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**S2 RESOURCES LTD**

**ACN 606 128 090**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00 am WST

**DATE:** 17 November 2020

**PLACE:** Unit 4, 24 Parkland Road, Osborne Park WA 6019

**DUE TO THE CURRENT COVID-19 SOCIAL DISTANCING RESTRICTIONS, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.**

*The business of the Meeting affects your shareholding and your vote is important.*

*The Meeting will be a virtual meeting.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am on Sunday 15 November 2020.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MARK BENNETT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 3.6(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Mark Bennett, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing*

Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

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5. **RESOLUTION 4 – ISSUE OF OPTIONS TO SERVICE PROVIDER – ANTHONY GODDARD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anthony Goddard (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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6. **RESOLUTION 5 – ISSUE OF RELATED PARTY OPTIONS TO MARK BENNETT**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Mark Bennett (or his nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 7. RESOLUTION 6 – ISSUE OF RELATED PARTY OPTIONS TO JEFFREY DOWLING

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Options to Jeffrey Dowling (or his nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 8. RESOLUTION 7 – ISSUE OF RELATED PARTY OPTIONS TO ANNA NEULING

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,500,000 Options to Anna Neuling (or her nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**Dated: 6 October 2020**

**By order of the Board**

**Anna Neuling**  
**Director**

## Voting in person

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The Directors have resolved that Shareholders will not be able to attend the Meeting in person due to the Australian Government's implementation of social distancing measures in light of the COVID-19 pandemic.

## Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

In light of the limitations on indoor gatherings, **it is strongly recommended that the Chair is appointed as your proxy**, to ensure the proxy will be in attendance at the Meeting.

## Virtual Attendance

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Shareholders who wish to participate in the Meeting online may do so:

- from their computer, by entering the URL into their browser: <https://web.lumiagm.com> and entering the Meeting ID 390-861-455 when prompted; and
- from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com> and entering the Meeting ID v when prompted.

If you choose to participate in the Meeting online, you can log in to the Meeting by entering the meeting ID, which is 390-861-455.

Attending the Meeting online enables Shareholders to view the Meeting live and to cast votes on Resolutions at the appropriate times whilst the Meeting is in progress.

If you wish to ask the Chair a question with regards to the business of the Meeting, please submit your question in writing to the Company at [anna.neuling@s2resources.com.au](mailto:anna.neuling@s2resources.com.au) at least 48 hours before the commencement of the Meeting.

Please note that if you have previously submitted a Proxy Form and you elect to vote online at the Meeting your proxy's authority to vote will be revoked for any resolutions where you have cast an online vote. For further instructions on how to participate online please view the online meeting user guide attached to this Notice of Meeting.

## Power of Attorney

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If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already been provided to Computershare Investor Services Pty Ltd.

## Intermediary online

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Participating intermediaries can lodge their proxy appointments online through <http://www.intermediaryonline.com>.

## Corporate Representatives

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If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting via the online meeting platform, the representative should provide to Computershare Investor Services Pty Ltd adequate evidence of their appointment, unless this has previously been provided to Computershare Investor Services Pty Ltd. An appointment of corporate representative form may be obtained from Computershare Investor Services Pty Ltd by calling (+61 3) 9415 4000 or online at <https://www-au.computershare.com/Investor/help/PrintableForms>.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6166 0240.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.s2resources.com.au](http://www.s2resources.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the executive Chairman of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.



## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MARK BENNETT

### 3.1 General

ASX Listing Rule 14.4 and clause 3.6(c) of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting (**AGM**) following the director's appointment or 3 years, whichever is the longer. Clause 3.6(a) of the Company Constitution also provides that a director must retire from office at the third AGM after the director was elected or last re-elected and clause 3.6(d) excludes managing directors from this requirement.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election at each AGM. Clause 3.6(c) of the Company Constitution restates this requirement.

Mark Bennett has served as a director since 29 May 2015. He retires by rotation in accordance with the Constitution and ASX Listing Rule 14.4 and seeks re-election from Shareholders. The requirement to hold an election in accordance with the Constitution and ASX Listing Rule 14.5 is satisfied by virtue of Mark Bennett's re-election. No further determination as to which director must seek re-election is therefore required.

