

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of S2 Minerals Inc. (the "Company" or "S2") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2025. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited financial statements for the years ended May 31, 2025, and May 31, 2024, together with the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information contained herein is presented as of August 25, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedarplus.ca.

Unless otherwise indicated, all dollar amounts and references to "\$" in this MD&A are to Canadian dollars.

Description of Business

S2 was incorporated on November 30, 2020, under the laws of the Province of Ontario. The Company's head office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, Canada, M5H 3L5.

Operational Highlights

On December 5, 2024, the Company completed a consolidation of the Company's issued and outstanding common shares ("Shares") based on one post-consolidation Share for every two pre-consolidation Shares (the "Consolidation"). As a result of the Consolidation, the number of issued and outstanding Shares was reduced from 37,937,649 to approximately 18,968,821, subject adjustment for rounding.

There were no other significant corporate activities during the year ending May 31, 2025.

Qualified Person

Daniel Noone, (Member of the Australian Institute of Geoscientists) is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Noone is also the Chief Executive Officer of the Company.

Trends

Financial Markets and Access to Capital

Strong equity markets are favourable conditions for completing a public merger, financing, or acquisition transaction. However, there can be no assurance that additional funding will be available to the Company, which could delay some of the Company's planned or proposed business activities. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Inflation and Cost Increases

Inflation increases major operating expenses like service provider costs such as accounting, costs of being a reporting issuer, legal and audit costs. The Company works to counteract rising expenses. Despite the best efforts to control costs where possible, inflationary pressures nonetheless introduce added financial burdens on the Company. In addition, external risks like a trade dispute with the U.S. could put significant strain on Canada's broader economy. Import tariffs and retaliatory tariffs are generally inflationary and would raise costs. Management, in conjunction with the Board, will continue to monitor these developments and their effect on the Company's business.

Gold Prices

During property acquisition, exploration, and financial planning, management monitors gold demand and supply balances as well as price trends. In addition to monitoring gold prices, management also monitors financing activities in the Junior Mining sector, being the sector in which S2 operates. The following table highlights the comparative gold prices which S2 monitors.

Summary of Gold Prices					
Current Prices with Comparative					
Commodities	May 31, 2025 (USD) ⁽¹⁾	May 31, 2024 (USD) ⁽²⁾	May 31, 2023 (USD) ⁽²⁾	May 31, 2022 (USD) ⁽²⁾	May 31, 2021 (USD) ⁽²⁾
Gold (\$/oz)	3,293.55	2,327.20	1,959.30	1,836.40	1,911.00

(1) Price was obtained from the website - <https://www.dailymetalprice.com>.

(2) Price was obtained from the website - <https://www.kitco.com>.

Apart from these factors and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its mineral property interests. The Company is conducting its operations in a manner that is consistent with governing environmental legislation.

Overall Objective

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition and advancement of mineral exploration projects, primarily located in

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Ontario, Canada. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The success of the Company is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its property, government policies and regulations and future profitable production, or proceeds from the disposition of such properties.

The Company has not discovered economically recoverable mineral reserves. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early-stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it can reduce overall exploration risk by acquiring additional mineral properties. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, environmental risks, risks associated with land title, the competition faced by the Company and the potential failure of the Company to generate adequate funding for any such acquisitions. See "*Risk Factors*" below.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate transactions that it may complete in the future.

Management of Capital

The Company considers its capital to consist of its shareholders' equity balance which as of May 31, 2025, totaled \$123,489 (May 31, 2024 - \$539,153).

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities. The Company manages its capital structure in a manner that provides sufficient operational activities. Funds are primarily secured through equity capital raised by way of private placement. There can be no assurance that the Company will be able to continue raising equity capital in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments such as cash and other short-term guaranteed deposits, and all are held in major financial institutions.

Management believes its capital management approach is reasonable given its stage of operations and the size of the Company.

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Mineral Exploration Properties

The Company has not yet determined whether the Company's properties contain an economic mineral reserve. There are no known reserves of minerals on any of the Company's mineral exploration properties and any activities of the Company thereon will constitute exploration searches for minerals. See "Risk Factors" below.

The total exploration and evaluation expenditures of the Company for the years ended May 31, 2025, and May 31, 2024, were for the following properties:

	Year Ended May 31, 2025 \$	Year Ended May 31, 2024 \$
Sandy Lake Project		
Consulting	3,375	4,825
Travel expense	1,125	nil
Accommodation	759	nil
Other	67	nil
	5,326	4,825
Weebigee Joint Venture		
Claims	nil	400
Consulting	nil	600
Management fee	nil	150
Storage	nil	500
Recovery of costs	nil	(1,079)
	nil	571
Project Generation ⁽¹⁾	nil	nil
Fort Hope Project		
Acquisition costs	nil	153,250
Consulting	1,250	8,163
Professional fees	17,993	1,756
Travel	695	nil
Other	250	nil
Meals and accommodations	3,091	232
Depreciation	22,500	22,500
	45,779	185,901
Total	51,105	191,297

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

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There is currently no exploration work or budget planned for the Fort Hope District Claims, Sandy Lake District Claims, the South Block Claims Joint Venture, or the Weebigee Joint Venture.

