ASX Announcement

13 February 2023

POLAR BEAR NICKEL DRILLING UPDATE

Key Points

- **The initial 10 hole drilling program at Polar Bear to test 6 priority electromagnetic (EM) conductors and 4 geological targets is nearing completion**

- **Visual logging (no portable XRF or laboratory assays) indicates intervals of trace to disseminated sulphides (pyrrhotite-pentlandite) intersected in 50% of holes**

- **Two key EM conductors (PBC22-1, PBC22-2a) which remain unexplained, with drilling confirming prospective geological setting, may be near misses**

- **Down hole electromagnetic (DHEM) surveying of holes to be completed when salt lake conditions and crew availability allow**

S2 Resources Ltd ("S2" or the "Company") advises that it has completed nine holes of the ten hole diamond drilling program testing six electromagnetic (EM) conductors and four geological targets at its Polar Bear nickel project where the Company has 100% of the nickel rights (see S2 ASX announcements dated 1st August 2022 and 22nd December 2022).

This program, concentrated in a six kilometre long corridor containing approximately 15 strike kilometres of folded and structurally repeated ultramafics (see Figure 1), has confirmed the presence of significant accumulations of prospective ultramafic stratigraphy – namely high magnesium cumulate channel facies ultramafics - with frequent occurrences of trace to disseminated sulphide mineralisation as summarised below. Trace sulphide is defined by sulphide minerals comprising up to 2% of the rock, and disseminated sulphide is defined by sulphide minerals comprising 2-10% of the rock. The sulphide minerals are logged as a variable mix of pyrrhotite (iron sulphide) and pentlandite (nickel sulphide).

- Five holes (50 percent of holes drilled) intersected intervals of trace to disseminated sulphide mineralisation within and at the base of thick channelised ultramafic sequences
- Two holes appear to have intersected the target horizon, which is the basal contact of the ultramafic, at the depths predicted by surface EM without intersecting conductive rocks that would explain the EM anomalies, suggesting that these holes may have narrowly missed the actual position of the conductors and will require down hole electromagnetic (DHEM) surveys to verify and resolve the position of these conductors to guide follow up drilling
- Two holes intersected conductive black sulphidic shales at the downhole depth predicted by EM, so these conductors have been definitively tested but with a negative outcome

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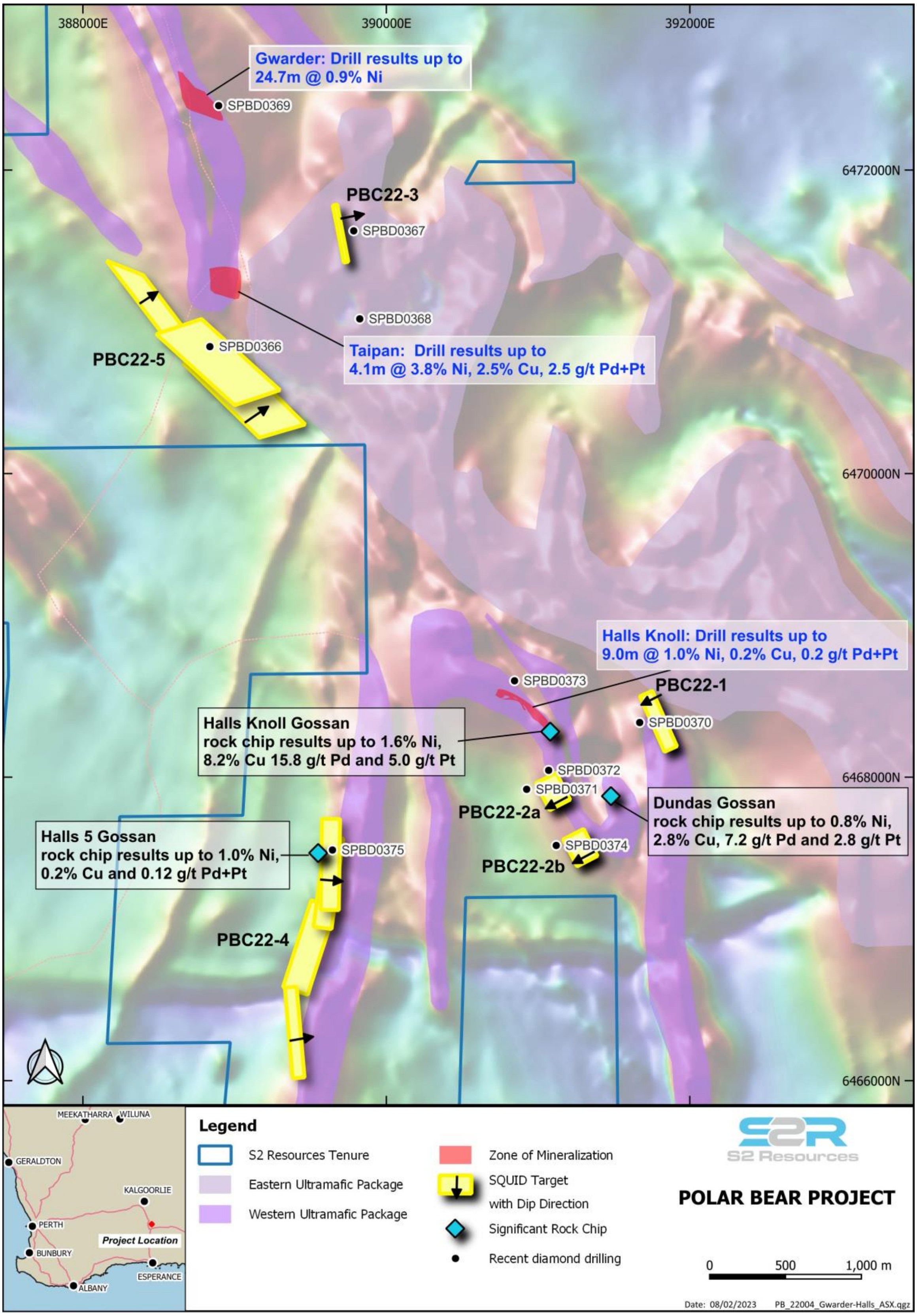

