-	Nil
Total	1,355	14,763,795

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	-	Nil
100 – 499 securities	-	Nil
500 – 999 securities	-	Nil
1,000 – 1,999 securities	-	Nil
2,000 – 2,999 securities	-	Nil

Size of Holding	Number of holders	Total number of securities
3,000 – 3,999 securities	-	Nil
4,000 – 4,999 securities	-	Nil
5,000 or more securities	5	10,547,539
Total	5	10,547,539

14.2 Convertible/Exchange Securities

Since incorporation, the Issuer has not issued any securities convertible or exchangeable into Common Shares other than 12,655,667 S2 Rights pursuant to the Rights Offering. As of the date of this Listing Statement, no securities convertible or exchangeable into Common Shares are outstanding.

14.3 Other Listed Securities

The Issuer does not have any other listed securities reserved for issuance that are not included in section 14.1 or 14.2.

15. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Issuer was incorporated on November 30, 2020 and, accordingly, has not yet completed a financial year and has not yet developed a compensation program. The Issuer has adopted a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, option-based awards and annual cash incentives.

Summary Compensation

The Issuer was incorporated on November 30, 2020 and has not yet completed a financial year. No compensation has been paid to date. In addition, it has no compensatory plan or other arrangements in respect of compensation received or that may be received by its Chief Executive Officer or its Chief Financial Officer in its current financial year.

The Issuer has established a Compensation Committee, which will administer the compensation mechanisms to be implemented by the Board. The individuals that will be appointed to the Compensation Committee, once formed, will each have direct experience that is relevant to their responsibilities in determining executive compensation for the Issuer.

On an annual basis, the Compensation Committee will review the compensation of the Named Executive Officers to ensure that each is being compensated in accordance with the objectives of the Issuer's compensation program, which will be to:

- provide competitive compensation that attracts and retains talented employees;
- align compensation with shareholder interests;
- pay for performance;
- support the Issuer's vision, mission and values; and
- be flexible to recognize the needs of the Issuer in different business environments.

The Issuer does not currently have any compensation policies or mechanisms in place. The compensation policies are anticipated to be comprised of three components; namely, base salary, equity compensation in the form of stock options, restricted share units and discretionary performance-based. A Named

Executive Officer's base salary will be intended to remunerate the Named Executive Officer for discharging job responsibilities and will reflect the executive's performance over time. Base salaries are used as a measure to compare to, and remain competitive with, compensation offered by competitors and as the base to determine other elements of compensation and benefits. The stock option and restricted share unit components of a Named Executive Officer's compensation, which include a vesting element to ensure retention, will aim to meet the objectives of the compensation program to be implemented, by both motivating the executive towards increasing share value and enabling the executive to share in the future success of the Issuer. Discretionary performance-based bonuses will be considered from time to time to reward those who have achieved exceptional performance and meet the objectives of the Issuer's compensation program by rewarding pay for performance. Other benefits will not form a significant part of the remuneration package of any of the Named Executive Officers of the Issuer.

The Board has adopted the Option Plan. The Option Plan allows for the granting of Options to its officers, employees, directors and consultants. The purpose of granting such Options would be to assist the Issuer in compensating, attracting, retaining and motivating the directors of the Issuer and to closely align the personal interests of such persons to that of the Shareholders.

The Board has adopted the RSU Plan. The RSU Plan allows for the granting of RSUs to directors, officers, employees and consultants of the Issuer. The purpose of granting such RSUs would be to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Issuer.

Option-Based Awards

The purpose of the Option Plan is to allow the Issuer to grant Options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Issuer. The granting of such Options is intended to align the interests of such persons with that of the Shareholders. The Option Plan is used to provide Options which will be awarded based on the recommendations of the directors of the Issuer, taking into account the level of responsibility of such person, as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of the Issuer. In determining the number of Options to be granted, the Board will take into account the number of Options, if any, previously granted, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the CSE and to closely align the interests of such person with the interests of Shareholders. The Board will determine the vesting provisions of all Option grants.

See Item 9 – *Options to Purchase Securities* for a summary of the material terms of the Option Plan.

Outstanding Option-Based Awards

No Options are outstanding as of the date of this Listing Statement.

Aggregate Options Exercised and Option Values

No Options have been granted by the Issuer or exercised since the date of its incorporation on November 30, 2020.

Incentive Plan Awards

The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive for selected eligible persons related to the achievement of long-term financial and strategic objectives of the Issuer and the resulting increases in shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Issuer. The RSU Plan is used to provide RSUs which will be

awarded based on the recommendations of the directors of the Issuer, taking into account the level of responsibility of such person, as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of the Issuer. In determining the number of RSUs to be granted, the Board will take into account the number of RSUs, if any, previously granted, and the exercise price of any outstanding RSUs to ensure that such grants are in accordance with the policies of the CSE and to closely align the interests of such person with the interests of Shareholders. The Board will determine the vesting provisions of all RSU grants.

See Item 9 – *Options to Purchase Securities* for a summary of the material terms of the RSU Plan.

Outstanding Incentive Plan Awards

No RSUs are outstanding as of the date of this Listing Statement.

Aggregate RSUs Vested and RSU Values

No restricted share units have been granted by the Issuer or vested since the date of its incorporation on November 30, 2020.

Pension Plan Benefits

The Issuer does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Issuer has no employment contracts with any of its Named Executive Officers. Further, it has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Issuer or its subsidiaries, if any, or a change in responsibilities of a Named Executive Officer following a change of control.

Director Compensation

The Issuer currently has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Issuer for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert since its incorporation on November 30, 2020 and up to and including the date of this Listing Statement.

The Option Plan allows for the granting of incentive stock options to its officers, employees and directors. The purpose of granting such options would be to assist the Issuer in compensating, attracting, retaining and motivating the directors of the Issuer and to closely align the personal interests of such persons to that of the Shareholders. The RSU Plan allows for the granting of restricted share units to directors, officers, employees and consultants of the Issuer. The purpose of granting such restricted share units would be to promote a greater alignment of interests between the Shareholders and the selected eligible persons by providing an opportunity to participate in increases in the value of the Issuer.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Issuer and none are proposed at this time.

Material Terms of NEO Agreements

Termination and Change of Control Benefits

The Issuer does not have any plans or arrangements in place with any officers that provide for payment following or in connection with any termination, resignation, retirement, or change of control of the Issuer.

Management Contracts

No management functions of the Issuer or its subsidiaries are, to any substantial degree, performed by a person or company other than the Directors or NEOs of the Issuer.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is and has been no indebtedness of any director, executive officer or senior officer or associate of any of them, to or guaranteed or supported by the Issuer during the period from incorporation.

17. RISK FACTORS

Risks Related to the Operations of the Issuer

Limited Operating History

The Issuer was incorporated on November 30, 2020 and has a limited operating history and no operating revenues.

Dependence on Management

The Issuer will be very dependent upon the personal efforts and commitment of its directors and officers, especially Patrick Sheridan, the Issuer's director and non-executive chairman of the Board, and Daniel Noone, the Issuer's chief executive officer. If one or more of the Issuer's proposed executive officers become unavailable for any reason, a severe disruption to the business and operations of the Issuer could result, and the Issuer may not be able to replace them readily, if at all. As the Issuer's business activity grows, the Issuer will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that the Issuer will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Issuer is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Issuer's future cash flows, earnings, results of operations and financial condition.

The Issuer's Operations are Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Issuer's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Issuer. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Issuer might undertake and legal claims for errors or mistakes by the Issuer personnel.

Financing Risks

Additional funding will be required to conduct future exploration programs on the Sandy Lake Property and to conduct other exploration programs, in addition to the funds from the Rights Offering. If the Issuer's proposed exploration programs are successful, additional funds will be required for the development of an

economic mineral body and to place it in commercial production. The only sources of future funds presently available to the Issuer are the sale of equity capital, or the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Issuer to reduce or terminate its proposed operations.

Conflicts of Interest

Certain directors and officers of the Issuer are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Issuer, including possibly G2. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Issuer. Directors and officers of the Issuer with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

No History of Earnings

The Issuer has no history of earnings or of a return on investment, and there is no assurance that the Sandy Lake Property or any other property or business that the Issuer may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. The Issuer has no plans to pay dividends for some time in the future. The future dividend policy of the Issuer will be determined by the Board.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Sandy Lake Property. There is no certainty that the expenditures to be made by the Issuer in the exploration of the Sandy Lake Property or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Issuer will be affected by numerous factors beyond the control of the Issuer. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

Environmental Risks and Other Regulatory Requirements

The current or future operations of the Issuer, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those

suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Nature of Mineral Exploration and Development

All of the Issuer's operations are at the exploration stage and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by the Issuer or any future development programs will result in a profitable commercial mining operation. There is no assurance that the Issuer's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of the Issuer will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from the Issuer's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that the Issuer's projects will move beyond the exploration stage and be put into production, achieve commercial production or that the Issuer will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that the Issuer will not suffer significant losses in the near future or that the Issuer will ever be profitable.

Commodity Prices

The price of the Common Shares and the Issuer's financial results may be significantly adversely affected by a decline in the price of gold and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond the Issuer's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines

could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on the Issuer.

Acquisition Strategy

As part of the Issuer's business strategy, it will seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, the Issuer may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Issuer. The Issuer cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Issuer.

Dividend Policy

No dividends on Common Shares have been paid by the Issuer to date. The Issuer anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. The Issuer does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Issuer's operating results, financial condition and current and anticipated cash needs.

Permitting

The Issuer's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, the Issuer must receive permits from appropriate governmental authorities. There can be no assurance that the Issuer will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on the Issuer, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

Land Title

The acquisition of title to resource properties is a very detailed and time-consuming process. No assurances can be given that there are no title defects affecting the properties in which the Issuer has an interest. The properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. The title may also be affected by undetected encumbrances or defects or governmental actions. The Issuer has not conducted surveys of properties in which it holds an interest and the precise area and location of claims or the properties may be challenged. The Issuer may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict the Issuer's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by the Issuer invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although the Issuer believes it has taken reasonable measures to ensure proper title to the properties in which it has an interest, there is no guarantee that such title will not be challenged or impaired.

Influence of Third Party Stakeholders

The mineral properties in which the Issuer holds an interest, or the exploration equipment and road or other means of access which the Issuer intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Issuer's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Issuer.

Insurance

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to the Issuer's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. The Issuer expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. The Issuer expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of the Issuer. If the Issuer is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect the Issuer's future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. The Issuer expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Issuer, the Issuer may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, the Issuer's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to the Issuer may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, the Issuer's ability to obtain financing on satisfactory terms, if at all.

Risks Related to the Issuer's Common Shares

Volatility of Market Price of Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Issuer's control, including the following:

- actual or anticipated fluctuations in the Issuer's quarterly results of operations;
- recommendations by securities research analysts;

- changes in the economic performance or market valuations of companies in the industry in which the Issuer operates;
- addition or departure of the Issuer's executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Issuer or the Issuer's competitors;
- operating and share price performance of other companies that investors deem comparable to the Issuer;
- changes in commodity prices, political events, global financial markets and global economies and general market conditions;
- operating and share price performance of other companies that investors deem comparable to the Issuer;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Issuer's industry; and
- regulatory changes in the industry.

A prolonged decline in the price of the Common Shares could result in a reduction in the liquidity of the Issuer's Common Shares and a reduction in its ability to raise capital. Because a significant portion of the Issuer's operations have been and will be financed through the sale of equity securities, a decline in the price of the Common Shares could be especially detrimental to the Issuer's liquidity and its operations. Such reductions may force the Issuer to reallocate funds from other planned uses and may have a significant negative effect on the Issuer's business plan and operations, including its ability to develop new products and continue its current operations. If the Issuer's Common Share price declines, it can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Issuer is unable to raise sufficient capital in the future, the Issuer may not be able to have the resources to continue its normal operations.

Dilution

Issuances of additional securities including, but not limited to, its Common Shares or warrants or some form of convertible debentures, will result in a substantial dilution of the equity interests of any Shareholders.

18. PROMOTERS

18.1 – 18.2 Promoter Consideration

G2 took the initiative in the Issuer's organization and, accordingly, may be considered to be the promoter of the Issuer within the meaning of applicable securities legislation. G2 did not at the closing of the Arrangement, beneficially own, or control or direct, any Common Shares. During the period from incorporation to and including the closing of the Arrangement, the only material thing of value which G2 received from the Issuer is the Common Shares issued to G2 in consideration for the transfer to the Issuer by G2 of the Sandy Lake Property, which Common Shares were distributed to the G2 Shareholders pursuant to the Arrangement. See Item 3.1 – *General Development of the Business – The Arrangement*.

The Issuer is not a party to any written or oral agreement or understanding to provide any promotional or investor relations services for the Issuer.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

To the knowledge of the management of the Issuer, the Issuer is not a party to any material legal proceedings and the Issuer is not aware of any such proceedings known to be contemplated.

19.2 Regulatory Actions

Since the date of incorporation of the Issuer, there have been no penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, no other penalties or sanctions imposed by a court or regulatory body against the Issuer that are necessary to provide full, true and plain disclosure of all material facts relating to the Issuer's securities being listed, or any settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth in Item 3.1 – *General Development of the Business – Rights Offering*, within the three years preceding the date of the Listing Statement, no director, executive officer or person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of the outstanding voting securities of the Issuer, or any associate or affiliate of the foregoing has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Issuer or any of its subsidiaries.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

The auditors of the Issuer are MNP LLP.

21.2 Transfer Agent and Registrar

The registrar and transfer agent for the Common Shares is TSX Trust Company at its principal offices at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

22. MATERIAL CONTRACTS

During the course of the two years prior to the date of the Listing Statement, the only agreements or contracts that the Issuer has entered into since its incorporation or entered into as part of the Arrangement which may be reasonably regarded as being material is the Arrangement Agreement dated February 2, 2021 between the Issuer and G2 and the Standby Purchase Agreement. See Item 3.1 – *General Development of the Business – The Arrangement*.

22.1 Special Agreements

This section is not applicable to the Issuer.

