



## EXPLORATION UPDATE – BALOO

### Key points

- **Two deep holes intersect gold mineralization beneath Baloo resource between recent widely spaced mineralized holes**
- **Confirms continuity of gold mineralization over a strike extent of at least 250 metres at some 100-200 metres below previous drilling**
- **Doubles depth extent of known Baloo mineralization**

S2 Resources Ltd (“S2” or the “Company”) advises that ongoing diamond drilling beneath the Baloo gold deposit at its 100% owned Polar Bear project in Western Australia has intersected gold mineralization in two holes, confirming the down dip continuity of the deposit over a significant dip and strike extent beneath the resource (see ASX announcement dated 4 March 2016).

The two new drillholes at Baloo are located between two previous widely (210 metre) spaced holes which intersected 6m@2.23g/t and 8.4m@1.63g/t gold in SPBD0351 and 11.9m@1.3g/t and 0.9m@44.1g/t gold in SPBD0349 (see ASX announcement of 22 November 2016). The new intersections comprise:

- **7m @ 2.36g/t gold** from 369m and **5.45m @ 3.3g/t gold** from 378.75m in SPBD0352, located 40m north and up plunge of previous hole SPBD0349, and 100m south and down plunge of;
- **3.15m @ 3.45g/t gold** from 303.15m in SPBD0353, located 100m north and up plunge of SPBD0352, and 80m south and down plunge of previous hole SPBD0351

These intercepts confirm the presence of a 6-17m true thickness mineralized shear zone over a strike extent of at least 250 metres, some 100-200 metres below previous deepest drilling at Baloo and 100 and 150 metres below the current limit of the Baloo Mineral Resource (see Figures 1 and 2). This doubles the down dip extent of mineralization from previous drilling.

