



COMPLETION OF SHARE PURCHASE PLAN

Highlights

- **A\$3 million Share Purchase Plan completed with overwhelming demand**
- **Oversubscribed by A\$19 million with applications for A\$22 million worth of shares**
- **Applications scaled back accordingly**

S2 Resources Ltd ("**S2**" or the "**Company**") advises that its Share Purchase Plan ("**SPP**") to raise A\$3 million has been completed after receiving applications for approximately A\$22 million worth of shares from approximately 2,000 shareholders.

Under the SPP, eligible S2 shareholders were invited to subscribe for new ordinary shares in S2 at an issue price of \$0.40 per share, up to a maximum value of A\$15,000 per shareholder. Participation in the SPP was open to shareholders who were registered holders of S2 shares at 5.00 pm (AEST) on 22 July 2016 ("**Record Date**") and whose registered address is in Australia or New Zealand.

In the event of an oversubscription, the SPP terms and conditions allow the Company to scale back the number of shares allotted in its absolute and sole discretion. Given the overwhelming demand, the Company has had to significantly scale back individual applications, but has attempted to do so in a way which is as fair and transparent as possible. The approach adopted is broadly as follows:

- Directors of the Company chose not to participate in the SPP despite being eligible to do so, so as not to deprive other eligible shareholders
- All applications were scaled back on a pro rata basis using a simple ratio based on the quantity available relative to demand
- Allocations were also weighted negatively or positively in accordance with a formula on the basis of the extent to which eligible shareholders have sold or bought additional shares after the Record Date

- Applicants with a shareholding of between 1 and 1,000 shares or less on the Record Date were allocated an amount sufficient to ensure they will in aggregate have a marketable parcel of shares post-SPP

Managing Director, Dr Mark Bennett, commented “It was extremely pleasing to have such strong demand for the SPP, although this in itself created challenges from an allocation perspective. We have used a systematic process in order to make it as fair as possible whilst trying to ensure our shareholders are allocated meaningful parcels”.

The shares issued under the SPP will be allotted on Monday, 22 August 2016 and quoted on the ASX on Tuesday, 23 August 2016. Confirmation notices will be dispatched on Wednesday, 24 August 2016.

For shareholders whose applications have been scaled back, refunds of excess application monies via direct debit will be completed by 24 August 2016. Refund advices, together with refund cheques for those applicants who do not have bank account details and payment instructions recorded with the share registry will also be dispatched on 24 August 2016.

For further information, please contact:

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