



DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

Key points

- **Diamond drilling of nickel targets commenced at Polar Bear**
- **The Exploration Licence Application (ELA) process continued at S2's Greater Fosterville Project in Victoria, which surrounds and abuts Agnico Eagle's Fosterville Gold Mine**
- **Additional tenement applications have been lodged as part of a strategic expansion of the Great Fosterville Project in Victoria.**

CORPORATE

Finance

A total of A\$1.2 million was spent during the quarter on operating activities, comprising A\$0.775 million exploration and evaluation costs, A\$0.300 million corporate costs, business development costs, overheads and payments for fixed assets, A\$0.137 million staff costs, and A\$10k net interest earned.

At the end of the December quarter cash totaled A\$2.626 million. S2 also owns 75.2 million shares in Todd River Resources (ASX:TRT) equating to 11.94% of shares on issue, valued at A\$1.4 million based on a closing price of A\$0.19 per share on 24 January 2023 and 200,000 shares in Aurion Resources Ltd (TSX:AU) valued at A\$136k based on a closing price of C\$0.64 per share and an AUD/CAD exchange rate of 0.94 on 24 January 2023.

Planned expenditure for the next quarter ended 31 March 2023 is anticipated to be approximately A\$0.8 million.

Capital structure

The total issued capital as at 31 December 2022 comprises 356,874,854 ordinary shares and 46.7 million unlisted options, which if exercised, would represent a capital injection of A\$7.90 million to the Company.

Related Parties

In accordance with ASX Listing Rule 5.3.5, \$128,456 was paid to related parties or their associates during the quarter, as shown in section 6 of the Company's Cashflow Report (Appendix 5B) for the Quarter ended 31 December 2022. The payments include Non-executive Director payments of \$38,675.

EXPLORATION

Polar Bear nickel project, Western Australia (S2 100% nickel rights on Polar Bear, 80% of nickel rights on Eundynie JV))

S2's holds the nickel rights over an area of 435 square kilometres to the southeast of the Widgiemooltha and Kambalda nickel sulphide belts. S2 retained these rights when it sold the Polar Bear project (comprising the Polar Bear and Norcott projects and the Eundynie Joint Venture) to Higginsville Gold Operations (now owned by Karora Resources Inc.). The nickel rights include the Halls Knoll, Taipan and Gwardar nickel prospects.

During the Quarter, S2 commenced a diamond drilling program on Lake Cowan to test the electromagnetic (EM) conductors identified in an electromagnetic (EM) survey undertaken in July, as well as repetitions and extensions of nickel sulphide mineralisation along the partly drilled trend containing the previously discovered Halls Knoll, Taipan and Gwardar nickel prospects.

The targeted conductors were identified in the recent EM survey, beneath Lake Cowan, a large salt lake, using the low temperature superconducting quantum interference device ("SQUID") EM technology, which can "see" more clearly through the conductive lake surface (see S2 ASX announcement of 1st August 2022). These conductors are spatially associated with strongly anomalous nickel, copper and platinum-palladium levels in aircore holes previously drilled by the Company for both gold and nickel, and in rock chip samples collected from outcropping gossans (see Figure 1).

At the end of the December Quarter, the first two holes of a planned ten hole program had been completed and a third was underway.

As disclosed in the S2 ASX announcement of 23rd December 2022, two of the lower priority EM conductors have been drilled, with sedimentary sulphides being intersected at the depth predicted by the EM. One geological target has been drilled, with intervals of trace to disseminated magmatic sulphides being intersected in a thick ultramafic sequence. The drilling sequence is based on logistical considerations, so the higher priority targets will be drilled in January following a pause for the Christmas break.

Hole **SPBD0366**, testing conductor PBC22-5, intersected a package of ultramafics and high-magnesian basalts at the top of the hole before passing into basalt, with minor interflow sediments, from approximately 190 metres. A thin, sheared black shale intersected near the target depth (392 metres) of the modelled EM plate is considered the likely source of the MLEM response.

Conductor PBC22-5 is a cluster of three separately modelled EM which collectively form a 1.5 kilometre long trend of EM anomalism. Such long strike length trends are more typical of conductive stratigraphic units rather than discrete responses which are more typical of nickel sulphide mineralisation, so this conductor is intrinsically less prospective than some of the as yet untested conductors that will be drilled once the rig recommences drilling in January.

Hole **SPBD0367**, testing conductor PBC22-3, intersected prospective ultramafic rocks at the top of the hole down to approximately 90 metres before passing into basalt. At 172 metres the hole intersected sedimentary rocks, including approximately 6 metres of strongly sulphidic black shales. The sulphides, comprising pyrrhotite, pyrite with minor chalcopyrite and sphalerite, are typical of black shales and are not of economic interest.

