



JUNE 2024 QUARTERLY ACTIVITIES REPORT

Key points

- Drilling at Fosterville intersects 5.7m@6.4g/t gold in hole 7 and defines a new mineralised structure - the Blackadder Fault
- This is 170 metres from nearest intercept of 5.2m@7.2g/t gold at Blackadder
- Drilling started at Glenlogan porphyry copper-gold target subsequent to quarter's end
- Gravity survey proceeding at Warraweena
- Electromagnetic survey proceeding at Koonenberry
- Terms of S2's earnin to Jillewarra amended to enable greater focus on prospective ground and more time to meet expenditure
- Sale of S2's Finland subsidiary to Outback Goldfields proceeding – awaiting completion of financing, TSXV approvals and Outback shareholder approvals
- Sale of West Murchison and Fraser Range tenements to Pacific State Metals terminated – S2 has resumed full ownership and defined soil anomalies

CORPORATE

Finance

A total of A\$2.24 million was spent during the quarter on operating activities, comprising A\$2.03 million exploration and evaluation costs, A\$0.15 million corporate costs, business development costs, overheads and payments for fixed assets, A\$0.13 million staff costs, A\$70k net interest earned. At the end of the June quarter cash totaled A\$5.322 million.

S2 also owns 38 million shares in Trinex Minerals Ltd (ASX:TX3) equating to 2.1% of shares on issue, valued at A\$0.11 million based on a closing price of A\$0.003 per share on 19 July.

Capital structure

The total issued capital as at 30 June 2024 comprises 452,857,993 ordinary shares. There are 41.8 million unlisted options, held by directors, employees and contractors of the Company, with an average exercise

price of A\$0.28 per option which if exercised, would represent a capital injection of A\$11.70 million to the Company.

Related Parties of the entity and their associates

Payments of \$126,949 reported in Item 6.1 of the attached Appendix 5B relate to the remuneration paid to the Executive Chairman as well as fees paid to Non-Executive Directors (including superannuation) for the quarter ended 30 June 2024.

Transaction With Pacific State Metals Terminated

In June, S2 received notice from Pacific State Metals (Holdings) Ltd (“Pacific State”) that owing to adverse market conditions, Pacific State has been unable to complete an Initial Public Offering by the agreed date of 30 June 2024. As a result of this, Pacific State and S2 agreed to terminate the agreement entered into in August 2023 (see S2 ASX announcement of 7 August 2023), effective immediately (see S2 ASX announcement of 17 June 2024).

Consequently, S2 has resumed unfettered ownership of the tenements which comprise the West Murchison and Fraser Range projects, and the Company’s equity ownership in Pacific State have ceased, as per the terms of the agreement. The status of these projects is summarized in the exploration section of this report.

EXPLORATION

Greater Fosterville Project, Victoria (100% S2)

S2’s 100% owned subsidiary, Southern Star Resources, as the winner of the Victorian Government tender process for Block 4 of the North Central Gold Fields ground release, has been granted 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. By virtue of its position, its size, and its inherent prospectivity, EL7795 is a highly strategic asset.

During the quarter a further two diamond holes (SFVD0007 and SFVD0008) were drilled to test for connectivity between gold mineralisation intersected in the first six holes at the Goornong prospect. These holes intersected a number of gold mineralised structures, with a best intercept of 5.7 metres @ 6.4g/t gold in hole 7 (see S2 ASX announcement of 11 June 2024).

Detailed logging of all eight holes drilled to date together with one historical hole has enabled the Company to identify what it believes is the same structure in four different holes, and these intercepts define a consistent plane comprising a fault zone dubbed the Blackadder Fault (see Figure 1). The gold intercepts associated with the Blackadder Fault comprise:

- **5.2 metres @ 7.2g/t gold** from 490 metres in SFVD0005 including **0.7 metres @ 37.9g/t gold** from 492.8 metres
- 2.0 metres @ 2.0g/t gold from 309 metres in SFVD0006
- **5.7 metres @ 6.4g/t gold** from 344 metres in SFVD0007 including **2.15 metres @ 14.1g/t gold** from 347.55 metres
- 1.5 metres @ 2.2g/t gold from 414 metres in GSDD096

Most other gold intercepts to date (see S2 ASX announcements of 6 May 2024, 26 March 2024, 15 February 2024 and 30 October 2023) appear to occur within or in the hangingwall of this structure. The Blackadder Fault has a north-northeasterly strike, dips moderately to the west and plunges gently to the north, and has

so far been defined over a strike length of 260 metres and a dip extent of 45 metres (see Figures 1 and 2). Importantly, it is open both up and down dip, along strike, and down plunge.

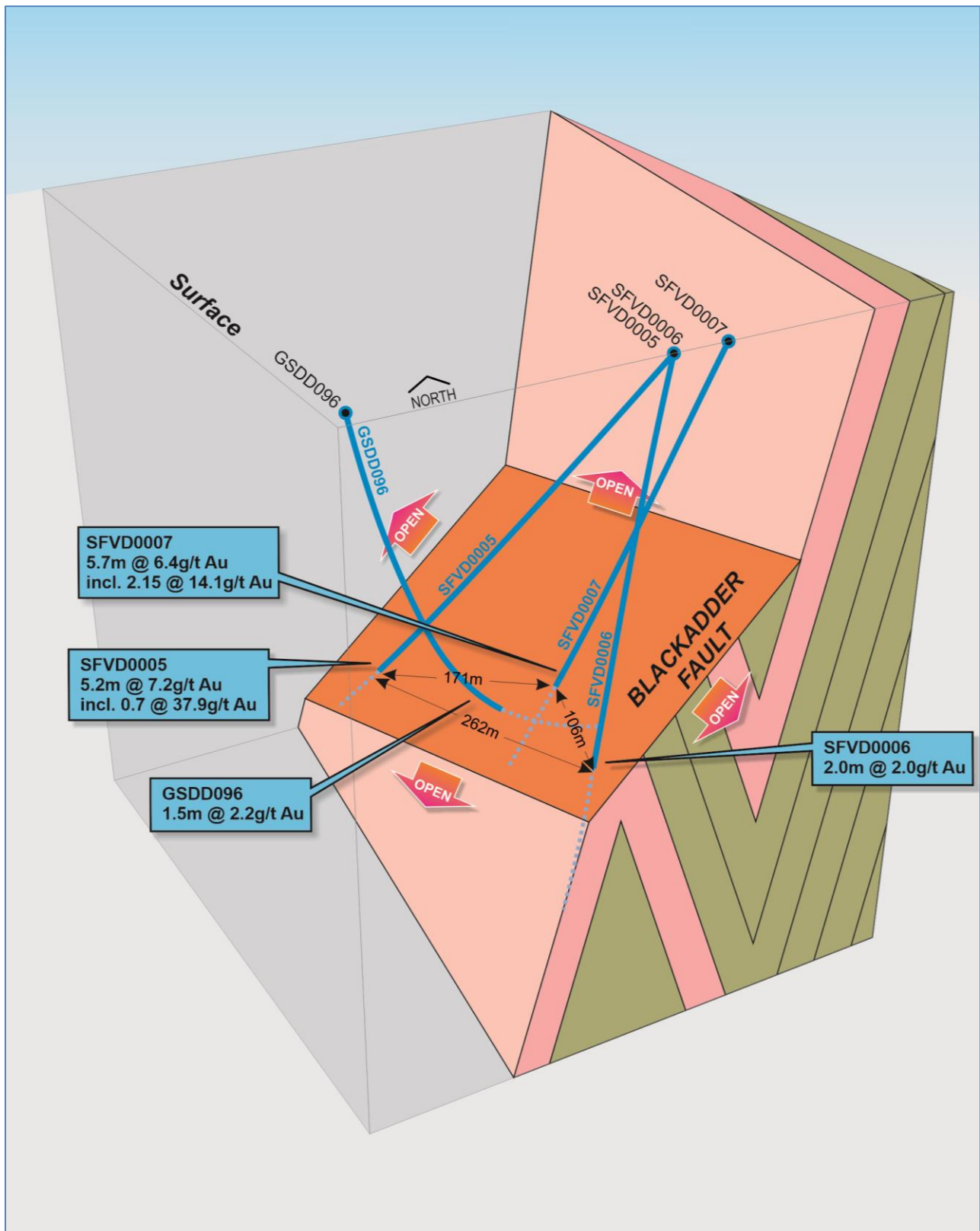


Figure 1. Isometric block diagram looking north-northeast showing drillhole collars at surface and pierce points on the Blackadder Fault with associated gold intercepts at depth. The fault surface is assumed to extend up and down dip to adjacent fold limbs where it may steepen and becomes parallel with stratigraphic units. The orange coloured part is the flatter part which is considered more likely to dilate and thicken.

The initial reconnaissance diamond drilling has succeeded in its objective of defining a specific target structure, which appears to plunge in an opposite direction to initial expectations. Future drilling at Goornong will aim to test the strike and dip extents of this zone.