Relief from assessment expenditure requirements has been granted by the Province of Ontario through an Exclusion of Time Order, which is expected to remain in effect until a memorandum of understanding or exploration agreement is reached between the Company and the relevant First Nation traditional owners. Such agreement must permit access to the mineral claims and allow mineral exploration field work to proceed. Once such an agreement is in place, the Company intends to prepare an exploration budget covering activities from grassroots exploration through to a Phase 1 program.

The Company estimates \$168,000 will be required to obtain consent from First Nations communities to mineral claims as outlined below.

Business Objective	Use of Available Funds	Estimated Cost	Anticipated Timing
Obtain consent from First Nations communities to mineral claims	Sandy Lake Project – (Access Agreements and Community relations with First Nations)	\$118,000	Fiscal 2026
Obtain consent from First Nations communities to mineral claims	Fort Hope Project- Consultation	\$50,000	Fiscal 2026
n/a	South Block Claims Joint Venture	\$nil	n/a
n/a	Weebigee Joint Venture	\$nil	n/a
	Total	\$168,000	

Sandy Lake Project

The Sandy Lake Project is a group of mineral claims located approximately 225 kilometers (km) north of Red Lake, northwestern Ontario.

The Sandy Lake Project consists of 3,225 cell mining claims. The details for the current project landholdings are provided in Table 1.1 and Table 1.2. All claims within the Sandy Lake Project are contiguous.

Table 1.1: Claim Summary by Type

Tenure Type	Number	Area	Total Area (ha)
Single cell mining claim	2,927	19.46 ha/claim	56,994.3
Multi-cell mining claim	12	depends on the number of cells	5,052.9
Boundary cell mining claim	286	percentage of the cell	5,556.8
Total	3,225		67,604

Source: Mining Land Administration System (26th January, 2021)

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Table 1.2: Sandy Lake Project – Expiry Date, Work Requirements and Exploration Reserve of the Claims

Expiry Date	Number	Type	Work Required	Work Performed	Exploration Reserve
<i>Active</i>					
Jan 6, 2023	533	Single cell claims	213,200	0	0
Feb 21, 2021	55	Single cell claim	22,000	0	0
Feb 21, 2021	12	Multi-cell claim	104,000	0	0
Mar 31, 2021	1	Single cell claim	400	3,200	0
Mar 31, 2021	6	Boundary cell claims	2,400	6,800	624
Jun 14, 2021	184	Single cell claim	73,600	258,200	3,032,380
Jun 14, 2021	121	Boundary cell claims	48,800	61,400	4,628
Jun 15, 2021	7	Single cell claim	73,600	10,400	21,521
Aug 29, 2021	47	Single cell claim	18,800	36,800	0
Aug 29, 2021	16	Boundary cell claims	6,400	5,000	0
Sep 22, 2021	3	Single cell claim	1,200	2,400	3,439
Sep 22, 2021	3	Boundary cell claims	1,200	1,600	2,160
<i>Hold Special Circumstances Apply</i>					
Jun 4, 2019	131	Boundary cell claims	52,000	0	23,710
Jun 4, 2019	1,255	Single cell claim	502,400	0	234,934
Dec 15, 2019	760	Single cell claims	304,000	0	0
Apr 10, 2020	30	Singel cell claims	12,000	0	0
Sep 22, 2020	11	Single cell claims	4,400	2,600	0
Sep 22, 2020	9	Boundary claims	3,600	2,400	0
<i>Total</i>					
			1,373,200	390,800	3,323,396

Source: Mining Land Administration System, downloaded on January 26, 2021.

Fort Hope Project

The Fort Hope Project mineral claims are located approximately 560 kilometers (km) north of Thunder Bay, northwestern Ontario.

Tenure Type	Number	Area	Total Area (Ha)
Single Cell Mining Claim	1,697	Approximately 20 Ha/claim	33,572
Multicell Mining Claim	11	Depending on the number of cells	2,852
Boundary Cell Mining Claim	N/A		
Total	1,708		36,424

S2's mining claims in the Fort Hope Project consist of 1,697 single cell mining claims and 11 multi cell mining claims by way of an option agreement between S2 and Slam Exploration Ltd.

