ASX Announcement

Monday 18th June 2018

EXPLORATION UPDATE – SOUTH ROBERTS, NEVADA

S2 Resources Ltd ("S2" or the "Company") provides the following update regarding the results from its exploration programs in Nevada. Assay results have been received from the initial reconnaissance diamond drilling program completed in April/May to test a concealed gold target at the South Roberts project in Nevada, USA. Three holes were drilled into the crest of a concealed anticline as interpreted from two controlled source audiomagnetotellurics (CSAMT) survey lines (see Figure 1). Although favourable host rocks were intersected in the predicted position, no significant gold mineralization was intersected, with the best result being 1.65 metres @ 0.17g/t gold from 491.7 metres in hole NSRD0001, associated with a zone of strong brecciation and carbonate veining within dolomite.

As stated in S2's ASX announcement of 25th April 2018, the prime objective was to test multiple target horizons associated with specific favourable stratigraphic units (see Figure 2) located in the crest of an anticline, as follows:

- The contact between the Mississippian Webb Formation and the Devonian Devils Gate Formation limestones (host to the Rain and Afgan deposits)
- The upper part of the Devonian Denay Formation limestones (host to the Gold Bar, Gold Canyon and Goldstone deposits), which may be equivalent to the Wenban Formation (host to the Goldrush deposit)
- Subject to depth, the Devonian McColley Canyon Formation limestones (host to the Gold Pick and Gold Ridge deposits)

All three holes intersected the Webb Formation-Devils Gate Limestone contact confirming the presence of an anticline. Holes NSRD0001 and NSRD0003 both intersected zones of collapse breccia textures, decalcification and minor silicification, with anomalous arsenic, antinomy and mercury (maximum values of 491 ppm, 38 ppm and 2ppm respectively). These results may represent a distal signature of Carlin style mineralization on this contact away from the drill holes. In drillhole NSRD0002, the contact between the Webb Formation and Devils Gate has been disrupted by later faulting and no anomalous results were present.

Drill hole NSRD0001 was continued deeper to test the lower stratigraphic horizons, however it appears that both the upper Denay Formation limestones and the McColley Canyon Formation limestones have been structurally removed, with the lower contact of the Devils Gate Limestone in the drill hole (at 475.4 metres) being a faulted contact, passing into a thick sequence of dolomite, interpreted to represent the Lone Mountain Dolomite.

These results will be reviewed in June prior to any further work being undertaken at South Roberts.

