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**S2 MINERALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2022**  
**(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)**

	As at February 28, 2022	As at May 31, 2021
<b>ASSETS</b>		
<i>Current</i>		
Cash	\$ 2,234,387	\$ 1,194,781
Short-term investments	10,000	-
Amounts receivable (note 3)	12,273	20,939
Prepays	9,209	-
<i>Total current assets</i>	<b>2,265,869</b>	1,215,720
<b>Total assets</b>	<b>\$ 2,265,869</b>	<b>\$ 1,215,720</b>
<b>LIABILITIES</b>		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 65,732	\$ 148,945
Due to related party (note 6)	157,227	129,898
<i>Total current liabilities</i>	<b>222,959</b>	278,843
<b>Total liabilities</b>	<b>222,959</b>	278,843
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 4)	3,705,715	2,516,135
Contributed surplus (note 4(c))	8,397	-
Warrants (note 4(d))	227,029	-
Deficit	(1,898,231)	(1,579,258)
<b>Total shareholders' equity</b>	<b>2,042,910</b>	936,877
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,265,869</b>	<b>\$ 1,215,720</b>

Nature of Operations and Going Concern (note 1)

Approved on behalf of the Board:

\_\_\_\_\_  
"Harvey L.A. Yesno"  
**Director**

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"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)**

	<b>Three Months Ended February 28, 2022</b>	Three Months Ended February 28, 2021	<b>Nine Months Ended February 28, 2022</b>	Date of incorporation to February 28, 2021
<b>Operating expenses</b>				
Exploration and evaluation (note 8)	\$ 109,883	\$ -	\$ 109,883	\$ -
Professional fees	28,204	135,416	106,308	135,416
Reporting issuer costs	5,243	-	36,047	-
Office and administrative	9,318	-	20,651	-
Salaries and related costs	34,211	-	34,211	-
Stock-based compensation (note 4(c))	3,855	-	8,397	-
Travel and accommodation	3,025	-	3,025	-
Foreign exchange loss	124	-	451	-
<b>Comprehensive loss for the period</b>	<b>\$ (193,863)</b>	<b>\$ (135,416)</b>	<b>\$ (318,973)</b>	<b>\$ (135,416)</b>
<b>Net loss per share</b>				
- basic and diluted (note 5)	\$ (0.01)	\$ (135,416)	\$ (0.01)	\$ (135,416)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>29,388,047</b>	<b>1</b>	<b>26,670,239</b>	<b>1</b>

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

	<b>Nine Months Ended February 28, 2022</b>	Date of incorporation to February 28, 2021
<b>Operating activities</b>		
Net loss for the period	\$ (318,973)	\$ (135,416)
<i>Adjustments for non-cash items:</i>		
Stock-based compensation (note 4(c))	8,397	-
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	8,666	-
Prepays	(9,209)	-
Accounts payable and accrued liabilities	(83,213)	135,416
Due to related party	27,329	-
<b>Net cash used in operating activities</b>	<b>(367,003)</b>	<b>-</b>
<b>Investing activities</b>		
Purchase of short-term investments	(10,000)	-
<b>Net cash used in investing activities</b>	<b>(10,000)</b>	<b>-</b>
<b>Financing activities</b>		
Private placement	1,440,000	-
Issuance of incorporation shares (note 4(b)(i))	-	1
Share issue costs	(23,391)	-
<b>Net cash provided by financing activities</b>	<b>1,416,609</b>	<b>1</b>
<b>Net change in cash</b>	<b>1,039,606</b>	<b>1</b>
<b>Cash, beginning of period</b>	<b>1,194,781</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 2,234,387</b>	<b>\$ 1</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, 2021</b>	<b>25,311,335</b>	<b>\$ 2,516,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(1,579,258)</b>	<b>\$ 936,877</b>
Stock-based compensation (note 4(c))	-	-	8,397	-	-	8,397
Private placement (net of issuance costs) (note 4(b)(ii))	12,000,000	1,416,609	-	-	-	1,416,609
Issuance of warrants (note 4(b)(ii))	-	(227,029)	-	227,029	-	-
Net loss for the period	-	-	-	-	(318,973)	(318,973)
<b>Balance, February 28, 2022</b>	<b>37,311,335</b>	<b>\$ 3,705,715</b>	<b>\$ 8,397</b>	<b>\$ 227,029</b>	<b>\$(1,898,231)</b>	<b>\$ 2,042,910</b>

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Warrants</b>	<b>Deficit</b>	<b>Total</b>
Issuance of incorporation shares on November 30, 2020 (note 4(b)(i))	1	\$ 1	\$ -	\$ -	\$ -	\$ 1
Net loss for the period	-	-	-	-	(135,416)	(135,416)
<b>Balance, February 28, 2021</b>	<b>1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(135,416)</b>	<b>\$ (135,415)</b>

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended February 28, 2022**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **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 \$1,898,231 from inception and a working capital of \$2,042,910. 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**  
**Three and Nine Months Ended February 28, 2022**  
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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 April 18, 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**

	<b>As at February 28, 2022</b>	<b>As at May 31, 2021</b>
Sales tax recoverable	\$ 12,273	\$ 20,939
<b>Total</b>	<b>\$ 12,273</b>	<b>\$ 20,939</b>

**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**

	<b>Number of Shares</b>	<b>Share Capital</b>
Issuance of incorporation shares on November 30, 2020 (i)	1	\$ 1
<b>Balance, February 28, 2021</b>	<b>1</b>	<b>\$ 1</b>
	<b>Number of Shares</b>	<b>Share Capital</b>
<b>Balance, May 31, 2021</b>	<b>25,311,335</b>	<b>\$ 2,516,135</b>
Private Placement (ii)	12,000,000	1,440,000
Share issue costs	-	(23,391)
Warrant valuation (ii)	-	(227,029)
<b>Balance, February 28, 2022</b>	<b>37,311,335</b>	<b>\$ 3,705,715</b>

(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.

