



JUNE 2020 QUARTERLY ACTIVITIES REPORT

Key points

- Good financial position with A\$6.4 million cash at quarter's end plus 31% ownership of Todd River Resources (ASX:TRT)
- Diamond drilling started at Aarnivalkea East base of till (BOT) gold trend, Finland, subsequent to quarter's end
- Coincident nickel-copper soil anomaly identified of the first of several intrusive Ni-Cu-PGE targets on West Murchison exploration licence applications
- Prospective stratigraphy and "eye" like feature identified on new Fraser Range ground
- TRT confirmed coincident nickel-copper-platinum-palladium anomalism over ultramafic intrusions at its new Berkshire project

CORPORATE

Finance

A total of A\$0.55million was spent during the quarter, comprising A\$0.37 million exploration and evaluation costs, A\$0.16 million corporate costs, business development costs, overheads and payments for fixed assets, and A\$0.02 million staff costs.

At the end of the June quarter cash totaled A\$6.42 million.

Planned expenditure for the next quarter ended 30 September 2020 is anticipated to be approximately A\$1.6 million. This reflects a ramp-up in the Company's activities as a result of resumption of gold drilling in Finland and the advancement of new projects in Australia.

Capital structure

No shares were issued during the quarter.

The total issued capital comprises 247,915,179 ordinary shares and 41.4 million unlisted options, which if exercised, would represent a capital injection of A\$14.1 million to the Company.

EXPLORATION

Central Lapland Greenstone Belt, Finland (S2 100%)

S2 has mineral rights covering approximately 684 square kilometres of ground in the Central Lapland Greenstone Belt of Finland, a region that contains significant shear zone hosted gold deposits, such as Agnico Eagle's 8Moz Kittila gold mine, and magmatic copper-nickel-PGM deposits, which include Boliden's Kevitsa mine and Anglo American's world class Sakatti deposit.

During the quarter the Company took the necessary measures to ensure it could recommence its exploration activities in Finland despite the Covid-19 enforced constraints on international travel, and undertook a detailed aeromagnetic survey over its Aarnivalkea East gold target. Subsequent to the quarter's end, the first reconnaissance diamond drilling program commenced at this target and is ongoing (refer to S2's ASX announcements of 8th July 2020 and 13th July 2020 for more information).

The Aarni' East target is a >1 kilometre long base of till (BOT) gold anomaly located 2 kilometres to the east of and parallel to the Company's Aarnivalkea gold prospect (see Figure 1), and is defined by a zone of strong deformation and intense hydrothermal alteration with gold grades up to 10.7g/t (see Figure 2) together with gold pathfinder elements such as arsenic, antimony and copper.

The recent detailed aeromagnetic survey has shown that this trend coincides with the position of a north-south striking sheared contact, and is offset by a late northeast striking fault. This structure remains open along strike beyond the range of BOT drilling completed to date, and may play an important role in localising the gold mineralisation.

The first diamond drilling test of the bedrock beneath this anomaly started subsequent to the quarter's end and comprises 10-12 diamond core holes, to be drilled on three to four wide (~360 metre) spaced traverses across the trend. The program is being managed on the ground by the Company's European Union-based personnel, with virtual oversight by its Australian personnel until such time as they are able to resume international travel.

The first three holes have confirmed the presence of a strongly deformed and hydrothermally altered zone in fresh rock beneath the BOT anomaly commencing at a depth of 3-7 metres below surface (see Figure 3) but assays will not be available for several weeks so the gold content of these rocks is not yet known.

This initial drill program is expected to take about three weeks to complete. Unlike the strike extensions of the Aarnivalkea gold prospect, which extend under swampy ground and could not be drilled as originally scheduled last winter due to unseasonably warm weather, the Aarni' East prospect can be accessed year-round, providing greater flexibility for follow up drilling.