23. INTEREST OF EXPERTS

MNP LLP, Chartered Professional Accountants, is the auditor of the Issuer and is independent of the Issuer within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Tania Ilieva, Ph.D., P.Geol and Kevin Kivi, P.Geol. of Micon International Limited prepared the Sandy Lake Report. As of the date of this Listing Statement, neither Tania Ilieva and Kevin Kivi nor Micon International Limited own any of the issued and outstanding Common Shares.

24. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Issuer or its respective securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its respective securities.

25. FINANCIAL STATEMENTS

25.1 Financial Statements of the Issuer

Schedule "A" contains copies of (a) the audited financial statements of the Issuer as of February 28, 2021, (b) the audited carve-out financial statements for the Sandy Lake Property for the years ended May 31, 2020 and 2019 and the unaudited financial statements for the period ended November 30, 2020, and the unaudited financial statements for the nine month period ended February 28, 2021, and (c) the unaudited *pro forma* financial statements of the Issuer for the nine month period ended February 28, 2021.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, S2 Minerals Inc., hereby applies for the listing of the above mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to S2 Minerals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this 21st day of June, 2021.

(signed) "*Daniel Noone*"

Daniel Noone
Chief Executive Officer

(signed) "*Paul Murphy*"

Paul Murphy
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Patrick Sheridan*"

Patrick Sheridan
Director

(signed) "*Bruce Rosenberg*"

Bruce Rosenberg
Director

CERTIFICATE OF THE PROMOTER

The foregoing contains full, true and plain disclosure of all material information relating to S2 Minerals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario this 21st day of June, 2021.

G2 GOLDFIELDS INC.

(signed) "*Daniel Noone*"

(signed) "*Paul Murphy*"

Daniel Noone
Chief Executive Officer

Paul Murphy
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Patrick Sheridan*"

(signed) "*Bruce Rosenberg*"

Patrick Sheridan
Director

Bruce Rosenberg
Director

SCHEDULE "A"
FINANCIAL STATEMENTS OF S2 MINERALS INC.

(See attached)

S2 Minerals Inc.
AUDITED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2021
(Expressed in Canadian Dollars)



Independent Auditor's Report

To the Shareholders of S2 Minerals Inc.:

Opinion

We have audited the financial statements of S2 Minerals Inc. (the "Company"), which comprise the statement of financial position as at February 28, 2021, and the statements of loss and comprehensive loss, changes in deficit and cash flows for the period from November 30, 2020 (date of incorporation) to February 28, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021, and its cash flows for the period from November 30, 2020 to February 28, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario
June 18, 2021

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

S2 MINERALS INC.
STATEMENT OF FINANCIAL POSITION
(expressed in Canadian dollars)

	As at February 28, 2021
ASSETS	
Current Assets	
Cash	1
Total assets	\$ 1
SHAREHOLDERS' DEFICIT AND LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	135,416
Total liabilities	\$ 135,416
Deficit	
Share capital – unlimited shares authorized, 1 issued and outstanding (note 4)	1
Deficit	(135,416)
Total deficit	(135,415)
Total shareholders' deficit and liabilities	\$ 1

The accompanying notes to the financial statements are an integral part of these statements

“Daniel Noone” (signed)
Director

“Bruce Rosenberg” (signed)
Director

S2 MINERALS INC.**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(expressed in Canadian dollars)

	Date of incorporation November 30, 2020 to February 28, 2021
Expenses	
Legal	121,416
Audit and accounting services	11,000
Loss and comprehensive loss for the period	\$ (135,416)
Basic and diluted net loss per common share	\$ (135,416)
Weighted average number of common shares outstanding - basic and diluted	1

The accompanying notes to the financial statements are an integral part of these statements

S2 MINERALS INC.**STATEMENT OF CHANGES IN DEFICIT**

Date of incorporation November 30, 2020 to February 28, 2021

(expressed in Canadian dollars)

	Share Capital	Deficit	Total
Incorporation share issued (note 4)	\$ 1	\$ -	\$ 1
Net loss for the period	-	(135,416)	(135,416)
Balance, February 28, 2021	\$ 1	\$ (135,416)	\$ (135,415)

The accompanying notes are an integral part of the financial statements.

S2 MINERALS INC.
STATEMENT OF CASH FLOWS
(expressed in Canadian dollars)

Date of incorporation
November 30, 2020 to
February 28, 2021

Operating activities	
Net loss	135,416
Change in accounts payable and accrued liabilities	(135,416)
Net cash used in operating activities	\$ -
Financing activities	
Incorporation shares issued (note 4)	1
Net cash provided by financing activities	\$ 1
Net change in cash,	1
Cash, beginning of period	\$ -
Cash, end of period	\$ 1

The accompanying notes are an integral part of the financial statements.

S2 MINERALS INC.

NOTES TO THE FINANCIAL STATEMENTS

As at February 28, 2021

(expressed in Canadian dollars)

1. NATURE OF OPERATIONS

S2 Minerals Inc. ("S2" or the "Company") was incorporated on November 30, 2020 under the laws of the Province of Ontario, Canada, and its head office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 3L5.

S2 was incorporated to facilitate a Plan of Arrangement (the "Arrangement") whereby G2 Goldfields Inc.'s ("G2") Canadian Sandy Lake Properties would be placed in a separate public vehicle held pro rata by all G2 shareholders. This plan received final approval from Ontario Superior Court of Justice on March 31, 2021 (Note 6). Accordingly, there were no transactions entered into by S2 prior to that date other than professional fees to facilitate the transaction.

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. Currently all communication with the First Nations community is remote and strict quarantine protocols make physical work at the site impossible. 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. The Company continues to operate under these conditions.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of June 16, 2021, the date the Board of Directors approved the statements.

Basis of presentation

These financial statements have been prepared on a historical cost basis, with the exception of certain financial instruments, which are measured at fair value.

The Company's functional and presentation currency is Canadian dollars.

Cash

Cash consists of cash on hand.

Exploration and evaluation assets

Exploration and evaluation assets relate to rights acquired and exploration and evaluation expenditures incurred in respect to resource projects that are in the exploration and evaluation stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, surveying, geological, geochemical, geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability. These expenditures are capitalized until the technical feasibility and commercial viability of extracting the mineral resource of a project are demonstrable. During the exploration period, exploration and evaluation assets are not amortized.

Exploration and evaluation assets are allocated to cash generating units ("CGUs") for the purpose of assessing such assets for impairment and each project is identified as a separate CGU. At the end of each reporting period, each project is reviewed for impairment indicators in accordance with IFRS 6. If such indicators exist, the project is tested for impairment and the recoverable amount of the project is estimated. If the recoverable amount

S2 MINERALS INC.

NOTES TO THE FINANCIAL STATEMENTS

As at February 28, 2021

(expressed in Canadian dollars)

of the project is estimated to be less than its carrying amount, the carrying amount of the project is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Once the technical feasibility and commercial viability of extracting a mineral resource of a project are demonstrable, the relevant exploration and evaluation asset is assessed for impairment, and any impairment loss recognized, prior to the balance being reclassified as a mine development asset in property, plant and equipment.

The determination of the demonstration of technical feasibility and commercial viability is subject to a significant degree of judgment and assessment of all relevant factors. In general, technical feasibility may be demonstrable once a positive feasibility study is completed. When determining the commercial viability of a project, in addition to the receipt of a feasibility study, the Company also considers factors such as the availability of project financing, the existence of markets and/or long term contracts for the product, and the ability of obtaining the relevant operating permits.

All subsequent expenditures to ready the property for production are capitalized within mine development assets, other than those costs related to the construction of property, plant and equipment.

Once production has commenced, all costs included in mine development assets are reclassified to mining properties.

Exploration and evaluation expenditures incurred prior to the Company obtaining mineral rights related to the property being explored are recorded as expense in the period in which they are incurred.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i. those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are

S2 MINERALS INC.

NOTES TO THE FINANCIAL STATEMENTS

As at February 28, 2021

(expressed in Canadian dollars)

generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i. amortized cost;
- ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash, which is classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instrument risk

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, liquidity, or market risks arising from these financial instruments.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- i. To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future opportunities, and pursuit of acquisitions of exploration and evaluation assets; and
- ii. To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

S2 MINERALS INC.

NOTES TO THE FINANCIAL STATEMENTS

As at February 28, 2021

(expressed in Canadian dollars)

The Company considers its capital to be equity, comprising share capital and deficit, which at February 28, 2021 totaled a deficiency of \$135,415.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its exploration and evaluation assets. Selected information is frequently provided to the Board of Directors of the Company. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

4. SHARE CAPITAL

Authorized share capital

An unlimited number of common shares without par value, voting and participating

Issued

	Number of Shares	Share Capital
Balance, February 28, 2021	1	\$ 1

The Company was incorporated on November 30, 2020 issuing a single share for \$1 per share.

5. AGREEMENT TO ACQUIRE SANDY LAKE PROPERTIES

On February 2, 2021 G2 and S2 entered into an Arrangement, subject to shareholder approval to transfer G2's entire interest in the Sandy Lake properties to S2. As at February 28, 2021 S2 was a wholly owned subsidiary of G2.

Under the terms of the agreement, G2 will receive S2 common shares and distribute them on a pro-rata basis to its shareholders in exchange for the Sandy Lake properties. As part of the Arrangement S2 will issue rights to the holders of its common shares post Arrangement, allowing them to purchase additional shares of S2 to raise proceeds of \$1.2 million. Mr. Sheridan, together with Mr. Noone have agreed to subscribe for any unexercised rights sufficient to raise the \$1.2 million.

6. SUBSEQUENT EVENT

On March 29, 2021 at its special meeting of shareholders the previously announced spin-out of G2's Sandy Lake Properties was approved. Following the shareholder vote the Ontario Superior Court of Justice approved the spin-out on March 31, 2021. The spin-out was completed on April 9, 2021.

On May 18, 2021, S2 announced the completion of their rights offering with all rights oversubscribed. S2 received a total of \$1,200,000 and as the offering was oversubscribed the agreement with Mr. Sheridan and Mr. Noone did not result in their subscribing for any unexercised rights.

CARVE-OUT FINANCIAL STATEMENTS
of the SANDY LAKE PROPERTIES

For the Years Ended
MAY 31, 2020 and 2019 (Audited)
and the Period Ended
November 30, 2020 (Unaudited)
(Expressed in Canadian Dollars)

To the Directors of G2 Goldfields Inc. (the "Company"):

Opinion

We have audited the carve-out financial statements of the Company's Sandy Lake Gold Properties (the "Properties"), which comprise the carve-out statements of financial position as at May 31, 2020 and May 31, 2019, and the carve-out statements of loss and comprehensive loss, changes in owners' net investment and cash flows for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Properties as at May 31, 2020 and May 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Carve-out Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the carve-out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the carve-out financial statements which describe the fact that the Properties has not operated as a separate entity. These carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if the Properties had been a separate stand-alone entity during the years presented or of the future results of the Properties. Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

The comparative information as at November 30, 2020 and for the six months ended November 30, 2020 and November 30, 2019 is unaudited.

Responsibilities of Management and Those Charged with Governance for the Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Properties' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Properties or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Properties' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Properties to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Toronto, Ontario
February 25, 2021

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

SANDY LAKE PROPERTIES
CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	As at November 30, 2020 (Unaudited)	As at May 31, 2020 (Audited)	As at May 31, 2019 (Audited)
ASSETS			
Long Term assets			
Mineral property interest (note 4)	\$10,973,614	\$10,867,285	\$10,410,411
Total long-term assets	10,973,614	10,867,285	10,410,411
Total assets	\$10,973,614	\$10,867,285	\$10,410,411
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	105,917	124,457	733,229
Total liabilities	105,917	124,457	733,229
Net investment			
Owners' net investment	10,867,697	10,742,828	9,677,182
Net investment	10,867,697	10,742,828	9,677,182
Total liabilities and net investment	\$10,973,614	\$10,867,285	\$10,410,411

“Dan Noone” (signed)
President and Chief Executive Officer

The accompanying notes are an integral part of the carve-out financial statements.

SANDY LAKE PROPERTIES

CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended May 31, 2020 and 2019 and the six months ended

November 30, 2020 and 2019

(expressed in Canadian dollars)

	November 30 2020 (Unaudited)	November 30 2019 (Unaudited)	May 31, 2020 (Audited)	May 31, 2019 (Audited)
Expenses				
General and administrative	\$628,797	\$302,650	\$716,384	\$484,254
Loss and comprehensive loss for the period	\$(628,797)	\$(302,650)	\$(716,384)	\$(484,254)

The accompanying notes are an integral part of the carve-out financial statements.

SANDY LAKE PROPERTIES**CARVE-OUT STATEMENTS OF CASH FLOWS**

For the years ended May 31, 2020 and 2019 and the six months ended

November 30, 2020 and 2019

(expressed in Canadian dollars)

	November 30 2020 (Unaudited)	November 30 2019 (Unaudited)	May 31, 2020 (Audited)	May 31, 2019 (Audited)
Operating Activities				
Loss and Comprehensive Loss	\$(628,797)	\$(302,650)	\$(716,384)	\$(484,254)
Changes in working capital	(18,540)	(669,988)	(608,772)	281,667
	<u>(647,337)</u>	<u>(972,638)</u>	<u>(1,325,156)</u>	<u>(202,587)</u>
Investing Activities				
Property expenditures	(106,329)	(225,242)	(456,874)	(1,877,065)
	<u>(106,329)</u>	<u>(225,242)</u>	<u>(456,874)</u>	<u>(1,877,065)</u>
Financing Activities				
Owners' contribution	753,666	1,197,880	1,782,030	2,079,652
	<u>753,666</u>	<u>1,197,880</u>	<u>1,782,030</u>	<u>2,079,652</u>
Opening and Closing Cash	\$ -	\$-	\$-	\$-

The accompanying notes are an integral part of the carve-out financial statements.