Figure 1. Location of electromagnetic conductors identified in the July 2022 SQUID EM survey, over regional magnetics and interpreted geology, showing location of recently completed drillholes.

Although no new zones of massive sulphide were intersected in this program, the abundance of thick, high magnesium, channelised ultramafics with the frequent occurrence of trace to disseminated sulphide mineralisation is considered encouraging, attesting to the fertility of these rocks and the potential for the presence of massive nickel sulphide accumulations.

The intervals of trace to disseminated sulphides described in this release are based on visual logging only and are described as a fine grained mix of pyrrhotite (iron sulphide) and pentlandite (nickel sulphide). The actual grade and width of these intervals is unknown and cannot be estimated until laboratory analyses have been completed. It is important to note that visual estimates of sulphide mineralisation are qualitative not quantitative, should not be considered a proxy or substitute for laboratory analysis, and should not be relied on to draw conclusions relating to potential economic value or in making investment decisions. It is anticipated that a full set of definitive laboratory analyses will be available by late March.

Technical discussion

Hole SPBD0370, drilled to test conductor PBC22-1 located approximately one kilometre east of the Halls Knoll prospect, passed through a thick (145 metre) sequence of high magnesium channel facies cumulate ultramafics and intersected the target horizon (the basal ultramafic contact) at a depth of 319 metres. This is within 10 metres in a downhole sense of the modelled position of the surface EM conductor (see Figure 2).