On December 16, 2022, the Company announced that it had become party to an option agreement (the "Option Agreement") with an arm's-length third party pursuant to which the Company was granted an option to acquire up to a 100% interest in nine mining claims in the Veekay and Rich Lake areas of Ontario by making cash payments totaling \$1,000,000 and issuing a total of 200,000 Shares of the Company before December 2025. The Option Agreement was originally made

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between a director of the Company and the third party on December 17, 2021, and was assigned to the Company on December 16, 2022. The following payments are due to Slam Exploration Ltd. in order for the Company to exercise the option pursuant to the Option Agreement:

- \$50,000 cash payment on execution (paid);
- \$100,000 cash payment (paid) plus 25,000 Shares were issued by December 2022 (valued at \$4,750);
- \$150,000 cash payment (paid) plus 25,000 Shares were issued by December 2023 (issued and valued at \$3,250);
- \$200,000 cash payment plus 25,000 Shares were issued by December 2024 (see below regarding event of force majeure); and
- \$500,000 cash payment plus 25,000 Shares are due by December 2025 (see below regarding event of force majeure).

On April 17, 2023, the Company announced that it had acquired 880 mining claims in the Veekay Lake, Gifford Lake, Opikigan Lake, Frond Lake, Rich Lake, and Reserve Lake areas in Ontario (the "Assignment Properties"). The Assignment Properties were acquired from a director of the Company pursuant to an assignment agreement dated as of April 14, 2023. The director had acquired the Assignment Properties from an arm's length third party for a cash payment of \$300,000 and a 2% net smelter returns royalty ("Royalty") and agreed that if the property was assigned to a public company before March 2024, such public company would issue \$50,000 worth of common shares in the capital of such company. 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.

On December 6, 2024, the Company declared an event of force majeure on the 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 currently with respect to the anticipated duration of the event of force majeure.

The Company is also party to various agreements whereby certain mineral claims are subject to a 2% NSR.

S2 and Goldeye Joint Venture Agreement

There is a joint venture agreement between S2 and Goldeye Explorations Limited ("Goldeye") where S2 has a 50.1% legal and beneficial interest in the Sandy Lake Project (the "Weebigee Joint Venture"). In addition, S2 and Goldeye have a joint venture, named the "South Block Claims JV" where S2 and Goldeye both have a 50% participating interest. Goldeye is a subsidiary of NexGold Mining Corp. ("NexGold").

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and

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maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by S2 in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with S2's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of and annual filings and other reports provided under securities legislation.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as of May 31, 2025, May 31, 2024, and May 31, 2023:

	Year Ended May 31, 2025 \$	Year Ended May 31, 2024 \$	Year Ended May 31, 2023 \$
Income (Loss)			
Total revenues	nil	nil	nil
Total loss	(415,664) ⁽¹⁾	(512,926) ⁽²⁾	(650,021) ⁽³⁾
Net loss per share – basic	(0.02)	(0.03)	(0.02)
Net loss per share – diluted	(0.02)	(0.03)	(0.02)
Assets / Liabilities	As at May 31, 2025 \$	As at May 31, 2024 \$	As at May 31, 2023 \$
Total assets	195,630	569,917	1,230,457
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

⁽¹⁾ The net loss for the year ended May 31, 2025, consisted primarily of (i) exploration and evaluation expenditures of \$51,105; (ii) professional fees of \$201,360; (iii) salaries and related costs of \$38,820; (iv) reporting issuer costs \$32,151; and (v) office and administrative costs of \$47,522.

⁽²⁾ The net loss for the year ended May 31, 2024, consisted primarily of (i) exploration and evaluation expenditures of \$191,297; (ii) professional fees of \$189,803; (iii) salaries and related costs of \$51,927; (iv) reporting issuer costs \$39,305; and (v) office and administrative costs of \$22,680.

⁽³⁾ The net loss for the year ended May 31, 2023, consisted primarily of (i) exploration and evaluation expenditures of \$280,141; (ii) professional fees of \$216,631; (iii) salaries and related costs of \$59,564; (iv) reporting issuer costs \$39,156; and (v) office and administrative costs of \$37,801.

Discussion of Operations

Year ended May 31, 2025, compared with the year ended May 31, 2024

The Company's net loss totaled \$415,664 for the year ended May 31, 2025, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$512,926 with basic and diluted loss per share of \$0.03 for the year ended May 31, 2024. The decrease in net loss from the prior period of \$97,262 was principally because:

- Professional fees were \$201,360 for the year ending May 31, 2025 (year ended May 31, 2024 – \$189,803). These fees relate to the outsourced legal and accounting services required to meet the Company's corporate activities.
- Reporting issuer costs were \$32,151 for the year ended May 31, 2025 (year ended May 31, 2024 – \$39,305). These fees relate to ongoing regulatory requirements.
- Office and administrative costs were \$47,522 for the year ended May 31, 2025 (year ended May 31, 2024 – \$22,680). This primarily relates to increased corporate activities for the Company.
- Exploration and evaluation expenditures were \$51,105 for the year ended May 31, 2025 (year ended May 31, 2024 – \$191,297), of which \$45,779 was for the Fort Hope Project for the year ended May 31, 2025 (year ended May 31, 2024 – expenditures of \$185,901). S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada, with the objective of generating new projects. Weebigee joint venture project recovery costs amounted to \$nil for the year ended May 31, 2025 (year ended May 31, 2024 – \$571) and the Sandy Lake Project amounted to \$5,326 (year ended May 31, 2024 – \$4,825).