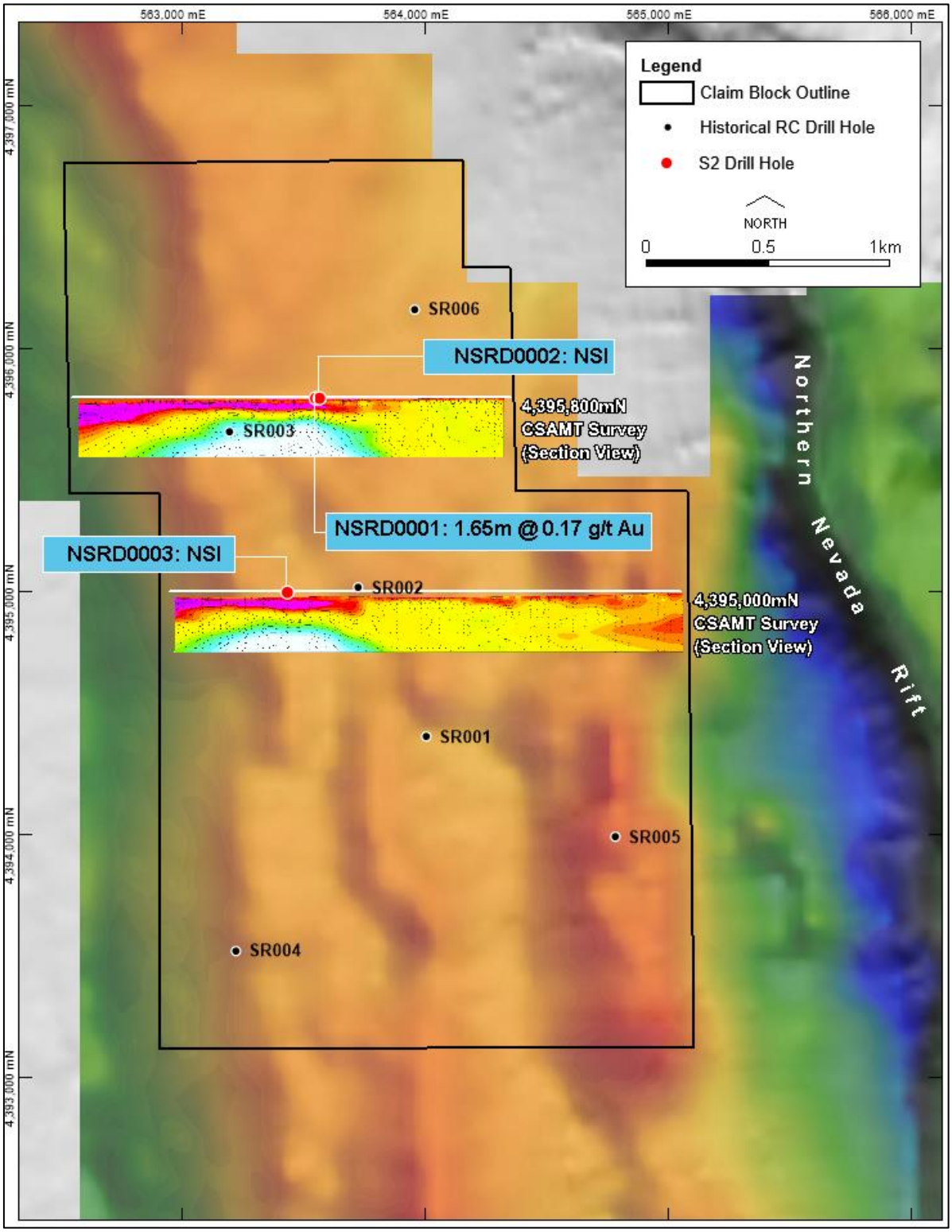

Figure 1. Plan showing the position of recent diamond drill holes over gravity image with the two CSAMT resistivity images plotted to show the position of the crest of the targeted anticline.