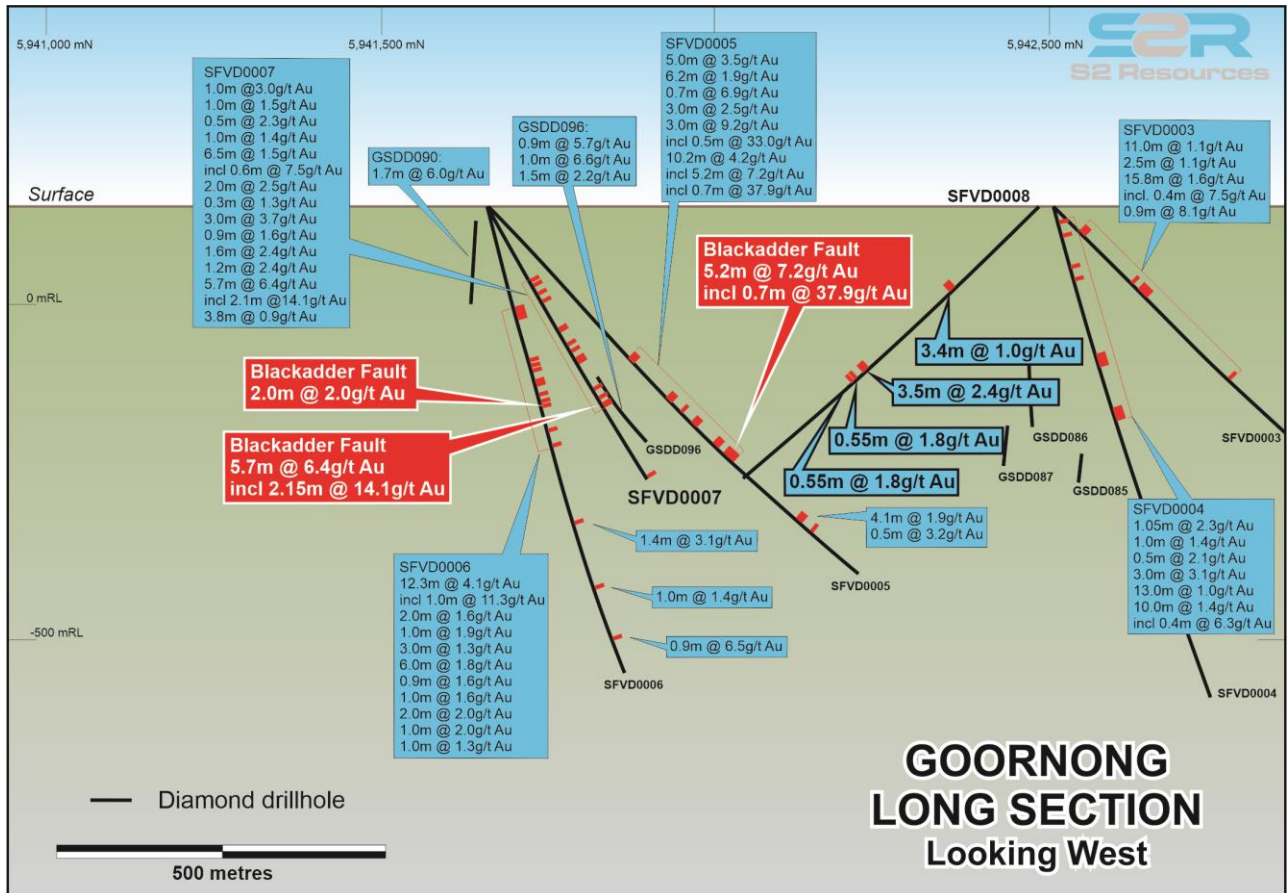


Figure 2. Long projection of the Goornong area showing the six holes drilled parallel to the axial plane of the fold with the Blackadder Fault intercepts highlighted.

Goornong prospect background

Previous exploration has identified a strongly mineralised corridor centred on the Goornong South prospect where drilling during the 1990's intersected significant oxide gold mineralisation. During the last year that the exploration licence was held by Kirkland Lake (now Agnico Eagle) a series of diamond drill holes were completed to the south along strike of the historic oxide mineralisation. S2 Resources has been able to relog the Kirkland Lake core holes and use the information to interpret the stratigraphic and structural architecture of what is now interpreted to be the next parallel structure to the east of the O'Dwyers and Fosterville trends, which host the orebodies being mined by Agnico Eagle. This first drill program by S2 Resources, is testing immediately beneath and down plunge to the south of the Goornong South oxide mineralisation, testing multiple structures where they cross the main anticline that is interpreted to be the focus for mineralised fluids. Along the favourable anticline corridor any mineralised structure could refract into a favourable dilation position with the potential to form a significant high-grade trap for gold mineralisation akin to the Swan Zone (the Swan Zone, located along the Fosterville trend, had an initial Mineral Ore Reserve of 2.34Moz of gold at a grade of 49.6g/t, refer to the NI 43-101 Report dated 31 December 2018).

To effectively test for significant mineralisation along the Goornong South anticline trend S2 Resources is undertaking a combination of conventional across strike holes in the shallower part of the system and unconventional strike parallel holes down the axial plane of the target anticline corridor that test multiple structural positions that cross the anticline (see Figure 3). The axial plane holes are designed to test positions down plunge to the south of the oxide gold mineralisation as well as numerous other mineralised structures intersected by the historic diamond drilling completed by Kirkland Lake, any one which could yield a significant discovery where they refract and dilate across the fold corridor.

The strike parallel holes drilling down the axial plane will continue to 800 metres depth. This will allow these drill holes to test for multiple structural levels within the anticline corridor. It is interpreted that favourable geometry for significant mineralisation will be where structures refract into relatively flat positions across strike, where they pass through the hinge zone. Current interpretations provide for south plunging anticline hinge zones and a parallel plunge to mineralised fault intersections. Drilling is angled towards the north to provide the optimal intersection angle for south plunging shoots, with angled drilling enabling core orientation and detailed structural measurements which are vital to interpreting the three-dimensional position of structures relative to local stratigraphy and the overall architecture, such that any near misses can be interpreted for later drill follow-up.

The first pass drill program is designed to deliver a more detailed understanding of the structural and stratigraphic architecture of the Goornong South trend. The shallow drill holes beneath the oxide gold mineralisation will provide the first oriented core holes across the entire width of the anticline corridor, proximal to significant gold mineralisation so as to provide critical information on the orientation and continuity of gold mineralised structures at this location. The deeper axial plane parallel drill holes are spaced to provide a better understanding of the distribution of alteration, the validity of the overall south plunging fold model, and the potential to identify a larger mineralised shoot early in the exploration program. Drilling will be a direct test of some specific target positions interpreted from previous drilling, as well as providing new information with which to vector towards targets in subsequent follow-up drill campaigns.

The broad spacing of these holes is tailored to finding a large gold deposit, so it is important to not be mesmerised by narrow high grade intercepts and to not drill too close too soon – a situation that can result in overdrilling and overspending for too few ounces defined. As previously stated, it is important to first understand the overall three dimensional stratigraphic and structural architecture before attempting to zero in on sweet spots.

Project background

S2's 100% owned subsidiary, Southern Star Exploration Pty Ltd, was announced as the winner of the highly competitive tender for the sole right to apply for an Exploration Licence (EL) over the ground surrounding Agnico Eagle's (Agnico) world class Fosterville gold mine in October 2021 (see S2 ASX announcement of 29th October 2021). The EL application was submitted in late 2021, and various Traditional Owner-related preconditions were satisfied recently (see S2 ASX announcement of 4th July 2023). The ground was granted as Exploration Licence 7795 (EL7795) in early October (see S2 ASX announcement of 4th October 2023), and covers an area of 394 square kilometres, extending 55 kilometres north to south, and abuts and surrounds Agnico Eagle's Fosterville mine lease. By virtue of its position, its size, and its inherent prospectivity, EL7795

is a highly strategic asset. EL7795 has a minimum expenditure commitment of A\$10.4 million over the first five year term of the licence, inclusive of a minimum A\$2.1 million commitment in the first two years.

As winners of the tender, S2 has inherited a substantial amount of data acquired by previous explorers over the area, including the relatively recent exploration work undertaken by Kirkland Lake Gold (the owner of Fosterville prior to its acquisition by Agnico) on the tenement before it expired. This data includes extensive and high quality geophysical and geochemical surveys such as gravity, induced polarisation (IP), electromagnetic (EM), seismic, magnetic and LIDAR surveys, which are being used to generate drill targets. The inheritance of such a significant amount of data represents a huge saving for the Company in terms of time and money that would otherwise be required to get it to the point of having drill ready targets for testing. It also includes drilling data and drill core from holes drilled immediately prior to the expiry of the previous tenement, which although widely spaced and/or shallow and/or highly localised, have identified gold mineralisation in several locations. As a consequence, the Company has a range of targets at various stages of definition from early stage reconnaissance up to and including defined prospects simply requiring further drilling to determine the extent and quality of gold mineralisation at those locations.

These targets are located on a mix of Crown Land, freehold land (both broadacre farms and smaller blocks), and road reserves, which require the Company to obtain land access agreements and other relevant permits, as well as heritage clearances, before commencing exploration, which are not guaranteed.

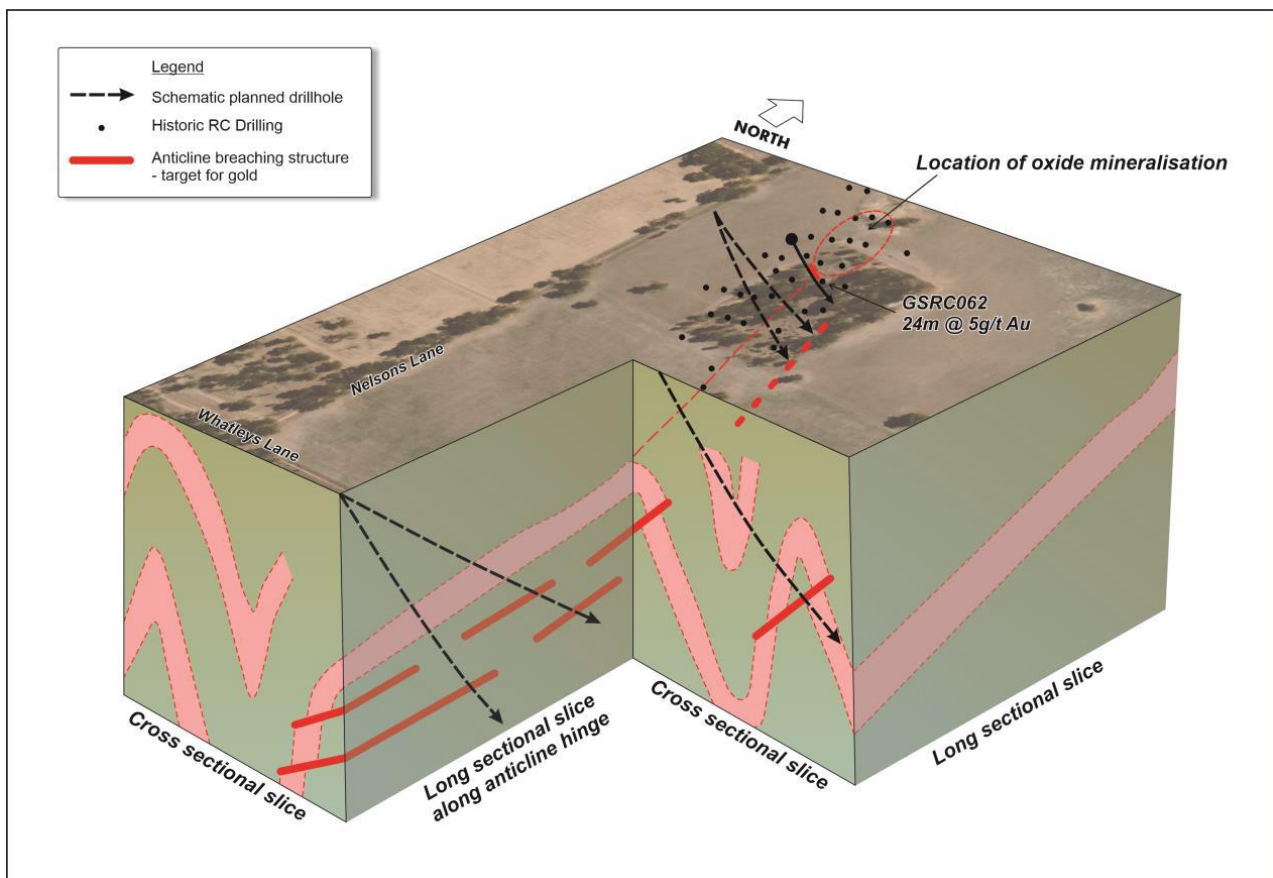


Figure 3. Schematic block model of the Goornong area showing the south plunging fold structures and the targeted fault structures intersecting anticlines. Drillhole positions are illustrative only and locations may vary.