Three months ended May 31, 2025, compared with the three months ended May 31, 2024

The Company's net loss totaled \$104,824 for the three months ended May 31, 2025, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$99,926 with basic and diluted loss per share of \$0.01 for the three months ended May 31, 2024. The increase in net loss from the prior period of \$4,898 was principally because:

- Professional fees were \$57,915 for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$51,585). These fees relate to the outsourced legal and accounting services required to meet the Company's corporate activities.
- Reporting issuer costs were \$3,912 for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$10,751). These fees relate to ongoing regulatory requirements.
- Office and administrative costs were \$20,292 for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$7,604). This primarily relates to increased corporate activities for the Company.
- Exploration and evaluation expenditures were \$5,625 for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$11,221), of which \$5,625 was for the Fort Hope Project for the three months ended May 31, 2025 (three months ended May 31, 2024 – expenditures of \$11,320). S2 continues to pursue its mineral potential modelling of several regions in Ontario, Canada, with the objective of generating new projects. Weebigee joint venture project recovery costs amounted to \$nil for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$1,109) and the Sandy Lake Project amounted to \$nil for the three months ended May 31, 2025 (three months ended May 31, 2024 – \$4,600).

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Cash Flow Items

Operating Activities

Activity for the year ended May 31, 2025, was cash used in operations of \$355,033 (year ended May 31, 2024 – \$632,089). These expenditures relate largely to the on-going corporate operating costs of the Company and its overheads and a pay down of accounts payable.

Investing Activities

No investing activities were conducted in the year ended May 31, 2025.

Financing Activities

No financing activities were conducted in the year ended May 31, 2025.

Summary of Quarterly Information

Three Months Ended	Total Revenue \$	Profit or Loss	
		Total \$	Basic and Diluted Loss Per Share \$ ⁽¹⁾
May 31, 2025	Nil	(104,824)	(0.01)
February 28, 2025	Nil	(103,482)	(0.01)
November 30, 2024	Nil	(134,822)	(0.01)
August 31, 2024	Nil	(72,536)	(0.00)
May 31, 2024	Nil	(99,926)	(0.00)
February 29, 2024	Nil	(242,063)	(0.01)
November 30, 2023	Nil	(91,866)	(0.00)
August 31, 2023	Nil	(79,071)	(0.00)

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity and Capital Resources

The Company currently has no positive operating cash flow and has, to date, financed its activities and its ongoing expenditures primarily through equity transactions such as equity offerings and other financing arrangements.

As of May 31, 2025, the Company had a working capital deficiency of \$41,408, which is not expected to be sufficient to meet its expenses for the twelve months ending May 31, 2026, at current expenditure levels. The Company estimates its administrative overhead for fiscal 2026 to be approximately \$380,000. In addition, the Company's planned expenditures for fiscal 2025 are estimated to be \$168,000 to obtain consent from First Nations communities for its mineral claims, including \$50,000 for the Fort Hope Project and \$118,000 for the Sandy Lake Project. On December 6, 2024, the Company declared an event of force majeure on its Fort Hope Project due to aboriginal rights issues. While the event of force majeure remains in effect, all work and payments related to the Fort Hope Project are suspended. The Company does not currently have information regarding the anticipated duration of this force majeure event.

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It is anticipated that further financings will be required from related-party loans or an equity issue to continue corporate and exploration activities. There can be no assurance that additional financing from related parties or others will be available at all, or on terms acceptable to the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise.

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for S2 to achieve its objectives. S2 will require additional funds to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by S2 will be available, if required. The amounts shown in the table below are estimates of working capital requirements only and are based on the information available to S2 as of the date hereof.

Forecast 12 Month Budget

Funds Available to S2 from the June 11, 2025 Offering (see "Subsequent Event" below)	\$596,000
Sandy Lake Project – Access agreements and community relations with First Nations	(\$118,000)
Fort Hope Project – Consultation	(\$50,000)
Travel	(\$42,000)
Office	(\$42,000)
Salary	(\$50,000)
Legal and Audit	(\$75,000)
Funds Available to S2 for General Working Capital	\$219,000

See "Trends" above, and "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" below, below. Additional measures have been undertaken or are under consideration to further reduce corporate costs.

Outlook

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the demand for gold will be favourable, and hence it may be possible to obtain additional funding for its projects.