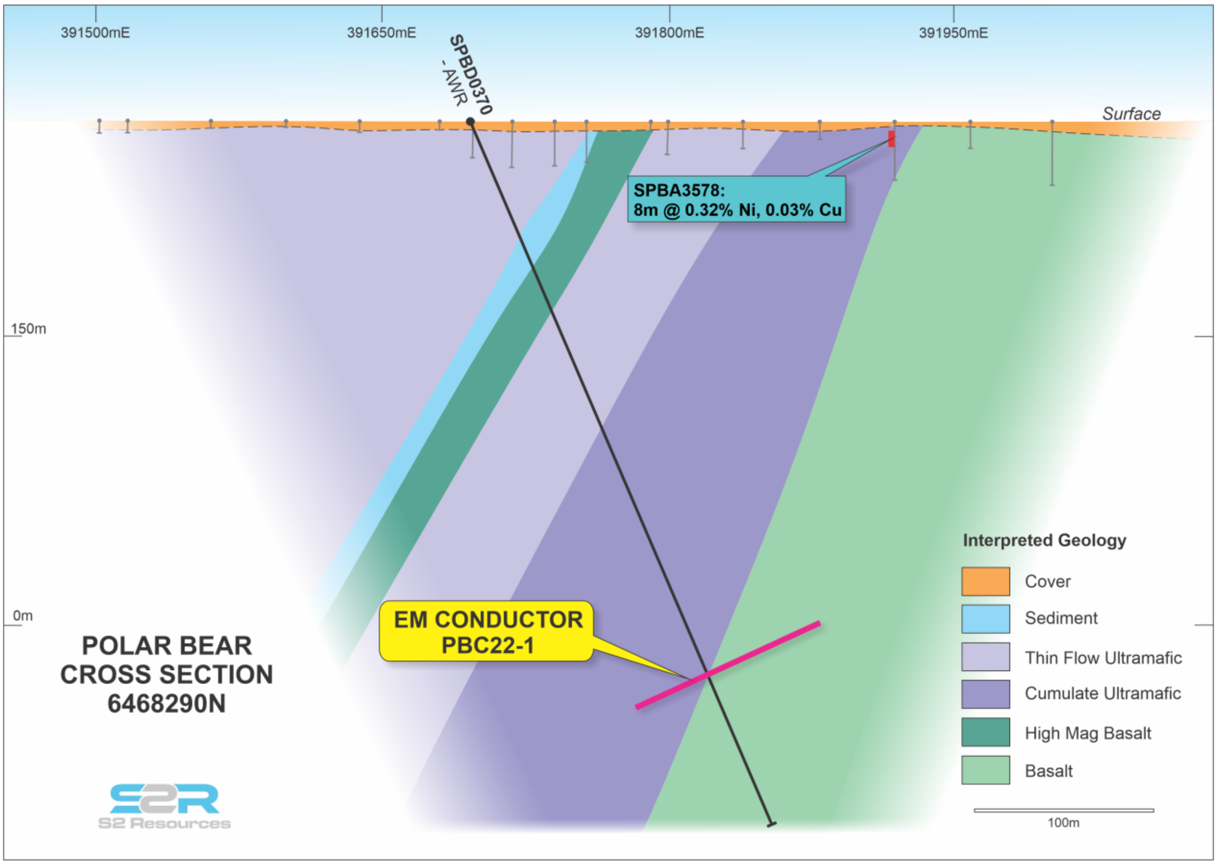

Figure 2. Schematic cross-section 6,468,290N showing interpreted geology relative to SQUID EM conductor PBC22-1

The lower 12 metres of the ultramafic, immediately above the basal contact, contains finely disseminated sulphides which are interpreted to be the down dip continuation of the anomalous nickel and copper intersected in previous aircore drilling (8 metres at 0.32% Ni and 0.03% Cu from 4 metres in SPBA3578, refer to S2 ASX Quarterly Report of 19th October 2015). This confirms that the ultramafic contains nickel sulphides at this location and indicates that these sulphides persist over a significant dip extent of at least 280 metres and over an unknown strike extent.

Importantly, the proximity of the basal contact with the modelled depth of the conductor, the presence of disseminated sulphides in the lowermost 12 metres of the ultramafic at this point, and the lack of any conductive rocks capable of explaining the conductor, suggest that the drill hole may have missed the target and that the surface conductor may be located nearby. A down hole electromagnetic (DHEM) survey will be required to provide better spatial constraint on any such conductor, and to guide a follow up drill hole if warranted.

Hole SPBD0371 targeting conductor PBC22-2a, a poorly constrained conductor located on the southern extension of the Halls Knoll ultramafic trend, passed through a thick sequence of basalt and intersected the target horizon (in this case the overturned basal contact of the high magnesium channel facies ultramafic) at a depth of 436 metres (see Figure 3). This contact is interpreted to represent the structurally inverted basal contact of the same ultramafic package that hosts the Halls Knoll mineralisation to the north and conductor PBC22-1 – the potential near-miss in drill hole SPBD0370.

Like hole SPBD0370, the basal contact was intersected within 10 metres of the modelled plate position but with no obvious source for the conductor. Several sedimentary units were intersected within the basalt hangingwall sequence but they were neither sulphidic nor carbonaceous, so unlikely to be conductive.

Like hole SPBD0370, the proximity of the basal contact with the modelled depth of the conductor, and the lack of any conductive rocks capable of explaining the conductor, suggest that the source of the EM anomaly may have been missed in this drill hole and may be located nearby. As with hole SPBD0370, a DHEM survey will be required to provide better spatial constraint on any nearby conductor, and to guide a follow up drill hole.

The prospectivity of the area containing the PBC22-2a conductor is further enhanced by the presence of disseminated sulphides intersected up dip within the ultramafic sequence in **hole SPBD0372,** collared approximately 130 metres north and 145 metres east of SPBD0371. This hole intersected a 14 metre zone of trace to disseminated sulphides at the interpreted base of a high magnesium channelised ultramafic (see Figure 4), approximately 120 metres down-dip from a previous intercept of 10.2 metres @ 0.44% Ni, 0.1% Cu, 0.25 g/t Pd and 0.1 g/t Pt from 60.8 metres in SPBD0008.