Glenlogan copper-gold project, New South Wales (S2 earning up to 70%)

In January 2024, the Company entered into an earn-in joint venture agreement with Legacy Minerals ("Legacy", ASX:LGM), whereby S2 can earn up to a 80% interest in the Glenlogan project. The project comprises one exploration licence covering 85 square kilometres in the Central West of New South Wales (NSW) and contains a large magnetic anomaly interpreted as a potential untested porphyry copper-gold target. The project is located in the highly endowed Lachlan Fold Belt of New South Wales, which contains a number of major copper and/or deposits, including Newmont's Cadia-Ridgeway operations (36.6Moz gold/8.3Mt copper), Evolution Mining's Cowal (8.8Moz gold) and North Parkes (3.3Moz gold/2.9Mt copper) mines, and Alkane's Tomingley (1.8Moz gold) mine and Boda (8.4Moz gold/1.5Mt copper) deposit (refer to Figure 5, S2 ASX announcement of 29th January 2024 for source information).

During the quarter, landholder agreements were signed to enable exploration to commence at Glenlogan, which is a porphyry copper-gold exploration project located in the highly prospective Lachlan Fold Belt of New South Wales (see Figure 4).

Subsequent to the end of the quarter, S2 commenced drilling the first diamond hole (SGLD0001) to test a prominent magnetic anomaly (see Figure 5) modelled as a vertically oriented columnar body and interpreted to be a potential copper-gold porphyry target (see S2 ASX announcement of 29 January 2024). The collar of this hole is situated some distance to the southwest of the centre of the magnetic anomaly and has been designed to drill to the northeast with a relatively flat trajectory in order to pass through both the vertically oriented magnetic body and any enveloping alteration and/or mineralised zones surrounding it. It is anticipated that the hole will be >1,000 metres in length, passing into the magnetic body at a depth of 550 to 600 metres below surface (see Figure 6).

Porphyry copper-gold deposits form in association with porphyritic igneous intrusions and may occur within the intrusions themselves and/or in adjacent country rocks. The intrusions are often pencil or finger shaped, with a variety of broadly concentric alteration zones. Mineralisation, if present, usually takes the form of iron and copper sulphides disseminated throughout the rock and within swarms of quartz veins, and it may form within and/or outside the porphyry intrusion, in various alteration zones which may be magnetic (due to the presence of hydrothermal magnetite in association with the sulphides) or non-magnetic due to the destruction of primary igneous magnetite by the same hydrothermal fluids). For this reason, it is important when drilling to ensure all of these scenarios are tested, which is why this hole is designed in this way, rather than drilling vertically down the axis of the magnetic body (see Figure 7).

In the event that there is a complex sequence of multiple crosscutting intrusions and/or overprinting alteration zones, the targeted copper-gold mineralisation could be focused in any one of several differing zones (and not necessarily the magnetic zone), so the first hole may not provide a definitive outcome. To anticipate this, a second hole has also been planned, which will approach the target from a different location and direction in order to test a broader zone around the magnetic body.

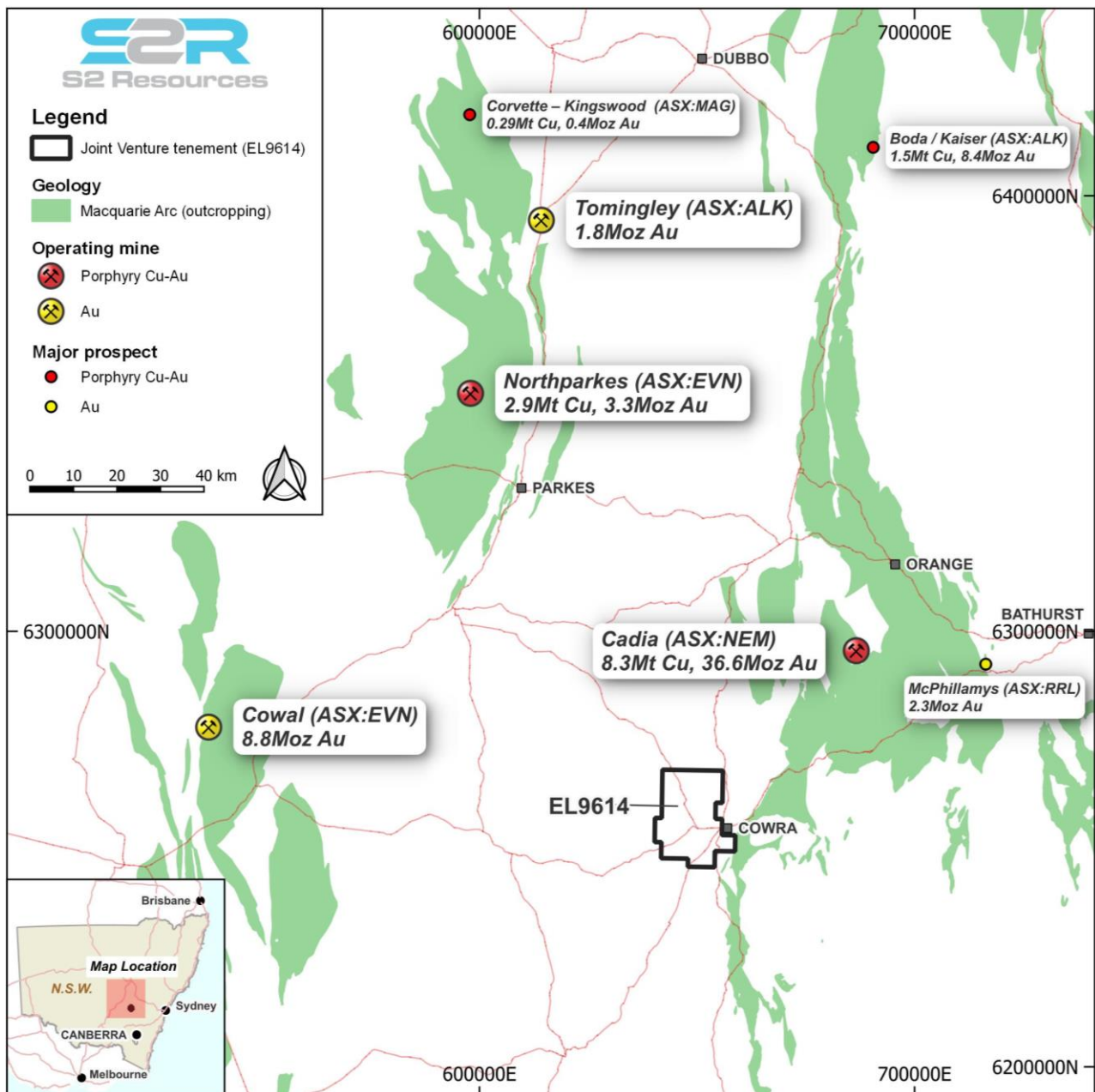


Figure 4. District scale map showing location of the Glenlogan project (EL9614) relative to outcropping prospective Macquarie Arc rocks and known copper-gold occurrences. The project area is immediately west of outcropping Macquarie Arc rocks where they are interpreted to lie beneath younger (Silurian/Devonian) sequences.

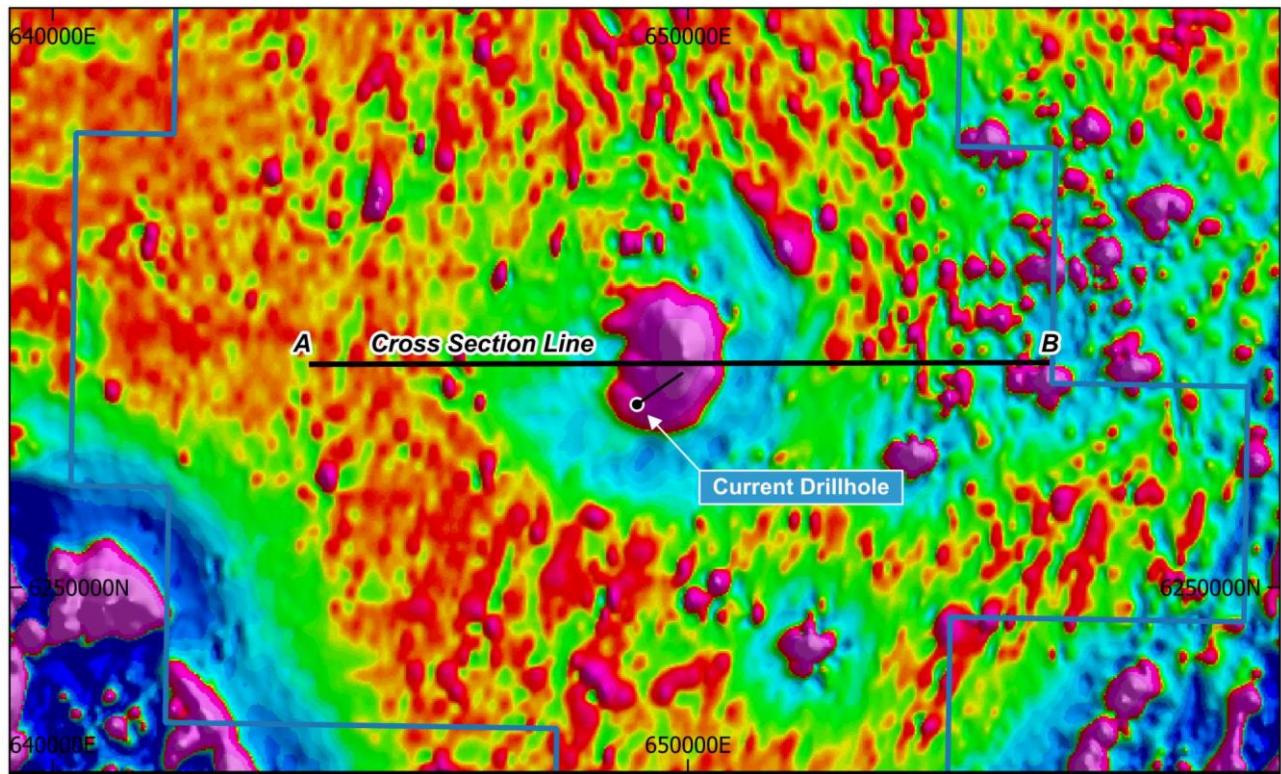


Figure 5. Reduced to the pole magnetic image showing the large central magnetic high surrounded by a magnetic low, potentially representing a core zone of magnetite alteration with outer magnetite-destructive alteration, together with collar and panned trajectory of first hole.