SANDY LAKE PROPERTIES**CARVE-OUT STATEMENTS OF CHANGES IN OWNERS' NET INVESTMENT****For the years ended May 31, 2020 and 2019 and the six months ended November 30, 2020**

(expressed in Canadian dollars)

	Sandy Lake Property
Balance at May 31, 2018	\$ 8,081,784
Contributions in the year	2,079,652
Net loss and comprehensive loss for the year	(484,254)
Balance at May 31, 2019	\$ 9,677,182
Contributions in the year	1,782,030
Net loss and comprehensive loss for the year	(716,384)
Balance at May 31, 2020	\$10,742,828
Contribution for six-month period ended November 30, 2020	753,666
Net loss and comprehensive loss for the period	(628,797)
Balance, November 30, 2020	\$10,867,697

The accompanying notes are an integral part of the carve-out financial statements.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

1. BUSINESS ACTIVITIES AND GOING CONCERN

On January 27, 2021, G2 Goldfields Inc. (G2) announced its intention to transfer its Sandy Lake Gold Properties (the “Properties”) to a wholly owned subsidiary, S2 Minerals Inc. (S2). It is further proposed (subject to shareholder approval) to distribute the shares of S2 to the shareholders of G2 on a pro-rata basis. A formal agreement giving effect to the arrangement was signed on February 2, 2021 (note 5).

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. Currently all communication with the First Nations community is remote and strict quarantine protocols make physical work at the site impossible. 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. Explorations activities are currently restricted on the Sandy Lake properties until further notice.

The Company’s carve-out financial statements were authorized for issue by the Board of Directors on February 24, 2021.

2. BASIS OF PREPARATION

The carve-out financial statements reflect the exploration and evaluation expenditures relating to the Sandy Lake, Ontario properties of G2.

The carve-out financial statement have been prepared from the records of G2 and include exploration and evaluation expenditures associated with the Sandy Lake Properties.

G2 acquired the Sandy Lake Properties in early 2017 and these properties were the sole focus of G2 in both 2017 and 2018.

During its fiscal year 2019 considerable effort was expended by G2 to acquire its properties in Guyana, and the Sandy Lake Properties were largely on hold pending discussions with First Nations. Accordingly, a portion of the general and administrative expenditures from G2 for the years ended 2019 and 2020 and the six month periods ended November 30, 2019 and 2020 are included in the carve-out statements of loss and comprehensive loss.

The results do not necessarily reflect what the results of operations, financial position, or cash flows that would have been had the Sandy Lake Properties been a separate entity.

The information reported in the carve-out financial statements are stated in accordance with International Financial Reporting Standards. The functional and presentation currency of these carve-out financial statements is the Canadian dollar.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

Carve-out assumptions

- 1) The carve-out financial statements include 100% of all costs incurred by G2 with respect to the exploration and evaluation activities of the Sandy Lake Properties. See note 3 for the accounting policy regarding the Exploration and Evaluation Assets.
- 2) The carve-out financial statements include a portion of general and administrative expenditures from the consolidated financial statements of G2 as it is assumed that in order to operate the Sandy Lake Properties on a stand alone basis, general and administrative costs would be incurred as part of the on-going operations. General and administrative costs were allocated from G2 on the following basis:
 - a. 100% of the general and administrative expenditures related to operating the Sandy Lake Properties are included in the carve-out financial statements.
 - b. General and administrative expenditures not directly related to operating the Sandy Lake properties are not included in the carve-out financial statements.
 - c. 50% of the remaining general and administrative expenditures are included in the carve-out financial statements where judgement is required – refer to above where its noted that G2 has 2 on-going projects.
- 3) The carve-out financial statements include a portion of accounts payable from the consolidated financial statements of G2 using the same assumptions noted above for general and administrative expenditures.

Use of Estimates and Judgement

The preparation of carve-out financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the carve-out financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring significant estimates and judgments by management include, but are not limited to:

- Mining interests - the Company capitalizes the exploration and evaluation expenditures in the statement of financial position. Where an indicator of impairment exists, management will perform an impairment test and if the recoverable amount is less than the carrying value, record an impairment charge.
- Contingency liability - management believes that the allegations made by Treasury Metals Inc. (formerly Goldeye Explorations Limited) ("Goldeye") are without merit and the Company has defended and intends to continue to defend its position and as such no provision for any potential payment has been expensed.
- Carve-out assumptions – Management has used judgement when allocating general and administrative costs from the consolidated financial statements of G2 (see above).

3. SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

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

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

(a) Exploration and Evaluation Assets

Exploration and evaluation assets include mining interests

Exploration and evaluation costs, including the cost of acquiring licenses, are capitalized as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a license is relinquished or a project is abandoned, the related costs are recognized in net loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) fact and circumstances suggest that the carrying amount exceeds the recoverable amount (see Impairment).

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets. Expenditures deemed to be unsuccessful are recognized in net loss immediately. The Company capitalizes all costs to defend title of its mining interests.

Pre-exploration and evaluation expenditures

Exploration and evaluation costs incurred prior to acquiring the right to explore mining interests are expensed as exploration and evaluation costs on a project-by-project basis. If the costs incurred cannot be directly attributed to a project that is going to be pursued beyond the pre-exploration and evaluation stage, they are expensed.

Title

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests.

(b) Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

(c) Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

Below is a summary showing the classification and measurement bases of the Company's financial instruments.

<u>Classification</u>	<u>IFRS 9</u>
Accounts payable and other liabilities	Amortized Cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Impairment

The carrying amounts of the entities' non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net loss.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

(e) New Accounting Policies Adopted

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. Based on the entities' assessment, this standard does not have a significant impact on its carve-out financial statements.

4. MINERAL PROPERTY INTERESTS

	Sandy Lake Property
Balance at May 31, 2018	\$ 8,533,346
Additions	1,877,065
Balance at May 31, 2019	\$10,410,411
Additions	456,874
Balance May 31, 2020	\$10,867,285
Additions	106,329
Balance, November 30, 2020	\$10,973,614

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"):

- 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

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

- Complete expenditures on the Weebigee Project of an aggregate total of \$5,000,000 over 4 years:
 - i. \$500,000 on or prior to the first anniversary;
 - ii. \$1,000,000 on or prior to the second anniversary;
 - iii. \$1,500,000 on or prior to the third anniversary; and
 - iv. \$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"):

- 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:
 - i. three cash payments to Goldeye of an aggregate total of \$1,500,000 over 2 years;
 - ii. complete expenditures on the Weebigee Project of \$1,000,000 prior to the 1st anniversary of the 70% Option notice date;
 - iii. complete additional expenditures on the Weebigee Project of \$2,000,000 prior to the 2nd anniversary of the 70% Option notice date.

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

In the event that the company exercises the 50.1% Option and/or the 70% Option, the company and Goldeye shall be deemed to have formed a new joint venture and shall enter into and deliver a Joint Venture Agreement, which shall govern their relationship in respect of the Weebigee Project. The company will be the operator of the Weebigee Project during the term of the option and the manager of the Weebigee Project following the formation of the joint venture. Under the Joint Venture Agreement, the company and Goldeye will be required to contribute their pro rata share of further expenditures on the Weebigee Project based on their respective percentage interest in the joint venture from time to time on standard industry terms.

During the fiscal year ended 2016, GPM agreed to sell its interests in the Sandy Lake property in consideration of the issuance of 40,000,000 common shares of the company valued at \$6,000,000. The Company has accounted for the acquisition as an asset as the asset is not a business

It was a condition to the completion of the Acquisition that GPM shall effect a distribution of the consideration shares to its shareholders following the closing of the Acquisition (the "Share Distribution"). The Shares Distribution was effected on September 16, 2016. Following the closing of the Acquisition, the Board of Directors of the company was reconstituted to and consist of five (5) directors, three (3) of which are nominees of the Company and two (2) of which are nominees of GPM.

On April 23, 2016, the Company announced that Goldeye contended that the Additional Interest had become part of the property comprising the Weebigee Project and had become subject to a 50/50 joint venture between GPM and Goldeye, all pursuant to an option agreement between GPM and Goldeye. As Goldeye did not make timely payment to GPM of its pro rata share of the costs of acquiring the Additional Interest as required, the Company has been advised that GPM disagrees with any such assertion that Goldeye has acquired, or has the right to acquire, any rights or interest in the Additional Interest.

On June 21, 2016, the Acquisition was approved by shareholders of the Company and on July 21, 2016, the Acquisition was completed.

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

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

("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.

The company was advised by GPM that it disputes Goldeye's allegations contained in the notice, and the Company has defended Goldeye's arbitration claims accordingly.

On October 14, 2016, the Company was advised by GPM that it responded to Goldeye's notice.

On May 8, 2017, the Company received a notice of default pursuant to the Option Agreement. The notice of default alleges that the Company is in default of the Option Agreement as a result of failing to make a cash payment of \$150,000 thereunder on or prior to May 5, 2017. As per the notice of default, the Company had 30 days from May 8, 2017 to make the payment. The Company paid the \$150,000 on May 24, 2017. In addition, Goldeye provided notice that it is seeking to elect to have four mineral claims recently staked by the Company included as part of the property governed by 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.

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

There were a number of findings in the reasons for the award that will assist the Company as it manages its operations, including that (a) the Company can unilaterally communicate and manage the issues on site with the First nations; and (b) Goldeye has no basis under the Option Agreement to control or direct any of the Company's exploration work.

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

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.

Significantly, the Tribunal also ruled that Goldeye failed to fulfill the conditions for participating as a joint venturer in the surrounding mineral claim land package of approximately 80,000 acres (2,210 claim units), and that Goldeye has no ownership or any other rights over or interests in these claims.

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 May 23, 2019, TMI made a payment of \$8,016, which represents 50% of the costs of acquisition of 315 newly staked mining claims that was completed in February 2019 by the Company. However, G2 insisted that Goldeye owes the Company the amount of at least \$926,960 pursuant to Cost Award dated January 16, 2019 and any amount paid by Goldeye will be applied first to pay its outstanding debt owing pursuant to the Cost Award and thus, cannot constitute any contribution towards the costs of acquisition of 315 mining claims.

On August 6, 2019, a notice of default was sent by Goldeye insisting that the Company has failed to meet its expenditure obligation under the terms of the original option agreement as the Company did not complete expenditures as defined in the agreement, of \$1,000,000 and \$1,500,000 on or prior to the 2nd and 3rd anniversary of the effective date which was subsequently extended by the arbitration panel's ruling to June 28, 2018 for the 2nd anniversary deadline and March 16, 2019 for the 3rd anniversary deadline. In addition, Goldeye asserted that the general and administrative expenditures were not accurately calculated.

On September 3, 2019, the Company sent the response letter in connection to the notice of default letter dated August 6, 2019 sent by Goldeye rejecting said claims as described above.

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 September 19, 2019, the Company responded to the September 13, 2019 letter from Goldeye noting that the Company would like to schedule a meeting to resolve the following disputes:

SANDY LAKE PROPERTIES

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

For the years ended May 31, 2020 and 2019 (Audited) and the six months ended November 30, 2020 (Unaudited)

(expressed in Canadian dollars)

- the timing for the second and third anniversaries of the effective date particulars of the expenditures incurred by the Company, including the percentage of general and administrative expenditures to be included;
- the amount the Company is required to pay to Goldeye to cure its default; and
- the requirement to communicate any and all discussions with First Nations as it relates to the Option Agreement.

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.

Goldeye has accepted that the expenditure commitments have been met and accordingly entered into a joint venture agreement with the Company on November 9, 2020. The agreement sets out the party's respective interests in the joint venture, being 50.1% owned by the Company. Title to the mineral claims has been transferred to the Company as required by the agreement and the Company has been appointed Manager of the project.

5. SUBSEQUENT EVENTS

On February 2, 2021 the G2 and S2 entered into an arrangement agreement, subject to shareholder approval to transfer its entire interest in G2's Sandy Lake properties to S2, at the time its wholly owned subsidiary.

Under the terms of the agreement G2 has undertaken to take back S2 common shares and distribute them pro-rata to its shareholders. As part of the arrangement S2 will issue rights to the holders of its common shares post arrangement, allowing them to purchase additional shares of S2 to raise proceeds of \$1.2 million. Mr. Sheridan, together with Mr. Noone have agreed to subscribe for any unexercised rights sufficient to raise the \$1.2 million.

**CARVE-OUT INTERIM FINANCIAL STATEMENTS
of the SANDY LAKE PROPERTIES**

**For the Nine Months Ended
February 28, 2021
(Unaudited)**

(Expressed in Canadian Dollars)

SANDY LAKE PROPERTIES**INTERIM CARVE-OUT STATEMENTS OF FINANCIAL POSITION**

(expressed in Canadian dollars)

	As at February 28, 2021 (Unaudited)	As at May 31, 2020 (Audited)
ASSETS		
Long Term assets		
Mineral property interest (note 4)	\$10,997,610	\$10,867,285
Total long-term assets	10,997,610	10,867,285
<hr/>		
Total assets	\$10,997,610	\$10,867,285
<hr/>		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	262,916	124,457
Total liabilities	262,916	124,457
<hr/>		
Net investment		
Owners' net investment	10,734,694	10,742,828
Net investment	10,734,694	10,742,828
<hr/>		
Total liabilities and net investment	\$10,997,610	\$10,867,285

“Dan Noone” (signed)
President and Chief Executive Officer

The accompanying notes are an integral part of the unaudited interim carve-out financial statements.

SANDY LAKE PROPERTIES**INTERIM CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Unaudited)**

(expressed in Canadian dollars)

	Three months ended		Nine months ended	
	February 28	February 29	February 28,	February 29,
	2021	2020	2021	2020
Expenses				
General and administrative	\$413,951	\$84,992	\$1,042,749	\$387,642
Loss and comprehensive loss for the period	\$(413,951)	\$(84,992)	\$(1,042,749)	\$(387,642)

The accompanying notes are an integral part of the unaudited interim carve-out financial statements.

SANDY LAKE PROPERTIES
INTERIM CARVE-OUT STATEMENTS OF CASH FLOWS
(Unaudited)
(expressed in Canadian dollars)

	Nine months ended	
	February 28,	February 29,
	2021	2020
Operating Activities		
Loss and Comprehensive Loss	\$(1,042,749)	\$(387,642)
Changes in working capital	138,459	(620,119)
	<u>(904,290)</u>	<u>(1,007,761)</u>
Investing Activities		
Property expenditures	(130,325)	(388,705)
	<u>(130,325)</u>	<u>(388,705)</u>
Financing Activities		
Owners' contribution	1,034,615	1,396,466
	<u>1,034,615</u>	<u>1,396,466</u>
Opening and Closing Cash	\$ -	\$-

The accompanying notes are an integral part of the unaudited interim carve-out financial statements.