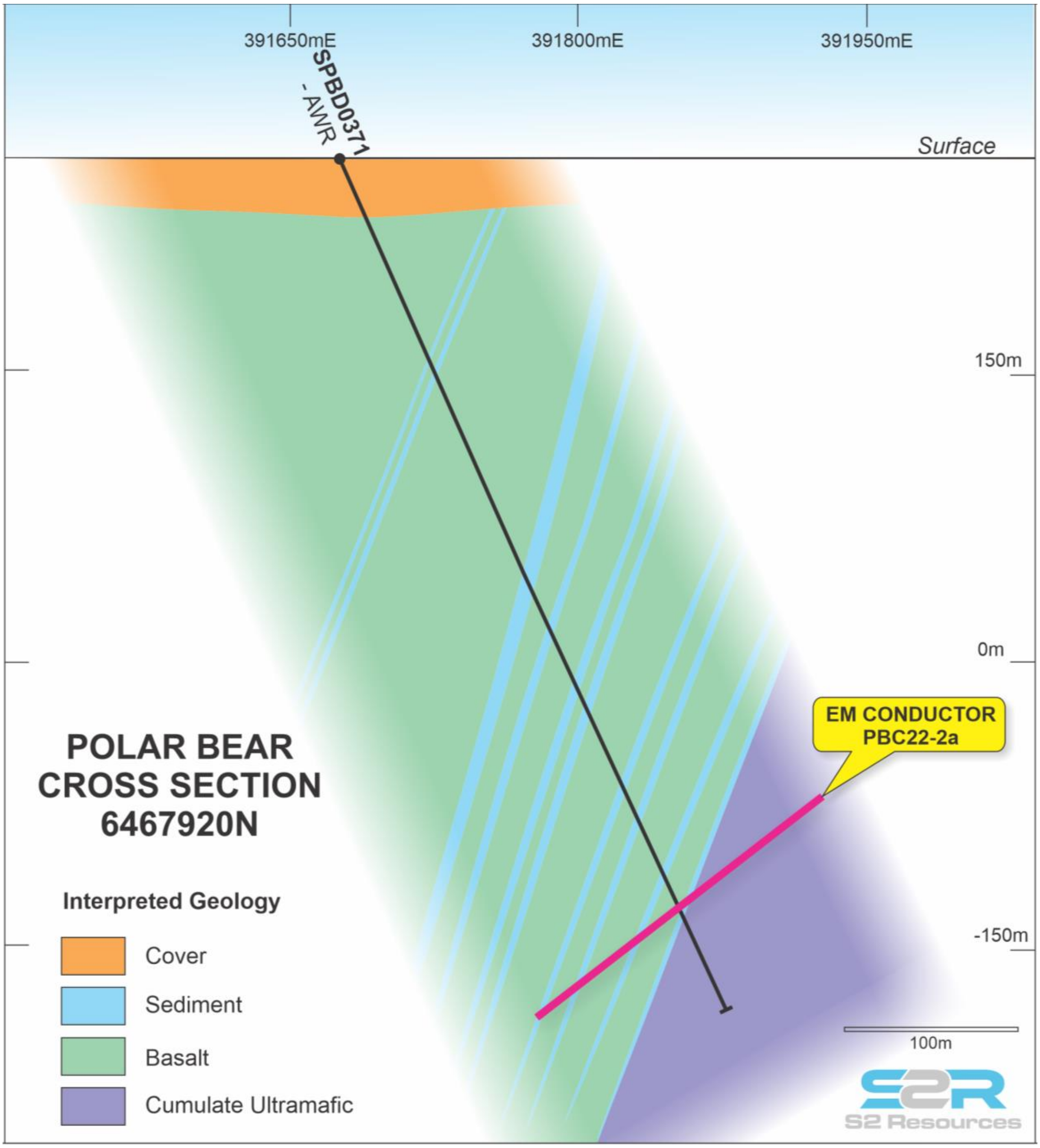

Figure 3. Schematic cross-section 6,467,920N showing interpreted geology relative to SQUID EM conductor PBC22-2a