### 3.2 Qualifications and other material directorships

Dr Bennett was the Managing Director and CEO of Sirius Resources NL ("Sirius") from its inception until its merger with Independence Group NL, and was Non-Executive Director of Independence Group following the merger until June 2016.

He is a geologist with 28 years of experience in gold, nickel and base metal exploration and mining. He holds a BSc in Mining Geology from the University of Leicester and a PhD from the University of Leeds and is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of London, a Fellow of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors.

He has worked in Australia, West Africa, Canada, USA and Europe, initially for LionOre Mining International Limited and WMC Resources Limited at various locations including Kalgoorlie, Kambalda, St.Ives, LionOre's nickel and gold mines throughout Western Australia, the East Kimberley, and Stawell in Victoria. His more recent experience, as Managing Director of Sirius, S2 Resources and as a director of private Canadian company True North Nickel, has been predominantly in Western Australia (the Fraser Range including NovaBollinger, and the Polar Bear project in the Eastern Goldfields), Quebec (the Raglan West nickel project), British Columbia, Sweden, Finland, and Nevada.

Positions held include various technical, operational, executive and board positions including Managing Director, Chief Executive Officer, Executive Director, Non-Executive Director, Exploration Manager and Chief Geologist.

Dr Bennett is a two times winner of the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox gold mine, the Waterloo nickel mine and most recently the world class Nova-Bollinger nickel-copper mine.

In addition to his technical expertise, Dr Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and has led Sirius from prior to the discovery of Nova all the way through feasibility, financing, permitting and construction, and latterly through the schemes of arrangement to merge with Independence and to demerge S2.

### 3.3 Independence

If re-elected the board does not consider Dr Bennett to be an independent director.

### 3.4 Board recommendation

The Board has reviewed Dr Bennett's performance since his appointment to the Board and considers that Dr Bennett's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Dr Bennett and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

### 4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of 71.3 million (based on the number of Shares on issue and the closing price of Shares on the ASX on Thursday 17 September 2020).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: S2R) .

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue the Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

#### **4.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

##### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued under the 10% Placement capacity is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

##### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

##### **(c) Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at Thursday 17 September 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.115 50% decrease in Issue Price	0.23 Issue Price	0.345 50% increase in Issue Price
309,891,179 (Current Variable A)	Shares issued - 10% voting dilution	30,989,117 Shares	30,989,117 Shares	30,989,117 Shares
	Funds raised	\$3,563,748	\$7,127,497	\$10,691,245
464,836,769 (50% increase in Variable A)	Shares issued - 10% voting dilution	46,483,676 Shares	46,483,676 Shares	46,483,676 Shares
	Funds raised	\$5,345,623	\$10,691,245	\$16,036,868
619,782,358 (100% increase in Variable A)	Shares issued - 10% voting dilution	61,978,235 Shares	61,978,235 Shares	61,978,235 Shares
	Funds raised	\$7,127,497	\$14,254,994	\$21,382,491

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 309,891,179 Shares on issue comprising:
2. The issue price set out above is the closing price of the Shares on the ASX on Thursday 17 September 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company intends to use funds raised from the issues of Equity Securities under the 10% Placement Capacity for the Company's forward exploration and development work programs or for the purposes of funding a strategic acquisition.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 13 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 24 November 2019, the Company issued 24,788,724 Shares pursuant to the Previous Approval (**Previous Issue**), which represent

approximately 7.79% of the total diluted number of Equity Securities on issue in the Company on 24 November 2019, which was 318,215,179.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