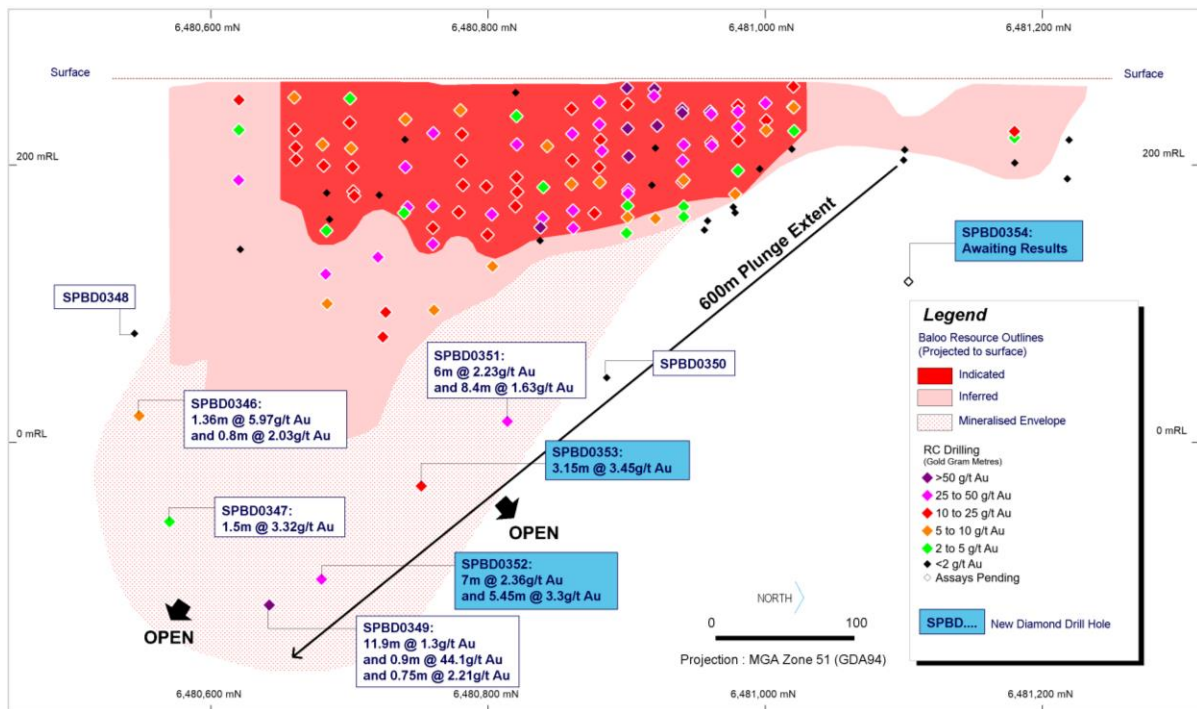


Figure 1. Long projection of the Baloo gold deposit, showing the shear zone hosting mineralization, the location and pierce points of drillholes, and the extent of gold mineralization discovered to date.

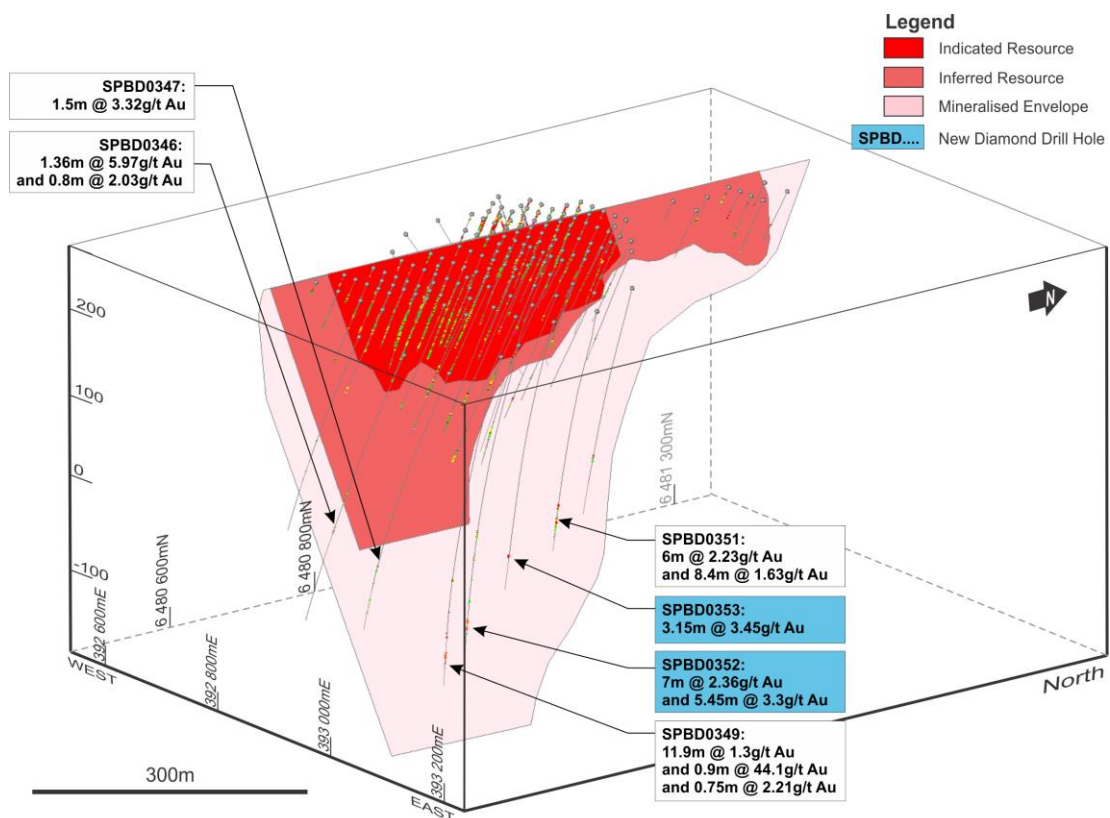


Figure 2. Three dimensional view of the Baloo gold deposit, showing the shear zone hosting mineralization, the location and pierce points of drillholes, and the extent of gold mineralization discovered to date.

