
S2 MINERALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2025 AND 2024
(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 August 31, 2025	As at May 31, 2025
ASSETS		
<i>Current</i>		
Cash	\$ 485,379	\$ 12,758
Short-term investments	10,000	10,000
Amounts receivable (note 3)	6,709	5,226
Prepays (note 7)	1,169	2,749
Total current assets	503,257	30,733
<i>Non-Current</i>		
Fixed assets (note 4)	159,272	164,897
Total non-current assets	159,272	164,897
Total assets	\$ 662,529	\$ 195,630
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 53,968	\$ 72,141
Total current liabilities	53,968	72,141
Total liabilities	53,968	72,141
SHAREHOLDERS' EQUITY		
Share capital (note 6)	4,145,604	3,788,615
Contributed surplus (note 6(d))	443,419	227,029
Deficit	(3,980,462)	(3,892,155)
Total shareholders' equity	608,561	123,489
Total liabilities and shareholders' equity	\$ 662,529	\$ 195,630

Nature of operations and going concern (note 1)

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 Month Ended August 31,	2025	2024
Operating expenses		
Exploration and evaluation (note 8)	\$ 5,805	\$ 6,918
Professional fees	51,572	37,762
Salaries and related costs	12,937	12,941
Reporting issuer costs	9,528	4,360
Office and administrative	8,372	7,299
Travel and accommodation	-	2,946
Foreign exchange loss	93	310
Comprehensive loss for the period	\$ 88,307	\$ 72,536
Net loss per share		
- basic and diluted (note 5)	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding - basic and diluted (note 5)	23,377,587	18,968,821

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)

Three Months Ended August 31,	2025	2024
Operating activities		
Net loss for the period	\$ (88,307)	\$ (72,536)
<i>Adjustments for non-cash items:</i>		
Depreciation (note 4)	5,625	5,625
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	(1,483)	(2,557)
Prepays	1,580	1,562
Accounts payable and accrued liabilities	(18,173)	(14,762)
Net cash used in operating activities	(100,758)	(82,668)
Financing activities		
Private placement (note 6(b)(i))	596,000	-
Share issue costs (note 6(b)(i))	(22,621)	-
Net cash provided by financing activities	573,379	-
Net change in cash	472,621	(82,668)
Cash, beginning of period	12,758	367,791
Cash, end of period	\$ 485,379	\$ 285,123

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)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, May 31, 2024	18,968,821	\$ 3,788,615	\$ 243,999	\$(3,493,461)	\$ 539,153
Net loss for the period	-	-	-	(72,536)	(72,536)
Balance, August 31, 2024	18,968,821	\$ 3,788,615	\$ 243,999	\$(3,565,997)	\$ 466,617
Balance, May 31, 2025	18,968,821	\$ 3,788,615	\$ 227,029	\$(3,892,155)	\$ 123,489
Private placement (net of issuance costs) (note 6(b)(i))	4,966,666	356,989	216,390	-	573,379
Net loss for the period	-	-	-	(88,307)	(88,307)
Balance, August 31, 2025	23,935,487	\$ 4,145,604	\$ 443,419	\$(3,980,462)	\$ 608,561

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

S2 Minerals Inc.
Notes to Condensed Interim Financial Statements
Three Months ended August 31, 2025 and 2024
(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.

These unaudited condensed financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has an accumulated deficit of \$3,980,462 as August 31, 2025 (May 31, 2025 - \$3,892,155), a working capital of \$449,289 (May 31, 2025 - working capital deficit \$41,408), and a net loss for three months ended August 31, 2025 of \$88,307, (three months ended August 31, 2024 - \$72,536). The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and the attainment of profitable operations. These material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited condensed interim financial statements of the Company as at August 31, 2025 and the three months ended August 31, 2025, (the "condensed interim financial statements") have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Chartered Professional Accountants of Canada Handbook - Accounting, as applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34. "Interim Financial Reporting". The condensed interim financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on October 14, 2025.

(b) Basis of presentation

The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual audited financial statements as at May 31, 2025 and year ended May 31, 2025. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending May 31, 2026 could result in restatement of these condensed interim financial statements.

(c) Future accounting policies

IFRS 18 - Presentation and disclosure in financial statements

In April 2024, the IASB issued IFRS 18, focusing on presentation and disclosure in financial statements. Key changes would impact the structure of the statement of loss and comprehensive loss and amendments to disclosure requirements for certain profit or loss performance measures. IFRS 18 will replace IAS 1, effective reporting period beginning on January 1, 2027. This will also impact comparative information at the point of adoption.

An assessment of the applicability of the new standard will be performed on the financial statements to which the pronouncement applies.

S2 Minerals Inc.
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2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Future accounting policies (Continued)

IFRS 9 - Financial instruments

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instrument and IFRS 7 - Financial Instruments - Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosure in IFRS 7 for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Management does not expect any material impact to the Company's financial statements upon adoption of these amendments.

