

**PLEASE READ THIS NOTICE CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON MAY 12, 2021.**

This notice (and the Arrangement Circular and the Supplemental Press Release (both as defined below)) is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this notice. Any representation to the contrary is an offence. This notice should be read in conjunction with the Arrangement Circular and the Supplemental Press Release prior to making an investment decision.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. This notice does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.

## **RIGHTS OFFERING NOTICE**



### **S2 MINERALS INC.**

#### **Notice to security holders – April 14, 2021**

The purpose of this notice is to advise holders of the outstanding common shares (the “**S2 Common Shares**”) of S2 Minerals Inc. (“**S2**” or the “**Company**”), who received such S2 Common Shares pursuant to a court-approved arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act*, of the issuance of rights of the Company (the “**S2 Rights**”) under the Arrangement.

References in this notice to “we”, “our”, “us” and similar terms mean to the Company. References in this notice to “you”, “your” and similar terms mean to shareholders of the Company. All amounts herein are presented in Canadian dollars, unless otherwise stated.

The Arrangement was designed to deliver greater value to shareholders of G2 Goldfields Inc. (“**G2**”) by unlocking the value of the Sandy Lake Property and providing a mechanism for S2 to have sufficient working capital through the offering of S2 Rights, which includes a Standby Commitment (as defined below), to carry out an initial work program and to cover its anticipated near term general and administrative expenditures. **We require approximately 35% of the funds from the Rights Offering to last 12 months.**

Enquiries relating to this Rights Offering (as defined below) should be directed to S2 as follows: Paul Murphy, Chief Financial Officer, by email: [paul.murphy@s2minerals.com](mailto:paul.murphy@s2minerals.com) or phone: 416.628.5904.

#### ***Who can participate in the Rights Offering?***

Pursuant to the Arrangement, S2 issued one S2 Right for every S2 Common Share held by shareholders of S2 (“**S2 Shareholders**”) as of 12:01 am (Toronto time) on April 9, 2021 (the “**Effective Date**”) and

the S2 Rights shall be distributed in accordance with the provisions of the Rights Agency Agreement (as defined below) to those S2 Shareholders who are resident in the Qualified Jurisdictions (as defined below). Each S2 Right entitles the holder thereof to acquire one S2 Common Share (a “**Rights Share**”) on the terms described herein (the “**Rights Offering**”) and as more particularly described in the management information circular dated February 25, 2021 (the “**Arrangement Circular**”) mailed to shareholders of G2 in connection with approving the Arrangement, as supplemented by the disclosure in the press release of G2 dated March 24, 2021 (the “**Supplemental Press Release**”).

***Who is eligible to receive S2 Rights?***

The Rights Offering is being made to S2 Shareholders in all provinces and territories of Canada (the “**Qualified Jurisdictions**”). The offer of the Rights is being made only to S2 Shareholders resident in the Qualified Jurisdictions. S2 Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. This notice is not to be construed as an offering of S2 Rights, nor are the Rights Shares issuable upon exercise of the S2 Rights, in any jurisdiction outside of the Qualified Jurisdictions or to S2 Shareholders who are residents of any jurisdiction other than the Qualified Jurisdictions (or, in the case of the United States, located or having an address within the United States) (“**Ineligible Shareholders**”). Instead, Ineligible Shareholders will be sent a letter advising them that their S2 Rights will be held on their behalf by TSX Trust Company (the “**Rights Agent**”), who will hold such S2 Rights as agent for the benefit of all such Ineligible Shareholders.

***How does an Ineligible Shareholder Participate?***

An Ineligible Shareholder that is an Approved Ineligible Shareholder (as defined below) will be entitled to participate in the Rights Offering.

An Ineligible Shareholder that is either (i) a direct or indirect holder with an address of record in the United States (or whom S2 otherwise reasonably believes to be in the United States or a United States resident) and who is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act, and who provides evidence to such effect, in a form which satisfies, in the opinion of S2, the requirements of Rule 506(c) of Regulation D promulgated under the U.S. Securities Act; or (ii) is outside the Qualified Jurisdictions and the United States, and satisfies S2 that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (each an “**Approved Ineligible Shareholder**”) may have its Rights Certificate (as defined below) issued and forwarded by the Rights Agent upon direction from S2.

***How many S2 Rights is S2 offering?***

A total of 12,655,667 S2 Rights were issued on the Effective Date and are being distributed in accordance with the provisions of the rights agency agreement (the “**Rights Agency Agreement**”) entered into between the Rights Agent and S2 pertaining to the issuance and exercise of S2 Rights. As a result, a maximum of 12,655,667 Rights Shares may be issued under the Rights Offering.