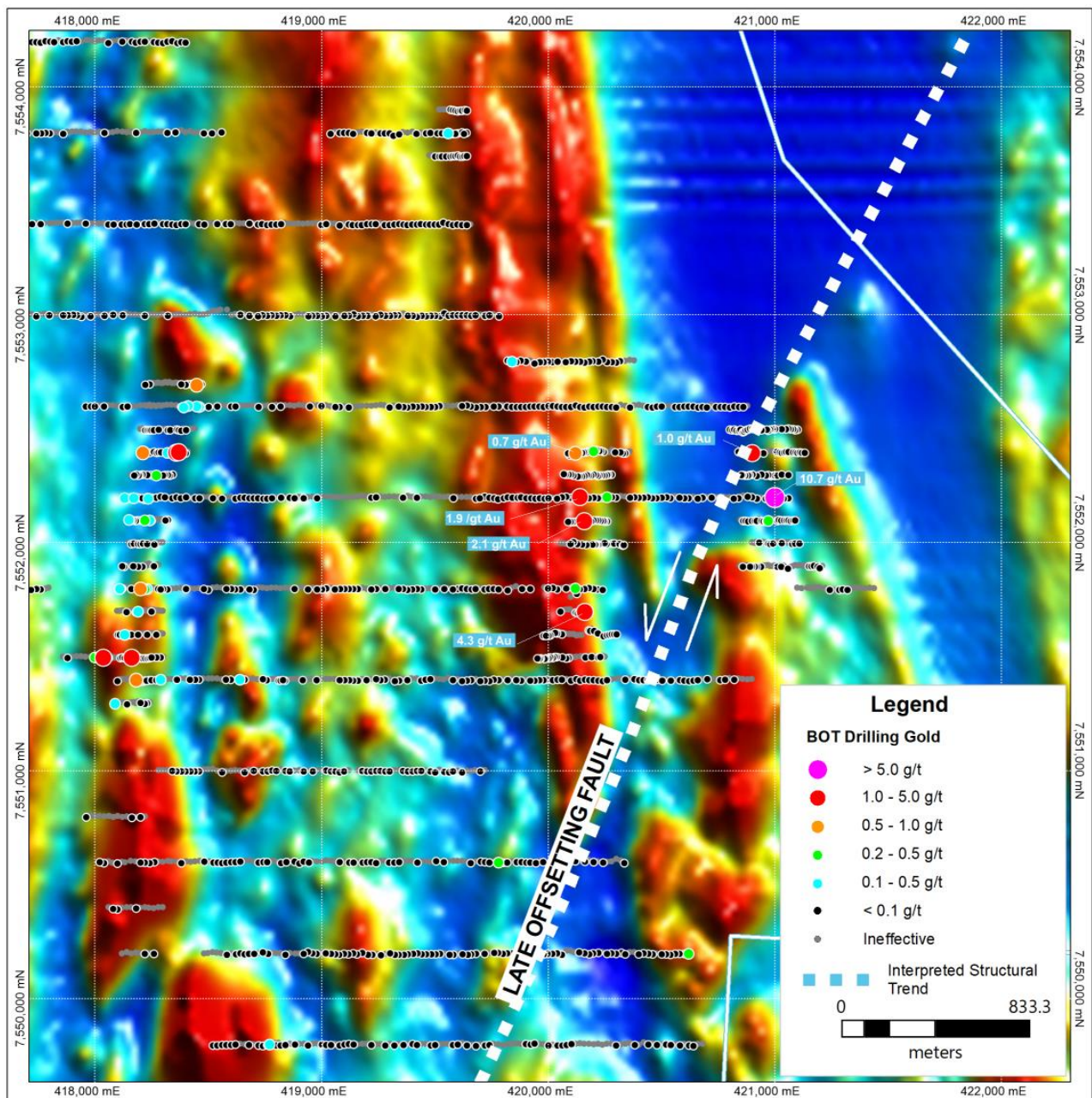


Figure 1: Gold anomalism in BOT samples at Aarnivalkea (LHS) and Aarni' East (RHS) shown over recently flown reduced to the pole magnetics. A late northeast striking fault offsets the earlier north-south striking gold mineralised shear zones. The mineralised Aarni' East BOT samples line up along a distinct magnetic contact, interpreted to represent a mineralised structure, the offset continuation of which is located on the southeastern side of the late fault.

