
S2 MINERALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 29, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

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

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

	As at February 29, 2024	As at May 31, 2023
ASSETS		
<i>Current</i>		
Cash	\$ 519,635	\$ 999,880
Short-term investments	10,000	10,000
Amounts receivable (note 3)	3,410	2,563
Prepays	3,766	8,117
Total current assets	536,811	1,020,560
<i>Non-Current</i>		
Fixed assets (note 4)	193,022	209,897
Total non-current assets	193,022	209,897
Total assets	\$ 729,833	\$ 1,230,457
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities	\$ 90,754	\$ 181,628
Total current liabilities	90,754	181,628
Total liabilities	90,754	181,628
SHAREHOLDERS' EQUITY		
Share capital (note 6)	3,788,615	3,785,365
Contributed surplus	243,999	16,970
Warrants (note 6(d))	-	227,029
Deficit	(3,393,535)	(2,980,535)
Total shareholders' equity	639,079	1,048,829
Total liabilities and shareholders' equity	\$ 729,833	\$ 1,230,457

Nature of Operations (note 1)

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

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

	Three Months Ended		Nine Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Operating expenses				
Exploration and evaluation (note 8)	\$ 165,007	\$ 128,671	\$ 180,076	\$ 199,126
Professional fees	44,563	72,660	138,218	165,773
Salaries and related costs	12,939	12,924	38,986	46,628
Reporting issuer costs	10,440	10,841	28,554	34,892
Office and administrative	4,927	9,977	15,076	30,829
Travel and accommodation	3,932	1,604	11,391	7,860
Stock-based compensation (note 6(c))	-	699	-	4,248
Foreign exchange loss	255	185	699	621
Comprehensive loss for the period	\$ 242,063	\$ 237,561	\$ 413,000	\$ 489,977
Net loss per share				
- basic and diluted (note 5)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding - basic and diluted (note 5)				
	37,929,294	37,351,443	37,901,531	37,324,851

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

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

Nine Months Ended	February 29, 2024	February 28, 2023
Operating activities		
Net loss for the period	\$ (413,000)	\$ (489,977)
<i>Adjustments for non-cash items:</i>		
Stock-based compensation (note 6(c))	-	4,248
Depreciation (note 4)	16,875	14,063
Shares issued for mineral property payments (note 8)	3,250	4,750
<i>Changes in non-cash working capital items:</i>		
Amounts receivable	(847)	3,741
Prepays	4,351	(11,679)
Accounts payable and accrued liabilities	(90,874)	85,744
Net cash used in operating activities	(480,245)	(389,110)
Investing activities		
Purchase of fixed assets	-	(225,000)
Net cash used in investing activities	-	(225,000)
Net change in cash	(480,245)	(614,110)
Cash, beginning of period	999,880	1,814,481
Cash, end of period	\$ 519,635	\$ 1,200,371

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

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

	Number of Shares	Share Capital (\$)	Contributed Surplus (\$)	Warrants (\$)	Deficit (\$)	Total (\$)
Balance May 31, 2022	37,311,335	3,701,668	12,314	227,029	(2,330,514)	1,610,497
Mineral property payment (note 8)	50,000	4,750	-	-	-	4,750
Stock-based compensation (note 6(c))	-	-	4,248	-	-	4,248
Net loss for the period	-	-	-	-	(489,977)	(489,977)
Balance, February 28, 2023	37,361,335	3,706,418	16,562	227,029	(2,820,491)	1,129,518
Balance May 31, 2023	37,887,650	3,785,365	16,970	227,029	(2,980,535)	1,048,829
Expired warrants	-	-	227,029	(227,029)	-	-
Mineral property payment (note 8)	50,000	3,250	-	-	-	3,250
Net loss for the period	-	-	-	-	(413,000)	(413,000)
Balance, February 29, 2024	37,937,650	3,788,615	243,999	-	(3,393,535)	639,079

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

S2 Minerals Inc.
Notes to Condensed Interim Financial Statements
Nine Months Ended February 29, 2024
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS

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.

2. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Company's annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted. These unaudited condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended May 31, 2023, which include information necessary or useful to understanding the Company's business and financial statement presentation.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended May 31, 2023, except for the adoption of new IFRS standards as set out below.