**For further information, please contact:**

Mark Bennett  
 Managing Director  
 +61 8 6166 0240

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

**Competent Persons statement**

The information in this report that relates to Exploration Results is based on information compiled by John Bartlett who is an employee of the company. Mr Bartlett is a member of the Australasian Institute of Mining and Metallurgy. Mr Bartlett has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons 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.

Hole No.	Zone	Total Depth	North	East	RL	Dip	Azim	From, m	To, m	Width, m	Au g/t	Comment
SPBD0090	Baloo	174.1	6480920	392710	262	-60	90	4.5	34	29.5	1.61	
and								48.15	60.8	12.6	1.53	
SPBD0091	Baloo	310	6480920	392815	262	-60	270	52	53.3	1.3	0.89	
SPBD0092	Baloo	146.9	6480920	392870	262	-60	270	63.4	66.6	3.2	2	
and								113.9	118.2	4.3	1.64	
SPBD0093	Baloo	143.8	6480880	392820	262	-60	270	15.5	28.8	13.3	1.75	
including								20.8	23.8	3	4.51	
and								65.2	82.4	17.2	1.2	
including								72.7	78	5.3	2.65	
SPBD0094	Baloo	122.7	6480920	392770	262	-60	270	20.6	21.7	1.1	9.74	
and								27.7	30.3	2.6	2.3	
and								33.7	63.5	29.8	2.17	
including								38	42.4	4.4	5.16	
SPBD0095	Baloo	144.7	6480880	392860	262	-60	270	5.4	14.1	8.7	1.19	
and								75.9	81.3	5.4	0.88	
								110.5	112.5	2	2.52	
SPBD0096	Baloo	140.8	6480880	392860	262	-60	270	100.6	108.5	7.9	1.42	
SPBD0097	Baloo	175.3	6480720	392920	262	-60	270	113.8	158.8	45	0.6	
including								133.3	134.4	1.1	5.93	
SPBD0098	Baloo	164.8	6480960	392900	262	-60	270				NSI	
SPBD0099	Baloo	150.7	6480840	392870	262	-60	270	95.8	108.6	12.8	3.1	

Hole No.	Zone	Total Depth	North	East	RL	Dip	Azim	From, m	To, m	Width, m	Au g/t	Comment
including								103.4	104.7	1.3	15.8	
and								117.4	124.3	6.9	0.9	
SPBD0100	Baloo	175.6	6480840	392910	262	-60	270	125.2	132.8	7.6	8.35	
including								131.5	132.6	1.1	32.2	
SPBD0101	Baloo	173.9	6480800	392890	262	-60	270	111.5	121.3	9.8	4.97	
SPBD0102	Baloo	183.7	6480840	392950	262	-60	270				NSI	
SPBD0103	Baloo	137.9	6480960	392860	262	-60	270	48.4	52.5	4.1	0.68	
and								74.2	77.5	3.3	1.08	
SPBD0104	Baloo	170.5	6480800	392930	262	-60	270	50	54.5	4.5	1.05	
and								68.1	91.8	23.7	0.74	
SPBD0105	Baloo	150.9	6480840	392990	262	-60	270				NSI	
SPBD0106	Baloo	199.3	6480760	392900	262	-60	270	116	128.4	12.4	1.51	
SPBD0107	Baloo	129	6480960	392700	262	-60	270	7.5	46.7	36.5	4.36	
including								14.1	29.4	15.3	8.48	
and								56.5	59	2.5	10.54	
SPBD0108	Baloo	218.5	6480760	392940	262	-60	270	146.8	148.5	1.7	1.91	
and								153.4	157.4	5.6	1.1	
SPBD0109	Baloo	82.4	6480960	392660	262	-60	90				NSI	
SPBD0111	Baloo	233.6	6480760	392980	262.75	-60	270	182.1	187.5	5.4	0.83	
SPBD0112	Baloo	113.4	6481000	392820	262	-60	270				NSI	
SPBD0113	Baloo	182.9	6480800	392930	262	-60	270	134	135.7	1.7	0.84	
and								141	154.8	13.8	0.71	
and								159.5	163.3	3.8	0.85	
SPBD0114	Baloo	261.2	6480720	392960	262	-60	270	167	183.7	16.7	0.79	
and								206.8	217	10.2	0.77	
SPBD0116	Baloo	197.7	6480800	392970	262	-60	270	163.2	166.2	3	1.97	
SPBD0117	Baloo	287.2	6480720	393000	262	-60	270	182.9	188.8	5.9	0.92	
and								214.1	242.4	28.3	0.86	
including								216.6	217.85	1.25	9.52	
SPBD0120	Baloo	265.2	6480680	392960	262	-60	270	188.6	189.2	0.6	13.95	
and								252.6	252.95	0.35	62.5	
SPBD0122	Baloo	260.2	6480680	392920	262	-60	270	157.4	159.9	2.5	10.85	
SPBD0280M	Baloo	81.6	6480903	392745	262	-90	0				-	Met Hole - not sampled
SPBD0281M	Baloo	83.1	6480937	392735	262	-90	0				-	Met Hole - not sampled
SPBD0282	Baloo	198.9	6480857	392684	262	-60	45	75.6	77.9	2.3	1.64	
and								84.7	87.5	2.8	2.38	
SPBD0283G	Baloo	131.3	6480800	392700	262	-55	45	102	103	1	1.76	
SPBD0284G	Baloo	50.3	6480750	392740	262	-60	90				NSI	
SPBD0346	Baloo	423.8	6480540	393030	262	-60	270	276.18	277.54	1.36	5.97	
and								287.7	288.5	0.8	2.03	
SPBD0347	Baloo	414.6	6480540	393110	262	-60	270	361.6	363.1	1.5	3.32	