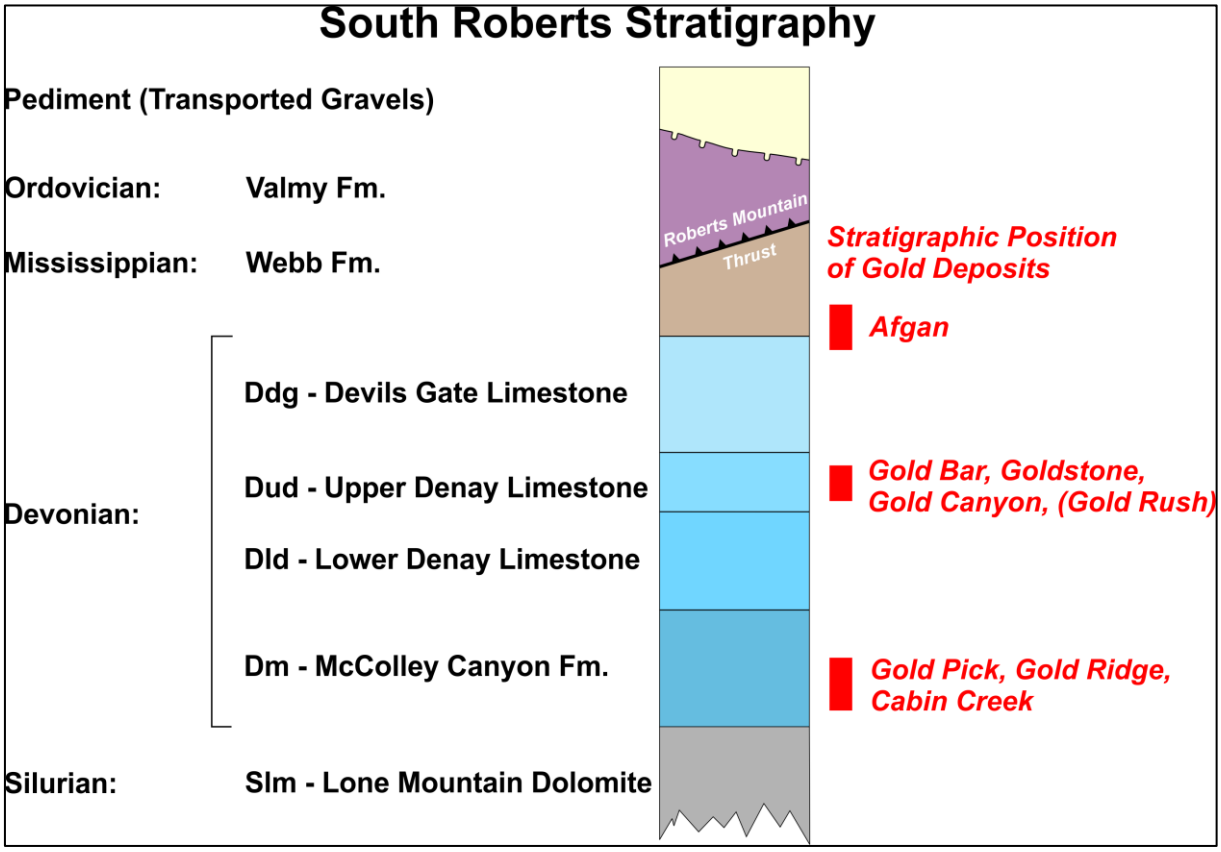

Figure 2. Generalised stratigraphic column of the rocks present in the anticline, showing stratigraphic horizons known to host gold mineralization elsewhere in Nevada. The Ordovician Valmy Formation is thrust over the younger host rocks by the Roberts Mountain Thrust, and forms a seal above the trap site. Specific horizons and facies within the underlying Devonian age limestones of the Devils Gate, Denay and McColley Canyon formations are host to significant Carlin-style gold deposits elsewhere in the district.

For further information, please contact:

Mark Bennett
Managing Director & CEO
+61 8 6166 0240

Anna Neuling
Executive Director & Company Secretary
+61 8 6166 0240

Competent Persons statements

Information in this report that relates to Exploration Results from Nevada and 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

The following tables are provided to ensure compliance with the JORC code (2012) edition requirements for the reporting of exploration results. Co-ordinates in this table are given in North American NAD27, zone 11 grid.

Pluto RC Drilling

Hole No.	Total Depth, m	North	East	RL	Dip	Azim	From, m	To, m	Width, m	Au, ppm
NSRD0001	607.5	4,395,800	563,550	1925	-80	270	491.7	493.35	1.65	0.17
NSRD0002	213.1	4,395,800	563,562	1925	-90	0			NSI	
NSRD0003	279.5	4,395,000	563,440	1922	-75	90			NSI	

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.*	For diamond sampling, an unbiased half core sample is cut on a nominal 5 foot intervals. The other half of the core sample is returned to the core box and stored for future reference.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Sampling and QAQC procedures is carried out using S2 protocols as per industry best practice. For rock chip samples, material were selected randomly without bias to material appearance to give an accurate representation of the sample being collected.
	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	Samples were dried crushed, split and pulverised (250 grams) and were analysed using an aqua regia digest with an ICP/MS finish (Code AQ201) and by fire assay with an ICP-ES finish (Code FA330). The following elements are included in the assay suite: Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S Sb, Sc, Se, Sr, Te, Th, Ti, Tl, V, W, Zn.
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 was completed using HQ3 (triple tube) diamond core to maximise core recoveries.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Diamond core recoveries are calculated for every sample run (nominal 5 foot) and recorded in the database.

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples	HQ3 triple tube was utilised to maximise recoveries and minimise the washing out of fine material. Short drill runs were utilised (maximum of 5 foot) to minimise core loss. Various drilling additives (including muds and polymers) have been used to condition diamond drill holes to maximise recoveries and sample quality.
	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 sample recovery issues have been identified relating to potential sample bias within RC drilling. Sample loss was recorded within the hole associated with washing out of unconsolidated fines as well voids within the limestone rock units
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.*	Geological logging is completed for all holes to a level of detail that would, where sufficient drill density is completed, support an appropriate Mineral Resource and mining study. Lithology, alteration and veining, is recorded directly to a digital format and imported into S2 Resources central database.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is both qualitative and quantitative in nature depending on the field being captured.
	The total length and percentage of the relevant intersections logged	All drillholes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Half core sampling was taken for sampling for all drill holes.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable – no non-core samples were taken.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation follows industry best practice in sample preparation. Samples are dried, crushed as required and pulverized to produce a homogenous representative sub-sample for analysis. A grind quality target of 85% passing 75µm has been established and is relative to sample size, type and hardness.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory Quality control procedures include submission of Certified Reference Materials (CRM's), blanks and duplicate samples with each batch of samples. Selected samples are also re-analysed to confirm anomalous results. Grind size checks are routinely completed to ensure samples meet the industry standard of 85% passing through a 75µm mesh.
	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.	Duplicates are taken at regular intervals by taking a second split form the crushed sample and submitted into the sequence with the rest of the drill hole.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for gold mineralisation.