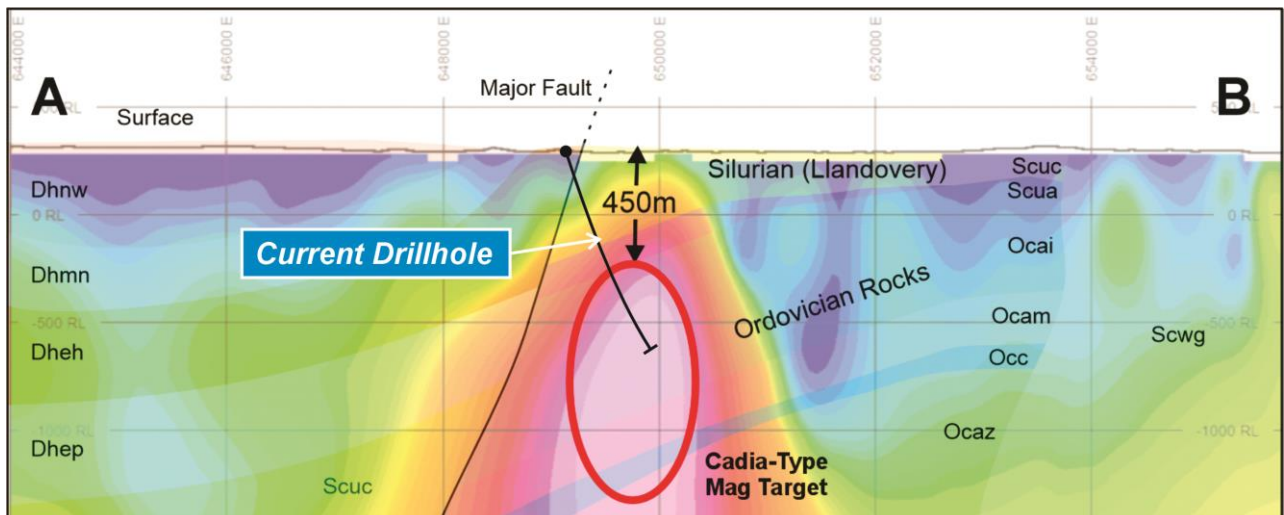


Figure 6. Cross section looking west showing the vertical magnetic body, which models as a 600 metre diameter column, and the planned trajectory of the first hole.

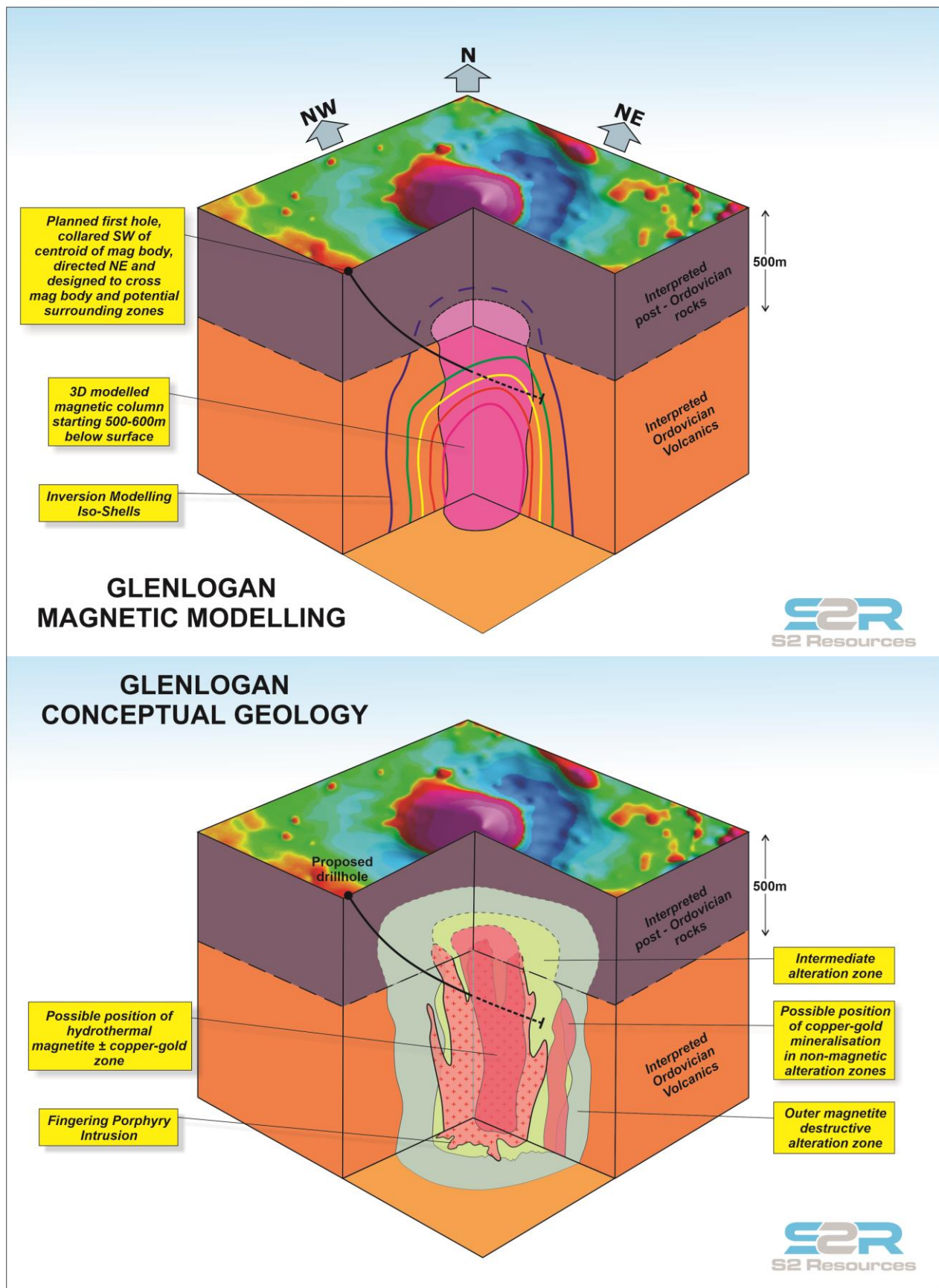


Figure 7. Schematic cutaway block diagram showing the modelled magnetic column in 3D and where the first hole is planned to test it (top), and the potential geological basis for the magnetic anomalism – a very simplified porphyry intrusive system with associated alteration envelopes and mineralised zones.

Warraweena project, New South Wales (S2 earning 70%)

In December 2023, the Company entered into an agreement with private prospect generator company Oxley Resources Limited (“Oxley”) to earn a 70% interest in the Warraweena project, which comprises Exploration Licence EL9269 covering an area of 932 square kilometres, located to the northeast of Bourke in northern New South Wales (see S2 ASX announcement of 4th December for details of the project and earnin terms).

During the quarter the two exploration licences applied for by S2 adjacent to the joint venture tenement (EL9269) were granted by the NSW Department of Mining, Exploration and Geoscience (MEG). The new tenements, covering a total of 1670 square kilometres, were secured to cover the entirety of a pronounced regional gravity anomaly (see Figure 8) in addition to the discrete magnetic bodies located in EL9269 (see Figure 9).

S2 also commenced a detailed regional gravity survey over the project area on a 800 metre by 400 metre (and locally down to 200 metre) grid spacing to greatly improve the resolution of the government data that was collected on a nominal 4 kilometre spacing. Once the survey is complete the results will be integrated with the detailed aeromagnetic data to target follow-up exploration.

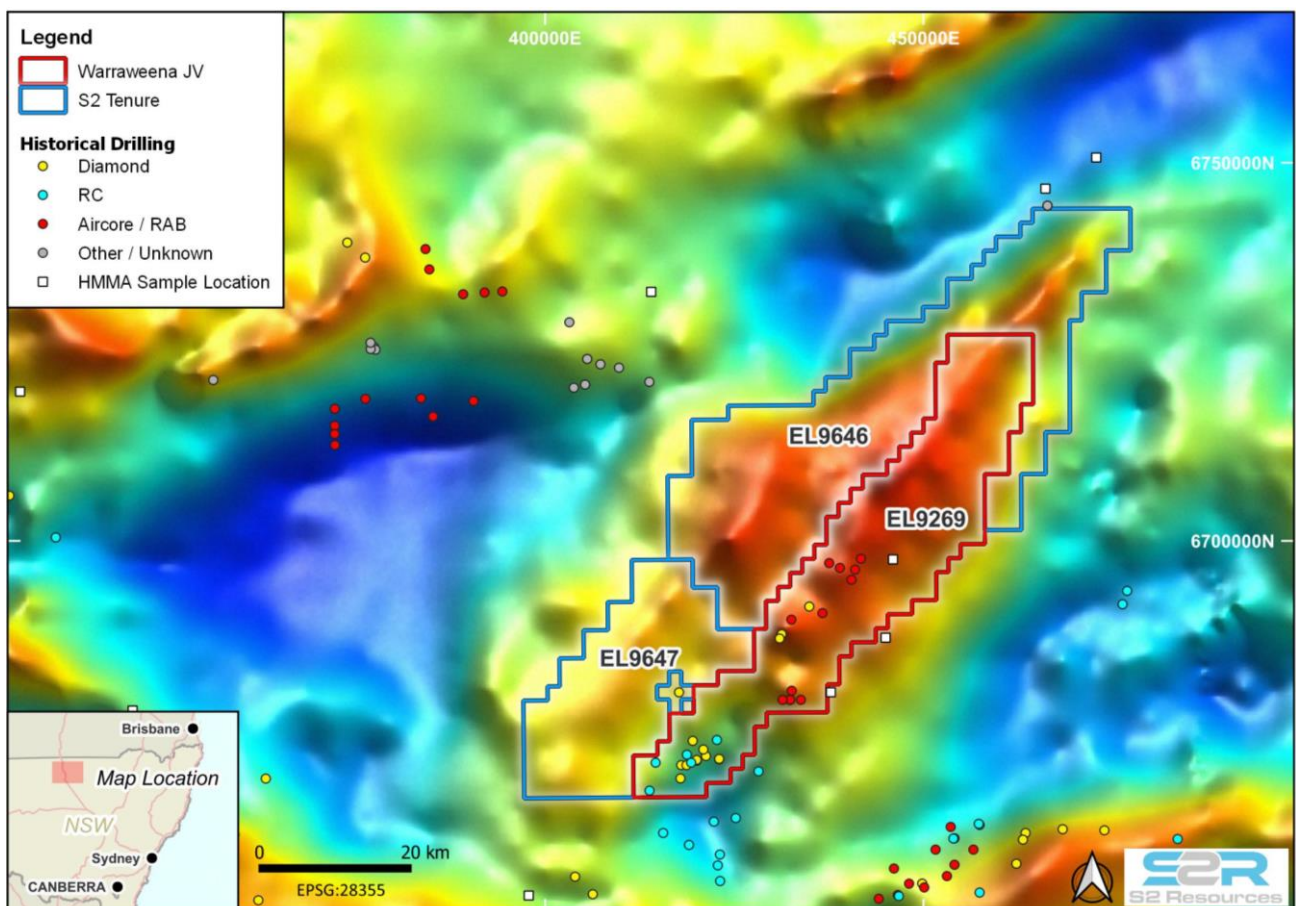


Figure 8. Gravity map showing pronounced 50km long dense ridge hidden beneath the transported cover of the upper Darling River drainage catchment, showing outline of EL9269 and S2 exploration licences along with the location of limited previous (and in many cases ineffective) drilling.

