

**FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

Item 1. Name and Address of Company

S2 Minerals Inc. (the “Company” or “S2”)
141 Adelaide Street West
Suite 1101
Toronto, Ontario, M5H 3L5

Item 2. Date of Material Change

January 28, 2022

Item 3. News Release

On January 28, 2022, a news release in respect of the material change was disseminated by the Company and subsequently filed on SEDAR.

Item 4. Summary of Material Change

On January 28, 2022, the Company announced that it closed the previously announced non-brokered private placement (the “Offering”). In connection with the closing of the Offering, the Company sold 12,000,000 units of the Company (the “Units”) at a price of \$0.12 per Unit, for gross proceeds of \$1,440,000. Each Unit consisted of one common share (“Share”) of the Company and one-half of a common share purchase warrant (“Warrant”). Each whole Warrant entitles the holder, on exercise, to purchase one Share for a period of two years following the closing date of Offering at an exercise price of \$0.25 per Share.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On January 28, 2022, the Company announced that it closed the previously announced Offering. In connection with the closing of the Offering, the Company sold 12,000,000 Units at a price of \$0.12 per Unit, for gross proceeds of \$1,440,000. Each Unit consisted of one Share and one-half of a Warrant. Each whole Warrant entitles the holder, on exercise, to purchase one Share for a period of two years following the closing date of the Offering at an exercise price of \$0.25 per Share.

The proceeds from the Offering will be used for general corporate purposes. The securities issued pursuant to the Offering will be subject to a four-month hold period. The Offering is subject to the final acceptance of the Canadian Securities Exchange (“CSE”).

Related Party Disclosure

Insiders of the Company subscribed for a total of 7,800,000 Units (being \$936,000) of the Offering. The Offering is considered a “related party

transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as a result of the insider participation. Pursuant to Sections 5.5(b) and 5.7(1)(a) of MI 61-101, the Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval because the Shares trade on the CSE and the fair market value of insiders’ participation in the Offering was for cash and was below \$2,500,000.

Patrick Sheridan, the Company’s Executive Chairman, together with his joint actors acquired 7,000,000 Shares and 7,000,000 Warrants in connection with the Offering. Prior to the closing of the Offering, Mr. Sheridan had ownership and control (together with his joint actors) over an aggregate of 8,697,421 Shares (which represented approximately 34.4% of the then issued and outstanding Shares) and no convertible securities. Following the closing of the Offering, Mr. Sheridan has ownership and control (together with his joint actors) over an aggregate of 15,697,421 Shares (which represents approximately 42.1% of the issued and outstanding Shares) and Warrants entitling him (and his joint actors) to acquire an additional 3,500,000 Shares (which represents approximately 47.0% of the Shares on a partially diluted basis).

An entity controlled by Dan Noone, the Company’s Chief Executive Officer, acquired 400,000 Shares and 200,000 Warrants in connection with the closing of the Offering. Prior to the closing of the Offering, Mr. Noone had ownership and control over an aggregate of 1,123,772 Shares (which represented approximately 4.4% of the then issued and outstanding Shares) and no convertible securities. Following the closing of the Offering, Mr. Noone has beneficial ownership and control over an aggregate of 1,523,772 Shares (which represents approximately 4.1% of the issued and outstanding Shares) and Warrants entitling him to acquire control over an additional 200,000 Shares (which represents approximately 4.6% of the Shares on a partially diluted basis).

Stephen Stow, a Director of the Company, acquired 400,000 Shares and 200,000 Warrants in connection with the closing of the Offering. Prior to the closing of the Offering, Mr. Stow had ownership and control over an aggregate of 760,000 Shares (which represented approximately 3.0% of the then issued and outstanding Shares) and no convertible securities. Following the closing of the Offering, Mr. Stow has beneficial ownership and control over an aggregate of 1,160,000 Shares (which represents approximately 3.1% of the issued and outstanding Shares) and Warrants entitling him to acquire an additional 200,000 Shares (which represents approximately 3.6% of the Shares on a partially diluted basis).

The Offering was approved unanimously by a consent resolution signed by each of the directors of the Company (with each of the directors having declared their interest in such resolution as a result of their possible intention to participate in the Offering, directly or indirectly, and confirming that they would have abstained from voting in respect of their individual participation had such matters been considered at a duly called meeting of the board of directors of the Company and executing the resolution solely in order that it may take effect as a consent resolution pursuant to the *Business Corporations Act* (Ontario)).

The Company filed this material change report less than 21 days in advance of the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and to complete the Offering in an expeditious manner.

5.2 Disclosure for Restructuring Transaction

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Daniel Noone, Chief Executive Officer
Telephone: 416.628.5904

Item 9. Date of Report

February 7, 2022

Forward-Looking Information

This material change report contains certain forward-looking statements, including, but not limited to, statements about the Offering, including final acceptance of the CSE and the proposed use of proceeds. Wherever possible, words such as “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict” or “potential” or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this material change report are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.