***How many S2 Rights will you receive?***

An S2 Shareholder will receive one S2 Right for each S2 Common Share held by the S2 Shareholder as at the Effective Date, subject to the “due bills” trading procedure described in the Arrangement Circular and supplemented by the news releases of G2 dated March 31, 2021 and April 5, 2021. See “*Particulars of Matters to be Acted Upon – The Arrangement – Conduct of Meeting and Other Approvals*” in the Arrangement Circular. No fractional S2 Rights were issued, and no fractional S2 Common Shares will be issued upon exercise of the S2 Rights.

***What does one S2 Right entitle you to receive?***

Each S2 Right will entitle the holder to subscribe for one Rights Share (the “**Basic Subscription Privilege**”) upon payment of a subscription price of \$0.10 (the “**Subscription Price**”) per Rights Share until the Expiry Time (as defined below).

Holders of S2 Rights who exercise their Rights in full pursuant to the Basic Subscription Privilege are entitled to subscribe for additional Rights Shares (if such are available), on a *pro rata* basis, pursuant to an additional subscription privilege (the “**Additional Subscription Privilege**”). The number of additional Rights Shares available will be the difference, if any, between the total number of S2 Rights that are issued pursuant to the Rights Offering and the total number of S2 Rights exercised and paid for pursuant to the Basic Subscription Privilege at the Expiry Time.

Subscriptions for the exercise of additional S2 Rights will be received subject to allotment only and the number of additional S2 Rights, if any, that may be allotted to each subscriber will be equal to the lesser of: (i) the number of additional S2 Rights that such subscriber has exercised under the Additional Subscription Privilege; and (ii) the product (disregarding fractions, if any) obtained by multiplying the number of additional S2 Rights available to be issued by a fraction, the numerator of which is the number of S2 Rights previously exercised by the subscriber pursuant to the Basic Subscription Privilege and the denominator of which is the aggregate number of S2 Rights previously exercised pursuant to the Basic Subscription Privilege by all holders of S2 Rights who have exercised and paid for additional S2 Rights. If any S2 Rights holder has exercised fewer additional S2 Rights than such S2 Rights holder’s *pro rata* allotment of additional S2 Rights, the excess additional S2 Rights will be allotted in a similar manner among the S2 Rights holders who were allotted fewer additional S2 Rights than they exercised.

Shareholders who exercise their Rights must enclose payment in full for all Rights Shares subscribed for (including any subscription pursuant to the Additional Subscription Privilege) in Canadian funds by certified cheque, bank draft or money order payable to the order of TSX Trust Company, the Rights Agent.

***How will you receive your S2 Rights?***

If you are a registered S2 Shareholder resident in a Qualified Jurisdiction (a “**Registered Holder**”), a rights certificate (“**Rights Certificate**”) evidencing the S2 Rights to which you are entitled has been delivered with this Notice. Please review the Rights Certificate and the Arrangement Circular for instructions as to how to exercise your S2 Rights.

If you are a beneficial Shareholder (a “**Beneficial Holder**”) whose S2 Common Shares are held through a securities broker or dealer, bank or trust company or other participant (a “**CDS Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”), you will not receive a Rights Certificate. The total number of S2 Rights to which all Beneficial Holders as at the Effective Date are entitled will be issued to and deposited with CDS following the Effective Date. Please review the Arrangement Circular and contact your CDS Participant for instructions as to how to exercise your S2 Rights.

***When and how can you exercise your S2 Rights?***

If you are a Registered Holder or an Approved Ineligible Shareholder, the period to exercise the Rights expires at 5:00 p.m. (Toronto time) on May 12, 2021 (the “**Expiry Time**”).

If you are a Beneficial Holder, you may subscribe for Rights Shares by instructing the CDS Participant holding your S2 Rights to exercise all or a specified number of such S2 Rights and forwarding the Subscription Price for each Rights Share subscribed for to such CDS Participant in accordance with the terms of the Offering. If you wish to exercise the Additional Subscription Privilege, if available, you must

exercise the Basic Subscription Privilege in respect of all of the S2 Rights issued to you and forward your request to the CDS Participant that holds S2 Rights prior to the Expiry Time, along with payment for the number of Additional Rights requested. Any excess funds will be returned by mail or credited to your account with your CDS Participant without interest or deduction. Subscriptions for Rights Shares made through a CDS Participant will be irrevocable and you will be unable to withdraw your subscriptions for Rights Shares once submitted. CDS Participants may have an earlier deadline for receipt of instructions and payment than the Expiry Time.

Only Registered Holders and Approved Ineligible Shareholders will be provided with Rights Certificates. For all Beneficial Holders, the total number of S2 Rights to which all such Beneficial Holders as at the Effective Date are entitled will be issued to and deposited with CDS following the Effective Date. The Company expects that each Beneficial Holder will receive a confirmation of the number of S2 Rights issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants holding S2 Rights.