Hole No.	Zone	Total Depth	North	East	RL	Dip	Azim	From, m	To, m	Width, m	Au g/t	Comment
SPBD0348	Baloo	304.5	6480540	392950	262	-60	270				NSI	
SPBD00349	Baloo	444.9	6480620	393100	262	-70	270	302.8	305.3	2.5	1.04	
and								346.1	346.4	0.3	4.77	
and								374.6	375.1	0.5	3.64	
and								380.3	381.2	0.9	1.06	
and								399	410.9	11.9	1.3	
and								413.75	414.65	0.9	44.1	
and								416	416.75	0.75	2.21	
SPBD0350	Baloo	306.7	6480880	393000	262	-70	270				NSI	
SPBD0351	Baloo	327.8	6480800	393040	262	-70	270	263	269	6	2.23	
and								282	290.4	8.4	1.63	
<b>SPBD0352</b>	<b>Baloo</b>	<b>411.8</b>	<b>6480660</b>	<b>393080</b>	<b>262</b>	<b>-70</b>	<b>270</b>	<b>369</b>	<b>376</b>	<b>7</b>	<b>2.36</b>	
and								<b>378.75</b>	<b>384.2</b>	<b>5.45</b>	<b>3.3</b>	
<b>SPBD0353</b>	<b>Baloo</b>	<b>357.9</b>	<b>6480740</b>	<b>393040</b>	<b>262</b>	<b>-70</b>	<b>270</b>	<b>303.15</b>	<b>306.3</b>	<b>3.15</b>	<b>3.45</b>	
SPBD0354	Baloo	183.4	6481100	392910	262	-60	270				AWR	

## SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>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.</i></p>	<p>In zones of weakly weathered or fresh rock the HQ or NQ2 core is cut using a diamond core saw with half core sampled for assay. The ore is cut along the orientation line, with the same side sampled to ensure sample is representative.</p> <p>In zones of highly weathered core where the sample is either highly broken or highly friable and a representative split cannot be achieved then whole core sample of either the PQ3 or HQ3 core is taken.</p> <p>For RC sampling, a 1 metre split is taken directly from a cone splitter mounted beneath the rigs cyclone. The cyclone and splitter are cleaned regularly to minimise any contamination. A second reference split is also taken from each metre and stored on site.</p> <p>Aircore holes are sampled using an aluminium scoop to produce a four metre composite sample similar to the RC sampling methodology.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i></p>	<p>Sampling and QAQC procedures is carried out using S2 protocols as per industry best practice.</p>
	<p><i>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</i></p>	<p>Reconnaissance aircore samples are composited at 4 m to produce a bulk 3 kg sample. Samples were dried, pulverised (total prep), and split to produce a 25 g sub sample which is analysed using aqua-regia digestion with ICP-MS finish with a 1 ppb detection limit.</p> <p>A 1m end of hole sample was collected for all aircore holes. Sample preparation was the same as above and were analysed using a four acid digest with an ICP/OES and fire assay. The following elements are included in the assay suite: Ag, Al, As, Au, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sc, Sr, Te, Ti, Tl, V, W, Zn.</p> <p>RC drilling is sampled a 1m "cone" split sample, to produce a bulk 3 kg sample. Sample preparation was the same as for the aircore drilling. A nominal 50gram sub-sample was collected and analysed by Samples were to produce a sub sample for analysed by fire assay with an AA finish.</p> <p>Diamond core (HQ and NQ2) is half core sampled to geological boundaries of no more than 1m and no less than 30cm. Samples were crushed, dried and pulverised (total prep). Analysis is same as for RC.</p> <p>Oxide PQ3 core is whole core sampled and then dried, crushed to -2mm and then rotary split to a 3kg sample for pulverisation and 50g fire assay.</p>

Criteria	JORC Code explanation	Commentary
<b>Drilling techniques</b>	<i>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).</i>	<p>Diamond drilling is completed using either NQ2, HQ, or PQ3 (through the oxide zone) sized coring equipment. All core is orientated (where possible) using a Reflex ACT II RD orientation tool.</p> <p>RC drilling is carried out using a face sampling hammer with a nominal diameter of 140mm.</p> <p>Aircore drilling is carried out using a 3 ½ inch blade bit. Where necessary a 3 ½ inch face sampling hammer is employed to penetrate through hard zones.</p>
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	<p>Diamond core recoveries is logged and captured in the database. The core length recovered is measured for each run and recorded which is used to calculate the core recovery as a percentage core recovered.</p> <p>RC and aircore sample recoveries are visually estimated qualitatively on a metre basis and are recorded in the database.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	<p>Measures taken to maximise the core recoveries includes using appropriate core diameter and, where necessary, restricting drill penetration and/or reducing core runs.</p> <p>Triple tube diamond core through the weathered zone is too broken to allow core cutting and therefore the core is sampled whole to ensure no bias is introduced.</p> <p>Various drilling additives (including muds and foams) have been used to condition RC and aircore drill holes to maximise recoveries and sample quality. Drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down hole and/or cross-hole contamination.</p>
	<i>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.</i>	<p>Core drilling has resulted in narrow zones of poor to no core recoveries through the oxide zone in areas of very soft clays and fault gouge within the weathered zones. These are recorded as poor or zero recovery and not assigned grade.</p> <p>Aircore drilling samples are occasionally wet which may have resulted in sample bias due to preferential loss/gain of fine/coarse material.</p> <p>No sample recovery issues have impacted on potential sample bias within coring of fresh rock or within RC drilling.</p>
<b>Logging</b>	<i>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.</i>	<p>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.</p> <p>Lithology, alteration, veining, structural and geotechnical (diamond core) characteristics is recorded directly to a digital format and imported into S2 Resources central database.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p>Logging is both qualitative and quantitative in nature depending on the field being captured.</p> <p>All core is photographed</p>
	<i>The total length and percentage of the relevant intersections logged</i>	<p>All drillholes were logged in full.</p>

Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>In zones of highly weathered core where the sample is either highly broken or highly friable the PQ3 or HQ3 core is sampled whole core. Oxide whole core is submitted to the lab in samples not exceeding 6kg and then coarse crushed to &lt;2mm. Samples are then rotary split to provide a 3kg sub sample for pulverisation.</p> <p>In zones of weakly weathered or fresh rock the HQ or NQ2 core is cut using a diamond core saw with half core sampled for assay.</p>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>RC and aircore samples consist of a 4 metre composite RC spoils are sampled by scoop. All RC holes are sampled 1 metre samples are collected via an on-board cone splitter. Samples were collected both wet and dry.</p>
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>The sample preparation follows industry best practice in sample preparation All samples are pulverised utilising Essa LM1, LM2 or LM5 grinding mills determined by the size of the sample. 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.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p>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.</p> <p>Grind size checks are routinely completed to ensure samples meet the industry standard of 85% passing through a 75µm mesh.</p>
	<i>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.</i>	<p>For aircore and RC drilling, field duplicates are taken at regular intervals. Samples are selected to weigh less than 3kg to ensure total preparation at the pulverisation stage.</p> <p>For diamond core, the orientation line is used as a reference line with the half core sample always coming from RHS of the orientation line.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p>Sample sizes are considered appropriate for nickel sulphide and gold mineralisation.</p>

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>RC and diamond core samples are analysed for Au only using a 40g or 50g Lead Collection fire Assay with either an ICP/MS or AAS finish at either Minanalytical Laboratories in Perth or Bureau Veritas laboratories in Kalgoorlie.</p> <p>4m composite samples from AC drilling are analysed for Au only using a 25g aqua-regia digestion with an ICP/MS finish. The method gives a near total digestion of the regolith intercepted in aircore drilling and is suitable for the reconnaissance style sampling undertaken. Infill 1m samples and samples greater than 1 g/t are re-assayed using 50 g fire-assay with AAS finish which gives total digestion and is more appropriate for samples with high levels of gold.</p> <p>All aircore holes (both gold and nickel exploration) have a 1m end-of-hole sample is collected for all AC holes. An extensive multi-element suite (including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, Sb, Sc, Sr, Te, Ti, Tl, V, W, Zn) is analysed using a four acid digest with an ICP/OES and ICP/MS finish. Au, Pt And Pd is analysed for using 25g or 50g Lead Collection fire assay with an ICP/MS finish.</p>
	<i>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.</i>	No geophysical tools were used to determine any element concentrations used in this resource estimate.
	<i>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.</i>	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	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The Exploration Manager of S2 has visually verified significant intersections.
	<i>The use of twinned holes.</i>	No twin holes have been drilled on the project to date.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	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.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data reported.
Location of data points	<i>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.</i>	<p>At Baloo, diamond drill holes have been sighted using the tape and compass method off either the established base line or known surveyed points (old drill holes).</p> <p>All aircore and diamond drilling are routinely picked up by an external surveyor using an RTK GPS system with an expected accuracy is +/- 0.05m for easting, northing and elevation.</p> <p>RC drill sites were laid out by an external surveyor using an RTK GPS system or tape and compass off surveyed collars. All holes will be picked up by the external surveyor prior to any resource calculations.</p>
	<i>Specification of the grid system used.</i>	The grid system used at Polar Bear is GDA94 (MGA), zone 51.