SANDY LAKE PROPERTIES**INTERIM CARVE-OUT STATEMENTS OF CHANGES IN OWNERS' NET INVESTMENT****(Unaudited)**

(expressed in Canadian dollars)

	Sandy Lake Property
Balance at May 31, 2019	\$ 9,677,182
Contributions in the period	1,396,466
Net loss and comprehensive loss for the period	(387,642)
Balance at Feb 29, 2020	\$ 10,686,006
<hr/>	
Balance at May 31, 2020	\$10,742,828
Contribution for the period	1,034,615
Net loss and comprehensive loss for the period	(1,042,749)
Balance, February 28, 2021	\$10,734,694

The accompanying notes are an integral part of the unaudited interim carve-out financial statements.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

1. BUSINESS ACTIVITIES AND GOING CONCERN

On February 2, 2021, G2 Goldfields Inc. (G2) entered into an agreement to transfer its Sandy Lake Gold Properties (the “Properties”) to a wholly owned subsidiary, S2 Minerals Inc. (S2). Under the terms of the agreement G2 has undertaken to take back S2 common shares and distribute them pro-rata to its shareholders (subject to shareholder approval). As part of the arrangement S2 will issue rights to the holders of its common shares post arrangement, allowing them to purchase additional shares of S2 to raise proceeds of \$1.2 million. Mr. Sheridan, together with Mr. Noone have agreed to subscribe for any unexercised rights sufficient to raise the \$1.2 million (note 5).

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. Currently all communication with the First Nations community is remote and strict quarantine protocols make physical work at the site impossible. 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. Explorations activities are currently restricted on the Sandy Lake properties until further notice.

These unaudited interim carve-out financial statements were authorized for issue by the Board of Directors on June 16, 2021.

2. BASIS OF PREPARATION

The unaudited interim carve-out financial statements reflect the exploration and evaluation expenditures relating to the Sandy Lake, Ontario properties of G2.

The unaudited interim carve-out financial statements have been prepared from the records of G2 and include exploration and evaluation expenditures associated with the Sandy Lake Properties.

G2 acquired the Sandy Lake Properties in early 2017 and these properties were the sole focus of G2 in both 2017 and 2018.

A portion of the general and administrative expenditures from G2 for the years ended 2019 and 2020 and the nine-month periods ended February 28, 2021 and February 29, 2020 are included in the interim carve-out statements of loss and comprehensive loss.

The results do not necessarily reflect what the results of operations, financial position, or cash flows that would have been had the Sandy Lake Properties been a separate entity.

The information reported in the unaudited interim carve-out financial statements are stated in accordance with International Financial Reporting Standards. The functional and presentation currency of these unaudited interim carve-out financial statements is the Canadian dollar.

The unaudited interim carve-out financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the Accounting Standards Board (“IASB”) and interpretations of the International Reporting Interpretations Committee (“IFRC”).

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Carve-out assumptions

- 1) The unaudited interim carve-out financial statements include 100% of all costs incurred by G2 with respect to the exploration and evaluation activities of the Sandy Lake Properties. See note 3 for the accounting policy regarding the Exploration and Evaluation Assets.
- 2) The unaudited interim carve-out financial statements include a portion of general and administrative expenditures from the consolidated financial statements of G2 as it is assumed that in order to operate the Sandy Lake Properties on a stand alone basis, general and administrative costs would be incurred as part of the on-going operations. General and administrative costs were allocated from G2 on the following basis:
 - a. 100% of the general and administrative expenditures related to operating the Sandy Lake Properties are included in the unaudited interim carve-out financial statements.
 - b. General and administrative expenditures directly related to a property other than the Sandy Lake Properties are not included in the unaudited interim carve-out financial statements.
 - c. 50% of the remaining general and administrative expenditures are included in the unaudited interim carve-out financial statements where judgement is required – refer to above where its noted that G2 has 2 on-going projects.
- 3) The unaudited interim carve-out financial statements include a portion of accounts payable from the consolidated financial statements of G2 using the same assumptions noted above for general and administrative expenditures.

Use of Estimates and Judgement

The preparation of unaudited interim carve-out financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited interim carve-out financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring significant estimates and judgments by management include, but are not limited to:

- Mining interests - the Company capitalizes the exploration and evaluation expenditures in the statement of financial position. Where an indicator of impairment exists, management will perform an impairment test and if the recoverable amount is less than the carrying value, record an impairment charge.
- Contingency liability - management believes that the allegations made by Treasury Metals Inc. (formerly Goldeye Explorations Limited) ("Goldeye") are without merit and the Company has defended and intends to continue to defend its position and as such no provision for any potential payment has been expensed.
- Carve-out assumptions – Management has used judgement when allocating general and administrative costs from the consolidated financial statements of G2 (see above).

3. SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

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

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Overall considerations (continued)

(a) Exploration and Evaluation Assets

Exploration and evaluation assets include mining interests

Exploration and evaluation costs, including the cost of acquiring licenses, are capitalized as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a license is relinquished or a project is abandoned, the related costs are recognized in net loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) fact and circumstances suggest that the carrying amount exceeds the recoverable amount (see Impairment).

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets. Expenditures deemed to be unsuccessful are recognized in net loss immediately. The Company capitalizes all costs to defend title of its mining interests.

Pre-exploration and evaluation expenditures

Exploration and evaluation costs incurred prior to acquiring the right to explore mining interests are expensed as exploration and evaluation costs on a project-by-project basis. If the costs incurred cannot be directly attributed to a project that is going to be pursued beyond the pre-exploration and evaluation stage, they are expensed.

Title

Ownership in mineral properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests.

(b) Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Overall considerations (continued)

(c) Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

Below is a summary showing the classification and measurement bases of the Company's financial instruments.

<u>Classification</u>	<u>IFRS 9</u>
Accounts payable and other liabilities	Amortized Cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Overall considerations (continued)

(c) Financial Instruments (continued)

Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Impairment

The carrying amounts of the entities' non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net loss.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Overall considerations (continued)

(d) Impairment (continued)

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

4. MINERAL PROPERTY INTERESTS

	Sandy Lake Property
Balance at May 31, 2020	\$10,867,285
Additions	130,325
Balance February 28, 2021	\$10,997,610

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"):

- 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:
 - i. \$500,000 on or prior to the first anniversary;
 - ii. \$1,000,000 on or prior to the second anniversary;
 - iii. \$1,500,000 on or prior to the third anniversary; and
 - iv. \$2,000,000 on or prior to the fourth anniversary.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Sandy Lake Project, Ontario, Canada (continued)

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

- 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:
 - i. three cash payments to Goldeye of an aggregate total of \$1,500,000 over 2 years;
 - ii. complete expenditures on the Weebigee Project of \$1,000,000 prior to the 1st anniversary of the 70% Option notice date;
 - iii. complete additional expenditures on the Weebigee Project of \$2,000,000 prior to the 2nd anniversary of the 70% Option notice date.

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

In the event that the company exercises the 50.1% Option and/or the 70% Option, the company and Goldeye shall be deemed to have formed a new joint venture and shall enter into and deliver a Joint Venture Agreement, which shall govern their relationship in respect of the Weebigee Project. The company will be the operator of the Weebigee Project during the term of the option and the manager of the Weebigee Project following the formation of the joint venture. Under the Joint Venture Agreement, the company and Goldeye will be required to contribute their pro rata share of further expenditures on the Weebigee Project based on their respective percentage interest in the joint venture from time to time on standard industry terms.

During the fiscal year ended 2016, GPM agreed to sell its interests in the Sandy Lake property in consideration of the issuance of 40,000,000 common shares of the company valued at \$6,000,000. The Company has accounted for the acquisition as an asset as the asset is not a business

It was a condition to the completion of the Acquisition that GPM shall effect a distribution of the consideration shares to its shareholders following the closing of the Acquisition (the "Share Distribution"). The Shares Distribution was effected on September 16, 2016. Following the closing of the Acquisition, the Board of Directors of the company was reconstituted to and consist of five (5) directors, three (3) of which are nominees of the Company and two (2) of which are nominees of GPM.

On April 23, 2016, the Company announced that Goldeye contended that the Additional Interest had become part of the property comprising the Weebigee Project and had become subject to a 50/50 joint venture between GPM and Goldeye, all pursuant to an option agreement between GPM and Goldeye. As Goldeye did not make timely payment to GPM of its pro rata share of the costs of acquiring the Additional Interest as required, the Company has been advised that GPM disagrees with any such assertion that Goldeye has acquired, or has the right to acquire, any rights or interest in the Additional Interest.

On June 21, 2016, the Acquisition was approved by shareholders of the Company and on July 21, 2016, the Acquisition was completed.

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.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Sandy Lake Project, Ontario, Canada (continued)

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 alleged 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.

The Company was advised by GPM that it disputes Goldeye's allegations contained in the notice, and the Company has defended Goldeye's arbitration claims accordingly.

On October 14, 2016, the Company was advised by GPM that it responded to Goldeye's notice.

On May 8, 2017, the Company received a notice of default pursuant to the Option Agreement. The notice of default alleges that the Company is in default of the Option Agreement as a result of failing to make a cash payment of \$150,000 thereunder on or prior to May 5, 2017. As per the notice of default, the Company had 30 days from May 8, 2017 to make the payment. The Company paid the \$150,000 on May 24, 2017.

In addition, Goldeye provided notice that it is seeking to elect to have four mineral claims recently staked by the Company included as part of the property governed by 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.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Sandy Lake Project, Ontario, Canada (continued)

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.

There were a number of findings in the reasons for the award that will assist the Company as it manages its operations, including that (a) the Company can unilaterally communicate and manage the issues on site with the First nations; and (b) Goldeye has no basis under the Option Agreement to control or direct any of the Company's exploration work.

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

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.

Significantly, the Tribunal also ruled that Goldeye failed to fulfill the conditions for participating as a joint venturer in the surrounding mineral claim land package of approximately 80,000 acres (2,210 claim units), and that Goldeye has no ownership or any other rights over or interests in these claims.

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 May 23, 2019, TMI made a payment of \$8,016, which represents 50% of the costs of acquisition of 315 newly staked mining claims that was completed in February 2019 by the Company. However, G2 insisted that Goldeye owes the Company the amount of at least \$926,960 pursuant to Cost Award dated January 16, 2019 and any amount paid by Goldeye will be applied first to pay its outstanding debt owing pursuant to the Cost Award and thus, cannot constitute any contribution towards the costs of acquisition of 315 mining claims.

SANDY LAKE PROPERTIES

NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS

For the nine months ended February 28, 2021

(Unaudited)

(expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Sandy Lake Project, Ontario, Canada (continued)

On August 6, 2019, a notice of default was sent by Goldeye insisting that the Company has failed to meet its expenditure obligation under the terms of the original option agreement as the Company did not complete expenditures as defined in the agreement, of \$1,000,000 and \$1,500,000 on or prior to the 2nd and 3rd anniversary of the effective date which was subsequently extended by the arbitration panel's ruling to June 28, 2018 for the 2nd anniversary deadline and March 16, 2019 for the 3rd anniversary deadline. In addition, Goldeye asserted that the general and administrative expenditures were not accurately calculated.

On September 3, 2019, the Company sent the response letter in connection to the notice of default letter dated August 6, 2019 sent by Goldeye rejecting said claims as described above.

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 September 19, 2019, the Company responded to the September 13, 2019 letter from Goldeye noting that the Company would like to schedule a meeting to resolve the following disputes:

- the timing for the second and third anniversaries of the effective date particulars of the expenditures incurred by the Company, including the percentage of general and administrative expenditures to be included;
- the amount the Company is required to pay to Goldeye to cure its default; and
- the requirement to communicate any and all discussions with First Nations as it relates to the Option Agreement.

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.

Goldeye has accepted that the expenditure commitments have been met and accordingly entered into a joint venture agreement with the Company on November 9, 2020. The agreement sets out the party's respective interests in the joint venture, being 50.1% owned by the Company. Title to the mineral claims has been transferred to the Company as required by the agreement and the Company has been appointed Manager of the project.

5. SUBSEQUENT EVENTS

On March 29, 2021 at G2's special meeting of shareholders the previously announced spin-out of G2's Sandy Lake Properties was approved. Following the shareholder vote the Ontario Superior Court of Justice approved the spin-out on March 31, 2021. The spin-out was completed on April 9, 2021.

On May 18, 2021, S2 announced the completion of their rights offering with all rights oversubscribed. S2 received a total of \$1,200,000 and as the offering was oversubscribed the agreement with Mr. Sheridan and Mr. Noone did not result in their subscribing for any unexercised rights.

S2 MINERALS INC.
UNAUDITED PRO FORMA
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
FEBRUARY 28, 2021
(Expressed in Canadian Dollars)

S2 MINERALS INC**UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION****As at February 28, 2021**

(expressed in Canadian dollars)

	S2 Minerals Inc	Carve-Out G2 Sandy Lake as at February 28, 2021	Pro Forma Adjustments	Note 3	Pro Forma Consolidated as at February 28, 2021
ASSETS					
Current assets					
Cash	\$ 1	-	\$ 1,200,000	(a)	\$ 1,200,001
	1	-	1,200,000		1,200,001
Non-current assets					
Mineral property interest	-	10,997,610	-		10,997,610
	-	10,997,610	-		10,997,610
Total assets	\$ 1	\$ 10,997,610	\$ 1,200,000		\$ 12,197,611
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	\$ 135,416	\$ 262,916	\$ (262,916)	(b)	\$ 135,416
Total Liabilities	135,416	262,916	(262,916)		135,416
Shareholders' deficiency					
Share capital	1	-	13,240,359	(a,b)	13,240,360
Owners' net investment	-	10,734,694	(10,734,694)	(b)	-
Deficit	(135,416)	-	(1,042,749)		(1,178,165)
Total shareholders' equity	(135,415)	10,734,694	1,462,916		12,062,195
Total liabilities and shareholders' equity	\$ 1	\$ 10,997,610	\$ 1,200,000		\$ 12,197,611

The accompanying notes are an integral part of the pro forma financial statements.