<b>Date of Issue and Appendix 2A</b>	<b>Date of Issue:</b> 28 July 2020 <b>Date of Appendix 2A:</b> 27 July 2020
<b>Recipients</b>	Domestic and international institutional and sophisticated investors as part of a placement announced on 20 July 2020. The placement participants were identified through a bookbuild process, which involved Harleys Limited, Bell Potter Securities Limited and Aitken Murray Capital Partners seeking expressions of interest to participate in the placement from non-related parties of the Company.
<b>Number and Class of Equity Securities Issued</b>	24,788,724 Shares <sup>2</sup>
<b>Issue Price and discount to Market Price<sup>1</sup> (if any)</b>	\$0.125 per Share (at a discount 13.8% to Market Price).
<b>Total Cash Consideration and Use of Funds</b>	<b>Amount raised:</b> \$ 3,098,590.50 <b>Amount spent:</b> \$Nil on the assumption that existing cash held by the Company has been spent first <b>Use of funds:</b> Advance the Company's ongoing exploration activities in Finland, to increase exploration activities in Australia, and for general working capital purposes. <b>Amount remaining:</b> \$3,098,590.50 <b>Proposed use of remaining funds<sup>3</sup>:</b> Advance the Company's ongoing exploration activities in Finland, to increase exploration activities in Australia, and for general working capital purposes.

**Notes:**

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: S2R (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect

the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

#### **4.3 Voting Exclusion**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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### **5. RESOLUTIONS 4 – ISSUE OF OPTIONS TO SERVICE PROVIDER**

#### **5.1 General**

Resolutions 4 seek Shareholder approval for the issue of 200,000 Options in consideration for satisfaction of exploration and business development services (**Placement**).

Broadly speaking, and subject to a number of exceptions Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Placement does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

#### **5.2 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Placement. In addition, the issue of the Placement will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the issue of the Placement can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement.

#### **5.3 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (b) the maximum number of Options to be issued is 200,000 which will be issued for nil cash consideration in satisfaction of exploration and business

development services provided by Anthony Goddard, an experienced geologist;

- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that the recipient will not be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) no funds will be raised from the Placement as the Options are being issued in consideration for exploration and business development services;
- (f) the purpose of the issue of the Placement is in consideration for outstanding fees owed to Anthony Goddard for professional services provided;
- (g) the Placement is not being issued under an agreement; and
- (h) the Placement is not being issued under, or to fund, a reverse takeover.

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## 6. RESOLUTIONS 5-7 – ISSUE OF RELATED PARTY OPTIONS

### 6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 4,500,000 Options (**Related Party Options**) to Mark Bennett, Jeffrey Dowling and Anna Neuling or their nominees (**Related Parties**) pursuant to the Director Share Option Plan (**DSOP**) and on the terms and conditions set out below.

The quantum of proposed options represents approximately 85% of that originally issued to the directors, which expired unexercised on 6 October 2020.

The Board has not increased its cash remuneration since listing in 2015. To ensure the Company retains its key people, S2 has determined that the best way to reward and incentivise its board, executives and employees is via the issue of options over ordinary shares which have an exercise price that requires the share price to increase by nearly 50% before the options crystallise any value to the recipient while conserving cash and ensuring S2 offers competitive market based remuneration. This results in the alignment of shareholder and board and employee interests in maximising S2's share price.

As stated in the 2019 AGM Notice of Meeting, the Remuneration Committee is not planning on recommending the issue of Director Options each year but has adopted the approach of reviewing the Options that have expired in the year and assessing what level it would be appropriate to then replace them with.



## 6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (a) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Mark Bennett, Jeffrey Dowling and Anna Neuling are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in section 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

## 6.3 Technical information required by Listing Rule 14.1A

If Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 to 7 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan.

## 6.4 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Related Party Options:

- (a) The related parties are Mark Bennett, Jeffrey Dowling and Anna Neuling and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 4,500,000 Related Party Options comprising:
  - (i) 2,000,000 Related Party Options to Mr Bennett (Resolution 5);

- (ii) 1,000,000 Related Party Options to Mr Dowling (Resolution 6); and
- (iii) 1,500,000 Related Party Options to Ms Neuling (Resolution 7);
- (c) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the exercise price of the Related Party Options will be set at the higher of \$0.30 or 143% of the 5 day VWAP as at the date of the AGM. As such, the Company may receive cash consideration as a result of the issue of the Shares on an exercise of Related Party Options, being an amount equal to the exercise price multiplied by the number of the Related Party Options that are exercised. A table demonstrating potential receipt of funds by the Company upon exercise of the Related Party Options is set out below:

Possible Share Price \$	Deemed Exercise Price \$	Number of Share issued (assuming all Related Party Options are exercised)	Funds received \$
0.23 as at Thursday 17 <sup>th</sup> September 2020	0.33	4,500,000	1,485,000
0.18	0.30	4,500,000	1,350,000
0.28	0.40	4,500,000	1,800,000

- (e) the DSOP was adopted by Shareholders on 13 November 2018. It permits for Directors of the Company to take part under the Option Plan which is currently Mark Bennett, Jeff Dowling, and Anna Neuling. No Options have previously been issued under the Option Plan;
- (f) no loan will be provided to the Related Parties with respect to the Related Party Options;
- (g) the Related Party Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (h) the terms of the Related Party Options are in accordance with the Option Plan, subject to the key terms and conditions of the Related Party Options summarised in Schedule 1;
- (i) the value of the Related Party Options is set out in Schedule 2;

(j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares <sup>1</sup>	Options as at 30 June 2020	Options Lapsed unexercised as out of the money	Options as at date of this Notice of Meeting	Related Party Options issued if approved	Options if the Related Party Options are approved and issued
Mark Bennett	5,035,868	13,000,000 <sup>5,2</sup>	(3,000,000) <sup>5</sup>	10,000,000 <sup>2</sup>	2,000,000	12,000,000
Jeffrey Dowling	700,000	5,250,000 <sup>5,3</sup>	(1,000,000) <sup>5</sup>	4,250,000 <sup>3</sup>	1,000,000	5,250,000
Anna Neuling	675,000	7,250,000 <sup>5,4</sup>	(1,500,000) <sup>5</sup>	1,750,000 <sup>4</sup>	1,500,000	7,250,000

**Notes:**

1. Fully paid ordinary shares in the capital of the Company (ASX: S2R).
2. 13,000,000 Options comprising of:
  - a. 3,000,000 Options exercisable at \$0.61 each on or before 6 October 2020;
  - b. 4,000,000 Options exercisable at \$0.23 each on or before 17 October 2021; and
  - c. 6,000,000 Options exercisable at \$0.30 each on or before 11 November 2023
3. 5,250,000 Options comprising of:
  - a. 1,000,000 Options exercisable at \$0.61 each on or before 6 October 2020;
  - b. 1,250,000 Options exercisable at \$0.23 each on or before 17 October 2021; and
  - c. 3,000,000 Options exercisable at \$0.30 each on or before 11 November 2023
4. 7,250,000 Options comprising of:
  - a. 1,500,000 Options exercisable at \$0.61 each on or before 6 October 2020;
  - b. 1,250,000 Options exercisable at \$0.23 each on or before 17 October 2021; and
  - c. 4,500,000 Options exercisable at \$0.30 each on or before 11 November 2023
5. The difference from 30 June 2020 to the date of this notice of meeting is due to 5,500,000 Options exercisable at \$0.61 each on or before 6 October 2020 expiring subsequent to 30 June 2020.

- (k) the cash remuneration (salary and superannuation) from the Company to the Related Parties for the previous financial year and the proposed cash remuneration (salary and superannuation) for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year - 2019
Mark Bennett	\$312,883 <sup>2</sup>	\$345,531
Jeffrey Dowling	\$73,912 <sup>2</sup>	\$82,125
Anna Neuling	\$116,489 <sup>1, 2</sup>	\$131,400 <sup>1</sup>

**Notes:**

1. Anna Neuling's cash remuneration varies depending on the quantum of days worked through the year. She is employed 2 days a week which would equate to \$120,000 plus 9.5% superannuation a year.
  2. The Directors took a 40% pay reduction from 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020 in support of the Company's cash management strategy during the initial period of the COVID-19 pandemic.
- (l) if the Related Party Options granted to the Related Parties are exercised, a total of 4,500,000 Shares would be issued. This will increase the number of Shares on issue from 309,981,179 (being the total number of Shares on issue as at the date of this Notice) to 314,391,179 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.45%, comprising 0.65% by Mark Bennett and 0.32% by Jeff Dowling and 0.48% by Anna Neuling;
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.28	1/10/2020
Lowest	0.0660	17/03/2020
Last	0.28	1/10/2020