Hole **SPBD0368**, testing beneath a zone of anomalous nickel and copper in previous reconnaissance aircore drilling not covered by the recent SQUID EM survey, intersected more than 80 metres of prospective ultramafic rocks in two zones, separated by a late-stage felsic porphyry intrusion. Importantly, the ultramafic contains minor zones of trace to disseminated “cloud” sulphide consisting of pyrrhotite-chalcopyrite-pentlandite. This mineralisation, whilst not economic, confirms the presence of a fertile nickel prospective system, separate to the known Halls Knoll and Taipan – Gwardar trend. Laboratory assay results will be reported when the Company receives them.

The hole was still in prospective ultramafic rocks when drilling ceased for the Christmas break, with the hole to be extended when drilling resumed in the new year.

All holes have been / will be cased with PVC to facilitate future down-hole electromagnetic (DHEM) surveys to confirm the drilling has adequately tested the EM anomalies.

Whilst drilling to date has not intersected material magmatic nickel sulphides, it is encouraging to note that the EM appears to be working well in terms of its ability to detect and predict the position of sulphides, which bodes well for the remainder of the program in which the more prospective targets will be tested.

Drilling has recommenced and is expected to be completed during February.

Table 1. *Diamond drill holes completed at Polar Bear during the December quarter*

Hole	Easting	Northing	RL	Dip	Azi.	Depth	From	To	Width	Grade Ni_pct	Grade Cu_pct
SPBD0366	388,837	6,470,837	280	-65	270	438.9	AWR				
SPBD0367	389,785	6,471,600	263	-60	280	197.9	AWR				
SPBD0368	389,825	6,471,020	263	-60	270	181.0	IP				