S2 MINERALS INC.**UNAUDITED PRO FORMA STATEMENT OF LOSS****For the nine months ended February 28, 2021**

(expressed in Canadian dollars)

	S2 Minerals Inc	Carve-Out G2 Sandy Lake Properties for the Nine Months Ended February 28, 2021	Pro Forma Adjustments	Note 3	Pro Forma for the Nine Months Ended February 28, 2021
Expenses					
General and administrative	\$ 135,416	\$ 1,042,749	\$ -		\$ 1,178,165
Loss for the period	\$ (135,416)	\$ (1,042,749)	\$ -		\$ (1,178,165)
Loss per share attributable to common shareholders					
Basic loss per share	\$ (135,416)	\$ -	\$ -		\$ 0.05
Diluted loss per share	\$ (135,416)	\$ -	\$ -		\$ 0.05
Weighted average shares outstanding:					
Basic	1	-	25,311,333	(a,b)	25,311,334
Diluted	1	-	25,311,333	(a,b)	25,311,334

The accompanying notes are an integral part of the pro forma financial statements

S2 MINERALS INC.**UNAUDITED PRO FORMA STATEMENT OF LOSS****For the year ended May 31, 2020**

(expressed in Canadian dollars)

	S2 Minerals Inc	Carve-Out G2 Sandy Lake Properties for the Year Ended May 31, 2020	Pro Forma Adjustments	Note 3	Carve-Out G2 Sandy Lake Properties for the Year Ended May 31, 2020
Expenses					
General and administrative	\$ -	\$ 716,384	\$ -		\$ 716,384
Loss and comprehensive loss for the year	\$ -	\$ (716,384)	\$ -		\$ (716,384)
Loss per share attributable to common shareholders					
Basic loss per share	\$ -	\$ -	\$ -		\$ 0.03
Diluted loss per share	\$ -	\$ -	\$ -		\$ 0.03
Weighted average shares outstanding:					
Basic	-	-	25,311,334	(a,b)	25,311,334
Diluted	-	-	25,311,334	(a,b)	25,311,334

The accompanying notes are an integral part of the pro forma financial statements

S2 MINERALS INC.

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL STATEMENTS

For the nine month period ended February 28, 2021 and the year ended May 31, 2020

(expressed in Canadian dollars)

1. BASIS OF PREPARATION

The accompanying unaudited pro forma financial statements of S2 Minerals Inc. (“Spinco”) have been prepared by management. Pursuant to the Arrangement Resolution (“Arrangement Resolution”), approved by the shareholders of G2 Goldfields Inc. (“G2”), on March 29, 2021, G2 will spin out G2’s Canadian Sandy Lake Properties into a separate entity Spinco which will be a reporting issuer and will hold G2’s Canadian Properties (“the Arrangement”).

Following the steps of the Arrangement, on approval of the Arrangement Resolution, S2 Minerals Inc. will issue to G2 approximately 12 million shares, reflecting the number of issued and outstanding shares of G2 immediately prior to the close of the transaction, consolidated on a 1 for 10 basis. In exchange, G2 will transfer to S2 Minerals Inc. its Sandy Lake Properties. This exchange is carried out by entities under common control and will be recorded at carrying amounts representing the value of the 12 million shares of S2 Minerals Inc.. G2 will immediately transfer the shares of S2 Minerals Inc. to their shareholders as part of the Arrangement.

Upon closing the transaction, all of the shares of S2 Minerals Inc. will be owned by existing G2 shareholders in identical proportion to their pre-Arrangement shareholdings of G2. Closing the Arrangement is subject to several conditions including, but not limited to, approval by the G2 shareholders.

The unaudited pro forma financial statements for S2 Minerals Inc. have been compiled from and include:

- a) an unaudited pro forma statement of financial position, which combines the audited statement of financial position of S2 Minerals Inc. at February 28, 2021 and the unaudited carve-out statement of financial position of G2’s Sandy Lake Properties as at February 28, 2021, giving effect to the Arrangement Resolution as if it had occurred on February 28, 2021.
- b) an unaudited pro forma statement of loss, which reflects the carve-out statement of loss and comprehensive loss for G2’s Sandy Lake Properties for the year ended May 31, 2020 (audited), giving effect to the Arrangement Agreement as if it had occurred on May 31, 2020 (S2 Minerals Inc. had no income statement activities as of May 31, 2020), and a statement of loss for the period ended February 28, 2021 which combines S2 Mineral Inc’s statement of loss and comprehensive loss for the period from the date of incorporation November 30, 2020 to February 28, 2021 (audited) and the carve-out statement of loss and comprehensive loss for G2’s Sandy Lake Properties for the nine months ended February 28, 2021 (unaudited) , giving effect to the Arrangement Agreement as if it had occurred on February 28, 2021.

These unaudited pro forma financial statements are provided for illustrative purposes only, and do not purport to represent the financial position that would have resulted had the Arrangement actually occurred on February 28, 2021, or the results of operations that would have resulted had the Arrangement actually occurred on February 28, 2021. Further, these pro forma financial statements are not necessarily indicative of the future financial position or results of operations of G2’s Sandy Lake Properties as a result of the Arrangement. These unaudited pro forma financial statements should be read in conjunction with the audited carve-out financial statements of G2’s Sandy Lake Properties for the years ended May 31, 2020 and 2019, unaudited carve-out financial statements of G2’s Sandy Lake Properties for the nine months ended February 28, 2021 and the audited financial statements of S2 Minerals Inc. as at February 28, 2021, all of which are contained in the listing statement.

The unaudited pro forma financial statements should be read in conjunction with the description of the Transaction included elsewhere in the listing statement.

S2 MINERALS INC.

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL STATEMENTS

For the nine month period ended February 28, 2021 and the year ended May 31, 2020

(expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma financial statements have been compiled by management using accounting policies as set out in the unaudited carve-out financial statements of G2's Sandy Lake Properties for the nine months ended February 28, 2021 and the audited carve-out financial statements of G2's Sandy Lake Properties for the years ended May 31, 2020 and 2019.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

- a) Pursuant to the Arrangement, S2 will issue one S2 Right for each S2 common share outstanding. Such rights entitle the shareholders to purchase additional common shares in S2 Minerals Inc. at a price of \$0.10 per share. In connection with this, S2 issued 12 million shares raising gross proceeds of 1,200,000.
- b) As a result of the Arrangement, G2 Shareholders will continue to hold their G2 Common Shares and will receive one S2 Minerals Inc. Common Share and one S2 Minerals Inc. Right for every ten G2 Common Shares held.

SCHEDULE "B"
MD&A OF S2 MINERALS INC.

(See attached)

S2 Minerals Inc.

Management's Discussion and Analysis

**For the Period from November 30, 2020 (date of incorporation)
to February 28, 2021**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This management's discussion and analysis ("MD&A") dated June 18, 2021 should be read in conjunction with the audited financial statements of S2 Minerals Inc. ("S2" or the "Company") for the period from November 30, 2020 (date of incorporation) to February 28, 2021, together with the notes thereto. The results presented for the period from November 30, 2020 (date of incorporation) to February 28, 2021 are not necessarily indicative of the results expected for any future period.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in the following MD&A constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "believes," or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of S2 to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF THE BUSINESS

S2 was incorporated on November 30, 2020 under the laws of the Province of Ontario. The Company's head office is located at 141 Adelaide Street West, Toronto, Ontario, Canada, M5H 3L5. The Company was incorporated for the sole purpose of participating in the plan of arrangement (the "Arrangement") announced February 2, 2021 involving the Company and G2 Goldfields Inc. ("G2"). The Company has not carried on any active business other than in connection with the Arrangement.

Pursuant to the Arrangement as described in the Management Information Circular (the "Circular") of G2 dated February 25, 2021, G2 will transfer its Canadian Sandy Lake exploration properties to S2 in exchange for common shares of S2. Following the transfer G2 will then distribute all of the S2 shares to the G2 shareholders on the basis of one S2 share for every ten G2 shares held. G2's existing shareholders will own 100% of S2's shares.

The Arrangement received shareholder approval on March 29, 2021 and Ontario court approval on March 31, 2021. The Arrangement was completed on April 9, 2021.

Further information about the Company and its operations can be obtained from the office of S2 and from S2's profile at www.sedar.com.

DISCUSSION OF OPERATIONS

During the period from incorporation to February 28, 2021, the Company had no active operations.

SELECTED QUARTERLY INFORMATION

The Company's quarterly information is prepared in accordance with International Financial Reporting Standards.

	Revenue	Profit or Loss	Total Assets
	\$	\$ Per Share	\$
Period from Incorporation, November 30, 2020 to February 28, 2021	-	(135,416)	1

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient to meet its liabilities when due. As at February 28, 2021, the Company had a cash balance of \$1 and was dependent on the successful completion of the rights offering (the "Rights Offering") that was contemplated in the Arrangement. The Rights Offering was fully subscribed and the Company received proceeds of \$1,265,567 in May, 2021. At the date of this MD&A, the Company had funds on deposit of \$1,265,567. As part of the Arrangement, G2 agreed to fund the costs of the Arrangement.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company including, without limitation, such considerations as liquidity and capital resources that have not been previously discussed.

PROPOSED TRANSACTION

At the date of this MD&A, the Arrangement and the Rights Offering have been completed. There are no additional proposed transactions as at the date of this MD&A.

RELATED PARTY TRANSACTIONS

There are no related party transactions during the period ended February 28, 2021. The Circular has disclosed that Messrs. Sheridan and Noone, as the Chairman and CEO of S2, respectively, have agreed to backstop the Rights Offering guaranteeing that the full \$1,200,000 will be raised from the rights offering.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company has no significant concentration of credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at the date of this MD&A, the Company had cash of \$1,265,567, to settle current liabilities of \$135,416. As at February 28, 2021, the Company had a cash balance of \$1 and was dependent on the successful completion of the Rights Offering. The Rights Offering was fully subscribed and the Company received proceeds of \$1,265,567 in May, 2021. At the date of this MD&A, the Company had funds on deposit of \$1,265,567.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

- i. At the date of this MD&A, the Company had a cash balance of \$1,265,567 and no interest-bearing debt and was not exposed to interest rate risk.

Foreign Currency Risk

The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant gains or losses.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of the date of this MD&A, the global economy continues to be in a period of significant economic volatility, in large part due to US and European economic concerns which have impacted global economic growth and the impact of the Covid-19 pandemic.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Future Accounting Pronouncements

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the Company's accompanying financial statements for the period ended February 28, 2021.

COVID-19

From the end of 2019 to date, the Covid-19 outbreak has resulted in decreased economic activity throughout the world. The rapid development and fluidity of the situation precludes any prediction of its ultimate impact. The Company has developed and implemented a policy drawing on industry and government guidelines and is working with local health authorities to protect its people and the communities in which it operates. There can be no certainty that the restrictive measure to contain the virus will not impact the Company's operations.

Agreement with First Nations

The Sandy Lake properties require prior agreement of the Company's exploration activities with respective First Nations communities. To date negotiations have been successful but are currently on hold pending resolution of the Covid-19 pandemic. There can be no certainty that future negotiations will be productive to the Company's efforts.

FINANCIAL INSTRUMENTS

The Company's financial instrument consists of cash. The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below:

Fair Value

The carrying value of the Company's financial instruments are equal to their carrying value due to their short-term nature.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Restoration, rehabilitation and environmental obligations

Management determined there were no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed in the current and prior years and would trigger recognition of the provision in accordance with IAS 37, "Provision".

Critical accounting judgments

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretations and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

SUBSEQUENT EVENTS

As of the date of this MD&A, there are no reportable subsequent events.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 25,311,334 shares outstanding.

SCHEDULE "C" MINERAL PROJECT

The following disclosure regarding the Sandy Lake Property is derived from the NI 43-101 technical report dated May 17, 2021, prepared by Tania Ilieva, Ph.D., P.Geol. and Kevin Kivi, P.Geol., titled "NI 43-101 Updated Technical Report for the Sandy Lake Gold Project, Red Lake Mining Division, Ontario, Canada" with an effective date of May 17, 2021. The Sandy Lake Report is available under the Issuer's profile on SEDAR www.sedar.com.

Tania Ilieva, Ph.D., P.Geol. and Kevin Kivi, P.Geol., authors of the Sandy Lake Report, are qualified persons for the purposes of NI 43-101, and have reviewed and approved the scientific and technical information contained herein related to the Sandy Lake Property.

Location, Property Description and Ownership

The Sandy Lake Property is a group of mineral claims located approximately 225 kilometres (km) north of Red Lake, northwestern Ontario.

Mining Claims

The Sandy Lake Property consists of 3,225 cell mining claims. The details for the current project land holdings are provided in Table 1.1 and Table 1.2. All claims within the Sandy Lake Property are contiguous.

**Table 1.1
Claim Summary by Type**

Tenure Type	Number	Area	Total Area (ha)
Single cell mining claim	2,927	19.46 ha/claim	56,994.3
Multi-cell mining claim	12	depends on the number of cells	5,052.9
Boundary cell mining claim	286	percentage of the cell	5,556.8
Total	3,225		67,604

Source: Mining Land Administration System (26th January 2021).

**Table 1.2
Sandy Lake Property - Expiry Date, Work Requirements and Exploration Reserve of the Claims**

Expiry Date	Number	Type	Work Required	Work Performed	Exploration Reserve
<i>Active</i>					
06 Jan 2023	533	Single cell claims	213,200	0	0
21 Feb 2021	55	Single cell claims	22,000	0	0
21 Feb 2021	12	Multi-cell claim	104,000	0	0
31 Mar 2021	1	Single cell claim	400	3,200	0
31 Mar 2021	6	Boundary cell claims	2,400	6,800	624
14 Jun 2021	184	Single cell claim	73,600	258,200	3,032,380
14 Jun 2021	121	Boundary cell claims	48,800	61,400	4,628
15 Jun 2021	7	Single cell claim	2,800	10,400	21,521
29 Aug 2021	47	Single cell claim	18,800	36,800	0
29 Aug 2021	16	Boundary cell claims	6,400	5,000	0
22 Sep 2021	3	Single cell claim	1,200	2,400	3,439
22 Sep 2021	3	Boundary cell claims	1,200	1,600	2,160
<i>Hold Special Circumstances Apply</i>					
04 June 2019	131	Boundary cell claims	52,000	0	23,710
04 June 2019	1,255	Single cell claim	502,400	0	234,934
15 Dec 2019	760	Single cell claims	304,000	0	0
10 Apr 2020	30	Single cell claims	12,000	0	0
22 Sep 2020	11	Single cell claims	4,400	2,600	0
22 Sep 2020	9	Boundary claims	3,600	2,400	0
<i>Total</i>					
			1,373,200	390,800	3,323,396

Source: Mining Land Administration System, downloaded on 26th January, 2021.