- (n) details of any Options issued under the DSOP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the DSOP after Resolution 5, 6 and/or 7 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the Board acknowledges the grant of Related Party Options to Mark Bennett, Jeffrey Dowling and Anna Neuling. is contrary to Recommendation 8 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by

The ASX Corporate Governance Council, like many other similar sized exploration companies. However, the Board considers the grant of Related Party Options to Mark Bennett, Jeffrey Dowling and Anna Neuling, reasonable in the circumstances for the reasons set out in paragraph (o) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;

- (q) Mark Bennett declines to make a recommendation to Shareholders in relation to the Resolution 5 due to his material personal interest in the outcome of Resolution 5 on the basis that he (or his nominee) is to be granted Related Party Options should the Resolution be passed. However, in respect of the Resolutions 5, and 6 , Mark Bennett recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) at the 2016 AGM, 5,500,000 Options were issued to Directors of the Company at an exercise price Of \$0.61. These options will expired on 6 October 2020 and therefore it was felt appropriate to issue Directors with Options to partially replace the expired Options;
  - (ii) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (iii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (r) Jeffrey Dowling declines to make a recommendation to Shareholders in relation to Resolution 6 due to Jeffrey Dowling's material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Option in the Company should Resolution 5 be passed. However, in respect of Resolutions 5 and 7, Jeffrey Dowling recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (s) Anna Neuling declines to make a recommendation to Shareholders in relation to Resolution 7 due to Anna Neuling's material personal interest in the outcome of the Resolution on the basis that she (or her nominee) is to be granted Related Party Option in the Company should Resolution 6 be passed. However, in respect of Resolutions 5 and 6, Anna Neuling recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (t) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party

Options to be granted as well as the exercise price and expiry date of those Related Party Options; and

- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 5.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**Associated Body Corporate** means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means S2 Resources Ltd (ACN 606 128 090).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S & P Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and a securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Option Plan** means the incentive option plan the subject of Resolutions 5 to 7 as summarised in Schedule 3.

**Optionholder** means a holder of an Option or Related Party Option as the context requires.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party Option** means an Option granted pursuant to Resolutions 5-8 with the terms and conditions set out in Schedule 2.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## SCHEDULE 1 – TERMS AND CONDITIONS OF THE OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be the higher of \$0.30 or 143% of the 5 day VWAP on the day of issue (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 4 years after the issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

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The Related Party Options to be issued to the Related Parties pursuant to Resolutions 5, 6 and 7 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	17 <sup>th</sup> September 2020
Market price of Shares	23 cents
Exercise price	33 cents
Expiry date (length of time from issue)	4 years
Risk free interest rate	0.39%
Volatility (discount)	80%
<b>Indicative value per Related Party Option</b>	\$0.15245 cents
<b>Total Value of Related Party Options</b>	\$686,043
Mark Bennett	\$304,908
Jeffrey Dowling	\$152,454
Anna Neuling	\$228,681

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

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**SCHEDULE 3 – DIRECTOR SHARE OPTION PLAN**

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**S2 RESOURCES LTD**

**ACN 606 128 090**

**DIRECTORS SHARE OPTION TERMS – 2018**

These are the terms of the options granted to Directors of the Company in connection with its listing on ASX.

1. **INTERPRETATION**

1.1 **Definitions**

The following words have the following meanings.

**Associate** has the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth).

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**Board** means the board of Directors of the Company or a committee of the Board.

**Business Day** means a day that is a "business day" under the Listing Rules and not a public holiday in Perth.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (or any substitute) and includes any applicable clearing and settlement facility that is a prescribed CS facility under the Corporations Act.

**Class Order** means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

**Company** means S2 Resources Limited (ACN 606 128 090).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended or modified (including by an ASIC instrument applying to the Company) from time to time.

**Director** means a director of the Company.

**Expiry Date** means, in respect of an Option, the fourth anniversary of the date of grant of the Option.

**Group** means the Company and all Associated Bodies Corporate.

**Listing Rules** means the official listing rules of ASX and any other rules of the ASX applying to the Company while it is admitted to the official list of ASX and the ASX Settlement Rules (or other operating rules) including any waiver granted under the Listing Rules, in each case as amended from time to time.