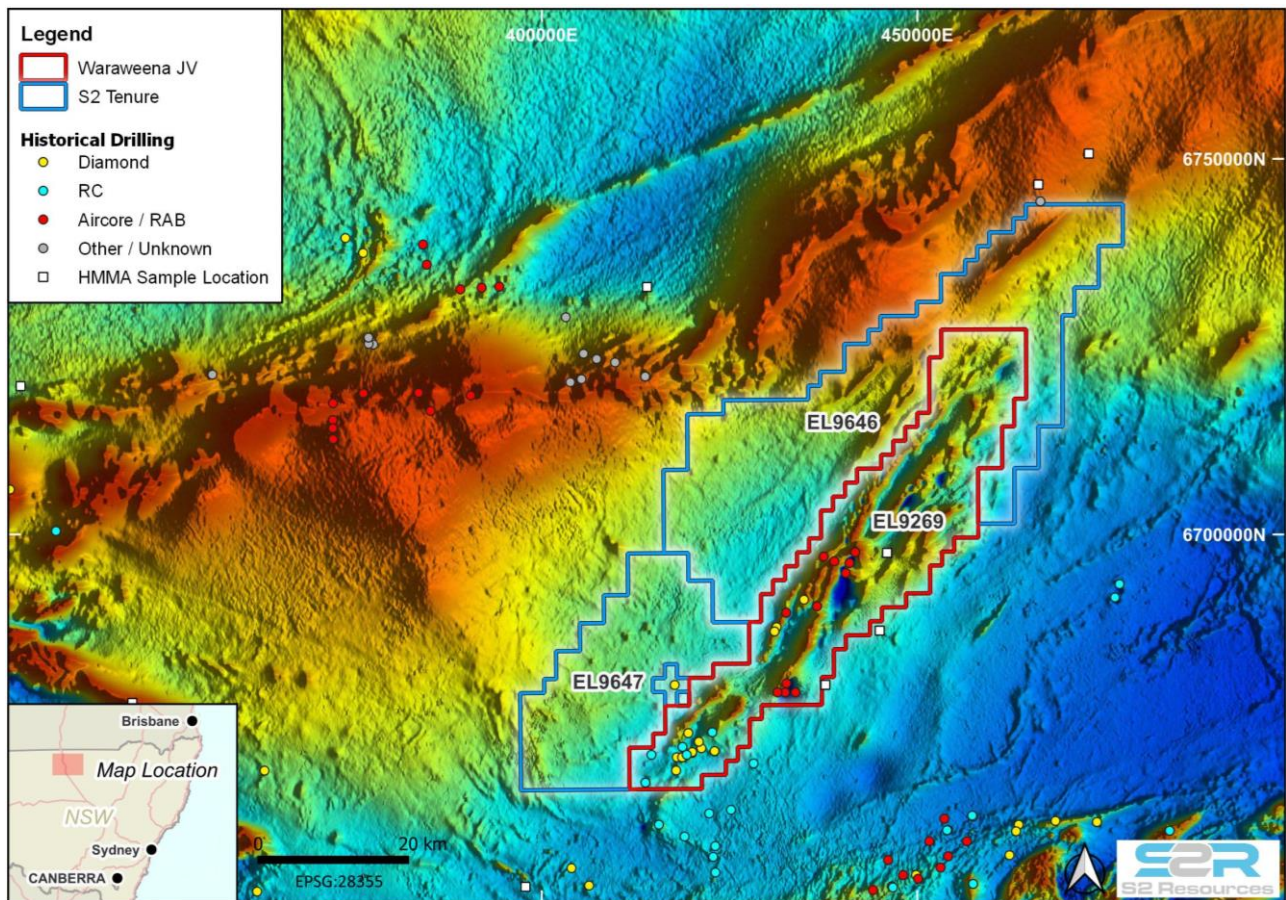


Figure 9. Magnetic map showing numerous discrete magnetic bodies hidden beneath the transported cover of the upper Darling River drainage catchment, showing outline of EL9269 and S2 exploration licences along with the location of limited previous (and in many cases ineffective) drilling.

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

S2 has three Exploration Licences covering 2,712 square kilometres in northwestern New South Wales (NSW) extending for a strike of approximately 140 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 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.

During the quarter, S2 continued ground-based electromagnetic (EM) surveying over the Mt Arrowsmith volcanics that host the prospective comagmatic ultramafic picrite sills and intrusions, using the highly sensitive deep penetrating ARMIT B-field system in a moving loop (MLEM) survey configuration. The EM survey was ongoing at the end of the quarter.

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 Jillewarra during the June Quarter.

Negotiations continued with the traditional owners with respect to a heritage protection agreement that is a prerequisite to the granting of several exploration licence applications covering the large, concealed gold target located in the southeastern part of the project area. This target comprises 35 kilometres of strike length of the shear zone that is interpreted to extend south through Westgold's Big Bell gold mine and also Spartan Resources' recent discoveries at the Never Never – Pepper gold deposits (see Figure 10). This shear zone is concealed by transported cover and effectively unexplored. Once this ground is granted it will become the focus of S2's exploration at Jillewarra.

Subsequent to the end of the quarter, S2 signed a Deed of Variation to the binding agreement to earn into the Jillewarra project with private company Black Raven Mining Pty Ltd ("BRM") (see S2 ASX announcement of 5 October 2020). The variation reduces the ground area to enable S2 to focus on its key targets and, in recognition of the heritage-related delays to granting of tenure, also extends the earn-in periods by 12 months.

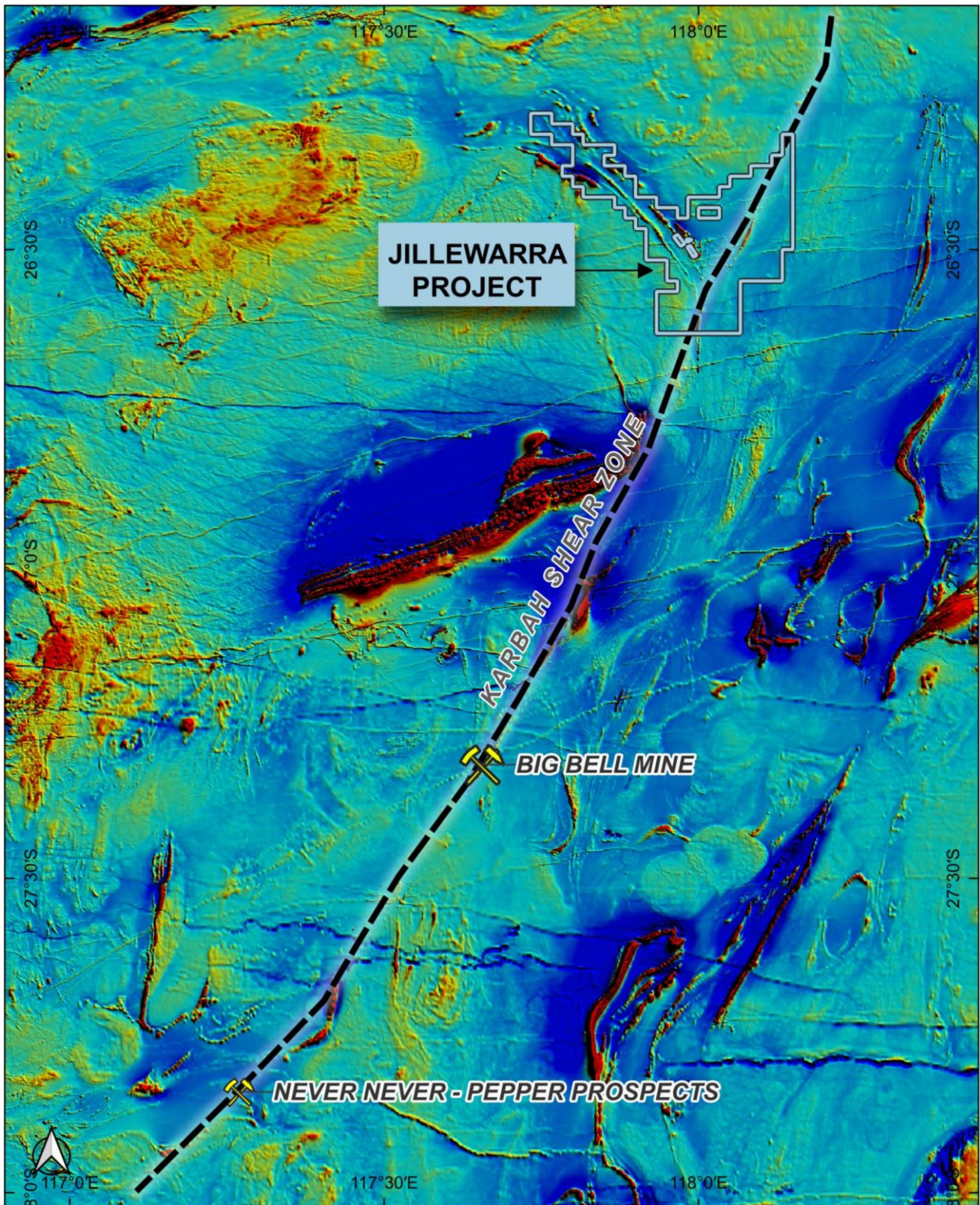


Figure 10. Regional aeromagnetic image of Murchison district showing the new outline of the Jillewarra project covering the interpreted regional shear zone that extends south through Westgold's Big Bell gold mine and Spartan Resources' recent discoveries at their Dalgaranga project (the Never Never and Pepper gold deposits).