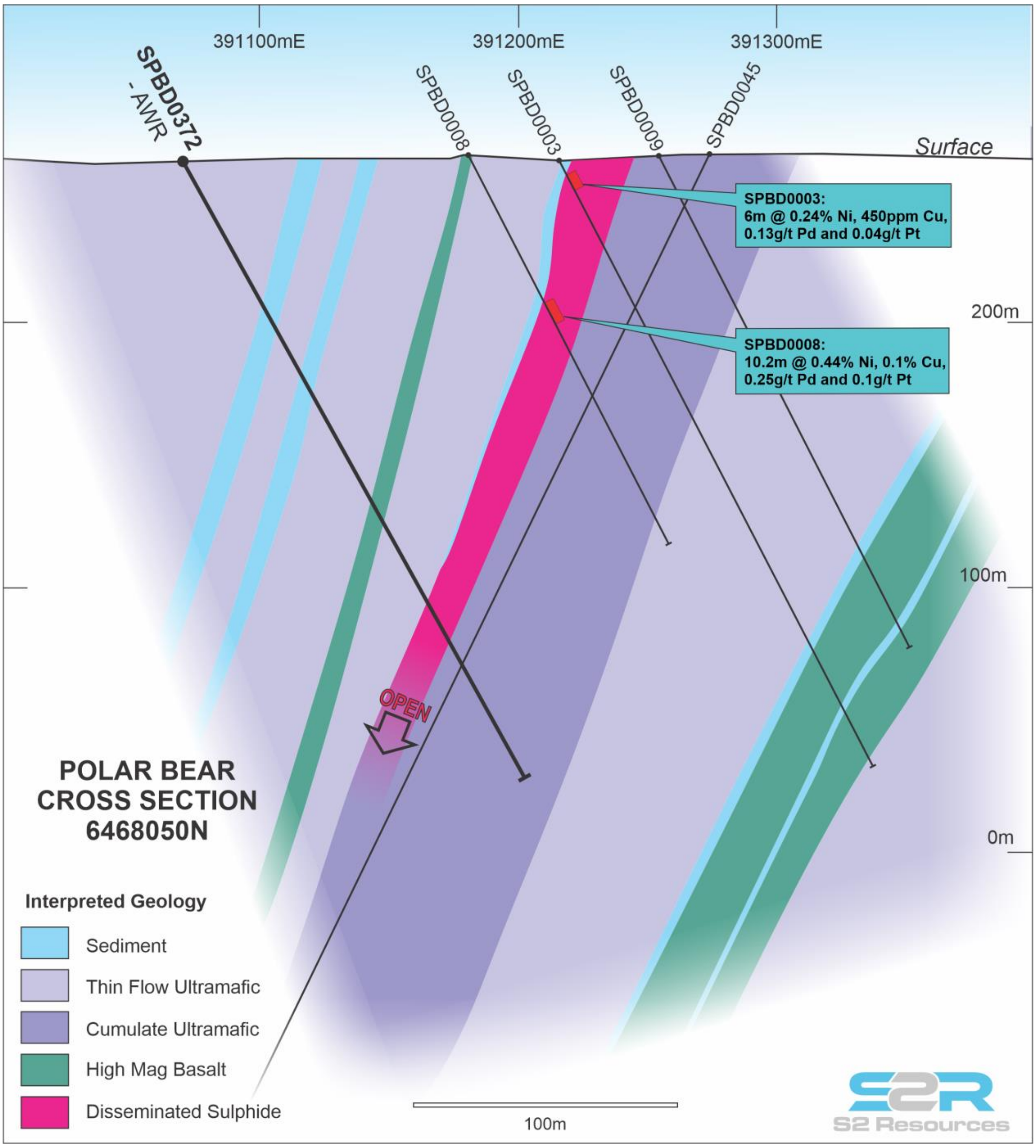

Figure 4. Schematic cross-section 6,468,050N, immediately north and up-dip of conductor PBC22-2a, showing the disseminated sulphide mineralisation at the base (overturned) of channel facies ultramafic in drill hole SPBD0372, down-dip from mineralised intercepts in previous drilling.

Hole SPBD0368, extended from a depth of 181 metres prior to the Christmas break (see S2 ASX announcement of 22nd December 2023), continued in cumulate ultramafic with further trace sulphide and into high magnesian basalt before terminating in porphyry at 235.5 metres. In all, this hole intersected a thick zone of prospective ultramafic rocks containing intervals of trace to disseminated sulphides, including a 26.2 metre thick zone from 80.7 metres and a 50.7 metre thick zone from 134.1 metres downhole.

Hole SPBD0373, drilled at the northern end of the Halls Knoll mineralisation, intersected a broad zone of channel facies ultramafic from approximately 100 metres, including multiple zones of trace to disseminated sulphides (comprising a variable mix of pyrrhotite and pentlandite) from approximately 200 metres, but was terminated after it became apparent the hole was drilling in a suboptimal orientation with respect to stratigraphy.

Despite being drilled in a suboptimal orientation, this hole has expanded the extent of sulphides in this area a further 120 metres vertically, to a depth of approximately 260 metres below surface.

A follow up hole in the opposite direction will be required to appropriately test the extent of this sulphide zone.

Hole SPBD0369, designed to test the down-dip extensions of the interpreted steeply south plunging Gwardar nickel prospect, intersected variable trace to disseminated sulphides in channel facies ultramafic rocks over a downhole width of approximately 30 metres, however a late stage felsic porphyry, intersected between 409 to 456 metres downhole, has potentially intruded and stopped out the mineralisation in the vicinity of the target zone.

Visually, the sulphide mineralisation in SPBD0369 is not as strong as in previous shallower holes, but this may reflect the fact that the hole steepened and intersected the target horizon at a considerable distance (200 metres) down dip of the previous hole on this section, and that it drilled below the plunge axis of the targeted channel into a flank position rather than the most prospective, axial part of the channel (see Figure 5).

The axis of the Gwardar channel remains open and untested beneath previous hole SPBD0365, which intersected 24.68 metres at 0.88% nickel, including 8.06 metres at 1.33% (see S2 ASX announcement of 14th April 2020). Hole SPBD0369 will, however, provide a good platform for DHEM to any detect massive sulphides to a depth of 500 metres.

Hole SPBD0374, targeting conductor PBC22-2b, intersected a sulphidic sediment, which appears to explain the EM anomaly.