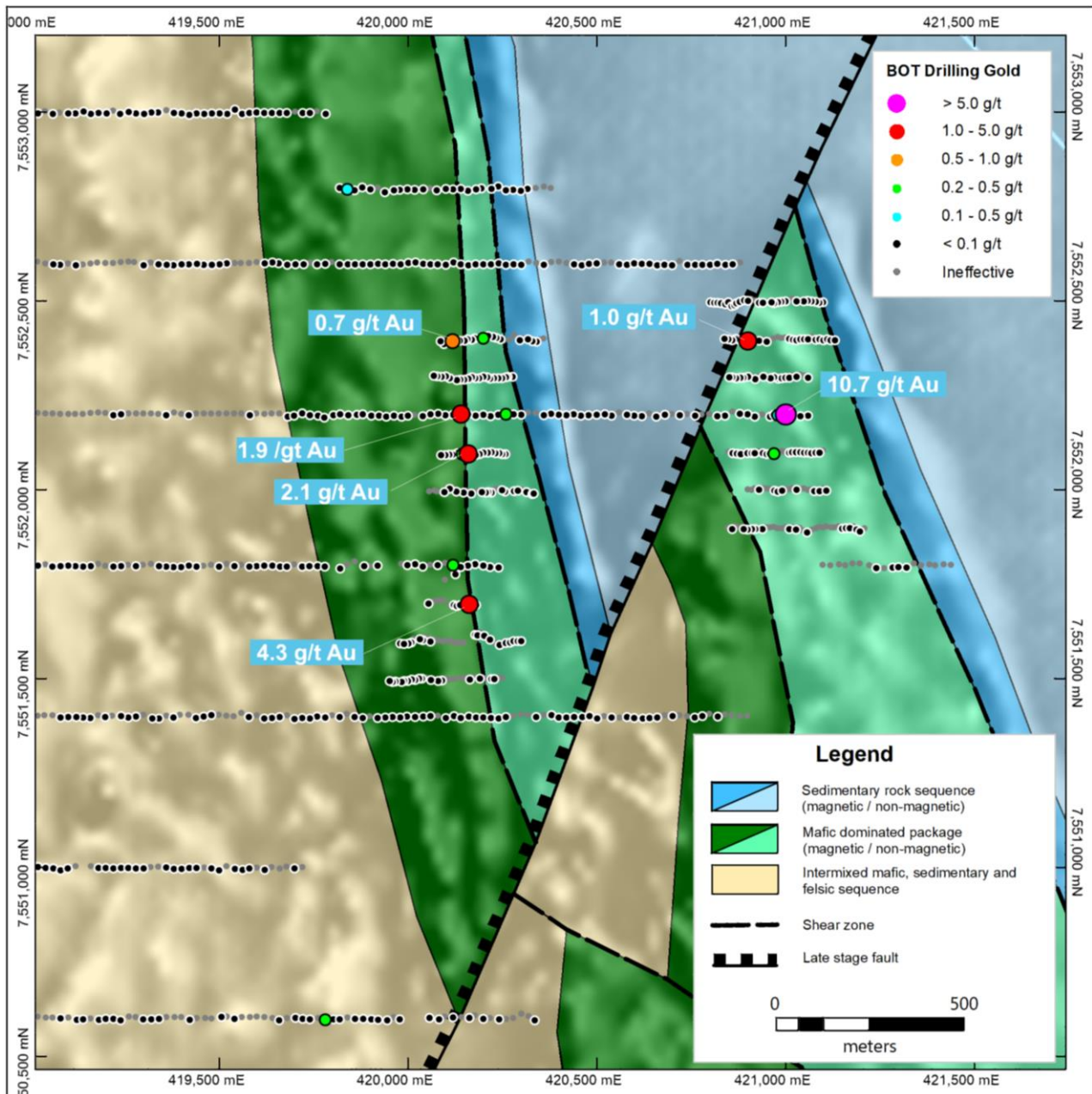


Figure 2: Gold in BOT samples at Aarni' East over magnetics and interpreted geology.



Figure 3: Diamond core from the first hole drilled beneath the Aarni' East base of till (BOT) gold anomaly, confirming the presence of intensely sheared and hydrothermally altered bedrock.

Fraser Range, Western Australia (S2 100%)

The Company has two granted and one pending exploration licenses in the Fraser Range, located 40 to 80 kilometres to the northeast of the Nova-Bollinger nickel-copper mine (which S2's predecessor, Sirius Resources, discovered in 2012) and 80 to 120 kilometres southwest of Legend Mining's recent discovery at Mawson.

Initial reconnaissance work on the Company's recently granted exploration licences in the Fraser Range has confirmed that they straddle the regional gravity anomaly that forms the axis of the Fraser Range belt and that hosts the Nova-Bollinger mine and Mark Creasy's Silver Knight discovery, and what is interpreted to be a prospective corridor containing mafic-ultramafic granulites with several magmatic nickel-copper sulphide occurrences, including Crean (refer to LEG's ASX announcement of 1st May 2019), Delta Blues (refer to GAL's ASX announcement of 3rd December 2019), Oaktree (refer to BUX's ASX announcement of 26th November 2014) and ZV-07 (refer to BUX's ASX announcement of 14th May 2014) (see Figure 4 and refer to S2's ASX announcement of 13th July for further information).

One of S2's tenements also contains an ovoid shaped magnetic feature ("eye"). Such features and fold noses are considered important as they are areas in which deformation and shearing has been less intense, therefore any sulphide accumulations are more likely to be preserved rather than "squeezed" into oblivion.

