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**S2 MINERALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2023**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements of S2 Minerals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

**S2 Minerals Inc.**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>As at November 30, 2023</b>	<b>As at May 31, 2023</b>
<b>ASSETS</b>		
<i>Current</i>		
Cash	\$ 816,288	\$ 999,880
Short-term investments	10,000	10,000
Amounts receivable (note 3)	4,493	2,563
Prepays	9,505	8,117
<b>Total current assets</b>	<b>840,286</b>	<b>1,020,560</b>
<i>Non-Current</i>		
Fixed assets (note 4)	198,647	209,897
<b>Total non-current assets</b>	<b>198,647</b>	<b>209,897</b>
<b>Total assets</b>	<b>\$ 1,038,933</b>	<b>\$ 1,230,457</b>
<b>LIABILITIES</b>		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 161,041	\$ 181,628
<b>Total current liabilities</b>	<b>161,041</b>	<b>181,628</b>
<b>Total liabilities</b>	<b>161,041</b>	<b>181,628</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 6)	3,785,365	3,785,365
Contributed surplus (note 6(c))	16,970	16,970
Warrants (note 6(d))	227,029	227,029
Deficit	(3,151,472)	(2,980,535)
<b>Total shareholders' equity</b>	<b>877,892</b>	<b>1,048,829</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,038,933</b>	<b>\$ 1,230,457</b>

Nature of Operations (note 1)  
Subsequent event (note 9)

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

**S2 Minerals Inc.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Three Months Ended November 30,</b>		<b>Six Months Ended November 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Operating expenses</b>				
Exploration and evaluation (note 8)	\$ 8,875	\$ 56,613	\$ 15,069	\$ 70,455
Professional fees	54,290	44,522	93,655	93,113
Salaries and related costs	13,111	13,979	26,047	33,704
Reporting issuer costs	9,019	12,066	18,114	24,051
Office and administrative	3,745	9,318	10,149	20,852
Travel and accommodation	2,652	1,748	7,459	6,256
Stock-based compensation (note 6(c))	-	1,765	-	3,549
Foreign exchange loss	174	387	444	436
<b>Comprehensive loss for the period</b>	<b>\$ 91,866</b>	<b>\$ 140,398</b>	<b>\$ 170,937</b>	<b>\$ 252,416</b>
<b>Net loss per share</b>				
- basic and diluted (note 5)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01
<b>Weighted average number of common shares outstanding - basic and diluted (note 5)</b>				
	<b>37,887,650</b>	<b>37,311,335</b>	<b>37,887,650</b>	<b>37,311,335</b>

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

**S2 Minerals Inc.**  
**Condensed Interim Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

<b>Six Months Ended November 30,</b>	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net loss for the period	\$ (170,937)	\$ (252,416)
<i>Adjustments for non-cash items:</i>		
Stock-based compensation (note 6(c))	-	3,549
Depreciation (note 4)	11,250	5,625
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	(1,930)	(33,383)
Prepays	(1,388)	(10,870)
Accounts payable and accrued liabilities	(20,587)	109,124
<b>Net cash used in operating activities</b>	<b>(183,592)</b>	<b>(178,371)</b>
<b>Investing activities</b>		
Purchase of fixed assets	-	(225,000)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(225,000)</b>
<b>Net change in cash</b>	<b>(183,592)</b>	<b>(403,371)</b>
<b>Cash, beginning of period</b>	<b>999,880</b>	<b>1,814,481</b>
<b>Cash, end of period</b>	<b>\$ 816,288</b>	<b>\$ 1,411,110</b>

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

**S2 Minerals Inc.**  
**Condensed Interim Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Number of Shares</b>	<b>Share Capital (\$)</b>	<b>Contributed Surplus (\$)</b>	<b>Warrants (\$)</b>	<b>Deficit (\$)</b>	<b>Total (\$)</b>
<b>Balance May 31, 2022</b>	<b>37,311,335</b>	<b>3,701,668</b>	<b>12,314</b>	<b>227,029</b>	<b>(2,330,514)</b>	<b>1,610,497</b>
Stock-based compensation (note 6(c))	-	-	3,549	-	-	3,549
Net loss for the period	-	-	-	-	(252,416)	(252,416)
<b>Balance, November 30, 2022</b>	<b>37,311,335</b>	<b>3,701,668</b>	<b>15,863</b>	<b>227,029</b>	<b>(2,582,930)</b>	<b>1,361,630</b>
<b>Balance May 31, 2023</b>	<b>37,887,650</b>	<b>3,785,365</b>	<b>16,970</b>	<b>227,029</b>	<b>(2,980,535)</b>	<b>1,048,829</b>
Net loss for the period	-	-	-	-	(170,937)	(170,937)
<b>Balance, November 30, 2023</b>	<b>37,887,650</b>	<b>3,785,365</b>	<b>16,970</b>	<b>227,029</b>	<b>(3,151,472)</b>	<b>877,892</b>

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

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Six Months Ended November 30, 2023**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **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.

## **2. BASIS OF PREPARATION**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Company's annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended May 31, 2023, which include information necessary or useful to understanding the Company's business and financial statement presentation.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended May 31, 2023, except for the adoption of new IFRS standards as set out below.

