
S2 MINERALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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)

	As at November 30, 2021	As at May 31, 2021
ASSETS		
<i>Current</i>		
Cash	\$ 942,623	\$ 1,194,781
Short-term investments	10,000	-
Amounts receivable (note 3)	11,632	20,939
Prepays	8,854	-
<i>Total current assets</i>	973,109	1,215,720
Total assets	\$ 973,109	\$ 1,215,720
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 14,270	\$ 148,945
Due to related party (note 6)	142,530	129,898
<i>Total current liabilities</i>	156,800	278,843
Total liabilities	156,800	278,843
SHAREHOLDERS' EQUITY		
Share capital (note 4(b))	2,516,135	2,516,135
Contributed surplus (note 4(c))	4,542	-
Deficit	(1,704,368)	(1,579,258)
Total shareholders' equity	816,309	936,877
Total liabilities and shareholders' equity	\$ 973,109	\$ 1,215,720

Nature of Operations and Going Concern (note 1)
Subsequent event (note 8)

Approved on behalf of the Board:

"Bruce Rosenberg"
Director

"Daniel Noone"
Director

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)

	Three Months Ended November 30, 2021	Date of incorporation to November 30, 2020	Six Months Ended November 30, 2021	Date of incorporation to November 30, 2020
Operating expenses				
Professional fees	\$ 47,635	\$ -	\$ 78,104	\$ -
Reporting issuer costs	15,383	-	30,804	-
Office and administrative	11,320	-	11,333	-
Stock-based compensation (note 4(c))	4,542	-	4,542	-
Foreign exchange loss	109	-	327	-
Comprehensive loss for the period	\$ (78,989)	\$ -	\$ (125,110)	\$ -
Net loss per share - basic and diluted (note 5)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	25,311,335	1	25,311,335	1

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)

	Six Months Ended	Date of incorporation to
	November 30,	November 30,
	2021	2020
Operating activities		
Net loss for the period	\$ (125,110)	\$ -
<i>Adjustments for non-cash items:</i>		
Stock-based compensation (note 4(c))	4,542	-
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	9,307	-
Prepays	(8,854)	-
Accounts payable and accrued liabilities	(134,675)	-
Due to related party	12,632	-
Net cash used in operating activities	(242,158)	-
Investing activities		
Purchase of short-term investments	(10,000)	-
Net cash used in investing activities	(10,000)	-
Net change in cash	(252,158)	-
Cash, beginning of period	1,194,781	-
Cash, end of period	\$ 942,623	\$ -

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

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance May 31, 2021	25,311,335	\$ 2,516,135	\$ -	\$ (1,579,258)	\$ 936,877
Stock-based compensation (note 4(c))	-	-	4,542	-	4,542
Net loss for the period	-	-	-	(125,110)	(125,110)
Balance November 30, 2021	25,311,335	\$ 2,516,135	\$ 4,542	\$ (1,704,368)	\$ 816,309

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Issuance of incorporation shares on November 30, 2020 (note 4(b)(i))	1	\$ 1	\$ -	\$ -	\$ 1
Balance November 30, 2020	1	\$ 1	\$ -	\$ -	\$ 1

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

S2 Minerals Inc.
Notes to Condensed Interim Financial Statements
Three and Six Months November 30, 2021
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

On February 2, 2021, G2 Goldfields Inc.'s ("G2") entered into an arrangement agreement with S2 pursuant to which G2 agreed to transfer its Sandy Lake properties (the "Sandy Lake Project") to S2 and spin-out all of the shares of S2 through a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the "Arrangement"). The Arrangement was subject to, among other things, approval of the TSX Venture Exchange and court approval, as well as approval by not less than two-thirds of the votes cast at a special meeting of shareholders of S2. As at February 28, 2021, S2 was a wholly owned subsidiary of G2.

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.

Going Concern

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

These unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is exploration-focused and is subject to the risks and challenges of companies in the same sector. These risks include, but are not limited to, the challenges of securing adequate capital given exploration, development and operational risks inherent in the mining industry as well as global economic, precious and base metal price volatility; all of which are uncertain under current market conditions. As a result of these risks, there is no assurance that the Company's funding initiatives will continue to be successful and these unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material. The Company has an accumulated deficit of \$1,704,368 from inception and a working capital of \$816,309. The continuing operations of the Company are dependent on its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal operations as they come due. The material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

S2 Minerals Inc.
Notes to Condensed Interim Financial Statements
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2. BASIS OF PREPARATION

These unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards 34, Financial Reporting, as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee. They do not include all the information required for full annual financial statements by IFRS. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the period from November 30, 2020 (date of incorporation) to May 31, 2021, except as noted below, which includes the information necessary or useful to understanding the Company's business and financial statement presentation.