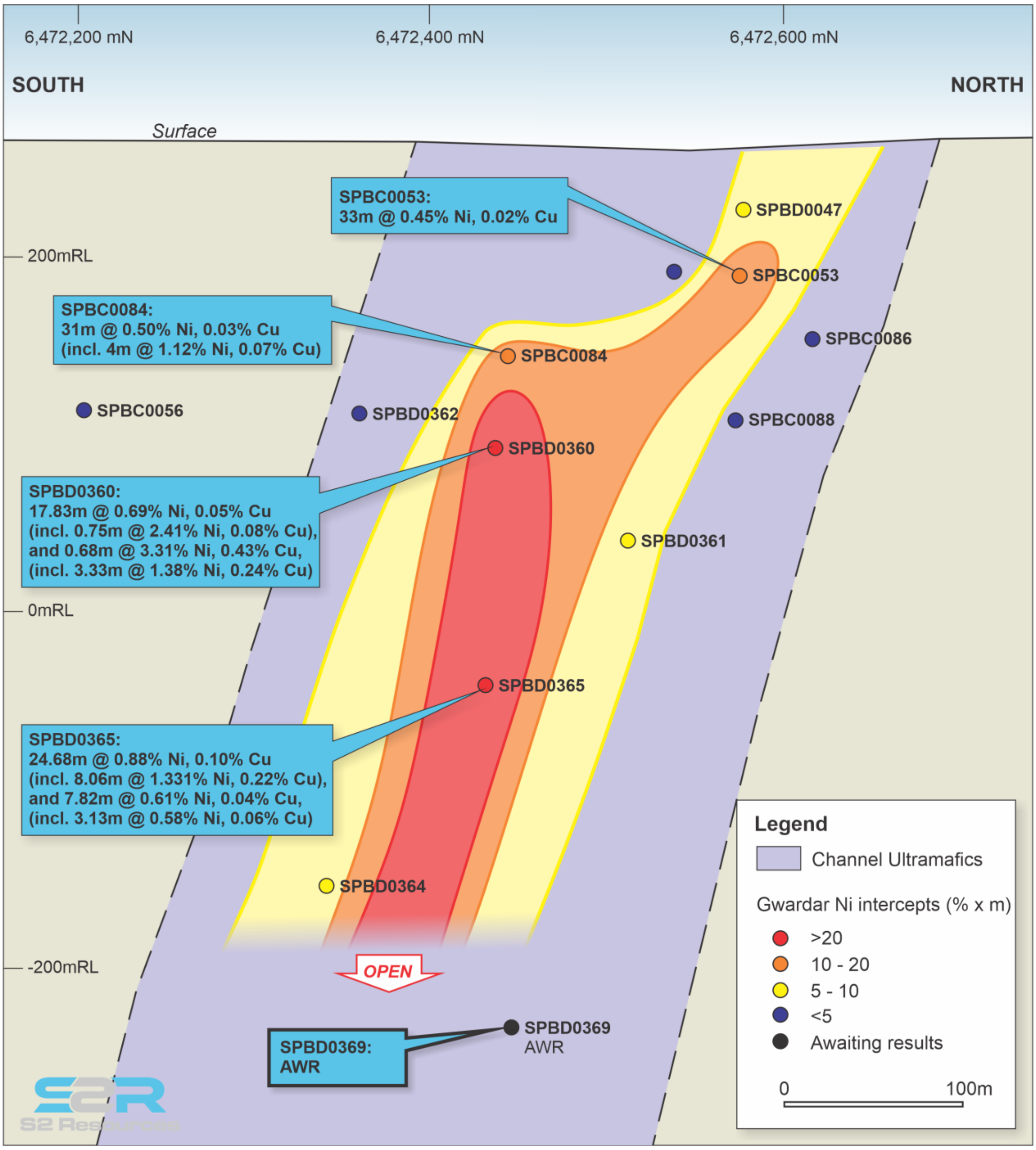

Figure 5. Long projection of the Gwardar prospect, showing the steeply south plunging mineralised channel, and the location of drillhole SPBD0369, which steepened and missed the channel, drilling into the northern/deeper flank position.

In summary, although massive nickel sulphides were not intersected in this drill program, the presence of trace to disseminated sulphide accumulations within and at the base of prospective ultramafic rocks in a number of widely spaced holes is considered highly encouraging. Whilst they may not be economically significant in their own right, the widespread occurrence of these sulphides provide compelling evidence that the ultramafics are fertile and sulphur saturated – important ingredients for the formation of komatiite-hosted nickel sulphide deposits typical of the Kambalda-Widgiemooltha region.

All holes have been cased with PVC to facilitate future down hole electromagnetic (DHEM) surveys to confirm the drilling has adequately tested the EM anomalies (where explained in the geology) or locate nearby conductors where sources for the surface EM conductor have not been intersected.

Project background

S2, through various wholly owned subsidiary companies, has been exploring the Polar Bear ground since 2010, during which time five heritage surveys have been undertaken and over 4,000 holes drilled primarily for gold and to a lesser extent for nickel.