In preparing these unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The critical judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied and disclosed in the Company's financial statements for the year ended May 31, 2023.

These unaudited condensed interim financial statements were approved by the Board of Directors on January 25, 2024.

### ***Other Narrow Scope Amendments to IFRSs and IFRS Interpretations***

The Company adopted various amendments to IFRSs, which were effective for accounting periods beginning on or after June 1, 2023. The impact of adoption was not significant to the Company's unaudited condensed interim financial statements.

### ***New and Revised IFRSs, Narrow Scope Amendments to IFRSs and IFRS Interpretations not yet Effective***

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after May 31, 2024. Management is still evaluating and does not expect any such pronouncements to have a significant impact on the Company's unaudited condensed interim financial statements upon adoption.

## **3. AMOUNTS RECEIVABLE**

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	<b>As at November 30, 2023</b>	<b>As at May 31, 2023</b>
Sales tax recoverable	\$ 4,493	\$ 2,563
<b>Total</b>	<b>\$ 4,493</b>	<b>\$ 2,563</b>

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Six Months Ended November 30, 2023**  
**(Expressed in Canadian Dollars)**  
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**4. FIXED ASSETS**

<b>Cost</b>	<b>Exploration Equipment</b>
<b>Balance, May 31, 2023</b>	<b>\$ 225,000</b>
<b>Balance, November 30, 2023</b>	<b>\$ 225,000</b>

<b>Accumulated Depreciation</b>	<b>Exploration Equipment</b>
<b>Balance, May 31, 2023</b>	<b>\$ 15,103</b>
Depreciation	11,250
<b>Balance, November 30, 2023</b>	<b>\$ 26,353</b>

<b>Carrying amounts</b>	<b>Exploration Equipment</b>
<b>Balance, May 31, 2023</b>	<b>\$ 209,897</b>
<b>Balance, November 30, 2023</b>	<b>\$ 198,647</b>

**5. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three and six months ended November 30, 2023 was based on the loss attributable to common shares of \$91,866 and \$170,937, respectively (three and six months ended November 30, 2022 - loss of \$140,398 and \$252,416, respectively) and the weighted average number of common shares outstanding of 37,887,650 and 37,887,650, respectively (three and six months ended November 30, 2022 - 37,311,335 and 37,311,335, respectively).

**6. SHARE CAPITAL**

**a) Authorized Share Capital**

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

**b) Common Shares Issued**

	<b>Number of Shares</b>	<b>Share Capital</b>
<b>Balance, May 31, 2022 and November 30, 2022</b>	<b>37,311,335</b>	<b>\$ 3,701,668</b>

	<b>Number of Shares</b>	<b>Share Capital</b>
<b>Balance, May 31, 2023 and November 30, 2023</b>	<b>37,887,650</b>	<b>\$ 3,785,365</b>

**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Six Months Ended November 30, 2023**  
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**6. SHARE CAPITAL (Continued)**

**c) Stock Options**

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance, May 31, 2022 and November 30, 2022</b>	<b>300,000</b>	<b>\$ 0.25</b>
<b>Balance, May 31, 2023 and November 30, 2023</b>	<b>300,000</b>	<b>\$ 0.25</b>

(i) On November 23, 2021, the Company granted 300,000 stock options to a director of the Company. Each stock option allows the holder to acquire one common share at an exercise price of \$0.25 for a period of 3 years. The options shall vest as to one-quarter upon the date of grant, one-quarter upon 6 months, 12 months, and 18 months from the grant date, respectively. A grant date fair value of \$16,970 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 1.17%; expected life of 3 years; share price of \$0.145; and an expected volatility of 80% based on the Company's historical trading data.

The total value of stock-based compensation expense for the three and six months ended November 30, 2023 was \$nil and \$nil, respectively (three and six months ended November 30, 2022 - \$1,765 and \$3,549, respectively) relating to these granted stock options.

As at November 30, 2023, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
300,000	300,000	\$0.25	0.98	November 23, 2024
<b>300,000</b>	<b>300,000</b>	<b>\$0.25</b>	<b>0.98</b>	

**d) Share Purchase Warrants**

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, May 31, 2022 and November 30, 2022</b>	<b>6,000,000</b>	<b>\$ 0.25</b>
<b>Balance, May 31, 2023 and November 30, 2023</b>	<b>6,000,000</b>	<b>\$ 0.25</b>

As at November 30, 2023, the following warrants were outstanding:

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
\$ 227,029	6,000,000	\$0.25	January 28, 2024
<b>\$ 227,029</b>	<b>6,000,000</b>	<b>\$0.25</b>	



**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Six Months Ended November 30, 2023**  
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**7. RELATED PARTY TRANSACTION**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, excluding the Chief Financial Officer ("CFO"). As at November 30, 2023, there were no balances owed to management (May 31, 2023 - \$nil).