*AWR – awaiting results, IP – in progress

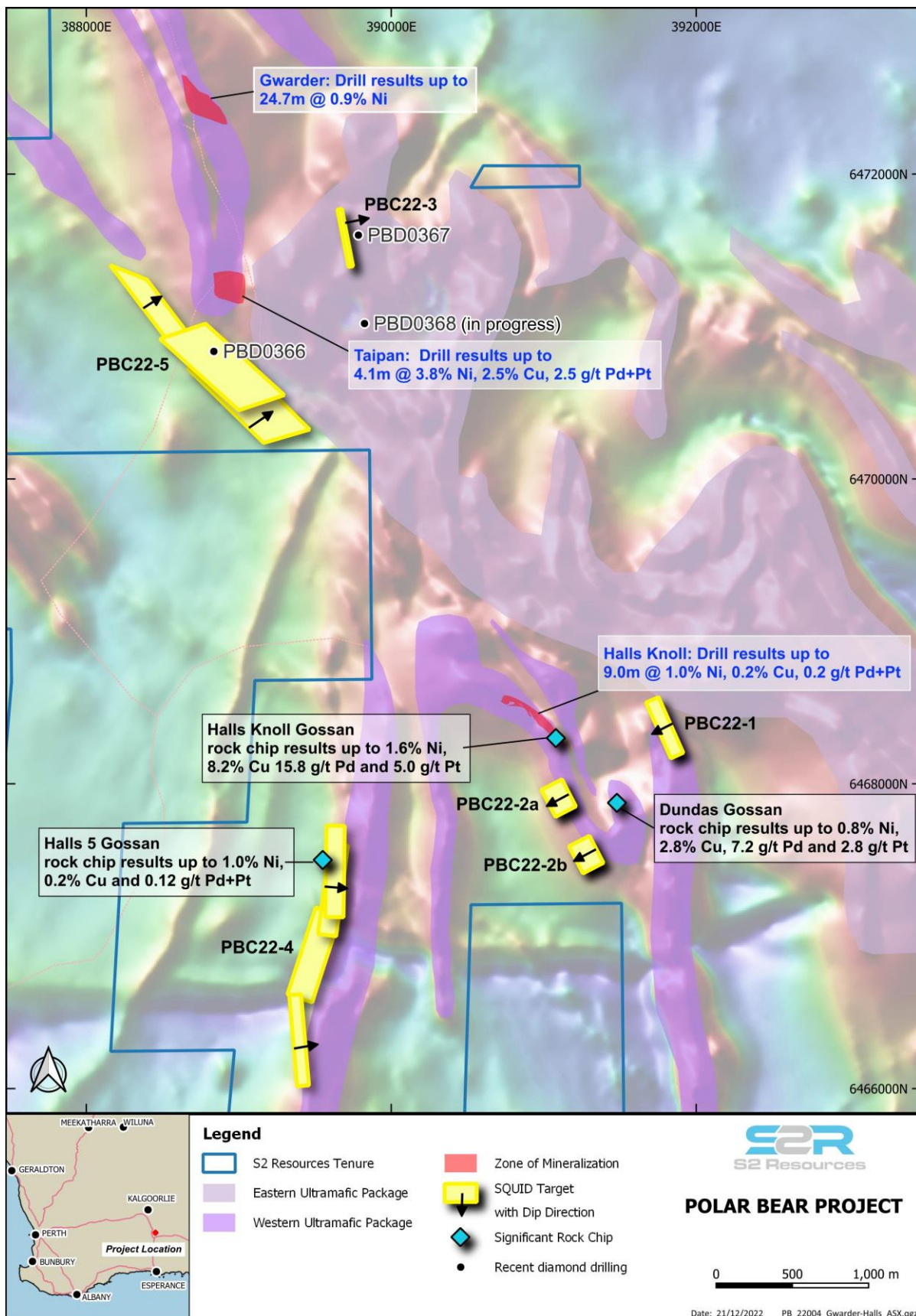


Figure 1. Location of electromagnetic conductors identified in the July SQUID EM survey at the Polar Bear Project, over regional magnetics and interpreted geology, showing location of recently completed drillholes.

Greater Fosterville Project, Victoria (100% S2 application)

S2's 100% owned subsidiary, Southern Star Resources, has the sole right to apply for Exploration Licence EL7795, covering an area of 394 square kilometres, extending 55 kilometers north to south, and abutting and surrounding Agnico Eagle's world class Fosterville Gold Mine which produced 509,601 ounces of gold in 2021 and has current Ore Reserves of 1.9 million ounces grading 10.3g/t gold (refer to [Agnico Eagle 2021 Annual Report](#)). S2 inherited a substantial amount of data acquired by previous explorers over the area, including the relatively recent exploration work undertaken by Kirkland Lake Gold (recently acquired by Agnico Eagle) on the tenement before it expired. This includes prior drilling, which although widely spaced and/or shallow and/or highly localised, has identified gold mineralisation in several locations. In addition to historic drill data, the Company has inherited a comprehensive set of extensive and high quality geophysical and geochemical surveys including gravity, IP, seismics, magnetics and LIDAR.

S2 is progressing the application process for the grant of an Exploration Licence at Greater Fosterville, an area surrounding Agnico Eagle's Fosterville gold mine with numerous gold targets and very high gold prospectivity (see Figure 2). The current stage in this process is establishing agreements with the appropriate traditional owner groups. The Exploration Licence covers an area that dominantly falls within the Dja Dja Wurrung Clans Aboriginal Corporation (DJAARA) lands and a lesser area within the Taungurung Land and Waters Council Aboriginal Corporation (TLaWC) lands. The Company is following prescribed procedures controlled by state and federal legislation to attain the requisite agreements with traditional owners. The Company has already consented to the terms required under Schedule 4 of the Land Use Activity Agreement (LUAA) for exploration activities on DJAARA land. During the quarter the Government of Victoria's Earth Resources Regulator (ERR) advised that following the three-month notification period under the Right to Negotiate provisions of the Native Title Act the Company is required to reach an agreement with the Taungurung Land and Waters Council Aboriginal Corporation (TLaWC) under Schedule 3 of the LUAA. In anticipation of this outcome S2 had already begun consultation with TLaWC earlier during 2022. Several meetings have now been held with negotiation of the required agreement well advanced. The Company expects that these negotiations can be concluded in the next few months.

The final stage before granting the Exploration Licence is an assessment of the Company and its planned activities by the ERR. Note that in this case much of this assessment was completed as part of the ground release tender process which afforded S2 the sole right to apply for an Exploration Licence.

While the Company continues to progress the application process required by the government to grant EL7795, during the quarter S2 began to execute a strategic expansion of the Greater Fosterville Project by lodging three additional exploration licence applications (EL8074, EL8166 & EL8167). The additional tenement areas have been identified as complimentary to EL7795. Applications were lodged following the release of each area from moratorium. Each of these additional three applications are competing with other company's applications, and are subject to a competitive assessment by the government prior to the government selecting a preferred applicant for each area. Should S2 be successful in these applications the Greater Fosterville Project will expand in area to 863km² (Figure 3), more than double the current area of EL7795 (394km²).