Key Management Compensation

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board and corporate officers, excluding the Chief Financial Officer ("CFO"). The compensation cost for key management personal is as follows:

	Year Ended May 31, 2025 \$	Year Ended May 31, 2024 \$
Salary and fees		
Harvey L.A. Yesno, Director	45,000	60,000
Alex Carpenter, Director	36,000	58,000
Total	81,000	108,000

Related Party Transactions

During the year ended May 31, 2025, the Company paid rent of \$30,000 (year ended May 31, 2024 – \$30,000) to G2 Goldfields Inc. ("G2"), a company with common directors and management with S2.

During the year ended May 31, 2025, the Company paid professional fees and disbursements totaling \$38,767, respectively (year ended May 31, 2024 – \$35,585) 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. As at May 31, 2025, \$2,876 were due to the Marrelli Group (May 31, 2024 – \$nil), and these amounts were included in accounts payable and accrued liabilities.

Major Shareholder

To the knowledge of the directors and senior officers of the Company, as of May 31, 2025, no person or corporation beneficially owns or exercises control or direction over Shares carrying more than 10% of the voting rights attached to all Shares other than Patrick Sheridan, who owns 7,848,710 Shares (May 31, 2024 – 7,848,710 Shares) or 41% (May 31, 2024 – 41%) of the outstanding Shares.

Accounting Policies Issued but not Applied

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after May 31, 2025. Management has evaluated and does not expect any such pronouncements to have a significant impact on the Company's financial statements upon adoption.

Financial Risk Factors

The Company manages its exposure to several different financial risks arising from operations as well as from the use of financial instruments, including market risks (foreign currency exchange rate and interest rate), credit risk and liquidity risk, through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and short-term investments. The Company reduces its credit risk by maintaining its cash and short-term investments with reputable financial institutions.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. The Company's investment policy is to invest its excess cash in high grade investment securities varying terms to maturity, selected about the expected timing of expenditures for continuing operations. The Company monitors its liquidity position and budgets future expenditures, to ensure that it will have sufficient capital to satisfy liabilities as they come due.

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As at May 31, 2025, the Company had current liabilities of \$72,141 and has cash of \$12,758 to meet its current obligations. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

c) Interest Rate Risk

The interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant risk to future cash flows from interest rate risk. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policy estimates, and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs after the issuance of the financial statements.

Management is required to estimate the inputs used in the Black-Scholes model to value stock options and warrants issued during the year.

Estimate of useful lives - for depreciable fixed assets, management makes estimates to determine depreciation. Should the actual useful life vary from the initial estimation, future depreciation charges may change. Should the componentization of these like assets change, depreciation charges may vary materially.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such a statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides

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the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
<ul style="list-style-type: none"> Potential of the Company's properties to contain economic deposits of any mineral discovered. 	<ul style="list-style-type: none"> Financing will be available for future exploration and development of the Company's properties. The actual results of the Company's exploration and development activities will be favorable. Operating, exploration and development costs will not exceed the Company's expectations. The Company will be able to retain and attract skilled staff. All requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favorable to the Company. The price of applicable minerals and applicable interest and exchange rates will be favorable to the Company. No title disputes exist with respect to the Company's properties. 	<ul style="list-style-type: none"> Price volatility of any mineral discovered. Uncertainties involved in interpreting geological data and confirming title to, and interests in, properties. The possibility that future exploration results will not be consistent with the Company's expectations. Availability of financing for and actual results of the Company's exploration and development activities. Increases in costs. Environmental compliance and changes in environmental and other local legislation and regulation. Interest rate and exchange rate fluctuations. Changes in economic and political conditions. The Company's ability to retain and attract skilled staff. The availability of permits. Failure to obtain and maintain social licences. United States tariffs and retaliatory tariffs. Epidemics, pandemics, natural disasters, terrorist acts and other disruptions.
<ul style="list-style-type: none"> The Company's cash balance at May 31, 2025, is not sufficient to fund its operating expenses at current levels. It is anticipated that further financing will be required from related-party loans or an equity issue to continue corporate and exploration activities. 	<ul style="list-style-type: none"> The operating activities of the Company for the next twelve months and beyond, starting from June 1, 2025, and the costs associated in addition to that, will be consistent with the Company's current expectations. Debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company. 	<ul style="list-style-type: none"> Changes in debt and equity markets. The timing and availability of external financing on acceptable terms. Changes in the currently planned operations. Increases in costs. Environmental compliance and changes in environmental and other local legislation and regulation. Interest rate and exchange rate fluctuations. Changes in economic conditions. Failure to obtain and maintain social licences. Reputational risk.
<ul style="list-style-type: none"> The Company believes the properties warrant ongoing exploration and will require additional funding to maintain the current or increased levels of 	<ul style="list-style-type: none"> Exploration activities will continue to comply with all government regulations. Financing will be available as needed. 	<ul style="list-style-type: none"> Increased government scrutiny and regulations. The Company's ability to satisfy workers' safety.