G2 agreed to transfer all Sandy Lake Property claims to the Issuer in connection with the spin-out. On January 6, 2021, G2 staked online an additional 533 claims. All active claims were transferred to the Issuer on January 21, 2021 on MLAS claim management system for Ontario. However, all claims on “Special Circumstances” cannot be accessed at MLAS registry system for claim transfer due to the current province wide “Special Circumstances Hold” on all claims due for assessment. This includes those claims with an expiry date in 2019, which were originally the subject of an Exclusion of Time application while G2 continued consultation discussions with the relevant First Nations. When the provincial COVID restrictions and quarantine were imposed, these were automatically converted to “Special Circumstances” and when COVID restrictions are lifted, the consultation travel and discussions will resume. Accordingly, G2 transferred its beneficial interest in such claims to the Issuer in connection with the spin-out and will transfer its nominee interest in due course.

G2 and Goldeye Joint Venture Agreement

On April 15, 2015, Goldeye Explorations Limited entered into an option agreement with GPM Metals. In July 2016, GPM assigned all its rights under the option agreement to Sandy Lake Gold Inc. In April 2019, Sandy Lake Gold Inc. was renamed G2 Goldfields Inc.

The 2015 option agreement originally provided that G2 could earn up to a 70% interest in the Sandy Lake Property by achieving certain milestones. In November 2020, G2 notified Treasury Metals Inc. (TML) and its subsidiary Goldeye that it had fulfilled the requirements under the option agreement to earn a 50.1% legal and beneficial interest in the Sandy Lake Property. As such, Goldeye and G2 signed a joint venture agreement with an effective date of November 9, 2020 that provides that G2 would forgo its rights to acquire the additional 19.9% further interest in the Sandy Lake Property under the 2015 option agreement. The value of each participant’s initial contribution in the 2020 joint venture for G2 is \$5,000,000 and for Goldeye is \$4,980,040. As such, G2 has a 50.1% (which was transferred to the Issuer in connection with the spin-out) and Goldeye has a 49.9% initial participating interest. Participants are obligated to contribute funds to approved programs and budgets in proportion to their respective participating interests from and after the effective date.

In 2018 and 2019 G2 staked additional cell claims. A new joint venture, named “South Block Claims JV” (“South Block”) on the 50:50 blocks originated from “Additional Claims” that were staked during the period of the option agreement. Under the option agreement, G2 and Goldeye were then obligated to form a joint venture as per clause 8.3 of the option agreement. Clause 8.3 states “*The 50/50 Joint Venture will be subject to a separate joint venture agreement to be negotiated and entered into by the Parties once the notified Party in Section 8.2 has elected in writing to have an Additional Interest be part of the 50/50 Joint Venture; provided that the form of the joint venture agreement for the 50/50 Joint Venture shall be substantially in the form of the Joint Venture Agreement with only such changes as are necessary to reflect the participating interests of the parties under the 50/50 Joint Venture*”. TML and its subsidiary Goldeye notified G2 and paid for their half of the staking consequently G2 has attributed 50% of those “Southern Block Claims” to Goldeye. G2 (and now the Issuer) and Goldeye are in a process of signing the final joint venture agreement.

The participants in the Weebiege and South Block joint venture can change the participating interest if:

- Participant approved program and budget, but they decided not to contribute to expenditures which are a part of an approved program and budget or elected to contribute less than the percentage reflected by its then current participating interest.
- In the event of default by a participant in making its agreed contribution to an approved program and budget.
- Upon transfer by either participant of part or all of its participating interest.

If one of the participants elect not to contribute to an approved program and budget at all, or to limit its contributions toward expenditures, which are part of an approved program and budget, its participating interest will be adjusted, following the rules set out in the joint venture agreement.

If a participant elects or defaults in meeting cash calls, three or more times in any 24-month period, or upon the dilution of a participant's participating interest to 10% or less, such participant's participating interest shall convert to the following net smelter returns royalties: a 1.5% net smelter returns royalty on the mineral claims other than the lands that comprise Indian Reserve #88. In that part of the mineral claims where an underlying net smelter returns royalty has been granted to another Person as of the date of the option agreement and remains in existence as of the effective date of the joint venture agreement, and the participant whose participating interest is converted will be entitled to receive ongoing royalty payments equal to 1.5% of net smelter returns as calculated and paid in accordance with the royalty terms. On any part of the mineral claims that constitute lands comprising Indian Reserve #88, and where an underlying net smelter return royalty has been granted to another Person as of the date of the option agreement and remains in existence as of the effective date of the joint venture agreement and the participant whose participating interest is so converted shall be entitled thereafter to receive ongoing royalty payments equal to 1.0% of net smelter return as calculated and paid in accordance with the royalty terms.

Both companies are willing to maintain a supportive relationship with the Sandy Lake First Nation (SLFN) in order to advance the project. Through the joint venture agreement, the participants in the joint venture will continue to work collaboratively with SLFN and build on the existing relationship for the mutual benefit of all parties. SLFN will be an important source of personnel, infrastructure and services for the Sandy Lake Property during the early exploration phase, and as the project advances. More information about the community relations between G2 (which will be continued by the Issuer) and SLFN is provided in Section 16.0 of the Sandy Lake Report.

The participants in the joint venture have continuing liabilities upon adjustment of their participating interest. Any reduction or elimination of either participant's participating interest does not relieve such participant of its proportionate share of any liabilities, including, without limitation, continuing obligations, environmental liabilities and environmental compliance, whether arising before or after the reduction or elimination, but prior to such reduction or elimination, regardless of when any funds may be expended to satisfy such liability.

G2 has been granted these exclusions by the Ministry of Northern Development and Mines after work on the claims could not be performed as planned, because work permits were not issued due to complications resulting from the consultation process required under the Mining Act.

Accessibility, Climate, Local Resources and Infrastructure

Sandy Lake is a remote, fly-in First Nation community located in the boreal forested area of Northwestern Ontario along the Severn River. It is 450 km northeast of Winnipeg, Manitoba and 600 km northwest of Thunder Bay, Ontario. The community of Sandy Lake can be reached by daily scheduled flights from Red Lake, and by winter ice road that passes through the settlements of Pikangikum, North Spirit Lake and Deer Lake during January, February and March. Sandy Lake has a subarctic climate with cold winters and moderate-temperature summers with average temperatures of about -20°C in January and 18°C in July. Exploration can be carried out during the whole year.

Sandy Lake has a population of 2,571, and the Kee-Way-Win First Nation has approximately 600 people. The SLFN community has a medical office, elementary and high school, airport. Lumber and some field supplies can be purchased from the local community. Exploration supplies and equipment can be shipped from Red Lake. Skilled workers and professionals can be hired from Red Lake, a mining town with a long history of successful exploration and mining. Local people can be involved in the exploration activities as field assistants and general labourers and provide other services.

Electricity at the Sandy Lake is diesel-generated, provided by Hydro One Remote Communities, an entity regulated by the Ontario Energy Board. Since 2019 the Wataynikaneyap (Wataya) Power Transmission

project is underway. The new electrical transmission system will connect 17 northern First Nation communities to the electrical grid by overhead 115kV and 44kV transmission lines. All communities are scheduled to be connected by the end of 2023.

History

The Sandy Lake Greenstone Belt and the surrounding areas have been attracting exploration and mining companies since the early 1900's.

Through the years the following gold occurrences were documented: Bernadett-Dubeau, Tully (1 and 2), Tully-Burton #1, Sandborn (#1 and #2), BRGML (1, 2, 3 and 4), Sandy A, B, C and E block, Walther-Shephard showing, Fish Tail Point, D. H. Adams (#1 and #2), BRGML Island Prospect, C. K. Hansen showing, White (#1 and #2), Stain Bay BRGML, Dubeau Galena, Bernadette (Veins 3, 4, 5) and Bernadette and Knoll. The gold mineralization is found in iron formation chert, in white quartz-carbonate veins and in areas with more intense biotite alteration.

Geological Setting

Regional Geology

The Sandy Lake Property is located in the North Caribou tectonic domain of the Archean-age Superior Craton (known as the Superior Province) that comprises the core of the North American continent.

The Superior Province amalgamated lithotectonic subprovinces that are separated by major faults and trend northeast to southwest. Subprovinces alternate between granite-greenstone regions and high-grade gneissic blocks, separated by metasedimentary-dominated domains. Currently the Superior Province is considered a mosaic of small continental fragments of Mesoarchean and Neoproterozoic age oceanic plates with a complex aggregation between 2.72 and 2.68 Ga.

The North Caribou Terrane (NCT) is the largest domain with Mesoarchean age of the Superior Province. The basement consists of ca. 3.0 Ga juvenile plutonic rocks and minor volcanic belts covered by early (2.98-2.85 Ga) rift-related and younger (2.85-2.71 Ga) arc sequences (metavolcanics and metasediments). It was affected and re-worked by continental arc magmatism from 2.75 Ga to 2.70 Ga. The terrane has wide transitional north and south margins. The main phase of plutonism was followed by localized strain and shear-zone-hosted gold mineralization, particularly in the Little Stull Lake area near the Ontario-Manitoba border.

The older rock sequences have been interpreted as the result of rifting of passive margins of an older cratonic nucleus, likely related to the intrusion of a mantle plume on the continental and are included within the NCT. The central part of the NCT consists of widespread tonalitic, dioritic, granodioritic, and granitic plutons that crystallized between 2.745 and 2.697 Ga at depths ranging from 18 to 10 km. Within the greenstone belts, thin packages of quartz arenite-carbonate-komatiite have been interpreted as platform type metasediments and plume-related rift deposits. The iron formation that hosted the Musselwhite lode-gold deposit may have formed during development of structures associated with 2.87 Ga pluton emplacement, or during ca. 2.7 Ga events.

The Uchi terrane hosts some of the largest mineral deposits of the western Superior region, including the Red Lake gold camp.

Property Geology

The Sandy Lake Greenstone Belt was part of a re-evaluation of the greenstone belts in northwestern Ontario, completed by a team of Precambrian geoscientists from OGS, lead by Phil Thurston. The study is completed as part of the update of the Geological Map of Ontario at 1:1,000,000 scale. The authors of the Sandy Lake Report divided the belt into four distinct metavolcanic-metasedimentary sequences – Sandborn Bay (south of the Central Sandy Lake Shear Zone), West Arm (or Western Sequence), North Shore (includes Northwest Arm Sequence) and Keewaywin Sequence. All tectono-stratigraphic sequences are separated by shear zones.

The Sandborn Bay Sequence forms the southern part of the greenstone belt and extends from the western shore of Sandborn Bay for 45 km to the east. A basal unit of greywacke and Mg-rich pelites is overlain by up to 450 m of quartzose sediments including conglomerates, with a strike length of 14 km. The quartzose wackes are overlain by a 6 m thick limestone bed. The assemblage of quartzose sediments and carbonates is interpreted to represent a platform environment. The sediments are overlain by about 800 m of pillowed komatiitic flows which extend the length of Sandborn Bay. Talc-antigorite schist is formed in zones of shearing in the komatiites. In central Sandy Lake, turbidites, correlated with the quartzose sediments further west, are overlain by 150 m to 200 m of felsic quartz and feldspar-phyric pumaceous tuff and lapilli tuff, which may correlate with similar units in the North Shore and Keewaywin sequences. Gabbro sills intruded along west-trending axial planar shear zones have cordierite hornfels aureoles where they intersect Mg-rich pelitic sediments, which overprint an amphibolite facies metamorphic mineral assemblage.

The West Arm Sequence (Western Sequence) extends from the Northwest Arm Shear Zone through the West Arm of the Lake to the western end of the greenstone belt. It consists of 3,000 m of tholeiitic and komatiitic pillowed flows and some tuff, which are overlain by metasediments. The sediments are comprised of poorly graded beds of quartzose wacke, which are intercalated with conglomerate beds with a grunerite magnetite matrix and clasts from magnetite iron formation and quartz arenite. A 30 m thick conglomerate unit forms the top of the sequence.

The North Shore Sequence (includes the Northwest Arm Sequence) extends from Northwest Arm of Sandy Lake to the east end. This sequence varies in exposed width from 3,000 to 5,000 m. The sequence is south-younging and consists of pillowed tholeiitic flows at the base (30 m to 100 m thick) and are commonly capped by thin chert or oxide-facies iron formation. The tholeiites are overlain by felsic tuff (100 to 1,500 m) consisting of more than 20 depositional units whose primary structures suggest an ash flow (ignimbrite) origin for the units. The ash-flow tuff is overlain by oxide-facies iron formation. An abrupt reduction in the thickness of the felsic tuff just east of Northwest Arm, combined with a decrease in grain size and the size of fragments, as well as a decrease in depositional units, suggests a transition from caldera fill in the Northwest Arm to outside caldera facies further east. There, the ash-flow is bounded above and below by oxide facies iron formation, suggesting that the tuff outside of the caldera was in part deposited sub-aqueously.

The Keewaywin Sequence at the eastern end of Sandy Lake is about 4,000 m thick and consists of basal oxide iron formation overlain by andesitic tuff, quartz arenites, and felsic and lapilli tuff at the top.

Structure and Alteration

The different sequences are separated by brittle to ductile shear zones, with the three main zones (Northwest Arm, West Arm, Central Sandy Lake) all showing a dextral offset and a south-side-up vertical component of the movement. The Central Sandy Lake Shear Zone is considered long-lived since it is associated with diorite sills which are restricted to the zone and caused the growth of contact-metamorphic cordierite in adjacent pelitic sediments which were sheared afterwards.