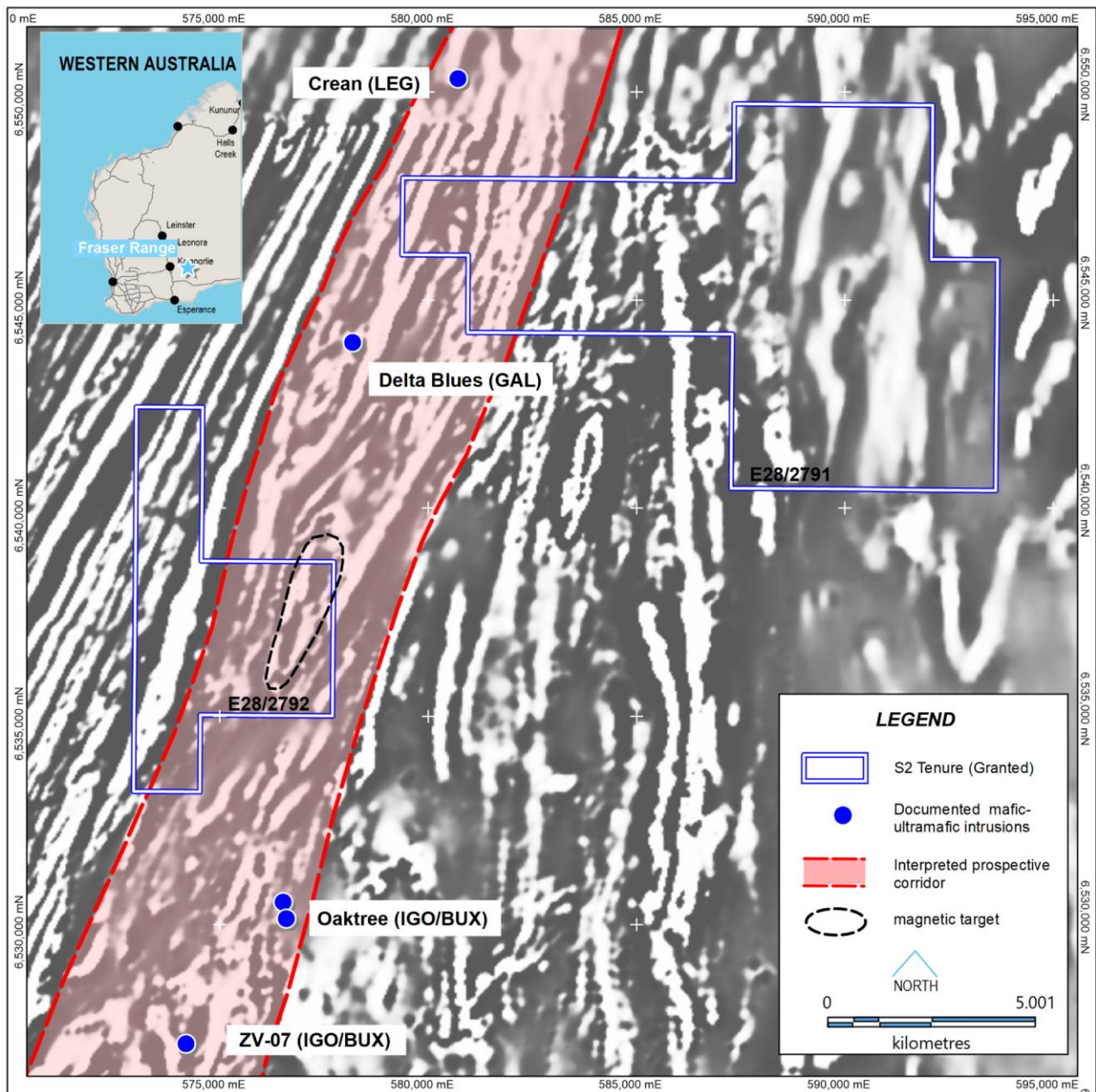


Figure 4: Two of S2's Fraser Range tenements, showing prospective corridor of mafic-ultramafics (colour), a magnetic "eye" target, and Ni-Cu sulphide occurrences reported by IGO (IGO), Buxton (BUX), Legend (LEG) and Galileo (GAL).

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

Portable x-ray fluorescence (PXRF) analysis of recent reconnaissance soil sampling at the Company's recently pegged West Murchison Ni-Cu-PGE target has identified a coincident nickel-copper anomaly over the position of the interpreted ultramafic intrusion (see Figures 5 and 6 and refer to S2's ASX announcement of 13th July for further information).

