



E2Gold Inc.

Initial Public Offering of Flow-Through Common Shares and Units

Term Sheet

November 10, 2020

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec.

The preliminary prospectus is still subject to completion. Copies of the preliminary prospectus may be obtained from Beacon Securities Limited at KMacIntyre@beaconsecurities.ca. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities offered herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States, as such term is defined in Regulation S under the United States Securities Act of 1933, unless pursuant to an exemption therefrom. This term sheet shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Issuer: E2Gold Inc. (the "Company")

Offering: Treasury offering (the "Offering") of: (i) common shares (the "FT Shares") which will qualify as "flow-through shares" as defined in the *Income Tax Act* (Canada) (the "Tax Act"); and (ii) units (the "Units") of the Company, each Unit being comprised of one common share (a "Unit Share") and one-half of one common share purchase warrant (each full common share purchase warrant, a "Warrant"), with each Warrant entitling the holder thereof to acquire one common share of the Company (a "Warrant Share") at an exercise price of \$● until the date which is ● months following the Closing Date (as defined below) (the FT Shares and Units being referred to herein as the "Offered Securities").

Offering Price: \$● per FT Share.

\$● per Unit (the "Unit Issue Price").

Gross Proceeds: Minimum of \$3,000,000.

Over-Allotment Option The Company has granted the Underwriters (as defined below) an option (the "Over-Allotment Option"), exercisable, in whole or in part, by Beacon (as defined below), on behalf of the Underwriters, at any time and from time to time up to 30 days following the Closing Date, to purchase up to an additional number of Offered Securities, in any combination thereof, as is equal to 15% of the Offered Securities sold under the Offering.

Use of Proceeds: The net proceeds from the Offering will be used to complete Phase I of the recommended program on the Hawkins Gold Project, to complete Phase II of the recommended program on the Hawkins Gold Project (if warranted), to search for and acquire additional mineral properties, to fund general corporate expenses and for other specified corporate purposes.

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Form of Offering:	Marketed initial public offering by way of a long-form prospectus filed in each of the provinces of Canada, except Quebec, and/or by private placement to eligible purchasers resident in other jurisdictions that are mutually agreed to by the Company and Beacon, each acting reasonably, provided that no prospectus filing or comparable obligation arises in such other jurisdictions and the Company does not thereafter become subject to continuous disclosure obligations in such other jurisdictions. The Offered Securities may be offered and sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) to a limited number of "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act) or to "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act ("Regulation D")) and pursuant to the requirements of any applicable securities laws of any state of the United States, in each case by way of private placement pursuant to an available exemption from the registration requirements of the 1933 Act afforded by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the 1933 Act and similar exemptions under applicable state securities laws. Any Units offered and sold in the United States or to, or for the account or benefit of, U.S. Persons shall be issued as "restricted securities" (as defined in Rule 144(a)(3) under the 1933 Act).
Flow-Through Expenditures:	The Company shall, in accordance with the provisions in the <i>Income Tax Act</i> (Canada) (the "Tax Act"), incur "Canadian Exploration Expense" as defined in the Tax Act, and that qualify as "flow-through mining expenditures" within the meaning of the Tax Act and as "eligible Ontario exploration expenditures" within the meaning of the <i>Taxation Act</i>, 2007 (Ontario) (the "Qualifying Expenditures") after the Closing Date and prior to December 31, 2021 (or December 31, 2022 if the proposals to amend the Tax Act in connection with flow-through shares announced on July 10, 2020 are enacted as proposed) in the aggregate amount of not less than the aggregate gross proceeds raised from the issuance of the FT Shares (the "Commitment Amount"). The Company shall renounce the Qualifying Expenditures so incurred to the subscribers of the FT Shares, on a pro rata basis, such that the aggregate Commitment Amount shall be deductible (pro rata) against each such subscriber's income, for the calendar year ended December 31, 2020. In the event that the Company is unable to renounce an amount equal to the Commitment Amount or incur Qualifying Expenditures as described above, the Company will fully and promptly indemnify each subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to incur or renounce the Qualifying Expenditures in accordance with the terms of the subscription agreement relating to the issuance of the FT Shares to be entered into between each subscriber and the Company prior to or on the Closing Date.
Eligibility:	The Units will be eligible for investment by certain registered plans including RRSPs, RRIFs, RESPs, RDSPs, TFSA's and DPSPs.
Bookrunner:	Beacon Securities Limited ("Beacon") on its own behalf and on behalf of a syndicate of underwriters which may be formed (collectively, the "Underwriters").
Underwriters' Compensation:	7% cash fee on gross proceeds of the Offering (the "Cash Fee"), provided that the Underwriters may elect to receive all or a portion of such Cash Fee in the form of Units at a deemed price equal to the Unit Issue Price per Unit. 7% compensation options ("Compensation Options"), exercisable for common shares at the Unit Issue Price for 24 months from the Closing Date. Beacon is also entitled to receive an aggregate corporate finance fee in the amount of \$100,000 which shall be payable in Units at the Unit Issue Price on the Closing Date.
Closing Date:	On or about December 15, 2020, or such other date as may be mutually agreed to by the Company and Beacon, each acting reasonably (the "Closing Date").