**Marketable Parcel** has the meaning given to that term in the Listing Rules.

**Nominated Party** means, in respect of a Director:

- (a) an immediate family member (as defined in the Corporations Act) of the Director;
- (b) a company whose members comprise no persons other than the Director or immediate family members (as defined in the Corporations Act) of the Director; or

- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Director is a director of the trustee,

as nominated by the Director and accepted by the Board in its sole and absolute discretion to be the holder of Options.

**Offer** means an offer made to a Director to subscribe for one or more Options under the Terms as set out in an Offer Document.

**Offer Document** means the letter under which the director was offered the Options.

**Option** means an option granted pursuant to these Terms to subscribe for (subject to Term 7) one Share upon and subject to the terms of these Terms and the terms of the Offer.

**Option Exercise Price** means the exercise price of an Option, as determined in accordance with Term 4.3.

**Participant** means a Director to whom Options have been granted under the Terms or the Director in respect of whom a Nominated Party has been granted Options.

**Retained** means, in respect of a person, that the person is employed as an employee of a Group member or is engaged as a "contractor" (as defined in the Class Order) of a Group member.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of Shares.

**Takeover Bid** means a takeover bid (as defined in the Corporations Act).

**Terms** means these terms.

**Trigger Event** means:

- (a) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) a Takeover Bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

**Vesting Period** means, in respect of an Option, any period specified as such in the Offer Document for that Option.

**VWAP** means "volume weighted average market price" as defined in the Listing Rules.

## 1.2 Interpretation

In these Terms unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including these Terms) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of these Terms and a reference to these Terms includes any schedule, exhibit or annexure to these Terms;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) a reference to **\$** or **dollar** is to Australian currency.

## 2. **PURPOSE**

The purpose of the grant of options to the Directors is to better align the interests of the Directors and Shareholders.

## 3. **DATE OF GRANT**

Options are granted with effect from the date on which the Company's shares are first quoted on ASX.

## 4. **OPTIONS**

### 4.1 **Number of Options**

- (a) The number of Options (if any) granted to each Director is set out in the Offer Document.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

### 4.2 **No Consideration**

The Options issued are issued for nil cash consideration.

### 4.3 **Option Exercise Price**

- (a) Subject to Term 4.3(b), the Option Exercise Price is as set out in the Offer Document.

- (b) To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option shall be that minimum price if the amount determined under paragraph 4.1(a) would be less than that minimum.

#### 4.4 **Disposal of Options**

Options will not be transferable and will not be quoted on the ASX, unless the Offer provides otherwise.

#### 4.5 **Adjustment to Terms**

- (a) Subject to any requirements of the Listing Rules and Term 4.5(b), the Board will have the power to make adjustments to or vary the terms of an Option by notice to the Participant or Nominated Party (as applicable) who holds the relevant Option.
- (b) No adjustment or variation of the terms of an Option will be made without the consent of the Participant or Nominated Party (as applicable) who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation in accordance with Term 7 or introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Terms;
  - (ii) to correct any manifest error or mistake;
  - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
  - (iv) to take into consideration possible adverse taxation implications in respect of the Terms including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

### 5. **WHEN OPTIONS MAY BE EXERCISED**

#### 5.1 **Exercise**

- (a) Subject to this Term 5, a Participant or Nominated Party (as applicable) will be entitled to exercise an Option granted as a result of an Offer only:
  - (i) after the Vesting Period (if any) has expired and before the Expiry Date;
  - (ii) if shareholder approval is required under applicable law or the Listing Rules for the Company to issue a Share upon exercise of the Option, such shareholder approval is obtained; and
  - (iii) if the Option is otherwise capable of exercise in accordance with the terms of the relevant Offer and the Terms.
- (b) An Option may not be exercised if applicable law prohibits the exercise of the Option.