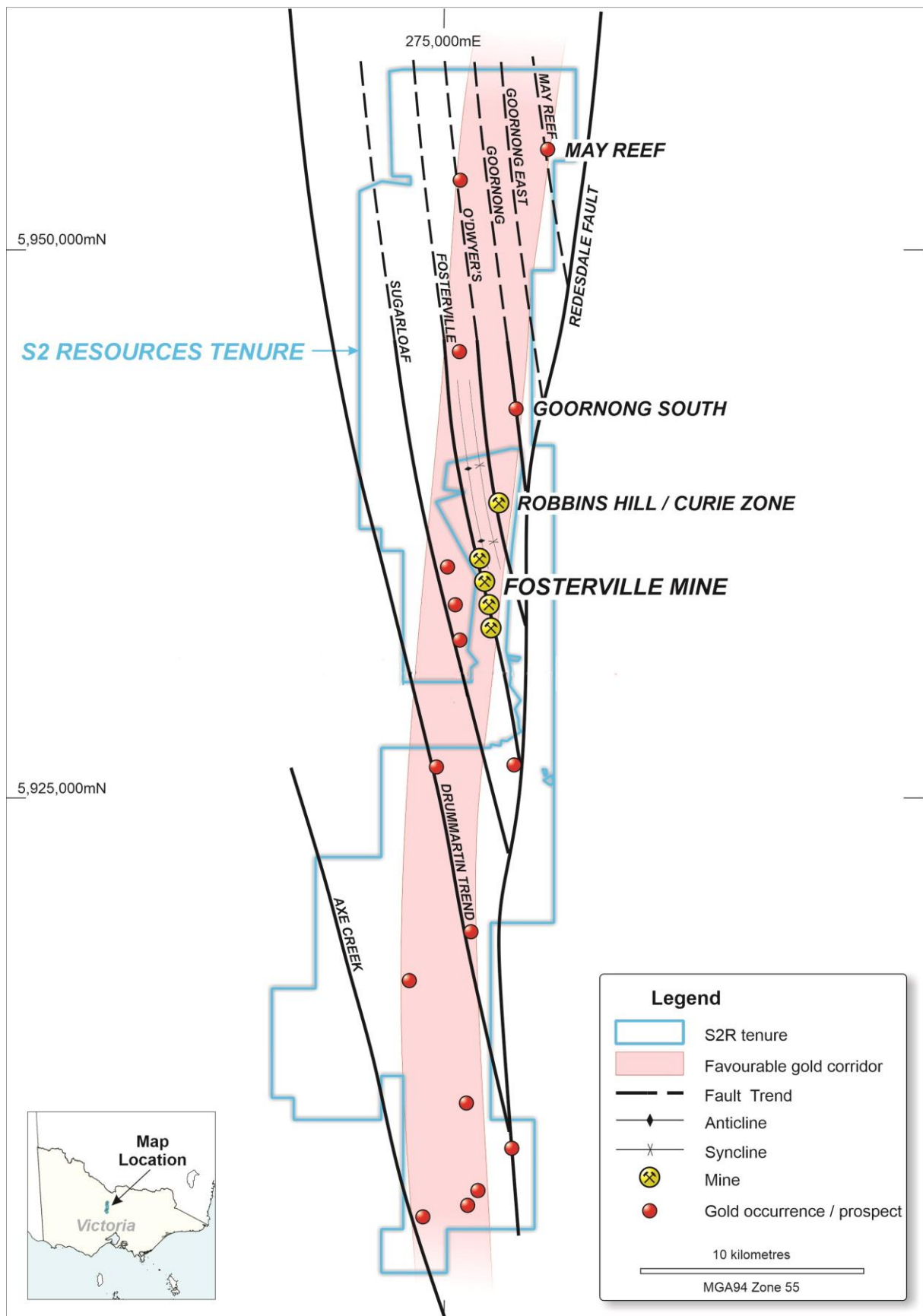


Figure 2. Map of EL7795 showing gold deposits/occurrences/prospects, key structures and the favourable corridor for gold mineralisation running 1.5 to 5 kilometres west of the Redesdale Fault.

