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**S2 MINERALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements of S2 Minerals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

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

	As at August 31, 2021	As at May 31, 2021
<b>ASSETS</b>		
<i>Current</i>		
Cash	\$ 1,071,798	\$ 1,194,781
Short-term investments	10,000	-
Amounts receivable (note 3)	29,717	20,939
<i>Total current assets</i>	<b>1,111,515</b>	1,215,720
<b>Total assets</b>	<b>\$ 1,111,515</b>	<b>\$ 1,215,720</b>
<b>LIABILITIES</b>		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 78,233	\$ 148,945
Due to related party (note 6)	142,526	129,898
<i>Total current liabilities</i>	<b>220,759</b>	278,843
<b>Total liabilities</b>	<b>220,759</b>	278,843
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 4)	2,516,135	2,516,135
Deficit	(1,625,379)	(1,579,258)
<b>Total shareholders' equity</b>	<b>890,756</b>	936,877
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,111,515</b>	<b>\$ 1,215,720</b>

Nature of Operations and Going Concern (note 1)

Approved on behalf of the Board:

\_\_\_\_\_  
 "Bruce Rosenberg"  
**Director**

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 "Daniel Noone"  
**Director**

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

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**S2 Minerals Inc.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**Three Months Ended August 31, 2021**

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<b>Operating expenses</b>	
Reporting issuer costs	\$ 15,421
Professional fees	30,469
Office and administrative	13
Foreign exchange loss	218
<b>Comprehensive loss for the period</b>	<b>\$ 46,121</b>
<b>Net loss per share</b>	
- basic and diluted	\$ 0.00
<b>Weighted average number of common shares outstanding</b>	
- basic and diluted	<b>25,311,335</b>

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

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**Three Months Ended August 31, 2021**

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**Operating activities**

Net loss for the period	\$ (46,121)
<i>Changes in non-cash working capital items:</i>	
Amounts receivable	(8,778)
Accounts payable and accrued liabilities	(70,712)
Due to related party	12,628
<b>Net cash used in operating activities</b>	<b>(112,983)</b>

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**Investing activities**

Purchase of short-term investments	(10,000)
<b>Net cash used in investing activities</b>	<b>(10,000)</b>

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**Net change in cash** (122,983)

<b>Cash, beginning of period</b>	<b>1,194,781</b>
<b>Cash, end of period</b>	<b>\$ 1,071,798</b>

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

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	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance May 31, 2021</b>	<b>25,311,335</b>	<b>\$ 2,516,135</b>	<b>\$ (1,579,258)</b>	<b>\$ 936,877</b>
Net loss for the period	-	-	(46,121)	(46,121)
<b>Balance August 31, 2021</b>	<b>25,311,335</b>	<b>\$ 2,516,135</b>	<b>\$ (1,625,379)</b>	<b>\$ 890,756</b>

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

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended August 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

S2 Minerals Inc. ("S2" or the "Company") was incorporated on November 30, 2020 under the laws of the Province of Ontario, Canada, and its head office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 3L5.

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

The COVID-19 outbreak has been declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. Currently all communication with the First Nations community is remote and strict quarantine protocols make physical work at the site impossible.

The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital. The Company continues to operate under these conditions.

### **Going Concern**

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

These unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is exploration-focused and is subject to the risks and challenges of companies in the same sector. These risks include, but are not limited to, the challenges of securing adequate capital given exploration, development and operational risks inherent in the mining industry as well as global economic, precious and base metal price volatility; all of which are uncertain under current market conditions. As a result of these risks, there is no assurance that the Company's funding initiatives will continue to be successful and these unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material. The Company has an accumulated deficit of \$1,625,379 from inception and a working capital of \$890,756. The continuing operations of the Company are dependent on its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal operations as they come due. The material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
**Three Months Ended August 31, 2021**  
**(Expressed in Canadian Dollars)**  
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## **2. BASIS OF PREPARATION**

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

These unaudited condensed interim financial statements were approved by the Board of Directors on October 21, 2021.

### **Short-term investments**

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

## **3. ACCOUNTS RECEIVABLE**

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	<b>As at August 31, 2021</b>	<b>As at May 31, 2021</b>
Sales tax recoverable	\$ 29,717	\$ 20,939
<b>Total</b>	<b>\$ 29,717</b>	<b>\$ 20,939</b>

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## **4. SHARE CAPITAL**

### **Authorized share capital**

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

### **Common shares issued**

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	<b>Number of Shares</b>	<b>Share Capital</b>
<b>Balance, May 31, 2021 and August 31, 2021</b>	<b>25,311,335</b>	<b>\$ 2,516,135</b>

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## **5. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three months ended August 31, 2021 was based on the loss attributable to common shares of \$46,121 and the weighted average number of common shares outstanding of 25,311,335.

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**S2 Minerals Inc.**  
**Notes to Condensed Interim Financial Statements**  
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**6. RELATED PARTY TRANSACTION**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, excluding the Chief Financial Officer and the Corporate Secretary. For the three months ended August 31, 2021, there were no transactions or balances owed to management.

As at August 31, 2021, the amount of \$142,526 (May 31, 2021 - \$129,898) is owed to G2, a company with common directors and management with S2, which is unsecured, non-interest bearing, and due on demand. The amount is included in current liabilities.

**7. SEGMENTED INFORMATION**

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