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 mineralization.

Since resuming unfettered 100% ownership of the tenements following the termination of a transaction (see S2 ASX announcement of 12 July 2024), S2 has identified several broad coincident multi-element soil anomalies requiring follow up work.

Ultrafine soil sampling in four areas has confirmed the previously identified soil anomaly at the Woodrarung prospect, and identified broad nickel-copper-palladium-gold anomalies in three additional areas (see Figure 11).

Each of these anomalies covers several square kilometres and is associated with unexplained structures (as seen in magnetic data) close to the western edge of the Yilgarn craton.

Woodrarung

At Woodrarung, ultrafine soil sampling has identified a northwest-southeast trending semi-coincident copper-nickel-palladium-gold anomaly that extends for over 3 kilometres and overlies a prominent northwest trending structural feature (see Figure 12). The new anomaly is located southeast of the partially drill tested area at Woodrarung where in a small, six hole reverse circulation (RC) drilling program, S2 previously intersected 5 metres at 0.34% copper, 0.35% nickel, 0.33g/t gold and 3.7g/t silver (including 2 metres @ 0.62% copper, 0.68% nickel, 0.64g/t gold and 7.2g/t silver) from 61 metres, and 3 metres @ 0.68% copper, 0.39% nickel, 0.51g/t gold and 5.9g/t silver (including 1 metre @ 1.06% copper, 0.70% nickel, 0.51g/t gold and 6.2g/t silver) from 69 metres in SWMC0007 (see S2 ASX quarterly report of 28 April 2022).

Yalgamine

At Yalgamine, ultrafine soil sampling has identified a 3 kilometre long zone of semi-coincident palladium-copper-nickel-gold anomalism in a distinct corridor bound by two prominent northeast-southwest striking structures. The broader anomaly contains a core of particularly strong copper anomalism associated with the margin of an “eye”-like feature in the magnetics (see Figure 13).

Aubrey South

The Aubrey South ultrafine soil anomaly extends over a length of 4 kilometres and consists of semi-coincident elevated copper, nickel, palladium and gold. The anomaly also coincides with a major north-south striking structural discontinuity seen in the magnetic data (see Figure 14).

Whitehurst

At Whitehurst, there is a cluster of copper, palladium, nickel and gold anomalies spanning several structures of unknown significance (see Figure 15).

Next steps

S2 intends to field truth these anomalies, to determine the influence of landforms and regolith conditions on their extent and magnitude. This will determine if aircore or reverse circulation (RC) drilling is required as the next step.

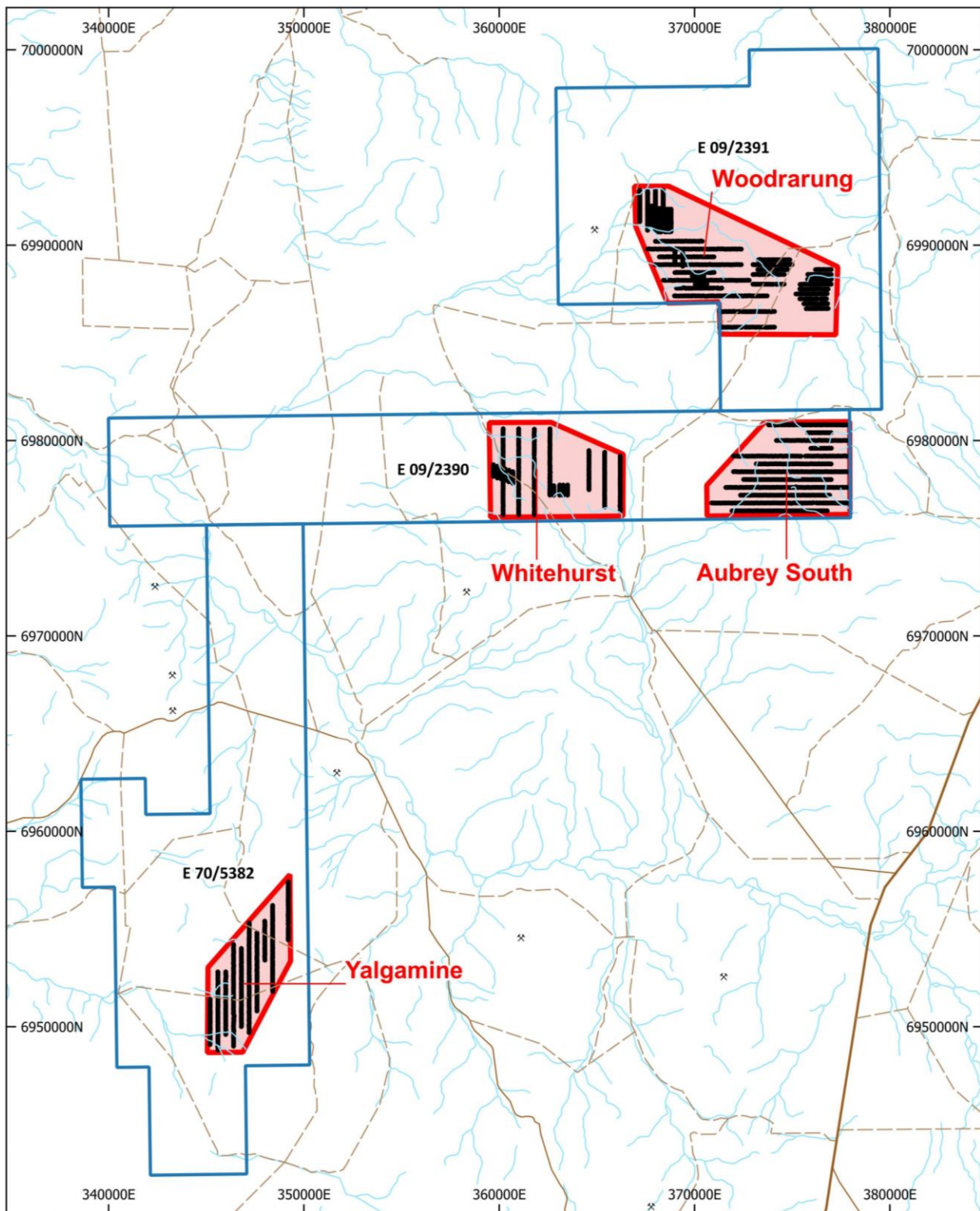


Figure 11. West Murchison project area showing location of ultrafine soil sampling.

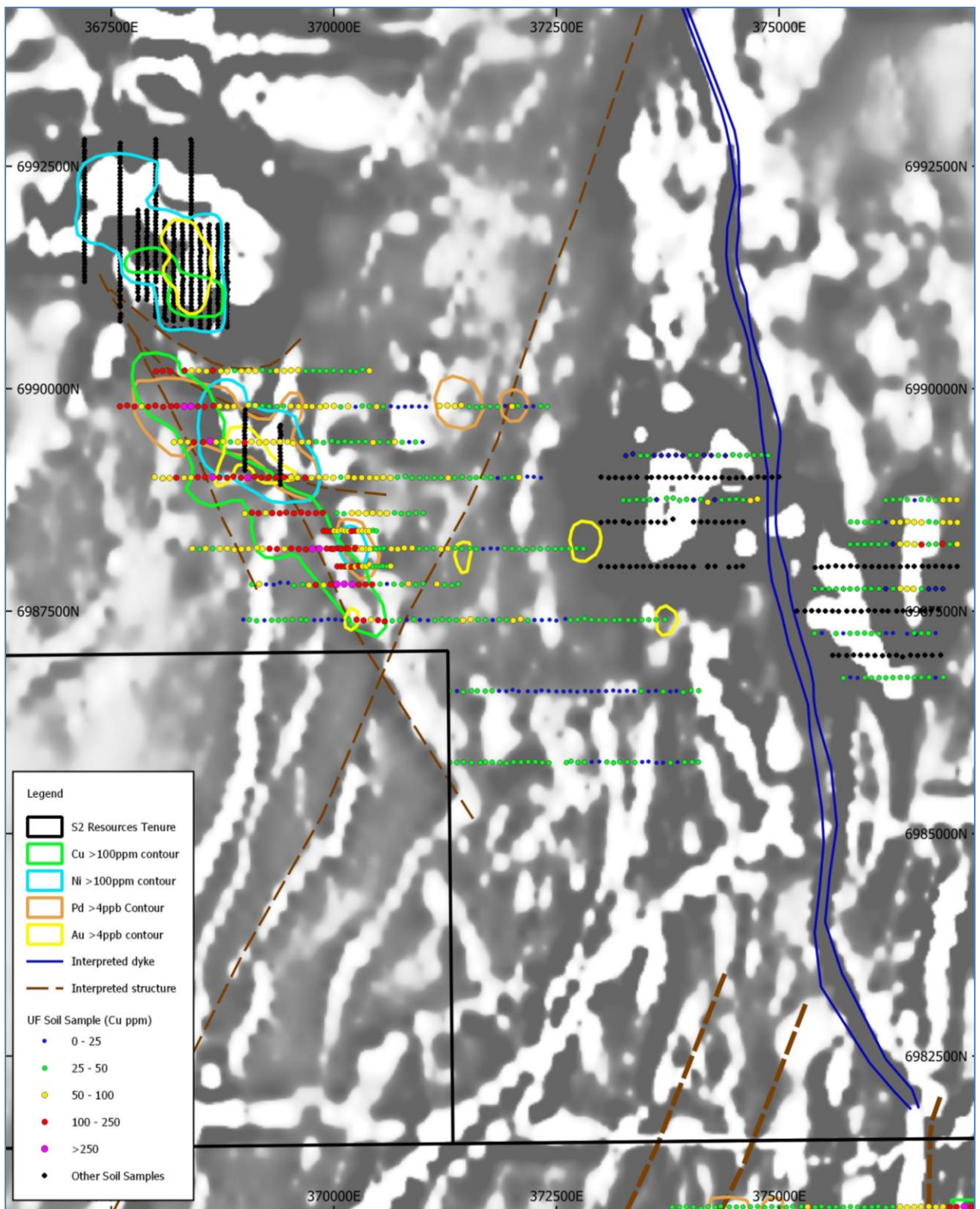


Figure 12. Woodraring area showing coincident nickel-copper-palladium-gold anomalism and associated northwest-southeast striking structures as seen in aeromagnetic data. Note the prominent dyke to the east.