This anomaly is 200 metres wide at the 100ppm copper threshold, with a best result of 550 ppm copper with coincident 1562 ppm nickel. It is open (unsampled) to the east and corresponds with the southern margin of

an ultramafic body that magnetics indicate extends a further kilometre eastwards. Platinum group element (PGE) levels are not yet known as these require laboratory analysis. Selected nickel-copper anomalous samples have been submitted for analysis and results are expected in several weeks.

This is the first of several magnetic anomalies interpreted to be ultramafic intrusions situated within the Company's exploration licence application.

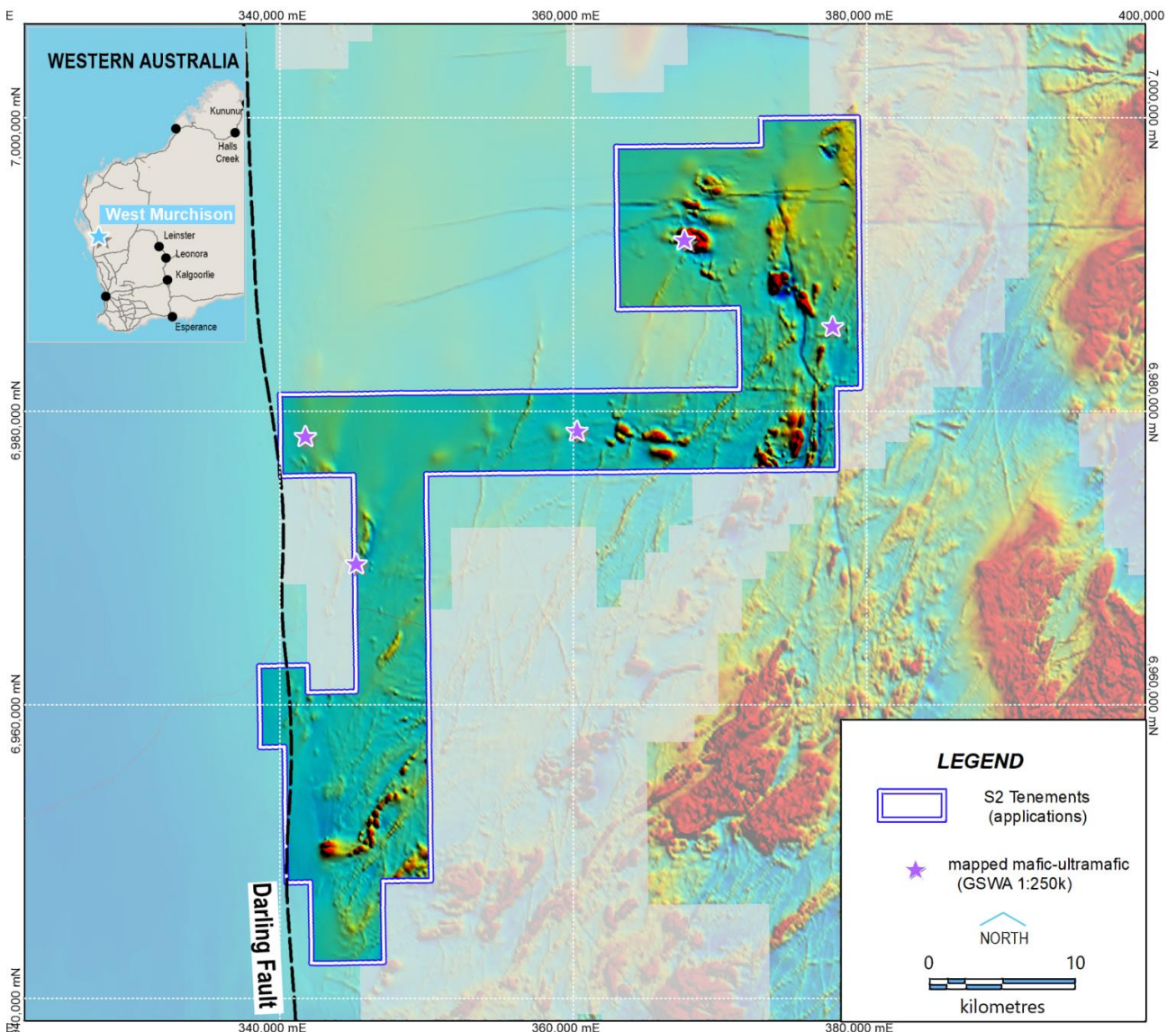


Figure 5: Magnetic anomalies interpreted to represent ultramafic intrusions within the West Murchison ELA. The nickel-copper soil anomaly reported in this announcement is located over the northernmost magnetic anomaly.