## 5.2 Exercise of less than all Options

Subject to Term 5.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

## 5.3 Lapsing of Options

Subject to Term 5.4, a Participant's (or if applicable a Participant's Nominated Party's) unexercised Option will lapse and all rights in respect of that Option will be lost:

- (a) on the Expiry Date of the Option; or
  - (b) if the Participant ceases to be a Director and the Participant is not Retained immediately following the time when the Participant ceases to be a Director (the **Time of Cessation of Directorship**):
    - (i) where the Option is exercisable at the Time of Cessation of Directorship – at the end of the day that is 12 months after the Time of Cessation of Directorship;
    - (ii) where the Option is not exercisable at the Time of Cessation of Directorship – immediately at the Time of Cessation of Directorship;
  - (c) if the Participant ceased to be a Director of the Company but was Retained immediately following the time when the Participant ceased to be a Director of the Company (that is, paragraph (b) did not apply), and the Participant subsequently ceases to be so Retained:
    - (i) where the Option is exercisable at the time when the Participant ceases to be so Retained (the **Time of Cessation of Retention**) – at the end of the day that is 12 months after the Time of Cessation of Retention;
    - (ii) where the Option is not exercisable at the Time of Cessation of Retention – immediately at the Time of Cessation of Retention;
  - (d) if the Option lapses under Term 5.4,
- whichever is earliest.

## 5.4 Trigger Event

Notwithstanding any other Term, upon the occurrence of a Trigger Event the Options may be exercised at any time within 30 days after the Trigger Event, and in any number, so as to permit the holder to participate in any change of control arising from the Trigger Event. Thereafter, the Options shall lapse to the extent they have not been exercised

## 6. HOW TO EXERCISE OPTIONS

### 6.1 Delivery to Company Secretary

Options granted to a Participant or a Participant's Nominated Party may only be exercised by delivery to the Company's secretary (at a time when the Options may be exercised) of:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be

incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;

- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant or Nominated Party (as applicable):
  - (i) stating that the Participant or Nominated Party (as applicable) exercises the Options and specifying the number of Options which are exercised; and
  - (ii) specifying the subregister of the Company in which the Shares referred to in Term 6.2(a) are to be recorded; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

By exercising an Option, the Participant or Nominated Party (as applicable) agrees to become a member of the Company and to be bound by the Company's constitution.

## 6.2 **Issue of Shares**

If the items specified in Term 6.1 are delivered in accordance with that Term, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Term 6.1 issue to the Participant or Nominated Party (as applicable) the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Term 8 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Term 6.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the Participant or Nominated Party (as applicable) a replacement certificate reflecting the number of those Options which remain unexercised.

## 6.3 **Death of Participant or Mental Incapacity**

If a Participant has died or the Participant's estate becomes liable to be dealt with under the laws relating to mental health, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Terms 6.1 and 6.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

## 6.4 **Beneficial Owner of Shares**

From and including the date of issue to a Participant or a Participant's Nominated Party (as applicable) of any Shares in accordance with these Terms, the Participant or Nominated Party (as applicable) will:

- (a) be the legal and beneficial owner of those Shares; and
- (b) subject to the Corporations Act, the Constitution and the Listing Rules, be entitled to deal with those Shares as beneficial owner.

## 6.5 **Equal Rank**

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Share, except for entitlements which had a record date before the date of issue of that Share.

## 6.6 **Official Quotation**

Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time in accordance with the Listing Rules.

## 7. **NEW ISSUES OF SHARES AND REORGANISATIONS**

### 7.1 **Participation generally**

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

### 7.2 **Rights Issues and Bonus Issues**

- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to Schedule 2.
- (b) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares to be issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.

### 7.3 **Reorganisation**

If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner required by the ASX Listing Rules at the time of the reorganisation.

### 7.4 **Notice of Adjustments**

Whenever the number of Shares comprised in an Option or the Option Exercise Price is adjusted pursuant to these Terms, the Company will give notice of the adjustment to the Participant (and, if applicable, the Participant's Nominated Party) and ASX together with calculations on which the adjustment is based.

### 7.5 **Cumulative Adjustments and rounding**

- (a) Effect will be given to Term 7.3 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.
- (b) Until an Option is to be exercised, all calculations adjusting the Number of Shares or the exercise price must be carried out to include all fractions, but on exercise the number of Shares is rounded down to the next lower whole number and the exercise price is rounded up to the next higher cent.