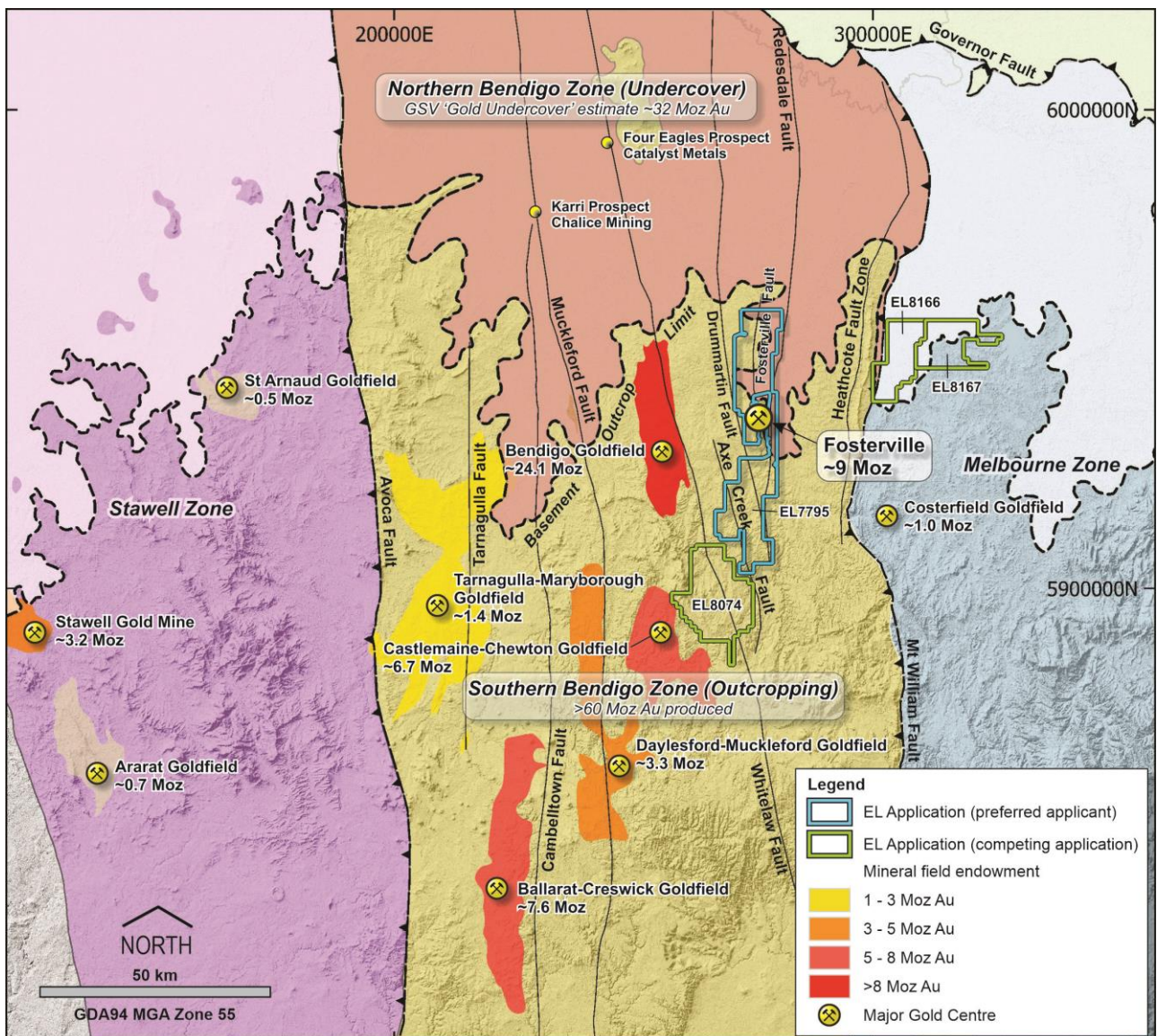


Figure 3. Map of the central Victorian geologic provinces, goldfield endowments and the expanded Greater Fosterville Project tenement applications.

Koonenberry nickel-copper-PGE project, New South Wales (S2 100%)

S2 has three Exploration Licence applications covering 2,712 square kilometres in northern New South Wales (NSW) extending for a strike of 143 kilometres along the Koonenberry Belt. The scale and cratonic margin setting of this belt is analogous to the Fraser Zone of the Albany Fraser Orogen, which hosts the Nova-Bollinger and Silver Knight nickel-copper-cobalt deposits and the Tropicana gold deposit. The belt also contains early breakup gabbros and likely comagmatic orthocumulate ultramafic picrite sills and intrusions, considered petrographically similar to those that host mineralisation in the Russian Pechenga nickel-copper-PGE camp.

S2 continued work towards grant of the Koonenberry exploration licences, including negotiations with the Traditional Owners for a Heritage Protection Agreement over the project area.

Jillewarra gold and base metals project, Western Australia (S2 earning 70%)

S2 is earning a majority interest in the Jillewarra project which covers 793 square kilometres of gold and base metal prospective greenstones situated approximately 50 kilometres west of Meekatharra in the Murchison Goldfields of Western Australia. Jillewarra is an under explored Archaean greenstone belt with very limited drilling below 70 metres. S2 is taking a systematic approach to identify and drill test targets throughout the Jillewarra Belt. To date, over 30 targets have been identified based on structural and geological interpretation, evidence of historical workings and historic exploration data.