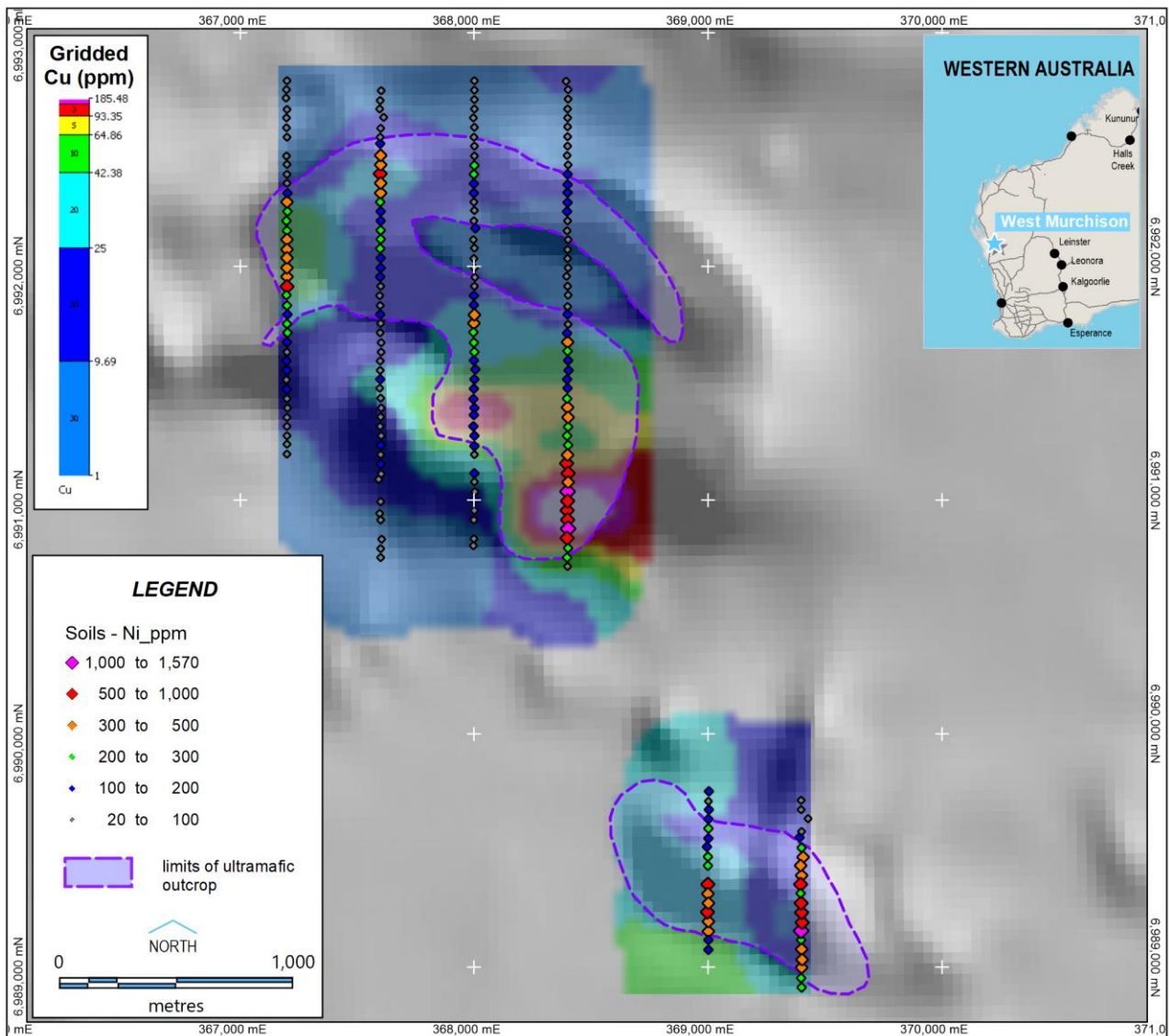


Figure 6: Nickel-copper soil anomalies (colour) over the magnetic anomalies interpreted to represent an ultramafic intrusion (greyscale). Nickel is shown as coloured diamonds and copper is shown as colour image.

Berkshire Ni-Cu-PGE project, Western Australia (TRT, 31% owned by S2)

Subsequent to the end of the quarter, Todd River Resources (ASX: TRT), in which S2 currently has a 31% interest, reported that it had reached agreement with two private companies to acquire Ni-Cu-PGE prospective projects via a transaction which is subject to shareholder approval. Subsequently, it also confirmed the presence of coincident nickel-copper-platinum-palladium anomalies on the target stratigraphy within these projects (refer to TRT's ASX announcements of 1st July 2020 and 13th July 2020 for further information).