## 8. **OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE**

### 8.1 **No contravention**

Notwithstanding the Terms or the terms of any Option, no Option may be exercised and no Share may be issued under the Terms if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of a Director's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical or burdensome.

### 8.2 **Consistency**

- (a) Nothing in these Terms prevents an act being done that applicable law or the Listing Rules require to be done.
- (b) If applicable law or the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (c) If applicable law or the Listing Rules require these Terms or the terms of the issue of the Options to contain a provision and they do not contain such a provision, these Terms or the terms of issue of the Options (as the case may be) are taken to contain that provision.
- (d) If applicable law or the Listing Rules require these Terms or the terms of the issue of the Options not to contain a provision and they contain such a provision, these Terms or the terms of issue of the Options (as the case may be) are taken not to contain that provision.
- (e) If any provision of these Terms or the terms of the issue of the Options are or become inconsistent with applicable law or the Listing Rules, these Terms or the terms of issue of the Options (as the case may be) are taken not to contain that provision to the extent of the inconsistency.

## 9. **ADMINISTRATION**

- (a) The Board may appoint for the proper administration and management of the Terms, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Terms.
- (b) Subject to the provisions of the Terms, the Board may make such regulations and establish such procedures for the administration and management of the Terms as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Terms will be final.

## 10. **ATTORNEY**

Each Participant and each Nominated Party (the **relevant party**), in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **attorney**), severally, as the relevant party's attorney to

complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the relevant party which may be convenient or necessary for the purpose of giving effect to the provisions of these Terms;

- (b) covenants that the relevant party will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Term; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

11. **ASIC RELIEF**

Notwithstanding any other provisions of the Terms, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Terms pursuant to its power to exempt and modify the Corporations Act and required to be included in the Terms in order for that exemption or modification to have full effect, is deemed to be contained in the Terms. To the extent that any covenant or other provision deemed by this Term to be contained in the Terms is inconsistent with any other provision in the Terms, the deemed covenant or other provision shall prevail.

12. **GOVERNING LAW**

These Terms are governed by and shall be construed and take effect in accordance with the laws of Western Australia.

**SCHEDULE 1**

**Notice of Exercise of Options**

To: The Directors  
S2 Resources Ltd

I \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being registered holder of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise \_\_\_\_\_ of the abovementioned options. I enclose a cheque for \$\_\_\_\_\_ in payment of the option exercise price due in respect of those options calculated on the basis of \$\_\_\_\_\_ per option.

I authorise and direct the Company to register me as the holder of the shares to be allotted to me and I agree to accept such shares subject to the provisions of the Constitution of the Company.

Please register the shares on the [issuer sponsored / CHESS] sub-register [under my [HIN/SRN •]].

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_ .

\_\_\_\_\_

**Signature of Holder**

Note:

Cheques should be made payable to [S2 Resources Ltd].

## SCHEDULE 2

### Adjustment Formula

$$O^1 = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

$O^1$  = The new exercise price of the Option.

$O$  = The old exercise price of the Option.

$E$  = The number of Shares into which an Option is exercisable.

$P$  = The VWAP per Share calculated over the 5 trading days before the ex rights date or ex entitlements date.

$S$  = The subscription price for one security under the renounceable rights or entitlements issue.

$D$  = The dividend due but not yet paid on existing Shares (except those to be issued under the renounceable rights issue or entitlements issue).

$N$  = Number of Shares with rights or entitlements required to be held to receive a right to one new security.

However, if  $O^1$  under this formula is less than the minimum price specific in Term 4.3, the new Exercise Price of the Option is to be equal to that minimum price.



S2 Resources Limited  
ABN 18 606 128 090

S2R

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Sunday, 15 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of S2 Resources Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of S2 Resources Ltd to be held as a virtual meeting on Tuesday, 17 November 2020 at 10:00 AM (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 5 to 7 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 5 to 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 5 to 7 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mark Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Options to service provider - Anthony Goddard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Related Party Options to Mark Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Related Party Options to Jeffrey Dowling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Related Party Options to Anna Neuling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

S 2 R

2 6 8 9 6 1 A



Computershare