Folding in the Sandborn Bay Sequence is a result of multiple deformation events and is mainly shear-related. Overall, the sequence does face predominantly to the north. A northerly-trending anticline is proposed for the Western Sequence near the west end of the belt. The North Shore Sequence faces uniformly to the south, with ubiquitous bedding-parallel shear zones suggesting a repetition or thickening

of the stratigraphy, while there are no folds postulated in the western and central parts of the lake. North and easterly-trending synclines are described from the Keewaywin Sequence. Alteration associated with the Northwest Arm Shear Zone consists of silicification and alkali metasomatism (causing excess biotite in mafic flows west of Northwest Arm), as well as sulphide mineralization and iron carbonate in pyroclastic rocks. Carbonate alteration was also observed along shear zones at Fishtail Bay and near the east end of the lake.

Age Relations

The lithologies (quartz arenites, iron formation, komatiites) and stratigraphy within the Sandborn Bay and Keewaywin sequences are compared to similar, 3.0 Ga (three billion-year) old platform sequences of other greenstone belts in the Sachigo subprovince. The North Shore Sequence is interpreted to be possibly of a younger age based on its normal mafic to felsic volcanic cyclicity.

Mineralization

Gold Mineralization in Quartz Carbonate Veins

The Sandy Lake area contains gold mineralization from different geological settings. These included quartz veins with varying amounts of sulphide minerals (pyrite, pyrrhotite, chalcopyrite, sphalerite, galena), and with or without tourmaline. The veins are usually narrow and sometimes have visible gold. Gold-bearing quartz carbonate veins in a strongly altered mafic dyke in hole SD-19-06 contain various amounts of pyrite, chalcopyrite and pyrrhotite. The interval from 83.67 m to 90.0 m returned an average grade of 17.37 g/t Au. Sample number 279395 (87.00 m to 88.00 m) returned 39.67 g/t Au, and sample 279397 (89.00 m to 90.00 m) yielded 21.73 g/t Au.

Gold Mineralization in Quartz Property

Gold mineralization was also found in porphyry or rhyolite dykes, silicified zones in porphyry and calcite-quartz veins. Usually, it is related to sulphide mineralization (pyrite, chalcopyrite), silicification, sericitization and carbonatization, visible as bleaching. The alteration minerals include sericite, quartz, chlorite, sulfides, epidote, zoisite, clinozoisite, leucoxene, clay minerals, calcite, and other carbonates.

Gold Mineralization in Banded Iron Formation

Gold mineralization is also found in banded iron formation (BIF) chert, shatter or crush zones, shear zones, rust zones in sedimentary rocks and in iron formation.

Hole SD-19-14 intersected BIF formed at the top of the sedimentary sequence which was then overlain by mafic volcanics. The drill logs show an alternation of BIF with volcanics. The high-grade gold mineralization is hosted within dark grey-greenish magnetic foliated rocks with pervasive sulphidation (pyrite, chalcopyrite and pyrrhotite). Sample number 320153 (69.64 m to 70.37 m) returned 450.40 g/t Au. The yellow lines on the core picture show the limits of the sample.

Basic Statistical Analyses

During the 2019 drilling program G2 successfully intersected different types of gold mineralization in the Northwest Arm prospect. Table 1.4 shows the basic statistical analyses for the gold mineralization intersected in the 2019 drill holes.

Table 1.4
Basic Statistics for the Main Lithological Units

Category	Count	Length	Mean	St Dev	CoV	Variance	Minimum	Maximum
Au g/t (all samples)	4514	4117.15	0.32	8.61	26.47	74.20	0.005	536.37
Banded Iron Formation	293	213.45	2.10	26.17	12.48	685.22	0.005	450.4
Blue Quartz Feldspar Porphyry	2102	2002.48	0.37	8.81	23.21	77.65	0.005	536.37
Fault	13	3.9	0.01	0.01	0.55	1.45	0.005	0.021
Lamp Dyke	141	115.41	0.23	3.34	14.52	11.17	0.005	72.49
Mafic Dyke	78	65.52	0.21	0.65	3.08	0.42	0.005	4.88
Overburden	3	0.13	0.07	0.25	3.54	0.06	0.005	0.43
Quartz Feldspar Porphyry	206	194.21	0.03	0.40	10.85	0.16	0.005	7.13
Sandstone1	220	182.84	0.04	0.09	2.20	0.00	0.005	0.75
Sandstone2	98	83.49	0.05	0.17	3.09	0.03	0.005	1.35
Ultramafic1	134	129.47	0.05	0.43	8.08	0.19	0.005	4.91
Volcanic	1013	916.8	0.06	1.55	24.02	2.40	0.005	450.4

Gold occurrences explored with the 2019 drilling program are clustered in the Northwest Arm Tully Burton (currently named the W1 to W4 zones). The 2019 drilling program intersected high grade gold mineralization, typical for the greenstone belts in the region. The exploration completed to date by G2 confirms that the project merits additional exploration, not only in the NW Arm area, but in areas with favourable geological setting such as the CanOxy zone and Fishtail Bay, identified by the geophysical surveys and historical mapping and sampling.

Deposit Type

The gold mineralization found to date can be categorized as an orogenic gold deposit type (also known as mesothermal gold deposit type). The so-called orogenic gold deposits are a sub-type of the epithermal clan of gold deposits. They are emplaced during compressional to transgressional regimes in deformed accretionary belts adjacent to continental magmatic arcs.

Orogenic gold deposits are formed because of circulation and disposition of hydrothermal fluids, other than magmatic solutions. These deposits are associated with magmatism, but it is considered that the intrusions are only the heat source and the gold-bearing solutions are formed with the participation of metamorphic fluids, meteoritic or sea water in the upper crust.

The results from prospecting, mapping and drilling programs for the last 80 years on the Sandy Lake Property and neighbouring areas, and the structural interpretations from multiple geophysical surveys, suggest that the Sandy Lake greenstone belt can hosts the following type gold deposits:

- Greenstone-hosted quartz-carbonate veins deposits.
- Iron formation hosted stratabound gold deposits.
- Noranda-type, volcanogenic massive sulphide gold deposits.

Exploration

2015 VTEM/Magnetic Geophysical Survey and Interpretation

In 2015 Geotech Ltd. carried out a helicopter-borne geophysical survey over Block B and Block F areas of the Weebigee and Weebigee Extension Projects at Sandy Lake, Ontario.

The principal sensors included a versatile time domain electromagnetic (VTEM™Plus) system (VTEM) and horizontal magnetic gradiometer (Mag) with two caesium sensors with ancillary GPS navigation and radar altimeter. A total of 1,265 line-km of geophysical data was acquired which covered a total area of 235 km².

Survey grids were designed with 200 m separated lines, flown at nominal altitude 35 m. Results were presented as stacked profiles, and contour colour images at a scale of 1:20,000.

The VTEM survey identified several geophysical anomalies that correspond to moderate to highly conductive zones associated with ENE-WSW oriented severe magnetic gradients across the properties. Some 860 geophysical anomaly picks are tabulated by Geotech in their report. According to RDI sections and profiles, most anomalies represent shallow, thin, steep dipping conductors.

VTEM Interpretation by Blaine Webster, P.Geo., noted two significant targets on the Block F (NW Arm) survey: VTEM conductor T-13 (and coincident spectral IP anomaly) align with Tully (8.4 g/t Au) showing; and VTEM conductor T-15 which may extend the Knoll-RvG4 zone by 300 m. Another 17 VTEM conductors were analysed and discussed with recommendations including line-cutting, ground geophysical surveys (Mag, HLEM, and IP) and drilling.

Concurrently, Peter Diorio, P.Geo., of GeophysicsOne Inc. (GeophysicsOne), completed an image-based interpretation of Mag data and assessment of VTEM anomalies. Diorio notes that the quality of the VTEM survey was good and noise level acceptable for both Mag and VTEM, but the survey was flown 10 m above contract specifications with mean sensor altitude of 45.7 m. The largest altitude deviation was over the community of Sandy Lake where aviation regulations mandate that helicopters fly at higher altitudes.

GeophysicsOne merged, gridded, and processed Mag data and generated several digital image products showing Total Magnetic Intensity, 1st and 2nd Vertical Derivative, Tilt Derivative, and Horizontal Gradient representing a huge improvement over pre-existing public domain Mag data. Image-based interpretation of Mag data used digital magnetic image products to define linear trends and fabrics. Digitized lines and polygons in GIS software were used to interpret lithology, stratigraphy and structure from geophysical observations and compare it to geological map.

Electromagnetic (EM) amplitude images were produced for seven channels that correspond to specific times reported by Geotech. EM conductors picked by Geotech were also classified according to thin or thick responses by GeophysicsOne. A target list from GP-1 to GP-19 was developed and ranked in the GeophysicsOne report. Target areas are also presented on a compilation map.

Discrete geophysical features that have attractive characteristics and settings, or are linked to known gold showings, were highlighted by GeophysicsOne for follow-up and additional review by GPM's exploration team.

Geophysical interpretation of VTEM and Mag resulted in more precise mapping of geological sequences interpreted by Thurston (1987) and better control for regional faults and structures.

2015 Prospecting and Mapping Program

In 2015 Weebigee joint venture partners (Goldeye and GPM) completed a summer of prospecting, mapping, and sampling targeting Sandborn Bay and North Shore areas. Jamieson (2016) compiled and summarized K. L. Reading's prospecting report, Diorio's 2015 VTEM interpretation, and historical documents and assays to complete an assessment report and maps.

The Sandborn prospecting program consisted of locating, mapping, and sampling historical showings and characterizing the area's potential to host base metal mineralization in the SW portion of the Sandy Lake greenstone belt.

At Sandborn Bay prospectors set up camp and soon located the SB zinc showing described as a single blast-pit in a small outcrop. Black sphalerite was identified in rubble, but the geological setting was uncertain and complex, likely distorted by the nearby Granite Bay tonalite. Power stripping and detailed ground geophysics was recommended to map the extent of zinc mineralization at SB.

Prospecting near the GP-14 conductor axis 500 m north of SB, located moderate sodium depletion in three specimens collected by prospectors. This extended previously known altered intermediate to felsic pyroclastic volcanic rocks. Gridding, ground-EM and mapping is recommended to evaluate the GP-14 target.

About 500 m west of the SB Zinc showing, prospectors sampled N-S striking rusty felsic breccia zones. Samples returned anomalous manganese, and elevated potassium, barium, strontium and lanthanum, potentially attributed to distal hydrothermal alteration related to VMS processes, or perhaps localized alteration related to the intrusion of ultrapotassic dikes mapped in the area.

Prospecting of Grouse Peninsula, near target GP-10, resulted in hand-stripping a zone of sulphidic metasediments and ultramafic volcanic rocks. No significant metal content other than elevated Cu and Ni values were returned from prospecting samples.

Prospecting of the BF copper showing, followed by excavating a significant hand-dug trench across the peninsula exposed deeply-weathered gossan with rusty weathered regolith on top. Whole-rock analysis of prospecting samples indicates the BF copper zone might occur at the contact between ultramafic rocks and cherty interflow sediments (exhalite). The gossan is 3-6% sulphides and the locality returned historical assays of 1.0 g/t Au and 360 g/t Ag and 1.09% Cu and 0.1% Zn.

The BF copper showing is interpreted to occur at a possible time-break between mafic and ultramafic volcanism when exhalites formed. The BF copper showing is the only land exposure of a 7-km long formational conductor that extends beneath Sandy Lake. Gridding, mapping, detailed Mag and EM ground geophysical surveys of the conductor is recommended.

Prospectors also trenched a 28-m wide iron formation, which demonstrates the presence of thick iron formation sequences in the West Arm Assemblage. Conductors GP-15 and GP-16 may extend the iron formation 3 km southwest of the trench beneath Sandy Lake.

The North Shore program examined the north-central portion of the Sandy Lake greenstone belt targeting historical gold showings. Prospectors noted several sulphide-rich shoreline exposures, and investigated Fishtail Point and Zahavey Island. One grab sample returned 16.1 g/t Au from a quartz vein in a blasted trench on Zahavey Island.

In 2016, Sandy Lake First Nation (SLFN) Band Council restricted field work until a legal dispute between Claimholder (Goldeye) and Earn-In operator G2 (formerly GPM Metals) was resolved in 2018. Meanwhile G2 continued community visits and consultation until October 2017 when SLFN Chief and Council consented to limited field work consisting of line cutting and ground magnetics to define potential drill targets at the W 1-5 zones of the NW Arm. Aboriginal consultation is documented in a report by Murphy (2018).

Ground Geophysical Surveys

In November, 2017 Ackewance Exploration Services completed 110 km of line cutting on two grids, the NW Arm and Oxy Can, which are located west and east respectively of the SLFN community. In January, 2018 ground magnetic surveys were completed on cut lines by Geosig. KIVI completed magnetic surveys on GPS-based grids over lake ice utilizing DogMAG™.

West Arm Grid

Geosig completed 110-line km of ground magnetics on West Arm and Oxy-Can grids at 100-m line spacing. KIVI completed 383-line km of lake-ice magnetics extending the West Arm and Oxy Can grids onto Sandy Lake at nominal 50 m line centres. On the West Arm KIVI completed two overlapping grids to better map a magnetic fold known beneath the bay.

GeophysicsOne recommends completing IP over the nose of the folded magnetic unit under the NW Arm and other conceptual targets in the lake (GM-1, GM-3, GM-4 and GM-5) and completing HLEM over GM-8, also in the lake. Also recommended was the completion of prospecting over the extension of Northwest Arm Shear Zone (NWASZ) onto shore west of GM-02 along with IP if appropriate. An HLEM survey was recommended over the Tully Burton showing and westward covering VTEM target GP7 and the GM-7 Mag target. Ground Mag and IP is also recommended where the Tully-Burton BIF terminates at its western end along 50-m-spaced cut lines perpendicular to the current grid.

CanOxy Grid

The Total Field Magnetics map for the CanOxy prospect created from 194.34 line-km of grid lines, at 100-m centres on land, and 50-m centres on lake ice was created. Potential exploration target prospects are shown on the geological map, created from the interpretations of the mag survey. GeophysicsOne recommends follow-up on the small VTEM anomaly noted at the west end of the CanOxy A shear zone by inspecting the area for man-made cultural sources. If none are found complete ground Horizontal Loop EM. Detailed HLEM is also recommended over the extent of magnetite BIF at CanOxy. Elevated conductivity may provide drill targets.