Criteria	JORC Code explanation	Commentary
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.*	Samples are analysed for gold using 30g lead collection fire assay with an ICP/ES finish at the Bureau Veritas laboratory in Reno, Nevada. This sample is considered a total digest and the highest quality assay technique available. In addition an extensive multi-element suite (including Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S Sb, Sc, Se, Sr, Te, Th, Ti, Tl, V, W, Zn) is analysed using an aqua regia digest with an ICP-MS finish. This method is a partial digest, but is considered appropriate to identify potential pathfinder elements which may assist in locating nearby gold mineralisation.
	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 used in this resource estimate.
	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.	Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in house procedures.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The Exploration Manager of S2 has visually verified the results.
	The use of twinned holes.	Given the early stage of exploration, no twining of drill holes has taken place.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected using a set of standard Excel templates using lookup codes. The information was sent to an external database consultant for validation and compilation into a Perth based SQL database.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data reported.
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.*	Sample sites were recorded by a Garmin handheld GPS with an accuracy about +/– 3m for easting and northing.
	Specification of the grid system used.	The grid system used was NAD 27 Zone 11.
	Quality and adequacy of topographic control.	A topographic surface has been created from aerial geophysical data, and this has been used to confirm RL levels for drill holes (note that given the cut and fill nature of the drill pads, the collars have not been corrected to this surface.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Given the reconnaissance nature of the initial drilling, a notional grid spacing has not been used.
	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.	Drill spacing does is not currently of adequate spacing for Mineral Resource and Ore Reserve estimate procedures.
	Whether sample compositing has been applied.	No compositing has been applied to the exploration results.
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.*	The drilling is not necessarily drilled perpendicular to the orientation of the intersected mineralisation. All reported intervals are downhole intervals and not calculated true width. This will be established with further drilling.

Criteria	JORC Code explanation	Commentary
	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.	No orientation based sampling bias has been identified in the data at this point.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by S2 Resources. Samples are stored on site and were either picked up from site by the laboratory or delivered to the laboratory in Elko. Tracking sheets have been set up to track the progress of batches of samples.
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.	S2 Resources Ltd, through its subsidiary Nevada Star Exploration LLC, is earning into the following mineral tenure via an agreement with Kinetic Gold (US) Inc and its parent company Renaissance Gold Inc. ("RenGold") Kinetic Gold (US) Inc (a wholly-owned subsidiary of Rengold) holds 60 Mineral Claims (NMC1080648–1080681; NMC1080684-1080698; NMC1080700-1080711) within Eureka County, NV. Kinetic Gold (US) Inc (a wholly-owned subsidiary of Rengold) holds a Lease and Option to Purchase under the RW Agreement 29 Mineral Claims (NMC1029818-1029829; NMC1029846-854; NMC1029878-885) from Harvest Gold Corp (US) within Eureka County, NV. All are subject to certain confidential royalty agreements, payable by Nevada Star Exploration LLC to Kinetic Gold (US) Inc and third parties. Based on a due diligence process, no commercial, historical, native title, heritage or environmental impediments are known
	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.	Based on a due diligence process, the claims are in good standing and no known impediments exist on tenement actively explored.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Previous exploration comprising enzyme leach soil geochemistry and gravity surveying was completed by Kinetic Gold (US) Inc (now a wholly-owned subsidiary of Rengold). Under JV with Kinetic Gold in 2014, McEwan Mining Nevada completed six wide-spaced (~1km) drill holes (2 diamond and 4 RC) totalling 2,188m. The data for the drilling has been reviewed but the drill holes and the core of the two diamond drill holes have not been sited.
Geology	Deposit type, geological setting and style of mineralisation.	The project is located within the Great Basin of Nevada and the deposit type being explored consists of the Carlin-style which comprises fine-grained disseminated replacement sulphide (pyrite) mineralisation in zones of silicified, decarbonatised, argillised, silty calcareous rocks and associated jasperoids. The mineralisation is hosted within Palaeozoic carbonate and siliciclastic sedimentary rocks which were deposited in a marine setting ranging from deep to shallow water on a former western continental margin of North America. These units were deformed by the Antler Orogeny and later intruded by felsic bodies of varying ages. The age of the mineralisation is Eocene and ranges between 34-42 Ma. Later faulting developed the distinctive 'Basin and Range' topography of the area.

Criteria	JORC Code explanation	Commentary
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 to Annexure1 in body of text.
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 reported assays have been length weighted. A nominal 0.1 g/t Au lower cut-off is used for diamond drilling, given the reconnaissance nature of the drilling
	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.	Following S2 standard procedures, where high grade gold intervals are present within a broader zone of mineralization, they will be reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
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').	The geometries of controls to gold mineralisation at Pluto are currently unknown.
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.	All Figures are contained in the body of the 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.	The accompanying document is conserved to represent a balanced report with grades and/or widths reported in a consistent manner.
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.	No other exploration data collected to date is considered material or meaningful at this stage.

Criteria	JORC Code explanation	Commentary
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	A detailed review of the results of the current drilling is to be undertaken before any future exploration work is planned.