Criteria	JORC Code explanation	Commentary
	<i>Quality and adequacy of topographic control.</i>	<p>A topographic surface has been created from aerial geophysical data, This has been calibrated with DGPS survey data. All reconnaissance drill holes have been corrected to this surface where DGPS pickup is not available.</p> <p>All resource drilling will be picked up by DGPS to within a +/- 50mm accuracy.</p>
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	<p>Data spacing is currently defined by the geological criteria regarded appropriate to determine the extents of mineralisation. Reconnaissance AC drilling is on a nominal spacing of between 240m x 40m and 400m x 40m drill pattern, with infill of resource areas closing down to a nominal 40m x 20m drill pattern for AC, RC and diamond.</p> <p>Extensional drilling of Baloo at depth has been on a nominal 80m spacing.</p>
	<i>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.</i>	<p>Drilling within the defined inferred resource boundary is of sufficient spacing to demonstrate the degree of geological and grade continuity to support the definition of Mineral Resource and Reserves, and the classifications applied under the 2012 JORC Code. Current extensional drilling is not yet sufficient to extend the inferred resource boundary.</p>
	<i>Whether sample compositing has been applied.</i>	<p>No compositing has been applied to the exploration results.</p>
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<p>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.</p> <p>At Baloo the main mineralised structure appears to be dipping moderately to the east and hence 270 azimuth diamond drilling give approximately true width intersections. Supergene dispersion appears relatively flat lying and hence the vertical AC holes also approximate to true thickness.</p>
	<i>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.</i>	<p>No orientation based sampling bias has been identified in the data at this point.</p>
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	<p>Chain of custody is managed by S2 Resources. Samples are stored on site and either delivered by S2 personnel to Perth and then to the assay laboratory, or collected from site by Centurion Transport and delivered direct to the assay laboratory. Whilst in storage, they are kept on a locked yard. Tracking sheets have been set up to track the progress of batches of samples.</p>
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>No audits or reviews have been conducted at this stage.</p>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	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.	<p>The Baloo prospect is located within Exploration License <i>E15/1298</i>, which is located within the Polar Bear Project, 100% owned by Polar Metals Pty Ltd, a wholly owned subsidiary of S2 Resources Ltd.</p> <p>Polar Metals Pty Ltd has lodged a mining lease application (MLA 15/1814) over the Baloo prospect, and is currently in the approval process.</p> <p>The Baloo prospect is situated within the Ngadju Native Title Claim (WC99/002).</p> <p>The claim has satisfied the requirements of Section 190A of the Native Title Act 1993 and has therefore been entered on the Register of Native Title Claims.</p>
	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.	The tenement is in good standing and no known impediments exist on tenement actively explored.
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	<p><u><i>Gold Exploration</i></u></p> <p>Plutonic Operations Limited and Homestake Gold of Australia Limited conducted reconnaissance AC drilling (PBAC prefix) over Lake Cowan on predominantly 100 m drillhole spacing and 800 m line spacing from 1997-1999. Location of these drillholes cannot be verified as the collars are now mostly obscured.</p> <p>AC sampling was done by 4 m composites with 1 m re-splits on samples greater than 0.1 g/t. Samples were assayed by aqua-regia digest with AAS finish although this cannot be verified as the original laboratory.</p>
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	<p>The Polar Bear project is situated within the Archaean Norseman-Wiluna Belt which locally includes basalts, komatiites, metasediments, and felsic volcanoclastics.</p> <p>The primary gold mineralisation is related to hydrothermal activity during multiple deformation events. Indications are that gold mineralisation is focused on or near to the stratigraphic boundary between the Killaloe and Buldania Formation.</p>
<b>Drill hole Information</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul>	Refer to Annexure1 in body of text.

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	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 top-cut of 30 g/t Au has been applied to individual assays when reported intervals are greater than one metre.  A nominal 0.5 g/t Au lower cut-off is used for RC and diamond intersections (unless otherwise stated). A nominal 0.1 g/t Au lower cut-off is used to report AC intersections.
	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.	High grade gold intervals internal to broader zones of mineralisation are 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.
<b>Relationship between mineralisation widths and intercept lengths</b>	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 trend of mineralisation at <b>Baloo</b> appears broadly north south and dipping moderately to the east with the intervals reported near true width. The core of the mineralisation plunges moderately to the south.  Refer to Annexure 1 and Figures in body of text.
<b>Diagram</b>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in body of text.
<b>Balanced reporting</b>	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.
<b>Other substantive exploration data</b>	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.	Two vertical PQ3 holes have been drilled in the core of the weathered mineralization to allow bulk density determination and provide samples for metallurgical testwork. Three geotechnical holes have been drilled in the western portion of the deposit to investigate geotechnical ground conditions in the footwall of a potential open pit. Groundwater monitoring has been initiated with insertion of PVC into selected holes to allow a first pass pump test.
<b>Further work</b>	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	At Baloo, further drilling down plunge and along strike within the mineralised structural trend will continue.