No on-ground exploration activities were conducted at the Jillewarra Project during the December Quarter.

West Murchison nickel-copper-PGE project, Western Australia (S2 100%)

S2 has three Exploration Licences covering 693 square kilometres over several targets interpreted to represent mafic-ultramafic intrusions prospective for magmatic nickel-copper and precious metals mineralisation (Figure 4). Five target areas have been identified based upon magnetic anomalies and mafic-ultramafic rock outcrops.

No on-ground exploration activities were conducted at the West Murchison project during the December Quarter.

Three Springs nickel-copper-PGE project, Western Australia (S2 100%)

S2 has two exploration licenses covering approximately 361 square kilometres over several targets interpreted to represent mafic-ultramafic intrusions prospective for magmatic nickel-copper-PGE mineralisation.

No on-ground exploration activities were conducted at the Three Springs Project during the December Quarter.

Fraser Range nickel project, Western Australia (S2 100%)

The Company has three exploration licenses covering 176 square kilometres of the Fraser Range nickel province. The licenses are located 40 to 80 kilometres to the northeast of the Nova-Bollinger nickel-copper mine (discovered by S2's predecessor, Sirius Resources in 2012).

No on-ground exploration activities were conducted in the Fraser Range during the December Quarter.

Central Lapland Greenstone Belt, Finland (S2 100%), including Kinross Gold farm-in (S2 diluting to 30%) and Rupert Resources farm-in (S2 diluting to 30%)

S2 has mineral rights covering approximately 462 square kilometres in the Central Lapland Greenstone Belt (CLGB) of Finland, a region that contains significant shear zone hosted gold deposits, such as Agnico Eagle's ~7.4Moz Kittilä gold mine and Rupert Resources recent 3.95Moz Ikkari discovery, and magmatic copper-nickel-PGE-gold deposits which include Boliden's 298Mt Kevitsa mine and Anglo American's world class 44Mt Sakatti deposit.

S2's Aarnivalkea prospect has the potential to be another significant discovery in the region with approximately 1.3 kilometres of gold anomalism and high grade diamond drill intercepts such as 6.8m at 11.8g/t gold from 223m (hole FAVD0062) and 20.4m at 4.0g/t gold from 193m (hole FAVD0064).

S2 has active farm-in agreements with north American major gold producer Kinross Gold (“Kinross”) (KGC.NYSE, K.TSX) and Canadian explorer Rupert Resources (“Rupert”) (RUP.TSX). Under the terms the respective agreements, Kinross can earn a 70% interest in the Palvanen-Mesi block (58 square kilometres) by spending US\$6.5 million (approximately A\$9.3 million) and Rupert can spend up to €3.4 million (approximately A\$5.3 million) to earn a 70% interest in the Sikavaara East and Sikavaara West licences (37 square kilometres).

No exploration activities were undertaken on the Finland licences during the December quarter. Kinross advised S2 that it was withdrawing from the Home project block, a part of its earn-in area, but is continuing exploration on the Palvanen-Mesi blocks, with winter and summer exploration program’s planned for 2023.