The earlier exploration, undertaken by Polar Metals Pty Ltd ("Polar Metals"), which was a wholly owned subsidiary of Sirius Resources and, post-demerger, of S2, led to the discovery of the Taipan nickel prospect in 2014 and the discovery, drillout and mineral resource estimate of the Baloo gold deposit between 2015 and 2017.

In February 2018, Polar Metals was sold to Westgold Resources Ltd ("Westgold"), with S2 via another wholly owned subsidiary, Southern Star Exploration Pty Ltd ("Southern Star"), retaining the right to explore, develop and mine nickel together with associated base metals (eg, copper and cobalt) and associated platinum group metals ("PGM's) on those tenements owned by Polar Metals ("nickel rights").

S2 retains 100% of the nickel rights in a core holding of tenements held 100% by Polar Metals which cover the majority of the nickel prospective stratigraphy (the Polar Bear project *sensu stricto*), and 80% of the nickel rights in additional tenements which cover a smaller part of the nickel prospective stratigraphy, by virtue of these tenements being held 80% by Polar Metals in a joint venture known as the Eundynie JV (see Figure 3).

Westgold sold its Higginsville operations and Polar Metals to Karora Resources ("Karora"), which then developed the Baloo gold deposit as an open pit mine on Lake Cowan.

Since the sale of Polar Metals, S2, through its subsidiary Southern Star, has continued to explore the Polar Bear project for nickel through its nickel rights, with exploration drilling leading to the discovery of the Gwardar prospect in 2019, and the recent SQUID survey leading to the identification of new EM conductors beneath the salt lake.

S2 has recently transferred its nickel rights from its Southern Star subsidiary to another wholly owned subsidiary, Dark Star Exploration Pty Ltd ("Dark Star").

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

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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 from Australia 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.

Annexure 1

Hole	Target	Easting	Northing	RL	Dip	Azi.	Depth	From	To	Width	Grade Ni_pct	Grade Cu_pct
SPBD0366	PBC22-5	388,837	6,470837	280	-65	270	438.9	AWR				
SPBD0367	PBC22-3	389,785	6,471,600	263	-60	280	197.9	AWR				
SPBD0368	Regional	389,825	6,471,020	263	-60	270	235.5	AWR				
SPBD0369	Gwardar	388,895	6,472,425	264	-78	280	588.1	AWR				
SPBD0370	PBC22-1	391,697	6,468,287	263	-65	090	399.5	AWR				
SPBD0371	PBC22-2a	390,925	6,467,920	263	-65	090	489.5	AWR				
SPBD0372	PBC22-2a	391,070	6,468,043	263	-60	090	270.6	AWR				
SPBD0373	Halls Knoll	390,845	6,468,635	263	-65	210	300.5	AWR				
SPBD0374	PBC22-2b	390,925	6,467,920	263	-65	090		AWR				
SPBD0375	PBC22-4			263	-60	270		AWR				

*AWR – awaiting results, IP – in progress

The following Tables are provided to ensure compliance with the JORC code (2012) edition requirements for the reporting of exploration results.

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Drilling at the Polar Bear project has comprised ten (10) diamond drill holes, completed by KalDrill Pty Ltd and Raglan Drilling Pty Ltd, both based out of Kalgoorlie, Western Australia. Sampling has been carried out by cutting and sampling half core through areas of visible mineralisation, with sample intervals to lithological contacts, to a maximum length of 1.2 metres. All are forwarded for analyses by ALS Global in Perth.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Sampling and QAQC procedures are carried out using S2 protocols as per industry best practice.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	The diamond core is HQ and NQ2 size, sampled on geological intervals (0.2 m to 1.2 m), cut into half core to be submitted to the laboratory for analysis. Samples are to be crushed, dried and pulverised (total prep) to produce a sub sample for multi-element analysis by four acid digest with an ICP/OES as well as a 25 gram charge fire assay by MS for precious metals (Au, Pt, Pd)
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling is standard diamond coring, using either HQ triple tube or NQ2 core diameter. The core has been orientated using an Ace orientation tool.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Diamond core recoveries are logged and recorded in the database. Overall recoveries are >>95% within fresh rock, although some core loss has been experienced through the weathered zones.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship has been seen to exist

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Logging of diamond core and RC samples records lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples logging uses a standard legend developed by S2 which is suitable for wireframing of the basement interface. Exploration holes are not routinely geotechnically logged but resource holes are.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All core is photographed in both dry and wet form.
	The total length and percentage of the relevant intersections logged	All drillholes were logged in full to end of hole.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was cut in half (for both NQ2 and HQ3 core onsite using a manual “clipper” saw. All samples were collected from the same side of the core.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No non-core sampling was completed
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation follows industry best practice in sample preparation involving oven drying, coarse crush and pulverisation of entire sample to minimum of 85% passing -75um.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Full QAQC system in place to determine accuracy and precision of assays
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Non-biased sampling using the orientation line as a guide for cutting with the same half used for all sampling. No duplicate samples have been collected at this stage
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	For core samples the analytical techniques used a four-acid digest multi element suite with ICP/OES finish on a nominal 0.4g sample as well as Au, Pt, Pd using a 25 gram FA/MS analysis. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica based samples. The method approaches total dissolution of most minerals.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to determine any element concentrations.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Full QAQC system in place including Certified Standards and blanks of appropriate matrix and levels.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The S2 Exploration Manager has personally inspected all sampled core and assay results.
	The use of twinned holes.	No twinned holes were drilled within the main infilled anomaly.