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<p>exploration. Accordingly, the Company expects to incur further losses in the development of its business.</p>		<ul style="list-style-type: none"> • Availability of future financing.
<ul style="list-style-type: none"> • The Company's ability to carry out anticipated exploration and maintenance on its property interests in Canada and Ontario. • The Company's anticipated use of cash is available to it in any period. 	<ul style="list-style-type: none"> • The exploration and maintenance activities of the Company's operations and costs for the next twelve months, starting from June 1, 2025, and the costs associated in addition to that, will be consistent with the Company's current expectations. • Debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company. 	<ul style="list-style-type: none"> • Changes in debt and equity markets. • The timing and availability of external financing on acceptable terms. • Increases in costs; changes in the operations currently planned for fiscal 2026. • Environmental compliance and changes in environmental and other local legislation and regulation. • Interest rate and exchange rate fluctuations. • Changes in economic conditions. • Receipt of applicable permits. • Ongoing uncertainties relating to applicable First Nations matters and any delay in compliance by NexGold with the option agreement concerning the Weebigee joint venture in Sandy Lake, Canada. • Ongoing uncertainties relating to applicable First Nations matters concerning the Fort Hope Project. • Failure to obtain and maintain social licences. • Reputational risk.
<ul style="list-style-type: none"> • Plans, costs, timing, and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations. 	<ul style="list-style-type: none"> • Financing will be available for the Company's exploration and development activities, and the results thereof will be favorable. • Actual operating and exploration costs will be consistent with the Company's current expectations. • The Company will be able to retain and attract skilled staff. • All applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company. • The Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favorable to the Company. • The price of any applicable mineral will be favorable to the Company. 	<ul style="list-style-type: none"> • Price volatility of any mineral discovered • Changes in debt and equity markets. • The timing and availability of external financing on acceptable terms. • The uncertainties involved interpreting geological data and confirming title to acquired properties. • The possibility that future exploration results will not be consistent with the Company's expectations. • Increases in costs, environmental compliance and changes in environmental and other local legislation and regulation. • Interest rate and exchange rate fluctuations. • Changes in economic and political conditions. • The Company's ability to retain and attract skilled staff. • Availability of permits. • Market competition. • United States tariffs and retaliatory tariffs.

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	<ul style="list-style-type: none"> • No title disputes arise concerning the Company's properties. 	
<ul style="list-style-type: none"> • Management's outlook regarding future trends, including the future price of any mineral discovered and availability of future financing. 	<ul style="list-style-type: none"> • Financing will be available for the Company's exploration and operating activities. • The price of applicable minerals will be favorable to the Company. 	<ul style="list-style-type: none"> • Changes in debt and equity markets. • Interest rate and exchange rate fluctuations. • Changes in economic and political conditions. • Availability of financing. • Changes in debt and equity markets and the spot price of any mineral discovered, if available. • United States tariffs and retaliatory tariffs.
<ul style="list-style-type: none"> • Consultations with local First Nations for the Sandy Lake Project and Fort Hope district Project in Canada. 	<ul style="list-style-type: none"> • The Company will engage in appropriate consultation with local First Nations and with the Government of Ontario which will result in the Company resuming work on its Project in Sandy Lake and commencing operations in the Fort Hope district. • On December 6, 2024, the Company declared an event of force majeure on its Fort Hope Project due to aboriginal rights issues. The Company does not have any information currently with respect to the anticipated duration of the event of force majeure. 	<ul style="list-style-type: none"> • Consultations with local First Nations may not result in the Company resuming work on the Sandy Lake and Fort Hope Projects or may result in high additional costs to resume work on the Sandy Lake and Fort Hope Projects. • Failure to obtain and maintain social licenses. • Reputational risk.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Subsequent Event

On June 11, 2025, the Company closed a non-brokered private placement (the "Offering") and sold 4,966,666 unit of the Company (the "Units") at a price of \$0.12 per unit, for gross proceeds of \$596,000. Each Unit consisted of one Share and one Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Share until June 11, 2028, at an exercise price of \$0.20 per Share.

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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.

Risk Factors

Risks Related to the Operations of S2

Dependence on Management

S2 is very dependent upon the personal efforts and commitment of its directors and officers, especially Patrick Sheridan, S2's director and Executive Chairman of the Board, and Daniel Noone, S2's Chief Executive Officer. If one or more of S2's executive officers become unavailable for any reason, a severe disruption to the business and operations of S2 could result, and S2 may not be able to replace them readily, if at all. As S2's business activity grows, S2 will require additional key financial, administrative, and mining personnel as well as additional operation staff.