In preparing these unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The critical judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied and disclosed in the Company's financial statements for the year ended May 31, 2023.

These unaudited condensed interim financial statements were approved by the Board of Directors on April 18, 2024.

Other Narrow Scope Amendments to IFRSs and IFRS Interpretations

The Company adopted various amendments to IFRSs, which were effective for accounting periods beginning on or after June 1, 2023. The impact of adoption was not significant to the Company's unaudited condensed interim financial statements.

New and Revised IFRSs, Narrow Scope Amendments to IFRSs and IFRS Interpretations not yet Effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after May 31, 2024. Management is still evaluating and does not expect any such pronouncements to have a significant impact on the Company's unaudited condensed interim financial statements upon adoption.

3. AMOUNTS RECEIVABLE

	As at February 29, 2024	As at May 31, 2023
Sales tax recoverable	\$ 3,410	\$ 2,563
Total	\$ 3,410	\$ 2,563

S2 Minerals Inc.
Notes to Condensed Interim Financial Statements
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4. FIXED ASSETS

Cost	Exploration Equipment
Balance, May 31, 2023	\$ 225,000
Balance, February 29, 2024	\$ 225,000
Accumulated Depreciation	Exploration Equipment
Balance, May 31, 2023	\$ 15,103
Depreciation	16,875
Balance, February 29, 2024	\$ 31,978
Carrying amounts	Exploration Equipment
Balance, May 31, 2023	\$ 209,897
Balance, February 29, 2024	\$ 193,022

5. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended February 29, 2024 was based on the loss attributable to common shares of \$242,063 and \$413,000, respectively (three and nine months ended February 28, 2023 - loss of \$237,561 and \$489,977, respectively) and the weighted average number of common shares outstanding of 37,929,294 and 37,901,531, respectively (three and nine months ended February 28, 2023 - 37,351,443 and 37,324,851, respectively).

6. SHARE CAPITAL

a) Authorized Share Capital

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

b) Common Shares Issued

	Number of Shares	Share Capital
Balance, May 31, 2022	37,311,335	\$ 3,701,668
Mineral property payment (note 8)	50,000	4,750
Balance, February 28, 2023	37,361,335	\$ 3,706,418
	Number of Shares	Share Capital
Balance, May 31, 2023	37,887,650	\$ 3,785,365
Mineral property payment (note 8)	50,000	3,250
Balance, February 29, 2024	37,937,650	\$ 3,788,615

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6. SHARE CAPITAL (Continued)

c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2022 and February 28, 2023	300,000	\$ 0.25
Balance, May 31, 2023 and February 29, 2024	300,000	\$ 0.25

(i) On November 23, 2021, the Company granted 300,000 stock options to a director of the Company. Each stock option allows the holder to acquire one common share at an exercise price of \$0.25 for a period of 3 years. The options shall vest as to one-quarter upon the date of grant, one-quarter upon 6 months, 12 months, and 18 months from the grant date, respectively. A grant date fair value of \$16,970 was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk free interest rate of 1.17%; expected life of 3 years; share price of \$0.145; and an expected volatility of 80% based on the Company's historical trading data.

The total value of stock-based compensation expense for the three and nine months ended February 29, 2024 was \$nil and \$nil, respectively (three and nine months ended February 28, 2023 - \$699 and \$4,248, respectively) relating to these granted stock options.

As at February 29, 2024, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
300,000	300,000	\$0.25	0.73	November 23, 2024
300,000	300,000	\$0.25	0.73	

d) Share Purchase Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2022 and February 28, 2023	6,000,000	\$ 0.25
Balance, May 31, 2023	6,000,000	\$ 0.25
Expired	(6,000,000)	(0.25)
Balance, February 29, 2024	-	\$ -

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Notes to Condensed Interim Financial Statements
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7. 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 ("CFO"). As at February 29, 2024, \$1,371 was owed to management (May 31, 2023 - \$nil).