**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
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**4. SHARE CAPITAL (Continued)**

**b) Common shares issued (continued)**

(ii) 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. A fair value of \$227,029 was estimated for the Warrants using the Black-Scholes pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 1.25%; expected life of 2 years; and an expected volatility of 72.5% based on the Company's historical trading data. All securities issued are subject to the applicable statutory hold period of four months and one day from the closing.

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.

**c) Stock Options**

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance, February 28, 2021 and May 31, 2021</b>	-	\$ -
Granted (i)	300,000	0.25
<b>Balance, February 28, 2022</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 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 nine months ended February 28, 2022 was \$3,855 and \$8,397, respectively (date of incorporation to February 28, 2021 - \$nil) relating to these granted stock options.

As at February 28, 2022, 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	2.74	November 23, 2024
<b>300,000</b>	<b>75,000</b>	<b>\$0.25</b>	<b>2.74</b>	

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**4. SHARE CAPITAL (Continued)**

**d) Share Purchase Warrants**

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, February 28, 2021 and May 31, 2021</b>	-	\$ -
Granted (note 4(b)(ii))	6,000,000	0.25
<b>Balance, February 28, 2022</b>	<b>6,000,000</b>	<b>\$ 0.25</b>

As at February 28, 2022, 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>	

**5. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three and nine months ended February 28, 2022 was based on the loss attributable to common shares of \$193,863 and \$318,973, respectively (three months ended February 28, 2021 - loss of \$135,416 and date of incorporation to February 28, 2021 - \$135,416) and the weighted average number of common shares outstanding of 29,388,047 and 26,670,239, respectively (three months ended February 28, 2021 - 1 and date of incorporation to February 28, 2021 - 1).

**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 February 28, 2022, there were no balances owed to management. (May 31, 2021 - \$nil).

The compensation cost for key management personal is as follows:

<b>Nine Months Ended February 28,</b>	<b>2022</b>	<b>2021</b>
Salaries and fees	\$ 16,000	\$ -
Share-based compensation (note 4(c))	8,397	-
	<b>\$ 24,397</b>	<b>\$ -</b>
<b>Three Months Ended February 28,</b>	<b>2022</b>	<b>2021</b>
Salaries and fees	\$ 16,000	\$ -
Share-based compensation (note 4(c))	3,855	-
	<b>\$ 19,855</b>	<b>\$ -</b>

As at February 28, 2022, the amount of \$157,227 (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.

**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Nine Months Ended February 28, 2022**  
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**6. RELATED PARTY TRANSACTION (Continued)**

During the three and nine months ended February 28, 2022, the Company paid professional fees and disbursements of \$7,635 and \$22,948, respectively (three months ended and date of incorporation to February 28, 2021 - \$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 February 28, 2022, Marrelli Support was owed \$nil (May 31, 2021 - \$nil).

During the three and nine months ended February 28, 2022, the Company paid professional fees and disbursements of \$nil and \$3,338, respectively (three months ended and date of incorporation to February 28, 2021 - \$nil) to DSA Filing Services Inc. ("Filing"), an organization of which Carmelo Marrelli controls. These services were incurred in the normal course of operations for filing matters and these amounts are included in reporting issuer costs. As at February 28, 2022, Filing was owed \$nil (May 31, 2021 - \$nil).

During the three and nine months ended February 28, 2022, the Company paid professional fees and disbursements of \$2,500 (three months ended and date of incorporation to February 28, 2021 - \$nil) to a director of the Company. These services were incurred in the normal course of operations for First Nation relations and these amounts are included in professional fees. As at February 28, 2022, this director was owed \$nil (May 31, 2021 - \$nil).

During the three and nine months ended February 28, 2022, the Company paid professional fees and disbursements of \$6,000 and \$17,000, respectively (three months ended and date of incorporation to February 28, 2021 - \$nil) to Dixcart Trust Corporate Limited ("Dixcart"). These services were incurred in the normal course of operations for Shaun Drake to act as corporate secretary of S2 and these amounts are included in professional fees. As at February 28, 2022, Dixcart 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. EXPLORATION AND EVALUATION**

Activity on the specific projects are outlined below for the periods presented.

**Three and nine months ended February 28, 2022 <sup>(2)</sup>**

	<b>Sandy Lake Project</b>	<b>Weebigee Joint Venture</b>	<b>Project Generation <sup>(1)</sup></b>	<b>Total</b>
Additions	\$ 17,275	\$ 5,428	\$ 100,828	\$ 123,531
Recovery of costs	-	(13,648)	-	(13,648)
	<b>\$ 17,275</b>	<b>\$ (8,220)</b>	<b>\$ 100,828</b>	<b>\$ 109,883</b>

<sup>(1)</sup> S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada with the objective of generating new projects.

<sup>(2)</sup> There was no activity during the three months ended and date of incorporation to February 28, 2021.