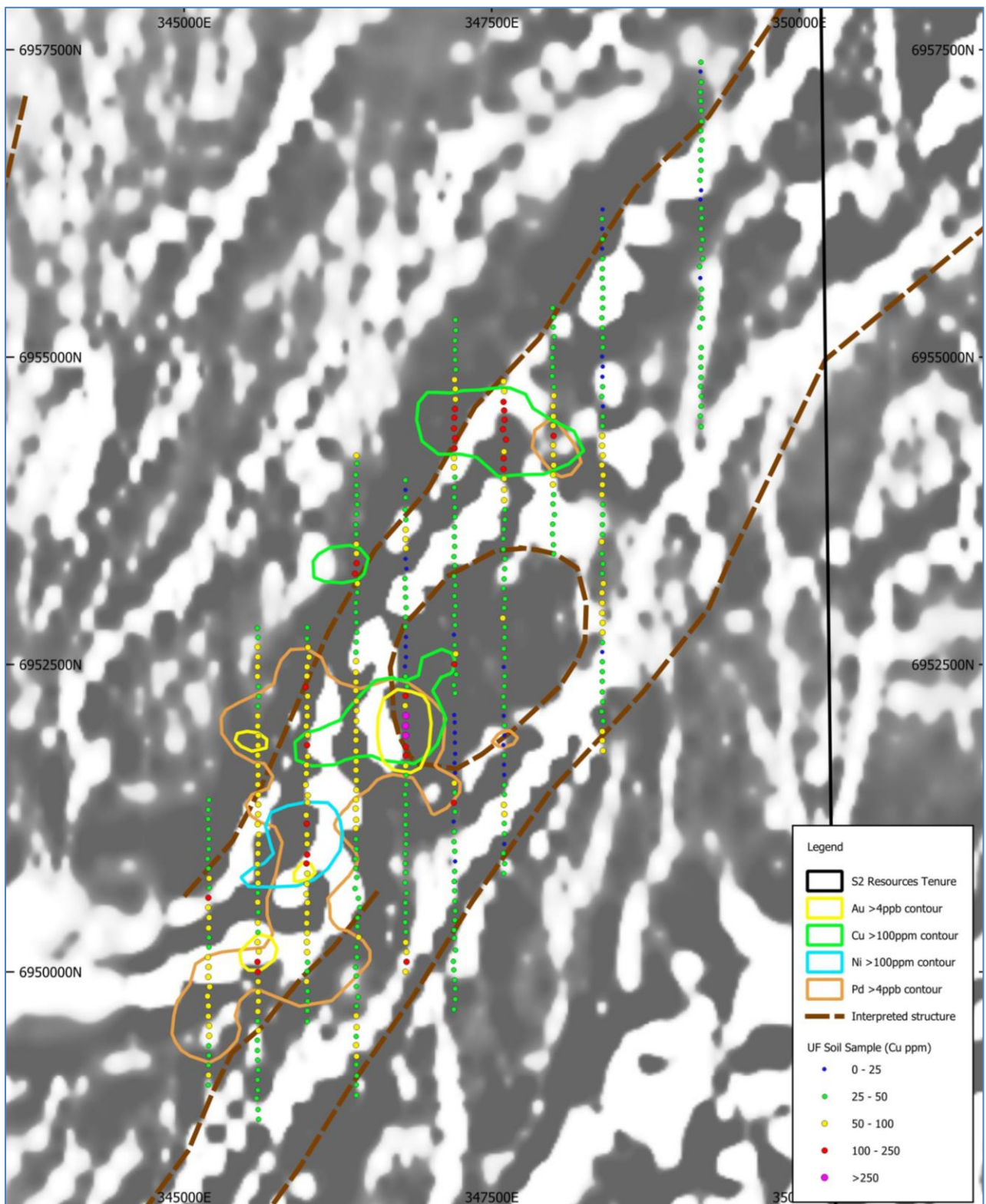


Figure 13. Yalgamine area showing coincident nickel-copper-palladium-gold anomalism and associated structures as seen in aeromagnetic data, with strongest copper anomalism at the edge of an “eye”-like feature.

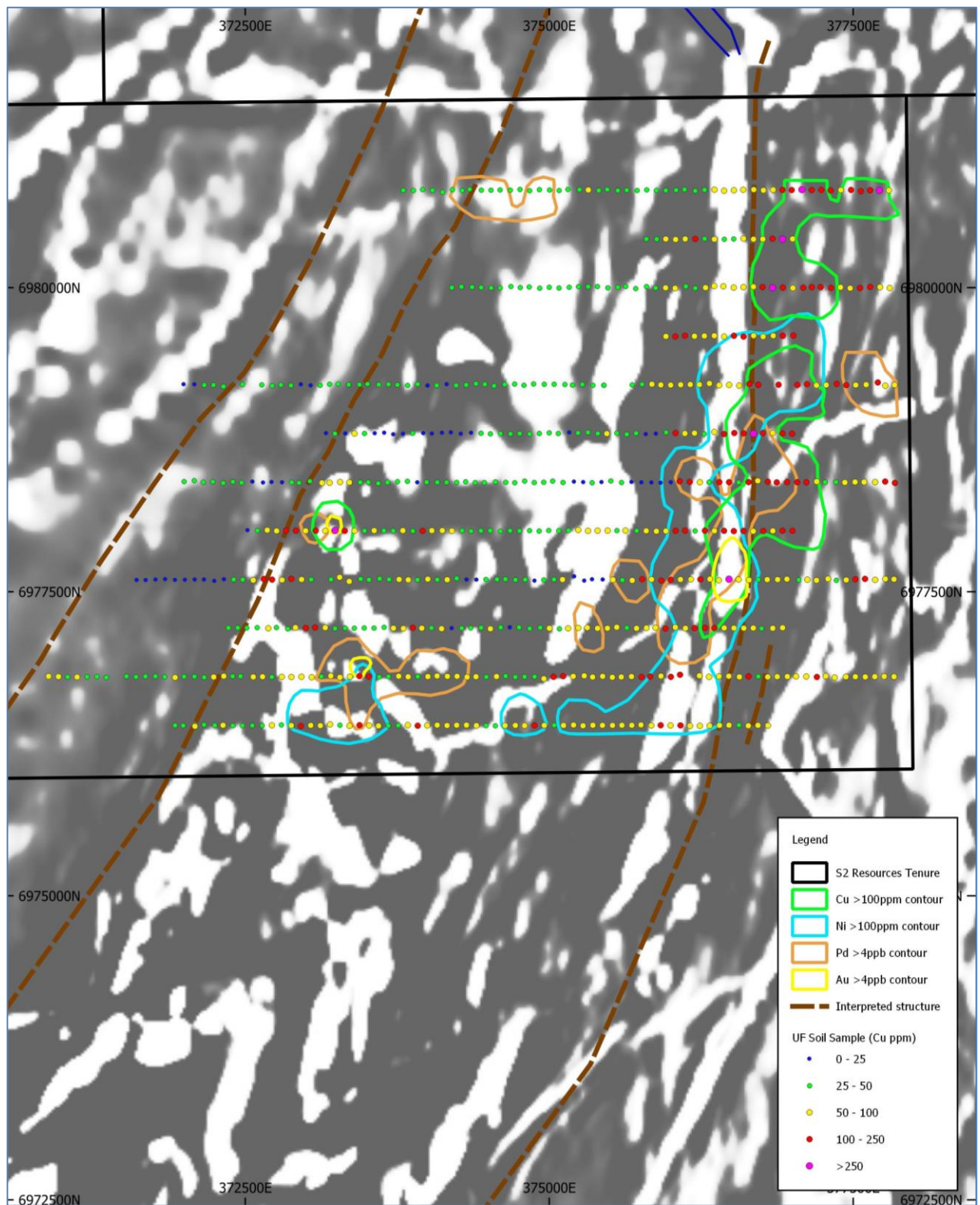


Figure 14. Aubrey South area showing coincident nickel-copper-palladium-gold anomalism and associated major north-south structure as seen in aeromagnetic data.

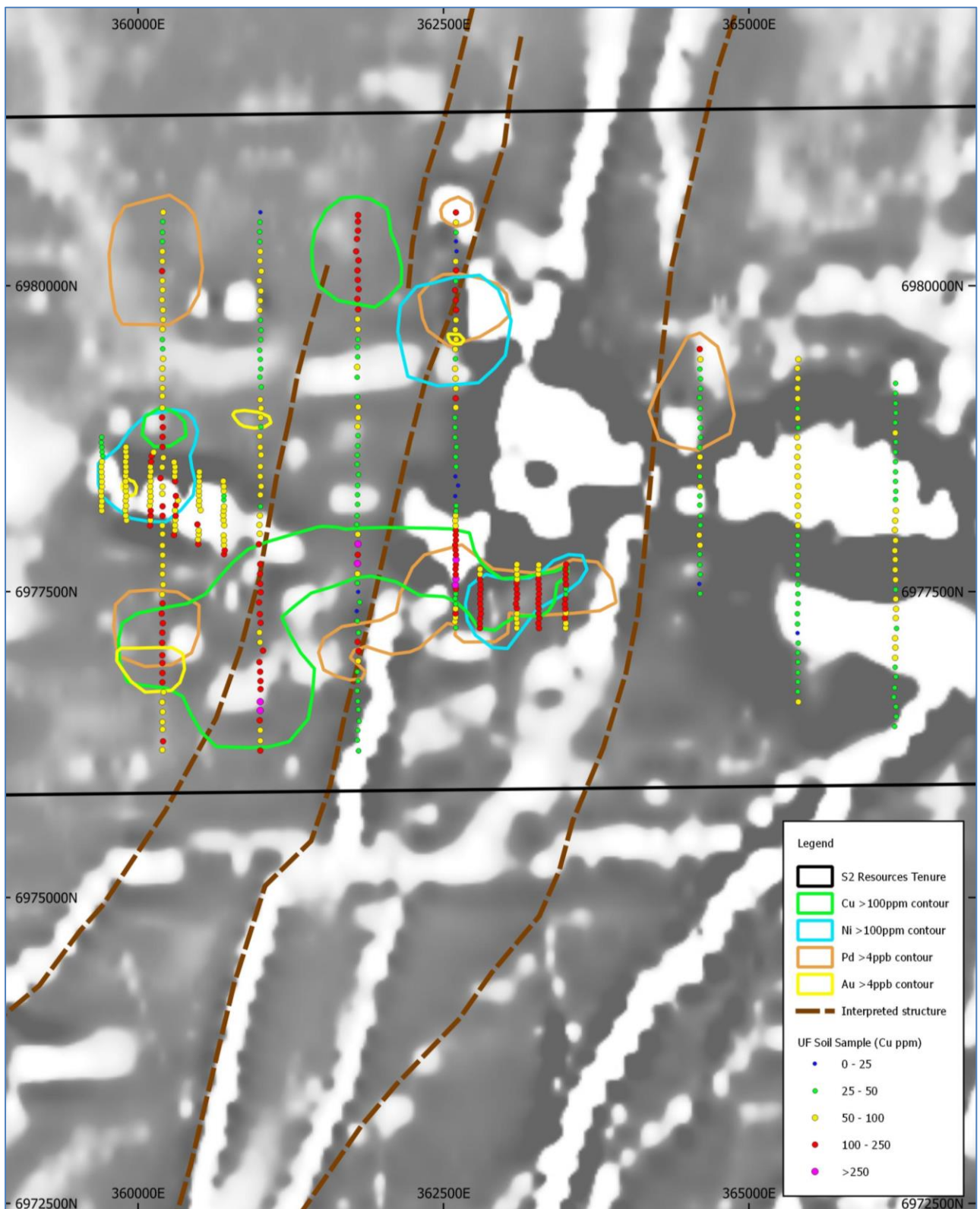


Figure 15. Whitehurst area showing coincident nickel-copper-palladium-gold anomalism and associated structures as seen in aeromagnetic data.