Several discrete coincident nickel-copper-platinum-palladium anomalies occur along an eight kilometre stretch of this intrusion where sampled. In addition, more than 34 kilometres of this trend, and the entirety of the eastern intrusive trend has yet to be sampled. The presence of these anomalies, together with the

similarity of the size and orientation of the overall magnetic anomaly which is interpreted to represent an underlying intrusion of similar scale to that which hosts Chalice's Julimar discovery further south, is considered highly encouraging (see Figures 7 and 8).

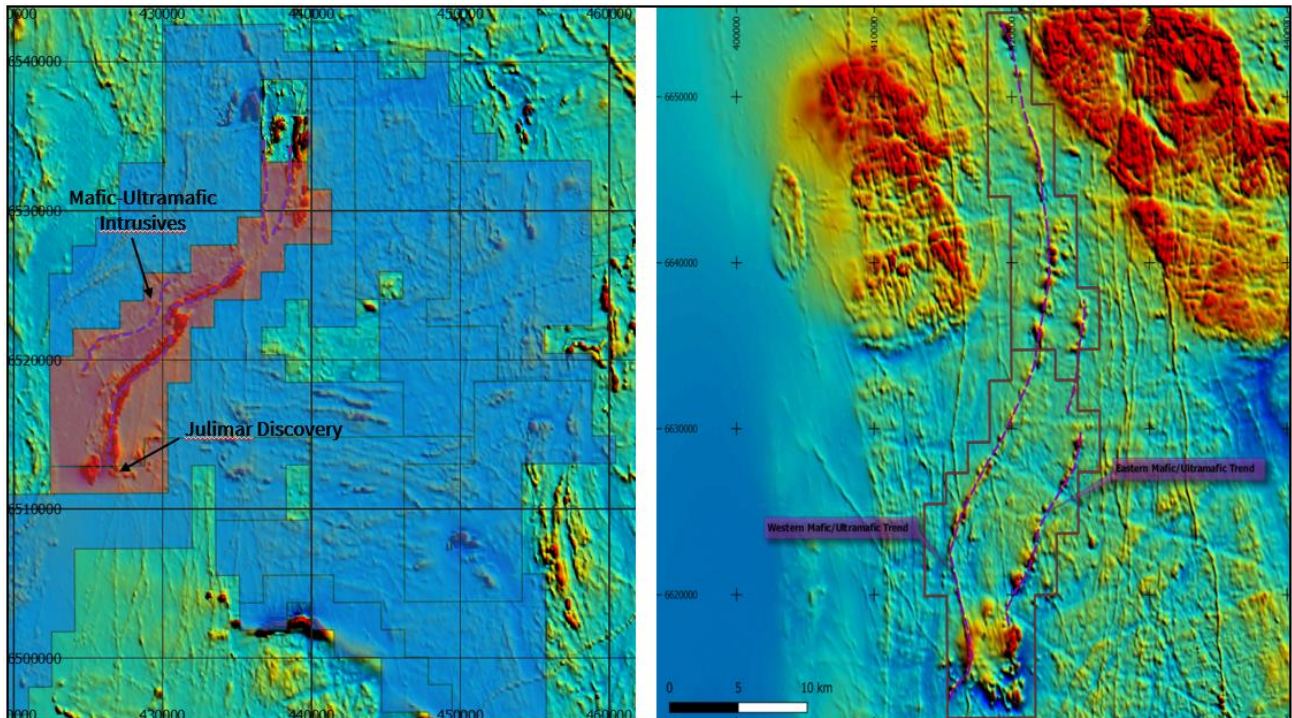


Figure 7: Comparison of mafic-ultramafic intrusions as interpreted from magnetic imagery at TRT's Berkshire project (RHS) and Chalice Gold's Julimar Project (LHS) at similar scales. The length and orientation of the two trends at Berkshire is comparable with that of the intrusion at Julimar (courtesy of TRT).