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary sampling data is collected in a set of standard Excel templates. The information is managed by S2's database manager for validation and compilation into S2's central database.
	Discuss any adjustment to assay data.	No adjustments made
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collar locations were recorded using handheld Garmin GPS. Elevation values were in AHD RL using the 20m DEM model over the project area. Expected accuracy is + or – 5 m for easting, northing and 10m for elevation coordinates. Downhole surveys using an Axis north-seeking gyro with readings at 5m interval down the length of the hole using a DeviGyro.
	Specification of the grid system used.	The grid system is MGA_GDA94 (zone 51), local easting and northing are in MGA.
	Quality and adequacy of topographic control.	Topographic surface uses handheld GPS elevation data, which is adequate at the current stage of the project.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling to date has been on individual drill holes into a specific target.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Data spacing, sampling technique and distribution is not sufficient at this stage to allow the estimation of mineral resources.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Insufficient information to determine at this time.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Drilling of diamond core is on a nominal 60 degrees, either grid west or east depending on the orientation of the modelled EM plate. The orientation of drilling is broadly orthogonal to the overall geology.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by S2 personnel. Drill samples and core is visually checked at the drill rig and then transported to S2's logging and cutting facilities on site at the S2 remote camp. Bagged samples are transported to the ALS laboratory in Perth or Kalgoorlie. Samples have remained in the custody of S2 personnel at all times up until the delivery to the commercial laboratory.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted at this stage.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Polar Bear project consists of a number of exploration licenses, prospecting licenses, mining licenses and a mining license application. The tenements are owned by Polar Metals Pty Ltd, a wholly owned subsidiary of Karora Resources (KRR:TSE). S2 hold rights (100%) of any nickel mineralisation (and associated metals) within the Polar Bear project through its 100% owned subsidiary (Dark Star Exploration Pty Ltd). The Polar Bear Project is located within the determined Ngadju Native Title area (WC99/002).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All of the Exploration Licences are in good standing and no known impediments exist on the tenements being actively explored.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The first recorded exploration for nickel at Polar Bear was undertaken by Anaconda Nickel Ltd, who completed rock chip sampling, soil sampling, costean sampling as well as percussion and diamond drilling along interpreted ultramafic basal contact. Collar locations from historical drill holes have not been field verified. INCO conducted a reconnaissance small loop Slingram type EM survey. Inco completed limited aircore drilling and six diamond holes within the Polar Bear project Sirius Resources undertook targeted MLEM geophysical surveys over selected areas, regional aircore drilling as well as RC and diamond drilling at Halls Knoll, Taipan and Gwardar prospects. The collar locations for all INCO and Sirius drill holes have been verified by S2 personnel.
Geology	Deposit type, geological setting and style of mineralisation.	The geology at Polar Bear is dominated by complexly deformed Achaean greenstone assemblages of the Norseman-Wiluna Greenstone Belt which have been metamorphosed to upper greenschist facies. The Eundynie Mafic Sequence (EMS) consists of tightly folded ultramafic and mafic intrusives and extrusives with minor interflow sediments. The rocks are frequently talc-carbonate altered and moderately well foliated. The ultramafic rocks are typically komatiites and komatiitic basalt. The deposit style sought after is analogous to Kambalda-style nickel copper sulphide deposits.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Refer Annexure 1.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All historical reported assay results for diamond drilling have been length weighted, and in the case of diamond drilling bulk density weighted. Intervals have been calculated using a 0.4% nickel lower cut-off, with maximum of 2m internal dilution.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Individual sample intervals vary between 0.2 and 1.2 metres, selected based on lithological contacts.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No reporting of metal equivalent has been used.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	All historical drill results reported are down hole lengths, with true widths not confirmed.
Diagram	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results considered significant are reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	This report refers to results of a recent MLEM program, completed by GEM Geophysics utilising a low temperature (liquid helium) superconducting quantum interference device (SQUID) in a slingram configuration. The survey was completed using 200m x 200m loops and station spacing of 100m and lines spacing of 200m
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	The diamond drilling program to test the SQUID EM targets as well as selected geological targets is ongoing, scheduled to resume in early January. Follow-up downhole EM is planned on each of the drill holes completed to confirm the source of the MLEM response has been tested.