3. AMOUNTS RECEIVABLE

	As at August 31, 2025	As at May 31, 2025
Sales tax recoverable	\$ 6,709	\$ 5,226
Total	\$ 6,709	\$ 5,226

4. FIXED ASSETS

Cost	Exploration Equipment
Balance, May 31, 2024, May 31, 2025 and August 31, 2025	\$ 225,000
Accumulated Depreciation	Exploration Equipment
Balance, May 31, 2024	\$ 37,603
Depreciation	22,500
Balance, May 31, 2025	\$ 60,103
Depreciation	5,625
Balance, August 31, 2025	\$ 65,728
Carrying Amounts	Exploration Equipment
Balance, May 31, 2025	\$ 164,897
Balance, August 31, 2025	\$ 159,272

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5. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended August 31, 2025 was based on the loss attributable to common shares of \$88,307 (three months ended August 31, 2024 - loss of \$72,536) and the weighted average number of common shares outstanding of 23,377,587 (three months ended August 31, 2024 - 18,968,821).

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

	Number of Shares	Share Capital
Balance, May 31, 2024 and August 31, 2024	18,968,821	\$ 3,788,615
	Number of Shares	Share Capital
Balance, May 31, 2025	18,968,821	\$ 3,788,615
Private placement (i)	4,966,666	596,000
Warrant valuation (i)	-	(216,390)
Share issue costs (i)	-	(22,621)
Balance, August 31, 2025	23,935,487	\$ 4,145,604

(i) On June 11, 2025, S2 closed a non-brokered private placement (the "Offering"). In connection with the closing of the Offering (the "Closing"), the Company sold 4,966,666 units (the "Units") at a price of \$0.12 per Unit, for gross proceeds of \$596,000. Each Unit consisted of one common share and one of a common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder, on exercise, to purchase one common share for a period of three years following the date of the Closing at an exercise price of \$0.20 per common share. A fair value of \$216,390 was estimated for the Warrants using the Black-Scholes pricing model based on the following assumptions: expected dividend yield of 0%; risk-free interest rate of 2.71%; expected life of 3 years; share price of \$0.16; and an expected volatility of 125.2% based on the Company's historical trading data. The Company paid \$22,621 as legal expense recorded as share issuance costs.

c) Stock options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2024 and August 31, 2024	150,000	\$ 0.50
	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2025 and August 31, 2025	-	\$ -

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6. SHARE CAPITAL (Continued)

d) Share purchase warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2024, August 31, 2024 and May 31, 2025	-	\$ -
Granted (note 6(b)(i))	4,966,666	0.20
Balance, August 31, 2025	4,966,666	\$ 0.20

As at August 31, 2025, the following warrants were outstanding:

Black-Scholes Valuation	Number of Warrants	Exercise Price	Expiry Date
\$ 216,390	4,966,666	\$0.20	June 11, 2028
\$ 216,390	4,966,666	\$0.20	

7. RELATED PARTY TRANSACTIONS

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 and corporate officers, excluding the Chief Financial Officer ("CFO") and the Corporate Secretary. As at August 31, 2025, there were no balances owed to management (May 31, 2025 - \$nil).

The compensation cost for key management personnel is as follows:

Three Months Ended August 31,	2025	2024
Salaries and fees	\$ 21,000	\$ 27,000
	\$ 21,000	\$ 27,000

During the three months ended August 31, 2025, the Company paid rent of \$7,500 (three months ended August 31, 2024 - \$7,500) to G2 Goldfields Inc. ("G2"), a company with common directors and management with S2. As at August 31, 2025, G2 was owed \$nil (May 31, 2025 - \$9,313).

During the three months ended August 31, 2025, the Company paid professional fees and disbursements totaling \$11,591, (three months ended August 31, 2024 - \$11,791) 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, 2025 - \$2,876) and these amounts were included in accounts payable and accrued liabilities.

As at August 31, 2025, the Company owed \$nil (May 31, 2025 - \$18,400) to a director of the Company which was included in accounts payable and accrued liabilities.

In connection with the Offering, Patrick Sheridan, S2's Executive Chairman, entered into a subscription agreement pursuant to which he purchased 3,500,000 Units for an aggregate subscription price of \$420,000 and a company beneficially controlled by Daniel Noone, S2's Chief Executive Officer, entered into a subscription agreement pursuant to which it purchased 416,666 Units for an aggregate subscription price of \$50,000.

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8. EXPLORATION AND EVALUATION

Three Months Ended August 31, 2025

	Sandy Lake Project	Fort Hope Project	Total
Expenditures	\$ 180	\$ -	\$ 180
Depreciation of exploration equipment (note 4)	-	5,625	5,625
	\$ 180	\$ 5,625	\$ 5,805

Three Months Ended August 31, 2024

	Sandy Lake Project	Fort Hope Project	Total
Expenditures	\$ -	\$ 1,293	\$ 1,293
Depreciation of exploration equipment (note 4)	-	5,625	5,625
	\$ -	\$ 6,918	\$ 6,918

The Company is party to an 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 100,000 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 25,000 common shares (issued and valued at \$4,750) in S2 is due by December 2022
- \$150,000 cash payment (paid) plus 25,000 common shares (issued and valued at \$3,250) in S2 is due by December 2023
- \$200,000 cash payment plus 25,000 common shares in S2 is due by December 2024 (*)
- \$500,000 cash payment plus 25,000 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 December 6, 2024, the Company declared an event of force majeure on its option agreement due to aboriginal rights issues. During the period that the event of force majeure remains in effect, all work and payments on the Fort Hope Project are suspended. The Company does not have any information at this time with respect to the anticipated duration of the event of force majeure.

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 263,158 Shares valued at a price of \$0.30 per Share to Windfall Geotek Inc., arm's length third party.