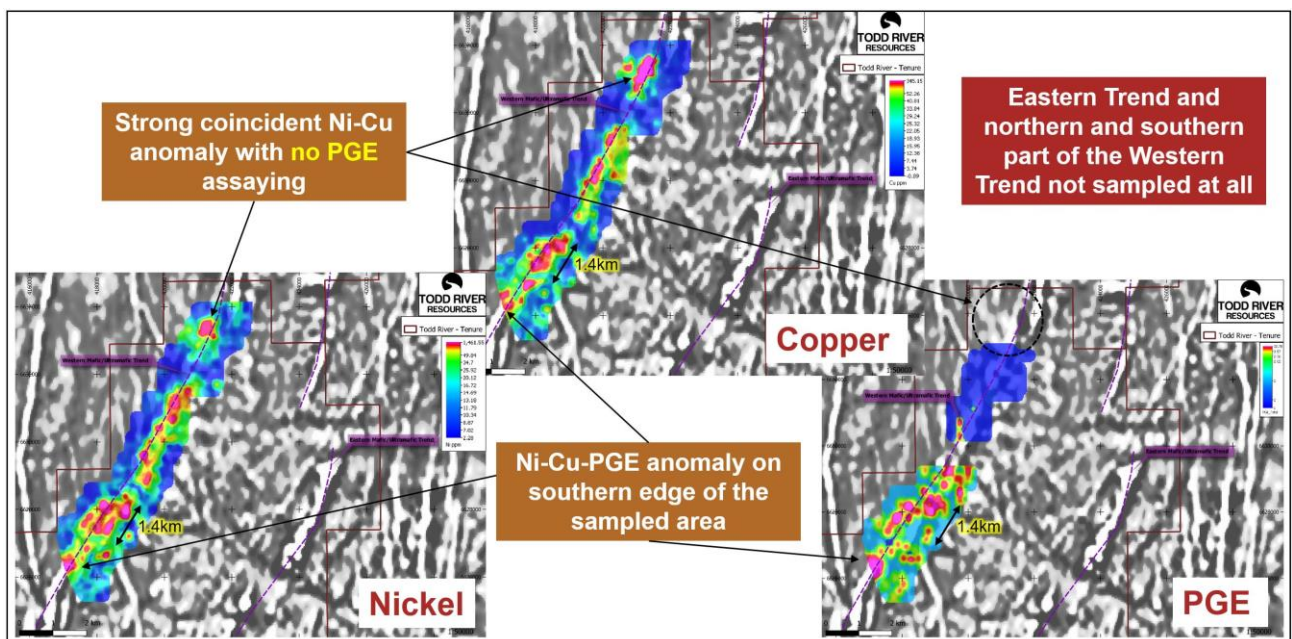


Figure 8: Gridded nickel, copper and platinum+palladium anomalies (colour) from previous auger sampling over magnetics (greyscale) covering 8 kilometres of strike of the western mafic/ultramafic trend (courtesy of TRT).

Polar Bear nickel project (S2 100% nickel rights)

S2's holds the nickel rights over an area of 510 square kilometres to the southeast of the Widgiemooltha and Kambalda nickel sulphide trends. 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 RNC). The nickel rights include the Halls Knoll, Taipan and Gwardar nickel prospects.

No activity this quarter.

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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.

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
Western Australia					
Fraser Range	E28/2791	Southern Star Pty Ltd	Fraser Range	100%	Granted
Fraser Range	E28/2792	Southern Star Pty Ltd	Fraser Range	100%	Granted
Fraser Range	E28/2793	Southern Star Pty Ltd	Fraser Range	100% when granted – subject to ballot	Application
Fraser Range	E28/2794	Southern Star Pty Ltd	Fraser Range	100% when granted – subject to ballot	Application
Polar Bear	E15/1298	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1461	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1541	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1142	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1712	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1725	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1756	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1757	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	M63/662	Polar Metals Pty Ltd	Lake Cowan	100% nickel when granted	Application
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
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
Three Springs	E70/5380	Southern Star Pty Ltd	Three Springs	100% when granted	Application
Three Springs	E70/5381	Southern Star Pty Ltd	Three Springs	100% when granted	Application
West Murchison	E70/5382	Southern Star Pty Ltd	West Murchison	100% when granted	Application
West Murchison	E09/2390	Southern Star Pty Ltd	West Murchison	100% when granted	Application
West Murchison	E09/2391	Southern Star Pty Ltd	West Murchison	100% when granted	Application
Finland					
<i>Exploration Licenses</i>					
Central Lapland	Keulakkopää ML2016:0058	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana Central ML2018:0081	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Aakenusvaara ML2018:0105	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana W2 ML2018:0107	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Kerjonen ML2015:0061	Sakumpu Exploration Oy	Central Lapland	100% upon renewal	Renewal pending
Central Lapland	Palvanen ML2016:0062	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Putaanperä ML2016:0063	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Sikavaara E ML2016:0056	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana East ML2017:0029	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana West ML2017:0028	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Selkä ML2017:0037	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Mesi ML2017:0034	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Ruopas ML2017:0040	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Nuttio ML2017:0041	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Home ML2017:0042	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Hanhijarvi ML2017:0112	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Pikkulaki ML2017:0111	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Ruopas 1 ML2018:0065	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Home 1 ML2018:0109	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Pahasvuoma ML2019:0085	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Rova ML2019:0086	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Sikavaara W ML2019:0107	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application