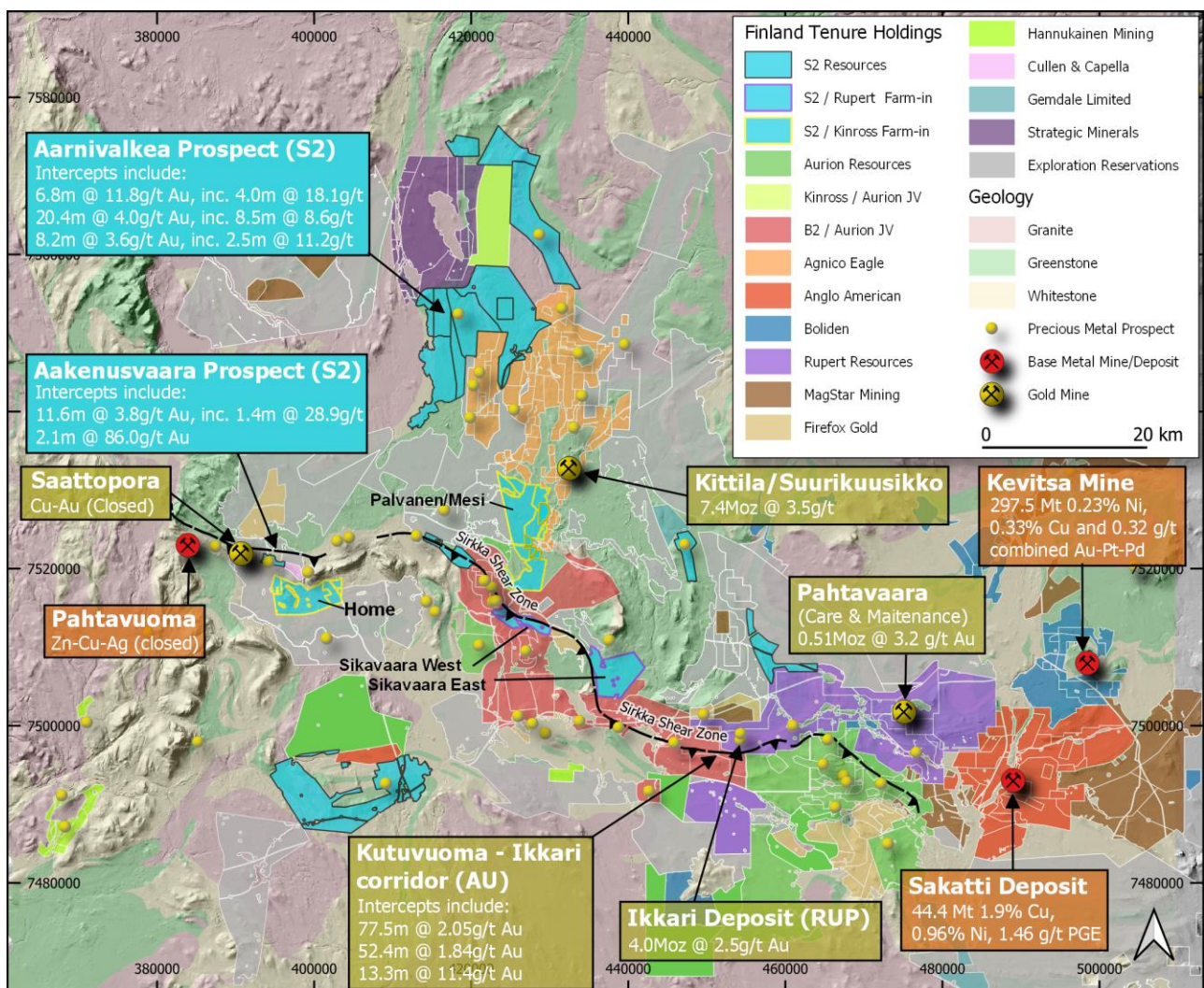


Figure 4. Location map showing S2’s landholding in the Central Lapland Greenstone Belt, Finland. The map shows the areas related to the Rupert and Kinross earn-in agreements. The map also shows neighbouring companies, mines and defined resources. Resources and are sourced from public company statements.

ASX additional information

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was A\$1.2 million. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

This announcement has been provided to the ASX under the authorisation of the S2 Board.

For further information, please contact:

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Past Exploration results reported in this announcement have been previously prepared and disclosed by S2 Resources Ltd in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.s2resources.com.au for details on past exploration results.

Competent Persons statements

The information in this report that relates to Exploration Results is based on information compiled by John Bartlett, who is an employee and shareholder of the Company. Mr Bartlett is a member of the Australian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience of relevance to the style of mineralization and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bartlett consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