Beneficial Holders must arrange for exercises, purchases or transfers of S2 Rights through their CDS Participant and should contact the CDS Participant to instruct them accordingly. It is anticipated by the Company that each purchaser of Rights Shares will receive a customer confirmation of issuance or purchase, as applicable, from the CDS Participant through which such Rights Shares are issued or purchased in accordance with the practices and policies of such CDS Participant.

**There is no market through which the S2 Rights may be sold.**

***What are the next steps?***

This document, including the “Additional Information” in Schedule “A”, contains key information you should know about S2 and the Rights Offering. You can find more details in the Arrangement Circular and the Supplemental Press Release. To obtain a copy of the Arrangement Circular, visit G2’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com), ask your dealer representative for a copy or contact S2 at: [info@s2minerals.com](mailto:info@s2minerals.com). You should read the Arrangement Circular to make an informed decision.

**S2 Minerals Inc.**

/s/ “Daniel Noone”

Daniel Noone  
Chief Executive Officer

**SCHEDULE “A”  
RIGHTS OFFERING – ADDITIONAL INFORMATION**

The information below supplements the disclosure about the Rights Offering in the notice to which it is attached and the Arrangement Circular, as it is supplemented by the Supplemental Press Release.

***Will insiders be participating?***

Certain insiders of the Company, including Patrick Sheridan, the Chairman of S2 and its controlling shareholder, and Daniel Noone, the Chief Executive Officer of S2 (together, the “**Standby Purchasers**”) and certain of the Company’s other directors and officers have indicated their intention to participate in the Rights Offering.

This reflects the intentions of such insiders (as defined in applicable Canadian securities legislation) as of the date hereof to the extent such intentions are reasonably known to the Company, however such insiders may alter their intentions before the Expiry Time. No assurance can be given that the respective insiders will exercise their S2 Rights to acquire Rights Shares.

The Standby Purchasers have agreed, subject to certain terms and conditions, to exercise their Basic Subscription Privilege in respect of all S2 Rights issued to them under the Arrangement, and, in addition thereto, to acquire any additional Rights Shares available as a result of any unexercised S2 Rights, such that S2 will, subject to the terms of their agreement, be guaranteed to issue Rights Shares in connection with the exercise of S2 Rights for aggregate gross proceeds of approximately \$1.2 million. The Standby Purchasers will receive no compensation for providing the Standby Commitment.

As at the date hereof, insiders of the Company own or exercise control or direction over, directly or indirectly, 4,682,900 S2 Common Shares (on a non-diluted basis), representing approximately 37.0% of the issued and outstanding S2 Common Shares. In the event that these insiders purchase 4,682,900 Rights Shares pursuant to the Basic Subscription Privilege, these insiders would own an aggregate of 9,365,800 S2 Common Shares. If no other shareholders were to exercise S2 Rights under the Rights Offering and these insiders exercised their Additional Subscription Privilege, such insiders would own an aggregate of 17,338,567 S2 Common Shares upon completion of the Rights Offering, representing approximately 68.5% of the Company, not including the S2 Common Shares issued under the Standby Commitment.

The Standby Purchasers are “related parties” of G2 and the Company under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, the Rights Offering is not subject to the related party rules under MI 61-101 based on the exception in Section 5.1(k) thereof applicable to certain rights offerings.

***What happens if the Company does not receive funds from the Standby Purchasers, or if the Rights Offering is terminated?***

The Company will complete the Rights Offering for reduced proceeds if it does not receive funds from the Standby Purchasers. The Rights Agent will hold all funds received in payment for Rights Shares subscribed for on exercise of S2 Rights in a segregated account pending completion of the Rights Offering. If the Rights Offering is terminated by the Company, such funds will be returned (without interest) to the applicable subscriber or CDS Participants.

***Where can you find more information about the Company?***

Further information regarding the Company, including copies of financial statements, is in the Arrangement Circular and other continuous disclosure documents filed by the Company with applicable Canadian securities regulatory authorities will be available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**There is no material fact or material change about S2 that has not been generally disclosed.**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This notice (including this Schedule “A”) contains “forward-looking statements” or “forward-looking information” within the meaning of U.S. securities laws and applicable Canadian securities legislation. The forward-looking information is contained principally in this Schedule “A”. Forward-looking information is provided as of the date of this notice or, in the case of the Arrangement Circular referred to herein, as of the date of such circular and S2 does not intend to, nor does it assume any obligation, to update this forward-looking information, except as required by law. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on reasonable assumptions that have been made by S2 (and G2, as applicable) as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of S2 to be materially different from those expressed or implied by such forward-looking information. See those factors discussed in the section entitled “*S2 Minerals Inc. – Risk Factors*” in the Arrangement Circular and the other risk factors identified and discussed in the Arrangement Circular. Forward-looking information is based on certain assumptions that S2 believes are reasonable.

Although S2 has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. S2 does not undertake to update any forward-looking information contained herein or that is incorporated by reference herein, except in accordance with applicable securities laws.