These unaudited condensed interim financial statements were approved by the Board of Directors on January 28, 2022.

Short-term investments

Short-term investments consist of Canadian Guaranteed Investments which have been designate as fair value through profit or loss. As at each period end, short-term investments are recorded at fair value, with changes recognized in the unaudited condensed interim statement of loss and comprehensive loss.

3. AMOUNTS RECEIVABLE

	As at November 30, 2021	As at May 31, 2021
Sales tax recoverable	\$ 11,632	\$ 20,939
Total	\$ 11,632	\$ 20,939

4. 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

	Number of Shares	Share Capital
Issuance of incorporation shares on November 30, 2020 (i)	1	\$ 1
Balance, November 30, 2020	1	\$ 1

(i) On November 30, 2020, the Company issued 1 common share to the incorporator of the Company. This share was transferred to G2 on January 25, 2021.

	Number of Shares	Share Capital
Balance, May 31, 2021 and November 30, 2021	25,311,335	\$ 2,516,135

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4. SHARE CAPITAL

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2020 and May 31, 2021	-	\$ -
Granted (i)	300,000	0.25
Balance, November 30, 2021	300,000	\$ 0.25

(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 of the Company 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; 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, 2021 was \$4,542 (date of incorporation to November 30, 2020 - \$nil) relating to these granted stock options.

As at November 30, 2021, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
300,000	75,000	\$0.25	3.00	November 23, 2024
300,000	75,000	\$0.25	3.00	

5. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended November 30, 2021 was based on the loss attributable to common shares of \$78,989 and \$125,110, respectively (date of incorporation to November 30, 2020 - \$nil) and the weighted average number of common shares outstanding of 25,311,335 (date of incorporation to November 30, 2020 - 1).

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6. 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") and the Corporate Secretary. As at November 30, 2021, there were no balances owed to management (May 31, 2021 - \$nil).

See note 4(c) for stock options issued to a director.

As at November 30, 2021, the amount of \$142,530 (May 31, 2021 - \$129,898) is owed to G2, a company with common directors and management with S2, which is unsecured, non-interest bearing, and due on demand. The amount is included in current liabilities.

During the three and six months ended November 30, 2021, the Company paid professional fees and disbursements of \$15,313 (date of incorporation to November 30, 2020 - \$nil) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is Managing Director. Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for financial reporting matters and these amounts are included in professional fees. As at November 30, 2021, Marrelli Support was owed \$nil (May 31, 2021 - \$nil).

During the three and six months ended November 30, 2021, the Company paid professional fees and disbursements of \$3,338 (date of incorporation to November 30, 2020 - \$nil) to DSA Filing Services Limited ("Filing"), an organization which Carmelo Marrelli controls. These services were incurred in the normal course of operation of filing matters and these amounts are included in reporting issuer costs. As at November 30, 2021, Filing was owed \$nil (May 31, 2021 - \$nil).

7. SEGMENTED INFORMATION

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim financial statements also represent segment amounts.

8. SUBSEQUENT EVENT

On January 28, 2022, S2 closed its non-brokered private placement (the "Offering"). In connection with the closing of the Offering (the "Closing"), the Company sold 12,000,000 units of the Company (the "Units") at a price of \$0.12 per Unit, for gross proceeds of \$1,440,000. Each Unit consisted of one common share ("Share") of the Company and one-half of a common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder, on exercise, to purchase one Share for a period of two years following the closing date of the Offering at an exercise price of \$0.25 per Share. The proceeds from the Offering will be used for general corporate purposes. The securities issued pursuant to the Offering will be subject to a four-month hold period.

In connection with the Closing, (i) S2's Executive Chairman, Patrick Sheridan, and a joint actor entered into a subscription agreement pursuant to which they purchased 5,000,000 Units for an aggregate subscription price of \$600,000, and an entity that is a joint actor of Mr. Sheridan entered into a subscription agreement pursuant to which that entity purchased 2,000,000 Units for an aggregate subscription price of \$240,000, (ii) an entity controlled by Dan Noone, S2's Chief Executive Officer, entered into a subscription agreement pursuant to which that entity purchased 400,000 Units for an aggregate subscription price of \$48,000, and (iii) a director of S2, Stephen Stow, entered into a subscription agreement pursuant to which he purchased 400,000 Units for an aggregate subscription price of \$48,000.