TENEMENT REGISTER

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
Western Australia					
Three Springs	E70/5380	Southern Star Exploration Pty Ltd	Three Springs	100%	Granted
Three Springs	E70/5381	Southern Star Exploration Pty Ltd	Three Springs	100%	Granted
West Murchison	E70/5382	Southern Star Exploration Pty Ltd	West Murchison	100%	Granted
West Murchison	E09/2390	Southern Star Exploration Pty Ltd	West Murchison	100%	Granted
West Murchison	E09/2391	Southern Star Exploration Pty Ltd	West Murchison	100%	Granted
Jillewarra	E51/1602	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1603	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1604	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1617	Black Raven Mining Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1906	Black Raven Mining Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1915	Black Raven Mining Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/2050	Third Eye Resources Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/2051	Third Eye Resources Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/2052	Third Eye Resources Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/2053	Third Eye Resources Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/2054	Third Eye Resources Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	M51/270	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	M51/353	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	M51/451	Tanzi Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	P51/2696	Wood, Sandra	Jillewarra	earning 51%	Granted
Jillewarra	P51/2950	Black Raven Mining Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	P51/3082	Black Raven Mining Pty Ltd	Jillewarra	earning 51%	Granted
Jillewarra	E51/1955	Black Raven Mining Pty Ltd	Jillewarra	earning 51% when granted	Application
Jillewarra	E51/1956	Black Raven Mining Pty Ltd	Jillewarra	earning 51% when granted	Application
Jillewarra	E51/1965	Black Raven Mining Pty Ltd	Jillewarra	earning 51% when granted	Application
Jillewarra	E51/1966	Black Raven Mining Pty Ltd	Jillewarra	earning 51% when granted	Application
Jillewarra	M51/885	Wood, Sandra	Jillewarra	earning 51% when granted	Application
Polar Bear	E15/1298	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1461	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1541	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1142	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1712	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1725	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1756	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/651	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/710	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/1814	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/230	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/255	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/269	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/279	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5958	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5959	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1587	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1588	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1589	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1590	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1591	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1592	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1593	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1594	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/662	Polar Metals Pty Ltd	Lake Cowan	100% nickel when Granted	Application
Eundynie JV	E15/1458	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E15/1459	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
Eundynie JV	E15/1464	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1726	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1727	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1738	Polar Metals Pty Ltd /Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Norcott	E15/1487	Polar Metals Pty Ltd	Mt Norcott	100% nickel	Granted
Norcott	E63/1728	Polar Metals Pty Ltd	Mt Norcott	100% nickel	Granted
Fraser Range	E28/2791	Southern Star Exploration Pty Ltd	Fraser Range	100%	Granted
Fraser Range	E28/2792	Southern Star Exploration Pty Ltd	Fraser Range	100%	Granted
Fraser Range	E28/2794	Southern Star Exploration Pty Ltd	Fraser Range	100%	Granted
New South Wales					
Koonenberry	ELA6198	Third Eye Resources Pty Ltd	Koonenberry	100% when granted	Application
Koonenberry	ELA6199	Third Eye Resources Pty Ltd	Koonenberry	100% when granted	Application
Koonenberry	ELA6200	Third Eye Resources Pty Ltd	Koonenberry	100% when granted	Application
Victoria					
Greater Fostererville	EL7795	Southern Star Exploration Pty Ltd	Greater Bendigo	100% when granted	Application
Greater Fostererville	EL8074	Southern Star Exploration Pty Ltd	Greater Bendigo	100% when granted	Application
Greater Fostererville	EL8166	Southern Star Exploration Pty Ltd	Greater Bendigo	100% when granted	Application
Greater Fostererville	EL8167	Southern Star Exploration Pty Ltd	Greater Bendigo	100% when granted	Application
Finland					
<i>Exploration Licenses</i>					
Central Lapland	Kerjonen ML2015:0061	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana Central ML2018:0081	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Aakenusvaara ML2018:0105	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana W2 ML2018:0107	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Selkä ML2017:0037	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Putaanperä L2016:0063	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana West ML2017:0028	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana East ML2017:0029	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Nuttio ML2017:0041	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Hanhijarvi ML2017:0112	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Pahasvuoma ML2019:0085	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Rova ML2019:0086	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Ruopas ML2020:0043	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana Silas ML2021:0057	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paanapyytö ML2021:0058	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Kinross JV	Palvanen ML2016:0062	Sakumpu Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Granted
Kinross JV	Mesi ML2017:0034	Sakumpu Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Granted
Kinross JV	Kehrävarsä ML2022:0064	KG Finland Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Application
Kinross JV	Kevuvuoma ML2022:0089	KG Finland Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Application
Rupert JV	Sikavaara E ML2016:0056	Sakumpu Exploration Oy	Central Lapland	100% (Rupert earning 70%)	Granted
Rupert JV	Sikavaara W ML2019:0107	Sakumpu Exploration Oy	Central Lapland	100% (Rupert earning 70%)	Granted

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

S2 Resources Ltd

ABN

18 606 128 090

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation *	(775)	(1,706)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs**	(137)	(662)
	(e) administration and corporate costs	(300)	(452)
1.3	Dividends received (see note 3)		
1.4	Interest received	12	25
1.5	Interest and other costs of finance paid	(2)	(5)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,202)	(2,800)

*Exploration & evaluation comprise exploration physical costs of \$444k and pre-resource exploration staff costs of \$331k.

**Total staff costs for the quarter end was \$468k comprising pre-resource exploration \$331k, corporate 91k non-executive directors \$40k, business development \$6k. Staff costs of pre-resource exploration \$331k has been transferred to the above category 'exploration & evaluation'.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(53)	(53)
	(d) exploration & evaluation	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	17	47
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(36)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	28	28
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(21)	(43)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4	(18)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,825	5,412
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,202)	(2,800)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(6)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4	(18)
4.5	Effect of movement in exchange rates on cash held	35	38
4.6	Cash and cash equivalents at end of period	2,626	2,626

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,626	3,825
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,626	3,825

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Salaries and fees paid to directors in the quarter including superannuation.		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,202)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,202)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,626
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,626
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.18
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 January 2023.....

Authorised by: .The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.