GeophysicsOne also completed Discrete Magnetic Models of 37 sites surveyed on the NW Arm and CanOxy ground magnetic grids using Modelvision software.

Fishtail Bay Grid

KIVI returned to Sandy Lake in March, 2018 and completed DogMAG™ on the Fishtail Bay lake-ice magnetometer grid. KIVI was based in Keywaywin FN community and two local people assisted with field work. Field work was completed in 8 days. GeophysicsOne Quality Assurance/Quality Control (QA/QC) monitored daily survey data remotely, and later processed and reported on this work.

GeophysicsOne processed, gridded, interpreted and reported on the data. QA/QC analysis reports very good data with acceptable noise levels measured at 1.4 nT. Positional accuracy is sub-meter and readings taken averaged at 85 cm intervals along grid lines. Extreme magnetic anomalies over shallow iron formation exceeded 100,000 nT which occasionally exceeded the maximum operating range of the magnetometer instrument.

2018 VTEM Survey

In 2018 the Ontario Geological Survey flew VTEM over the entire 120 km strike extent of the Sandy Lake Greenstone belt using similar parameters to GPM's VTEM survey completed in 2015. Once OGS VTEM data was available to the public, Sandy Lake Gold contracted GeophysicsOne to review the data and provide interpretation for 90 km of the belt held by the company. GeophysicsOne identified 53 discrete areas of interest, most of which occurred in three areas where detailed ground magnetics follow-up had already been conducted.

Diorio identified two new high interest areas from review of the OGS VTEM data:

- The first area of interest is the northern BIF is disrupted by several dextral faults that also affect the southern BIF in a similar fashion. There is a notable increase in conductivity associated with iron formation in close proximity to these faults, which may be related to a large zone of alteration. There is no evidence of mineralization or alteration known in this area.
- The second area of interest (GP-22) is adjacent to disrupted iron formation in turn adjacent to small, weakly magnetic granitic intrusives and a narrow conductor located about 150 m N or Walters-Shepard showing.

Drilling

G2's 2019 drilling program was carried out from March 7 to September 15, 2019, after receiving all necessary permits from the MENDM and from the SLFN Council. The program entailed 22 holes totalling 4,677 m. Minotaur Drilling, of Tisdale, Saskatchewan was the drilling contractor for the 2019 program. Several Sandy Lake FN community members were hired for ice pad and drill pad construction, core shack construction and maintenance, drilling helper, and general camp duties.

The 22 holes are drilled from 10 drill pad locations in the NW Arm zone. The drill holes were spotted by a geologist, using a compass and a handheld GPS unit with ± 5 m accuracy. The core size is 47.5 mm (NQ size). Drill hole orientation for the inclined holes is done by the drillers and confirmed by the project geologist. Down-hole survey information was captured using a Reflex Ez-Trac ACT-III (core orientation) survey tool. The readings for the downhole survey are every 30 to 50 m, except for the first hole SD-19-01.

The first 4 holes (SD-19-01 to SD-19-04) are drilled along the lakeshore. The casing was pulled out and the holes are cemented. For the rest of the holes (SD-19-05 to SD-19-22) after finishing the drill hole and moving the drill rig the casing was left in the ground and the holes were capped.

The magnetic susceptibility and conductivity are measured, using MPP Probe[®] magnetometer. The instrument measures the magnetic susceptibility (10-3 SI) and the relative and absolute EM conductivity. The data is used to find a correlation between mineralized intervals in the core and the EM/MAG survey. High EM values can influence the Reflex readings for dip and azimuth as well.

The Sandy Lake Property is an early exploration project, and the orientation of the mineralization is still unknown. For this reason, the length of the mineralization is reported as core length, not as true length.

Sample Preparation, Analyses and Security

The NQ drill core from the program was either picked up at the drill by G2 personnel or was delivered by Minotaur Drilling to the core facility. Core was prepared, logged and cut at the storage yard facilities core shed as designated by SLFN. It was constructed by G2 in August, 2018; located across the road from the Hydro One power plant near the community. Split core remains stored in racks in a 40 ft locked container at the storage yard.

Sampling Method and Approach

Logging of the core was completed by Francisco Solano, a Senior Geologist with G2. After measuring and logging of the core was complete, sample intervals were marked by the geologist, photographed and split along the core axis with a diamond bladed core saw. The split core is put in a plastic bag. The sample tag was included in the sample bag. The second part of the tag was left in the core box. Once the sawn core samples were bagged and sealed, they were placed into rice bags for shipment. G2 maintains a chain of custody monitoring during the preparation and transport of the samples to the delivery in the SGS Labs, Red Lake.

One half of the core is archived and the other was sent for gold fire assay at SGS Labs in Red Lake, Ontario. SGS is a certified commercial laboratory, independent from G2. All samples before shipping were stored in secured core logging facility.

Sample Preparation and Sample Analyses

Samples received at the laboratory are sorted and verified against the customer list to ensure that all were received and there were no discrepancies. The sorted samples were entered into the laboratory information system, placed in metal trays, dried and processed. Sample preparation involved crushing all split drill core to a nominal 75% passing 2 mm, followed by pulverization of a 250-g split to a nominal 85% passing 75 microns.

Gold analysis was completed in the SGS Red Lake lab with a 50 g fire assay and AAS finish following standard procedures. Samples returning >10g/t Au were re-assayed with a gravimetric finish.

Quality Assurance/Quality Control

Certified standards, and certified blanks sourced from OREAS Products and CDN Resource Laboratories Ltd. were inserted into the sample stream at the core facility roughly every 20 samples. Assay results from standard, blank, and field duplicates were assessed by plotting the assay results from the standards and blanks on graphs. The graphs and QA/QC monitoring spreadsheet (Excel files) are examined for issues.

G2 tracked possible contamination, using blank samples. The detection limit for the FA is 0.005 g/t (5 ppb), so the limit for the acceptable assay result for blank sample is 3*DL (0.015 g/t or 15 ppb). One sample is mislabelled, and 4 samples are above the acceptable limit.

In addition to insertion of CRMs in the sample stream. G2 assayed 243 field duplicates that are ¼ of the drill core, from the same sampling interval as the original sample (1/2 of the drill core).

The duplicates, and screen metallic assays confirmed the presence of coarse gold in all zones. Nuggety gold, including visible gold is typical for greenstone-hosted gold-bearing quartz-carbonate veins and for BIF-hosted gold mineralization. The exploration team has to continue to request screened metallics for all samples that returned more than 10 g/t.

The sampling programs is carried out very diligently, using established sampling practices for mineral exploration for gold and a certified commercial laboratory. The sample preparation, security, and analytical procedures for the samples from the 2019 drilling program at the Sandy Lake Property (NW Arm area) has followed common industry practices, recommended by CIM Mineral Exploration Best Practices Guidelines (Nov. 2020).

Data Verification

Micon has not carried out any independent exploration work, drilled any holes or carried out any program of sampling and assaying on the property.

The data verification conducted by Micon and KIVI involved the following:

- Review of the G2 land tenure, including a direct download of the claim information from the MENDM MLAS system.
- Review of the joint venture agreement dated November 9, 2020 between G2 and Goldeye.
- Review of the assumption agreement dated as of April 9, 2021 between the Issuer and G2 in respect to the joint venture agreement.
- Review of the transfer and nominee agreement dated as of April 9, 2021 between the Issuer and G2.
- Review of internal and assessment reports about the project and the surrounding areas, maps and pictures, illustrating the exploration activities and the local geology. The assessment reports were downloaded directly from Geology Ontario online library for geological information, maintained by the MNDEM).
- Review of the drill logs, geological descriptions, assay results (pdf files of the SGS assay certificates) and core photos from the 2019 drilling program.
- Review of the QA/QC protocol and monitoring for the 2019 drilling program.

- Discussions about the objectives of the next exploration program, additional exploration work and budget for the next 2 or 3 years.
- Discussions about the geology and the exploration potential of the project with OM exploration team and consultants and contractors.

Mr. Kivi, P.Geo., visited the Sandy Lake Property from January 6-16, 2018 and from March 21-30, 2018. He conducted a ground magnetic survey in the NW Arm, West Arm, CanOxy and Fishtail areas. He reviewed the prospecting and trenching information, geophysical data collection and interpretations and, based on his experience and knowledge, commented on the quality of the geophysical data collection and interpretations.

Dr. Ilieva has not visited the Sandy Lake Property yet, due to the restrictions related to the COVID-19 pandemic in Ontario.

According to the authors of the Sandy Lake Report, the data provided by G2 is well organized and adequate for an early exploration project. The geological and geophysical information is collected, following the standard industry practices and the CIM Mineral Exploration Practices Guidelines (November, 2018). Micon recommends assaying not only for gold, but also for Au, As, Cu, Zn, Pb and W. ICP geochemical analyses (33 element package) can provide a lot of valuable information in identifying additional gold or base metal mineralization.

Interpretations and Conclusions

The regional geological setting of the Sandy Lake Property is favourable for the following orogenic gold deposits:

- greenstone-hosted quartz-carbonate vein gold deposits;
- iron formation hosted gold deposits; and
- Noranda-type VMS deposits.

The historical and G2 drilling programs intersected high grade gold mineralization in quartz -carbonate veins and in shear zones. The results from the 2019 drilling program prove the excellent exploration potential of the property.

The total project area is 57,088 ha and, except for the airborne and limited ground geophysical survey, the area outside of the Weebigee JV area is underexplored. The previous exploration was very limited and focused only on the high-grade gold-bearing quartz veins, mainly along the lake shore. Based on geophysical surveys 53 anomalies are identified in Northwest Arm area, West Arm area, CanOxy area and Fishtail Bay area. There is potential for discovery of zones of higher-grade gold mineralization and disseminated mineralization between the high-grade zones, and for additional mineralization along the contacts or in the hinges of the fold structures. This will require modern geophysical surveys, trenching and drilling.

According to the authors of the Sandy Lake Report, there is potential for the discovery of economic mineralization in the Sandy Lake Property in the hinge of the main fold structure in Northwest Arm, West Arm, CanOxy and Fishtail Bay areas along the shear zones, and along the strike of the iron formation. It should be noted that, despite the identified potential, which is based on historical data and the results from the 2019 drilling program on the property, the Sandy Lake Property is at an early stage of exploration and there is no guarantee that a significant mineral resource will be delineated.

Recommendations

It is anticipated that the Sandy Lake exploration program will start in the third or fourth quarter of 2021. Based on the positive results from the last drilling program the Issuer will target the lateral extensions of the known mineralized veins in the Northwest Arm prospect. In order to achieve the best results, and obtain reliable information that will support estimation of mineral resources in accordance with the reporting requirements of NI 43-101, Micon recommends the following:

- A 10,000-m surface diamond drilling program should be designed and undertaken. The focus of the drilling program will depend on the geochemical results, received during the drilling.
- The nugget effect for the high-grade gold deposits is very common. A QA/QC protocol using blanks and certified reference material (standards) should be implemented for the channel samples and drill hole samples from the beginning of the program. The performance of control samples (i.e., blanks and standards) should be monitored on a real time basis. If the performance is erratic, then the number of check analyses to be conducted at a different laboratory should be at least 25% of the total samples analysed. If the results on standard samples are acceptable, a 5% rate for check analyses is recommended.
- Collect data for the density from the different lithologies and mineralization type.
- In addition to fire assaying, the Issuer should analyse for As, Cu, Zn, Fe and S. ICP analyses will provide very valuable information for the deposit type and for possible polymetallic mineralization.
- Prepare a 3D geological model that will include the data from the airborne and ground geophysics and historical trenching and drilling.
- New surface and underground surveys should be completed by an independent surveying contractor who has both surface and underground experience. The precise georeferencing of historical maps and sections with accuracy less than 0.5 m will facilitate the resource estimation and potential future mine development.
- Carry out a prospecting, geological mapping and trenching program at the Fishtail area of interest.

The Issuer is planning compilation and processing of the existing data, diamond drilling and ground exploration work including mapping, prospecting and ground geophysical survey. Phase 1 of the exploration program will focus on areas around the Sandborne Bay looking for possible nickel, PGE and copper mineralization and on the Sandy Lake East Block, where it will target the lateral extensions of the known mineralized veins. Phase II would be contingent on the success of the Phase I and would include approximately 10,000 m diamond drilling. The table below tabulates the main field activities and the proposed budget.

Budget for Future Exploration Work (2021-2023)

Item	Units	Value/unit	Cost
<i>PHASE I – Access/Exploration Agreements with First Nations and Geophysical Surveys</i>			
Community relations			\$70,000
Research, data compilation and data processing (S2 geologist)	project		\$20,000
Regional VTEM data processing and re- interpretation	survey		\$60,000
Ground Magnetic Survey (75 to 76 line km)	project	\$85/line m	\$65,000
Travel, food, accommodation			\$66,000
Data processing, interpretations, report preparation	survey		\$25,000
Field and office supplies			\$10,000
Contingency			\$48,000
<i>Sub-total</i>			\$364,000
<i>PHASE II - Diamond Drilling Program</i>			
Diamond drilling (200 \$/m)	m	10,000	\$2,000,000
Logging and sampling (1 geologist, 2 technicians/core cutters)	samples		\$500,000
Geochemical analyses (5,000 samples)	samples	5,000	\$250,000
Topographical survey with DGPS and maps	survey	1	\$60,000
Geophysical survey (outside of Weebigee JV)	survey	4	\$100,000
Mapping, Prospecting, Sampling	2 months		\$100,000
Geochemical analyses (5,000 samples)			\$50,000
Community relations			\$60,000
Travel, food and accommodation			\$100,000
Field and office supplies			\$20,000
Data processing, interpretations, report			\$100,000
Contingency			\$560,000
<i>Sub-total</i>			\$3,548,000
Total			\$3,900,000

Micon believes that the proposed budget is reasonable and recommends that the Issuer implement the program as proposed, subject to either funding or other matters which may cause the proposed program to be altered in the normal course of its business activities, or alterations which may affect the program as a result of the activities themselves.