There can be no assurance that S2 will be successful in attracting, training, and retaining qualified personnel as competition for people with these skill sets increase. If S2 is not successful in attracting, training, and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on S2's future cash flows, earnings, results of operations and financial condition.

S2's Operations are Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage S2's interests, and even when those efforts are successful, people are fallible, and human error could result in significant uninsured losses to S2. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort S2 might undertake and legal claims for errors or mistakes by S2 personnel.

Reliance on Professional Advisors and Service Providers

The Company relies on professional advisors and service providers, including external auditors, legal counsel and its accounting and CFO service provider. These professionals are subject to their respective professional and/or regulatory requirements, and they may not comply with all regulatory requirements or may fail to perform to their respective professional standards. They may not comply with their obligations to the Company or perform their services in a timely or acceptable manner. The failure of such professionals to comply with their respective regulatory requirements or professional standards could affect the Company in ways that are not predictable, including ways that could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Financing Risks

Additional funding will be required to conduct future exploration programs on the Sandy Lake Project or any other property and to conduct other exploration programs. If S2's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to S2 are the sale of equity capital, or the offering by S2 of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause S2 to reduce or terminate its proposed operations.

Conflicts of Interest

Certain directors and officers of S2 are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of S2, including possibly G2. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of S2. Directors and officers of S2 with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

No History of Earnings

S2 has no history of earnings or of a return on investment, and there is no assurance that the Sandy Lake Project or any other property or business that S2 may acquire or undertake will generate earnings, operate profitably, or provide a return on investment in the future.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Sandy Lake Project or any of S2's other properties. There is no certainty that the expenditure to be made by S2 in the exploration of the Sandy Lake Project or any other property or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by S2 will be affected by numerous factors beyond the control of S2. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in S2 not receiving an adequate return on invested capital.

Environmental Risks and Other Regulatory Requirements

The current or future operations of S2, including future exploration and development activities and commencement of production on its property or properties, will require permits or licences from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays because of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which S2 may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which S2 might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on S2 and cause increases in capital expenditures or production costs or reduction in production at producing properties or require abandonment or delays in the development of new mining properties.

Nature of Mineral Exploration and Development

All S2's operations are at the exploration stage and there is no guarantee that any such activity will result in commercial production of mineral deposits. The exploration for mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by S2, or any future development programs will result in a profitable commercial mining operation. There is no assurance that S2's mineral exploration activities will result in any discoveries of commercial quantities of ore. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on several factors, some of which are: the attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long-term profitability of S2 will be in part directly related to the cost and success of its exploration programs and any subsequent development programs.

Failure to Obtain and Maintain Social Licenses

The Company's concessions may be near, or in some cases overlap with, local communities, and it often needs local approvals to access these areas and/or operate. The Company often enters into agreements with local communities, groups or individuals that address surface access, road or trail usage, local employment, and other key issues. The ethnic composition, social organization and landownership structure of the communities may differ on a case-by-case basis, as may the Company's exploration requirements and impacts. Similarly, local concerns regarding environmental and social impacts, both current and historic, as well as expectations related to Company employment, social investment programs and other benefits tend to vary from place to place. Every local stakeholder relationship, however, requires ongoing dialogue and relationship management. For these purposes, the Company's senior management engages directly with the relevant stakeholders with the aim of creating sustainable and enduring relationships based on collaboration, shared interests, and trust.

However, events do not always unfold as intended or according to plan, and the status of relations can deteriorate for any number of reasons, including, but not limited to: influences of local or external political or social actors or organizations, shifts in the agendas or interests of individuals or the community as a whole, or the Company's inability to deliver on community expectations or its commitments, or the occurrence of the unexpected, as in the case of a pandemic. The

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Company's senior management is prepared to manage such situations and issues are usually resolved through dialogue within a reasonable timeframe.

If under extreme circumstances the Company were to lose its social license with one or more communities and be unable to recover it, this could seriously impact the viability of any project. Additionally, in recent years, local political and social groups, and organizations, including indigenous confederations, at times funded at least in part by international nongovernmental organizations, have increased their activities against extractive industries in many jurisdictions, including Canada. Activists have taken such actions as road closures and work stoppages, as well as succeeded in attracting the attention of different local and national media outlets, at times negatively impacting the reputations of the mining sector and/or specific companies. The International Labour Organization convention requires free, prior, and informed consultation to aboriginal or indigenous communities. The Company is committed to the highest standards of such consultation. Such initiatives may have a material adverse effect on the Company's operations and projects and on its financial position, cash flows and results of operations.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditure is required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from S2's estimates. There can be no assurance that the underlying assumed levels of expenses for any project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that S2's projects will move beyond the exploration stage and be put into production, achieve commercial production or that S2 will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risk. There can be no assurance that the funds required for exploration and future development can be obtained on a timely basis. There can be no assurance that S2 will not suffer significant losses in the future or that S2 will ever be profitable.