Fraser Range nickel-copper-PGE 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 at Fraser Range during the June Quarter, following the return of 100% of the project following the cancellation of the Pacific State transaction.

Polar Bear nickel-copper-PGE project, Western Australia (S2 80% - 100% of Nickel Rights)

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.

No on-ground exploration activities were conducted at Polar Bear during the June 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 355 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).

Further to the Letter Of Intent (LOI) announced in March (see S2 ASX announcement of 4 March 2024), during the quarter S2 entered into a definitive Share Purchase Agreement (SPA) with Vancouver-based Outback Goldfields Corporation ("Outback", TSX.V: OZ), as described in S2's ASX announcement of 10 May 2024.

Under the terms of this agreement, S2 will sell its wholly-owned Finnish subsidiary Sakumpu Exploration Oy ("Sakumpu") for a total consideration of C\$7 million, comprising C\$1.5 million in cash and C\$5.5 million in shares in Outback. Sakumpu owns extensive mineral rights in the highly prospective Central Lapland Greenstone Belt (see Figure 16).

The transaction remains subject to the completion of a C\$5 million financing and satisfaction of various other conditions which include Toronto Venture Exchange (TSX.V) approval and Outback shareholder approval. These conditions are anticipated to be met in the next quarter.

S2 and Outback are working together to conclude this transaction, which will result in a focused and expedited exploration program for the highly prospective Finnish assets.

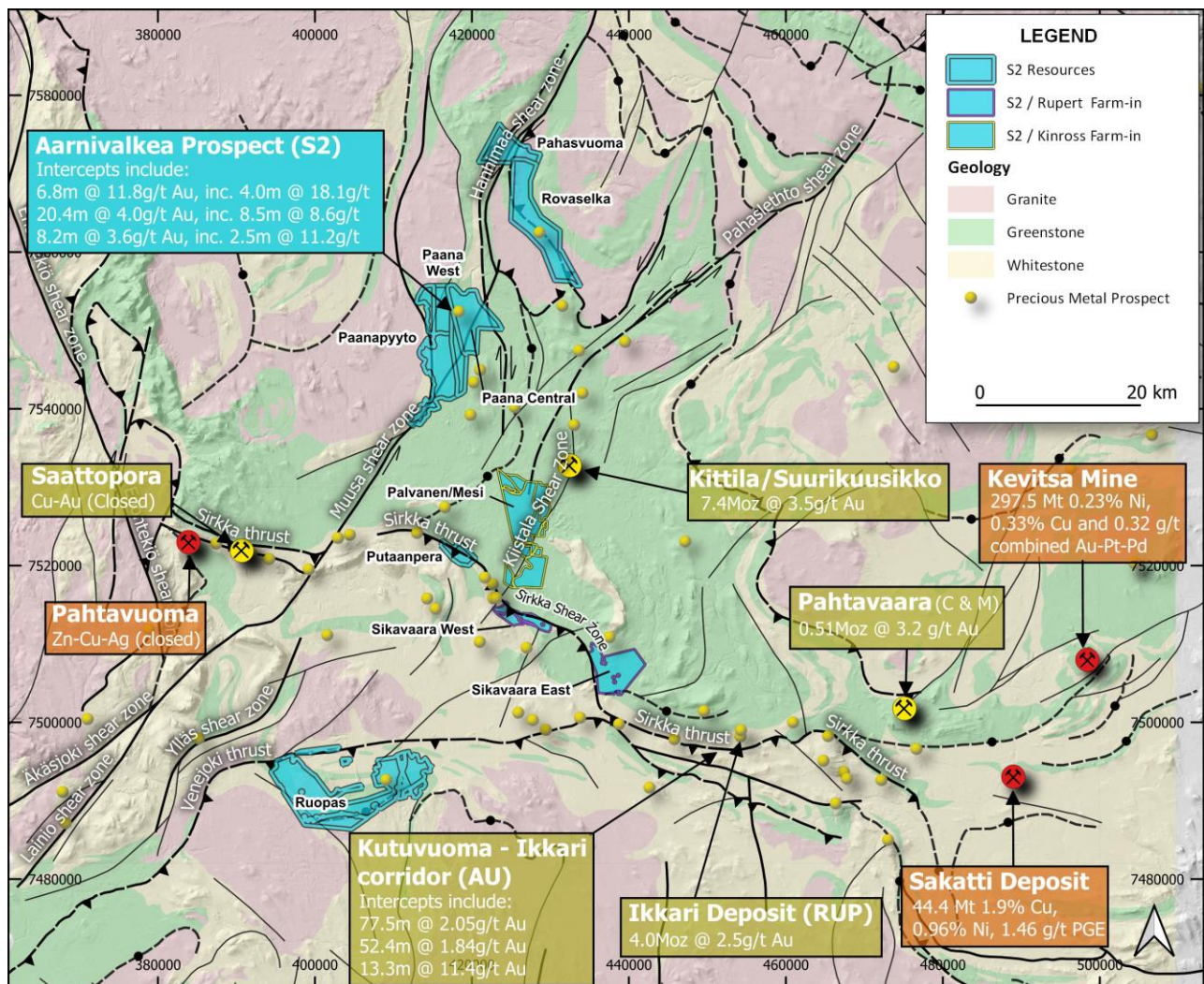


Figure 16. Location map showing S2's landholding in the Central Lapland Greenstone Belt, Finland held by Sakumpu Exploration Oy and subject to the LOI sale with Outback. The map shows the areas related to the Rupert and Kinross earn-in agreements as well as the Kinross sale area.

ASX additional information

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was A\$1.33 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:

Mark Bennett
Executive Chairman
+61 8 6166 0240

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

Information in this report that relates to Exploration Results from Victoria is based on information compiled by Rohan Worland, who is an employee and equity holder of the Company. Mr Worland is a member of the Australian Institute of Geoscientists (AIG) 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 Worland consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Information in this report that relates to Exploration Results from Western Australia, New South Wales and Finland is based on information compiled by John Bartlett, who is an employee and equity holder 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	S2 Ownership %	Status
Western Australia					
Jillewarra	E 51/1603	Tanzi Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/1906	Black Raven Mining Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/1915	Black Raven Mining Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/1955	Black Raven Mining Pty Ltd	Mingah Range	earning 51% when granted	Pending
Jillewarra	E 51/1956	Black Raven Mining Pty Ltd	Mingah Range	earning 51% when granted	Pending
Jillewarra	E 51/2050	Third Eye Exploration Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/2051	Third Eye Exploration Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/2052	Third Eye Exploration Pty Ltd	Mingah Range	earning 51%	Granted
Jillewarra	E 51/2053	Third Eye Exploration Pty Ltd	Mingah Range	earning 51%	Granted
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
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
Victoria					
Greater Fosterville	EL7795	Southern Star Pty Ltd	Fosterville	100%	Granted
New South Wales					
Glenlogan	EL 9614	Legacy Mineral Ltd	Cowra	Earning up to 70%	Granted
Koonenberry	EL 9574	Dark Star Exploration Pty Ltd	Koonenberry	100%	Granted
Koonenberry	EL 9575	Dark Star Exploration Pty Ltd	Koonenberry	100%	Granted
Koonenberry	EL 9576	Dark Star Exploration Pty Ltd	Koonenberry	100%	Granted
Warraweena	EL 9269	Oxley Resources Ltd	Darling Catchment	earning 70%	Granted
Warraweena	EL 9646	Dark Star Exploration Pty Ltd	Darling Catchment	100%	Granted
Warraweena	EL 9647	Dark Star Exploration Pty Ltd	Darling Catchment	100%	Granted
Finland					
<i>Exploration Licenses</i>					
Central Lapland	Paana Central ML2018:0081	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Putaanperä ML2016:0063	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana West ML2017:0028	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana W2 ML2018:0107	Sakumpu Exploration Oy	Central Lapland	100% upon renewal	Renewal Pending
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	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	Kehrävarsi ML2022:0064	KG Finland Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Granted
Kinross JV	Kevuvuoma ML2022:0089	KG Finland Exploration Oy	Central Lapland	100% (Kinross earning 70%)	Granted
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")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation *	(1,972)	(5,671)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs**	(129)	(586)
	(e) administration and corporate costs	(206)	(961)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	72	266
1.5	Interest and other costs of finance paid	(2)	(11)
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	(2,237)	(6,963)

*Exploration & evaluation comprise exploration physical costs of \$1,698k and pre-resource exploration staff costs of \$329k.

**Total staff costs for the quarter end was \$458k comprising pre-resource exploration \$329k, corporate 71k non-executive directors \$40k, business development \$17k. Staff costs of pre-resource exploration \$329k 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	(1)	(53)
	(d) exploration & evaluation	-	(60)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	36
	(c) property, plant and equipment	-	1
	(d) investments	147	147
	(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	146	71

*Correction: In the previous quarter \$100k was recognized as the issue of share capital for cash whereas it should have been recognized as for the purchase of an exploration project. This is corrected in this quarter and the YTD figure is correct.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(436)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(12)	(74)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(43)
3.10	Net cash from / (used in) financing activities	(12)	6,447

*Correction: In the previous quarter \$100k was recognized as the issue of share capital for cash whereas it should have been recognized as for the purchase of an exploration project. This is corrected in this quarter and the YTD figure is correct.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,429	5,767
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,237)	(6,963)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	146	71

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	6,447
4.5	Effect of movement in exchange rates on cash held	(4)	-
4.6	Cash and cash equivalents at end of period	5,322	5,322

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	2,322	4,429
5.2	Call deposits	3,000	3,000
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)	5,322	7,429

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	127
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)	(2,237)
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)	(2,237)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,322
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,322
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.38
<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 July 2024

Authorised by: The Board of S2 Resources Ltd
(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.