The compensation cost for key management personnel is as follows:

<b>Six Months Ended November 30,</b>	<b>2023</b>	<b>2022</b>
Salaries and fees	\$ 54,000	\$ 62,080
Stock-based compensation (note 6(c))	-	3,549
	<b>\$ 54,000</b>	<b>\$ 65,629</b>

  

<b>Three Months Ended November 30,</b>	<b>2023</b>	<b>2022</b>
Salaries and fees	\$ 27,000	\$ 35,080
Stock-based compensation (note 6(c))	-	1,765
	<b>\$ 27,000</b>	<b>\$ 36,845</b>

During the three and six months ended November 30, 2023, the Company paid rent of \$7,500 and \$15,000, respectively (three and six months ended November 30, 2022 - \$nil) to G2 Goldfields Inc. ("G2"), a company with common directors and management with S2.

During the three and six months ended November 30, 2023, the Company paid professional fees and disbursements totaling \$11,791 and \$19,606, respectively (three and six months ended November 30, 2022 - \$7,815 and \$20,078, respectively) to Marrelli Support Services Inc., and certain of its affiliates, together known as the "Marrelli Group", for: (i) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the CFO of the Company, and (ii) regulatory filing services. The Marrelli Group was owed \$nil (May 31, 2023 - \$nil) and these amounts were included in accounts payable and accrued liabilities.

**8. EXPLORATION AND EVALUATION**

**Six Months Ended November 30, 2023**

	<b>Sandy Lake Project</b>	<b>Weebigee Joint Venture</b>	<b>Fort Hope Project</b>	<b>Total</b>
Additions	\$ 3,600	\$ (1,081)	\$ 1,300	\$ 3,819
Depreciation of exploration equipment (note 4)	-	-	11,250	11,250
	<b>\$ 3,600</b>	<b>\$ (1,081)</b>	<b>\$ 12,550</b>	<b>\$ 15,069</b>

**Three Months Ended November 30, 2023**

	<b>Sandy Lake Project</b>	<b>Weebigee Joint Venture</b>	<b>Fort Hope Project</b>	<b>Total</b>
Additions	\$ 1,950	\$ -	\$ 1,300	\$ 3,250
Depreciation of exploration equipment (note 4)	-	-	5,625	5,625
	<b>\$ 1,950</b>	<b>\$ -</b>	<b>\$ 6,925</b>	<b>\$ 8,875</b>

**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Six Months Ended November 30, 2023**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**8. EXPLORATION AND EVALUATION (Continued)**

**Six Months Ended November 30, 2022**

	<b>Sandy Lake Project</b>	<b>Weebigee Joint Venture</b>	<b>Fort Hope Project</b>	<b>Total</b>
Additions	\$ -	\$ 1,475	\$ 63,355	\$ 64,830
Depreciation of exploration equipment	-	-	5,625	5,625
	<b>\$ -</b>	<b>\$ 1,475</b>	<b>\$ 68,980</b>	<b>\$ 70,455</b>

**Three Months Ended November 30, 2022**

	<b>Sandy Lake Project</b>	<b>Weebigee Joint Venture</b>	<b>Fort Hope Project</b>	<b>Total</b>
Additions	\$ -	\$ 975	\$ 50,013	\$ 50,988
Depreciation of exploration equipment	-	-	5,625	5,625
	<b>\$ -</b>	<b>\$ 975</b>	<b>\$ 55,638</b>	<b>\$ 56,613</b>

S2 is party to an option agreement ("Option Agreement") whereby the Company may acquire up to a 100% interest in certain claims in the Fort Hope Project by making cash payments totaling \$1,000,000 and issuing a total of 200,000 common shares in the Company before December 2025. In order for the Company to exercise the option the consideration is due as follows to Slam Exploration Ltd.:

- \$50,000 cash payment (paid) on execution
- \$100,000 cash payment (paid) plus 50,000 common shares (issued and valued at \$4,750) in S2 is due by December 2022
- \$150,000 cash payment (paid) plus 50,000 common shares (issued) in S2 is due by December 2023 (see note 9)
- \$200,000 cash payment plus 50,000 common shares in S2 is due by December 2024
- \$500,000 cash payment plus 50,000 common shares in S2 is due by December 2025

The Company is also party to various agreements whereby certain mineral claims are subject to a 2% Net Smelter Royalty (NSR).

On April 17, 2023, S2 announced that it has acquired 880 mining claims (the "Property") in the Veekay Lake, Gifford Lake, Opikeigan Lake, Frond Lake, Rich Lake and Reserve Lake areas in Ontario.

The Property was acquired from a director of the Company pursuant to an assignment agreement dated as of April 14, 2023. The director had acquired the Property from an arm's length third party for a cash payment of \$300,000 and a 2% net smelter returns royalty (the "Royalty") and agreed that if the Property was assigned to a public company before March 2024, such public company would issue \$50,000 of common shares (the "Shares"). The Company can purchase 1% of the Royalty for \$1,000,000. The Company assumed the obligations under the Royalty and issued 526,315 Shares valued at a price of \$0.15 per Share to Windfall Geotek Inc., an arm's length third party.

**9. SUBSEQUENT EVENT**

On December 15, 2023, the Company issued 50,000 common shares (valued at \$3,250) and made the cash payment (of \$150,000) that was required pursuant to the Option Agreement (see note 8).