The compensation cost for key management personnel is as follows:

Nine Months Ended	February 29, 2024	February 28, 2023
Salaries and fees	\$ 81,000	\$ 89,080
Stock-based compensation (note 6(c))	-	4,248
	\$ 81,000	\$ 93,328

Three Months Ended	February 29, 2024	February 28, 2023
Salaries and fees	\$ 27,000	\$ 27,000
Stock-based compensation (note 6(c))	-	699
	\$ 27,000	\$ 27,699

During the three and nine months ended February 29, 2024, the Company paid rent of \$7,500 and \$22,500, respectively (three and nine months ended February 28, 2023 - \$nil) to G2 Goldfields Inc. ("G2"), a company with common directors and management with S2.

During the three and nine months ended February 29, 2024, the Company paid professional fees and disbursements totaling \$4,929 and \$24,535, respectively (three and nine months ended February 28, 2023 - \$3,187 and \$23,265, respectively) to Marrelli Support Services Inc., and certain of its affiliates, together known as the "Marrelli Group", for: (i) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the CFO of the Company, and (ii) regulatory filing services. The Marrelli Group was owed \$nil (May 31, 2023 - \$nil) and these amounts were included in accounts payable and accrued liabilities.

8. EXPLORATION AND EVALUATION

Nine Months Ended February 29, 2024

	Sandy Lake Project	Weebigee Joint Venture	Fort Hope Project	Total
Additions	\$ 6,475	\$ (1,081)	\$ 157,807	\$ 163,201
Depreciation of exploration equipment (note 4)	-	-	16,875	16,875
	\$ 6,475	\$ (1,081)	\$ 174,682	\$ 180,076

Three Months Ended February 29, 2024

	Sandy Lake Project	Weebigee Joint Venture	Fort Hope Project	Total
Additions	\$ 2,875	\$ -	\$ 156,507	\$ 159,382
Depreciation of exploration equipment (note 4)	-	-	5,625	5,625
	\$ 2,875	\$ -	\$ 162,132	\$ 165,007

S2 Minerals Inc.
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8. EXPLORATION AND EVALUATION (Continued)

Nine Months Ended February 28, 2023

	Sandy Lake Project	Weebigee Joint Venture	Fort Hope Project	Total
Additions	\$ 225	\$ 1,680	\$ 183,158	\$ 185,063
Depreciation of exploration equipment	-	-	14,063	14,063
	\$ 225	\$ 1,680	\$ 197,221	\$ 199,126

Three Months Ended February 28, 2023

	Sandy Lake Project	Weebigee Joint Venture	Fort Hope Project	Total
Additions	\$ 225	\$ 205	\$ 119,803	\$ 120,233
Depreciation of exploration equipment	-	-	8,438	8,438
	\$ 225	\$ 205	\$ 128,241	\$ 128,671

S2 is party to an option agreement ("Option Agreement") whereby the Company may acquire up to a 100% interest in certain claims in the Fort Hope Project by making cash payments totaling \$1,000,000 and issuing a total of 200,000 common shares in the Company before December 2025. In order for the Company to exercise the option the consideration is due as follows to Slam Exploration Ltd.:

- \$50,000 cash payment (paid) on execution
- \$100,000 cash payment (paid) plus 50,000 common shares (issued and valued at \$4,750) in S2 is due by December 2022
- \$150,000 cash payment (paid) plus 50,000 common shares (issued and valued at \$3,250) in S2 is due by December 2023
- \$200,000 cash payment plus 50,000 common shares in S2 is due by December 2024
- \$500,000 cash payment plus 50,000 common shares in S2 is due by December 2025

The Company is also party to various agreements whereby certain mineral claims are subject to a 2% Net Smelter Royalty (NSR).

On April 17, 2023, S2 announced that it has acquired 880 mining claims (the "Property") in the Veekay Lake, Gifford Lake, Opikeigan Lake, Frond Lake, Rich Lake and Reserve Lake areas in Ontario.

The Property was acquired from a director of the Company pursuant to an assignment agreement dated as of April 14, 2023. The director had acquired the Property from an arm's length third party for a cash payment of \$300,000 and a 2% net smelter returns royalty (the "Royalty") and agreed that if the Property was assigned to a public company before March 2024, such public company would issue \$50,000 of common shares (the "Shares"). The Company can purchase 1% of the Royalty for \$1,000,000. The Company assumed the obligations under the Royalty and issued 526,315 Shares valued at a price of \$0.15 per Share to Windfall Geotek Inc., an arm's length third party.