Commodity Prices

The price of S2's Shares and S2's financial results may be significantly adversely affected by a decline in the price of gold and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond S2's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, and speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems, and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on S2.

Acquisition Strategy

As part of S2's business strategy, it will seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, S2 may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into S2. S2 cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisition or business arrangement completed will ultimately benefit S2.

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Dividend Policy

No dividends on Shares have been paid by S2 to date. S2 anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. S2 does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after considering many factors, including S2's operating results, financial condition and current and anticipated cash needs.

Permitting

S2's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, S2 must receive permits from appropriate governmental authorities. There can be no assurance that S2 will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on S2, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

Land Title

The acquisition of title to resource properties is a very detailed and time-consuming process. No assurances can be given that there are no title defects affecting the properties in which S2 has an interest. The properties may be subject to prior unregistered liens, agreements, transfers, or claims, including native land claims, and title may be affected by, among other things, undetected defects. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. The title may also be affected by undetected encumbrances or defects or governmental actions. S2 has not conducted surveys of properties in which it holds an interest and the precise area and location of claims, or the properties may be challenged. S2 may not be able to register the rights and interests it acquires against the title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict S2's ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by S2 invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results to yield to differ materially from those anticipated. Although S2 believes it has taken reasonable measures to ensure proper title to the property in which it has an interest, there is no guarantee that such title will not be challenged or impaired.

Influence of Third-Party Stakeholders

The mineral properties in which S2 holds an interest, or the exploration equipment and road or other means of access which S2 intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. If such third parties assert any claims, S2's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for S2.

Insurance

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires,

environmental occurrences, and natural phenomena such as prolonged periods of inclement weather conditions, floods, and earthquakes. It is not always possible to obtain insurance against all such risks and S2 may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to S2's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. S2 expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. S2 expects to carry liability insurance with respect to its mineral exploration operations but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of S2. If S2 is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect S2's future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. S2 expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which are with large established mining companies with substantial capabilities and greater financial and technical resources than S2, S2 may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, S2's ability to consummate and to effectively integrate any future acquisitions on terms that are favourable to S2 may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, S2's ability to obtain financing on satisfactory terms, if at all.

United States Tariffs and Retaliatory Tariffs

Potential US-led tariffs imposed on Canada, and the retaliatory tariffs that Canada may implement, may impact the Company as tariff amounts and the goods to which they are applicable may vary. While the Company does not expect tariffs to have a significant impact on the Company's financial condition at this time, there is no assurance that any future changes in the tariffs and resulting downturns in the Canadian and global economic conditions will not adversely affect the Company.

Reputational Risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Epidemics, Pandemics, Natural Disasters, Terrorist Acts and Other Disruptions

Global markets have been adversely impacted by natural disasters, terrorist acts, health crises and other disruptions, including infectious diseases and the threat of outbreaks of viruses and other contagions, the Russian invasion of Ukraine, and conflicts in the Middle East. Global financial conditions could suddenly and rapidly destabilize in response to existing and future events, as government authorities may have limited resources to respond to existing or future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, epidemics, geopolitical instability and war (such as the Russian invasion of Ukraine and conflicts in the Middle East), changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain financing or make arrangements to finance its operations. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on the Company and the trading price of the Company's securities could be adversely affected.

Risks Related to the Shares

Volatility of Market Price of the Shares

The market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond S2's control, including the following:

- actual or anticipated fluctuations in S2's results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which S2 operates;
- addition or departure of S2's executive officers and other key personnel;
- sales of additional Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving S2 or S2's competitors;
- operating and share price performance of other companies that investors deem comparable to S2;
- changes in commodity prices, political events, global financial markets and global economies and general market conditions;
- operating and share price performance of other companies that investors deem comparable to S2;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in S2's industry; and
- regulatory changes in the industry.

A prolonged decline in the price of the Shares could result in a reduction in the liquidity of the Shares and a reduction in S2's ability to raise capital. Because a significant portion of S2's operations have been and will be financed through the sale of equity securities, a decline in the price of the Shares could be especially detrimental to S2's liquidity and its operations. Such

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reductions may force S2 to reallocate funds from other planned uses and may have a significant negative effect on S2's business plan and operations, including its ability to develop new products and continue its current operations. If the Share price declines, S2 can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If S2 is unable to raise sufficient capital in the future, S2 may not be able to have the resources to continue its normal operations.

Dilution

Issuances of additional securities including, but not limited to, Shares or warrants or some form of convertible debentures, will result in a substantial dilution of the equity interests of any of S2's shareholders.

Share Capital

As at the date of this MD&A, the Company had 23,935,487 issued and outstanding Shares as well as 4,966,666 warrants with an exercise price of \$0.20 per Share and an expiry date of June 11, 2028.

Additional Information

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca.