



ANNUAL REPORT

for the Year Ended 30 June 2024

S2 RESOURCES LTD ABN 18 606 128 090

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Stock Exchange Listing

S2 Resources Ltd shares are listed on the Australian Securities Exchange.

ASX Code

S2R

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Chairman's Review

Welcome to S2's Annual Report for the year ending 30 June 2024. I would like to acknowledge and thank our shareholders, who continue to support the Company in its endeavours to find "the next big thing".

The past year has seen big swings in market sentiment, commodity prices, geopolitical tensions, capital availability and risk appetite. Against this uncertain backdrop, your company has maintained its strategy of aiming to create value for shareholders through exploration success, by exploring high impact targets with potential for our preferred core commodity mix of gold, copper, nickel and platinum group elements. We aim high and are prepared to drill bold holes, but we are also prepared to make hard decisions, to walk away from tested targets or divest projects where appropriate. In so doing we are always mindful of conserving our treasury by being thrifty, and by monetising non-core assets, thereby protecting the capital structure of the Company.

Since the last Annual Report, we have made significant progress at the Fosterville gold project in Victoria and have identified and entered into two new farmin agreements over attractive new targets in New South Wales. Whilst we are pleased with the results to date, we would have liked to have done more. In this regard, our greatest challenge is access to land. The negotiation of access agreements throughout Australia, whether with traditional owners, pastoral leaseholders or freehold landowners, now represents a significant cost in terms of money and time just to get to the starting line. S2 recognises and respects the rights of all these stakeholders and works closely with them to undertake responsible exploration in a sustainable and mutually beneficial manner, but it is important that shareholders understand the constraints that this may impose on our momentum.

Despite this, we have progressed a number of our projects, as summarised below and explained in detail in the operations section of this report.

Greater Fosterville, Victoria

Significant progress has been made at the Greater Fosterville gold project in Victoria in the last twelve months. The exploration licence was granted in October 2023 and diamond drilling at the Goornong prospect commenced immediately thereafter. With just eight diamond drill holes, the Company has "cracked the code" of the local geology, defining a discrete mineralised structure dubbed the Blackadder Fault, and intersecting significant gold mineralisation as described in the operations section of this report. The extent and pace of follow up drilling at Goornong will, however, be determined by land access outcomes.

Further afield at Fosterville, reconnaissance induced polarisation (IP) geophysics has also identified several chargeability anomalies warranting follow up, which is envisaged to take place in late 2024 or early 2025 once crops have been harvested.

Glenlogan, New South Wales

S2 identified an attractive undrilled porphyry-style copper-gold target in the highly endowed Lachlan Fold Belt of New South Wales in late 2023 and entered into a farmin agreement with the tenement holder, Legacy Minerals, in January 2024. This is a deep but potentially large, high impact target requiring several deep, bold holes to test it. The first deep diamond hole was completed in August 2024, with results awaited at the time of writing.

Warraweena, New South Wales

Following the publication of new Australia-wide pre-competitive heavy mineral concentrate sampling data in October 2023, S2 secured the strongest nickel-copper-zinc anomaly in the country by entering into a farmin agreement with the tenement holder, Oxley Resources, in December 2023. This anomaly is underlain by various unexplained and unexplored concealed gravity and magnetic features that are potentially prospective for a variety of mineralisation styles, including magmatic nickel-copper-PGE, porphyry copper-gold and Cobar-style zinc-lead-silver. Initial detailed gravity surveying has commenced and is ongoing at the time of writing.

Koonenberry, New South Wales

Koonenberry is a belt-scale magmatic nickel-copper-PGE play located near Packsaddle, approximately two hour's drive north of Broken Hill in western New South Wales. Following the signing of various access agreements, a regional ground-based electromagnetic (EM) geophysics program commenced in 2023 and is being gradually extended along the 140 strike kilometres of the belt owned by S2. As with the approach of S2's precursor Sirius Resources in the Fraser Range project (that led to the discovery of the Nova-Bollinger nickel-copper mine), any discrete EM anomalies that are revealed by this program will be drill tested.

Jillewarra, Western Australia

S2 is earning up to a 70% interest in the Jillewarra gold project from private company Black Raven Resources. The key target comprises a 35 kilometre long segment of the concealed and unexplored Karbah shear zone – a regional shear zone that along strike to the southwest hosts multi-million ounce gold deposits such as Westgold's Big Bell mine and Spartan Resources' Never Never and Pepper deposits.

Unfortunately, the past year has been spent continuing to negotiate a Heritage Protection Agreement with the traditional owners of the area in order to enable the grant of key exploration licence applications over the Karbah target area. However, I am hopeful that this will soon be resolved so the Company can commence a classic district-scale gold exploration drilling program in this highly endowed yet underexplored region.

Other Exploration

The company retains the nickel rights at its Polar Bear nickel project near Norseman in Western Australia, which contains several notable nickel sulphide prospects, but no exploration was conducted during the period.

Following an aborted sale of its West Murchison project, the company resumed soil geochemical sampling and immediately identified four large strong nickel-copper-PGE anomalies in July 2024. These are currently being field checked but are considered to be prospective for West Yilgarn Julimar-style mineralisation.

Corporate

The Company's Finnish subsidiary, Sakumpu Exploration Oy, was sold during the year to Vancouver-based and TSXV-listed Outback Goldfields (now renamed Valkea Resources) for a consideration of C\$1.5 million cash (before costs) and C\$5.5 million shares in Valkea. This cash payment together with the alleviation of holding costs is consistent with the Company's policy of minimising costs and monetising assets, and the share-based component of the consideration is consistent with the Company's aim of maintaining upside exposure to independently funded exploration success, through its resultant 44% shareholding in Valkea. To this end, S2 has the right to two board seats and Valkea shareholders have approved my election as a director of Valkea to oversee S2's interests.

The Company raised A\$7 million in December 2023 and remains funded to pursue its priority targets.

In summary, commodity bubbles have come and gone, but the outlook for gold and copper is good and rumours of nickels death are greatly exaggerated, so our aim remains the same. It is to make substantial discoveries capable of having a significant impact on the value of the company and return on investment for its shareholders. We have the capability of finding these and developing them into mines should they be financially robust, technically low risk, environmentally responsible, and beneficial to local communities and traditional owners. Thanks to macro-market sentiment, our progress has not been reflected in our share price, but we remain firm in our commitment to achieve our ambitions, and we continue to diligently work towards that end.

I also wish to thank our employees, who day in day out endeavour to turn our aspirations into reality in the face of various challenges and uncertainty.



Mark Bennett

Executive Chairman

Operations Review

AUSTRALIAN PROJECTS

Greater Fosterville, Victoria (S2 100%)

S2's 100% owned subsidiary, Southern Star Exploration Pty Ltd, via a Victorian government tender process, owns Exploration Licence 7795 (EL7795), which was granted in October 2023, and covers an area of 394 square kilometres. It extends 55 kilometres north to south and abuts and surrounds Agnico Eagle's Fosterville mine lease (Figure 1). By virtue of its position, its size, and its inherent prospectivity, EL7795 is a highly strategic asset.

As winners of the tender, S2 has also 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.

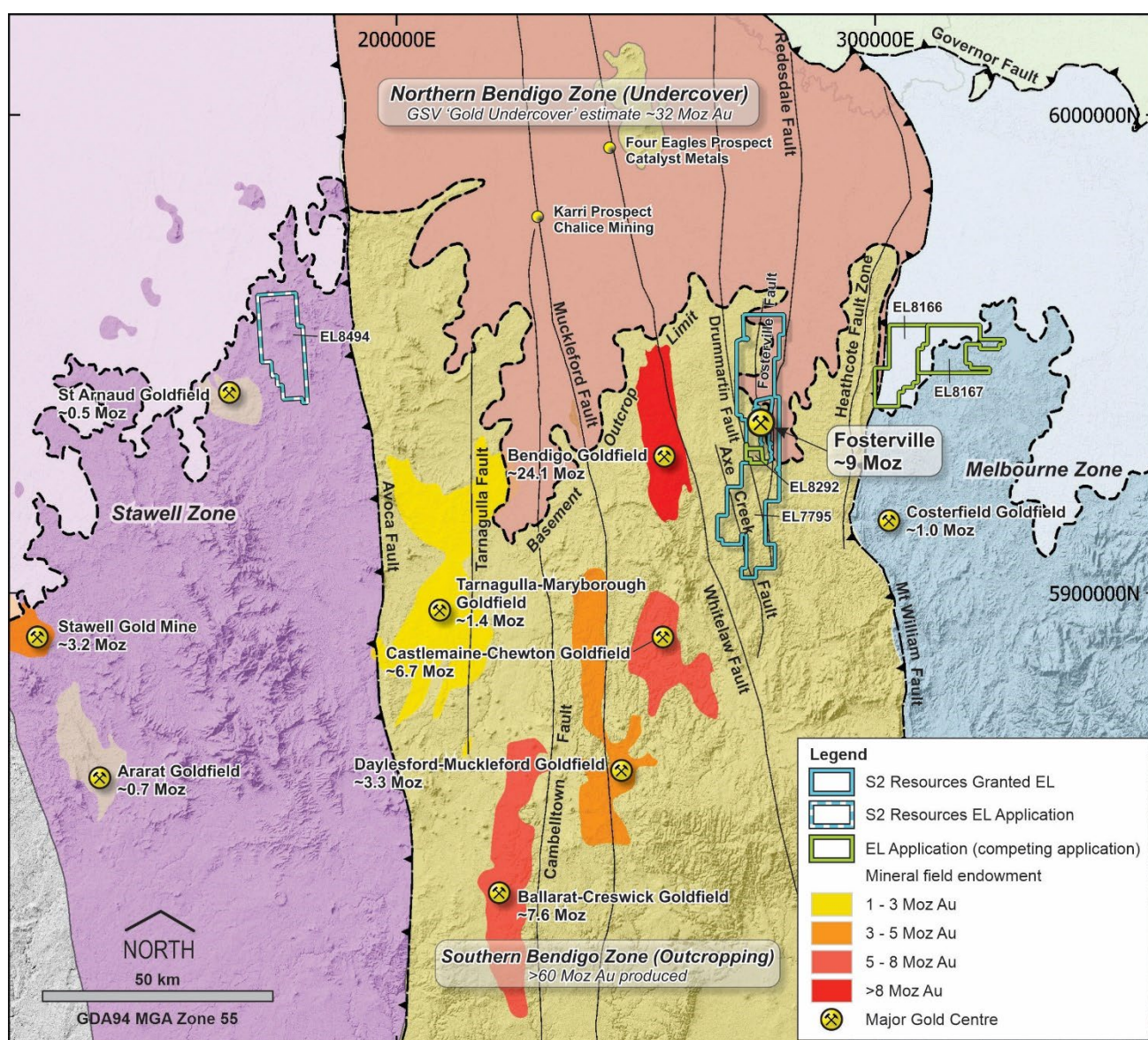


Figure 1. Regional map of the Victorian Goldfields showing the location of EL7795 together with recently granted EL8074 and further applications EL8166, 8167, 8292 & 8494, together with the Fosterville mine and gold endowment of selected fields.

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 (Figure 2).

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 exploration¹.

Based on an assessment of previous exploration the Company 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 area was selected as the first drill program by S2 Resources, which tested 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 designed a program of 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 were 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 of which could yield a significant discovery where they refract and dilate across the fold corridor.

¹ Until such time as access consents are obtained there is no guarantee that the Company will be able to access freehold property, but a substantial amount of drilling can be undertaken from roadsides.

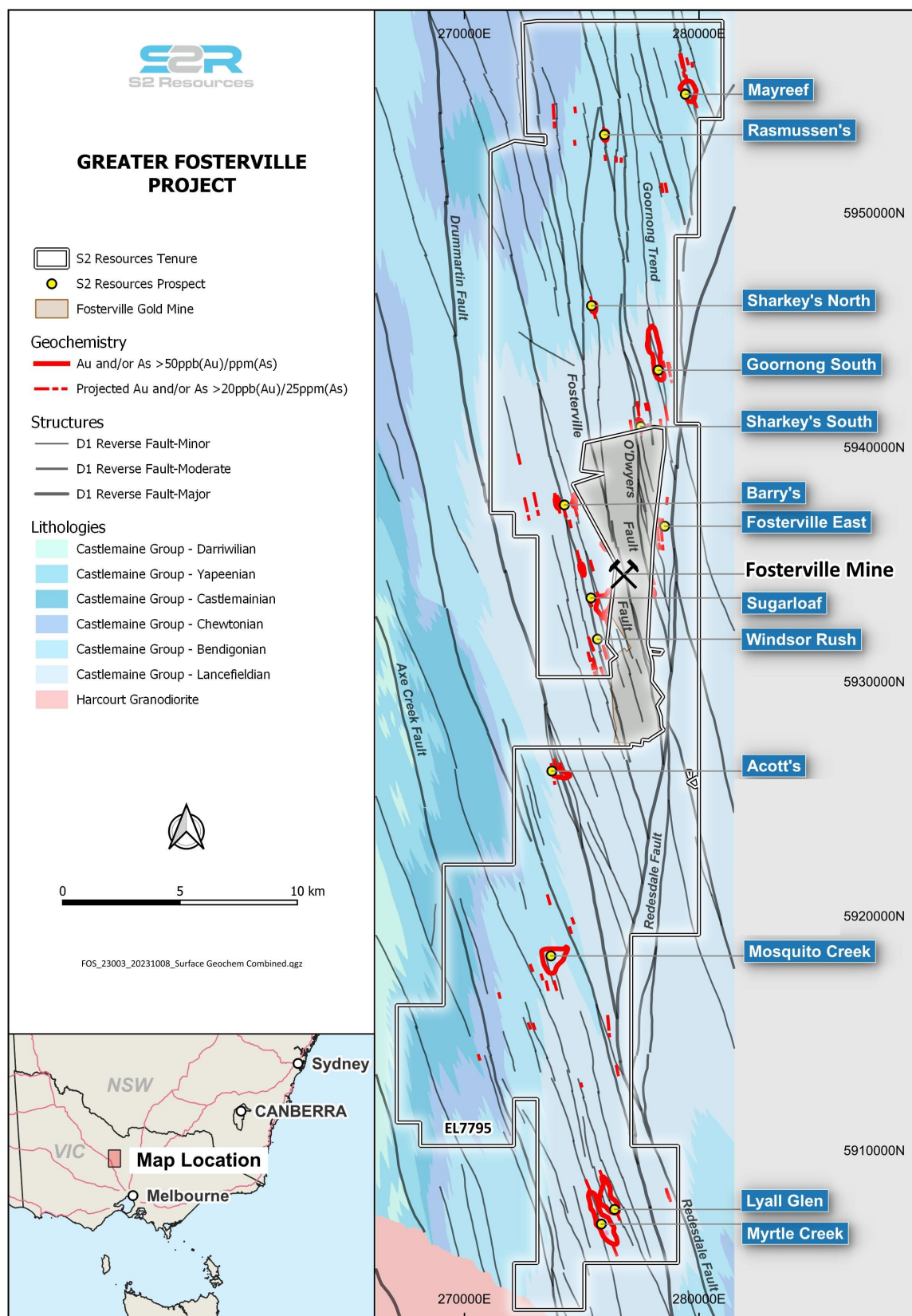


Figure 2. Map of EL7795 showing gold deposits/occurrences/prospects, key structures and the favourable corridor for gold mineralisation west of the Redesdale Fault.

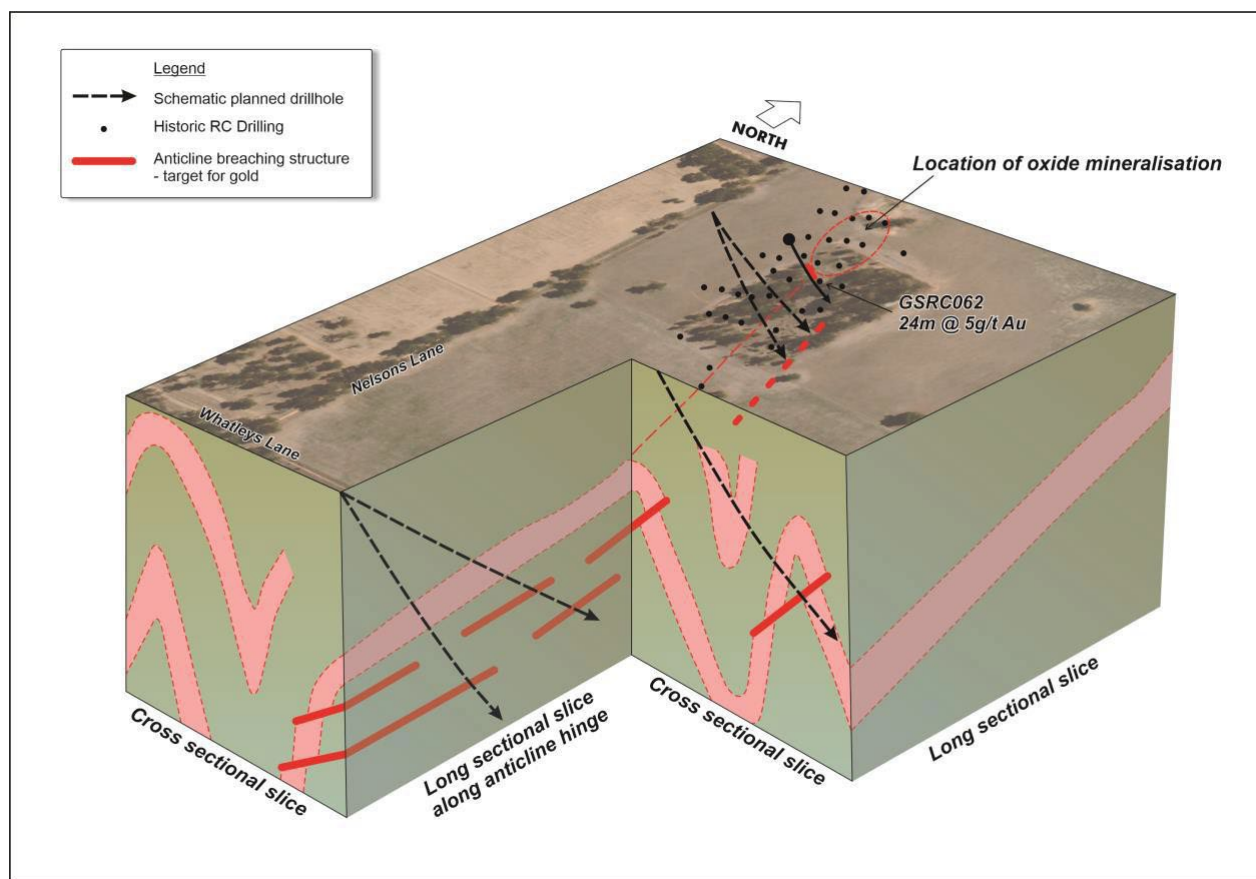


Figure 3. Schematic block model of the Goornong area showing the south plunging fold structures and the targeted fault structures intersecting anticlines. Drilling includes both across strike (conventional) testing of mineralised structures (as shown in the cross-sectional slices) and along strike (non-conventional) testing of multiple structural positions within the favourable Goornong anticline trend (as shown in the long sectional slices). Drillhole positions are illustrative only and locations may vary.

Detailed logging of all eight holes drilled by S2 Resources, together with one historical hole, has enabled the Company to identify what it believes is the same structure in four different holes. These intercepts align in a consistent plane, defining a fault zone dubbed the Blackadder Fault (see Figure 5). 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

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 5 and 6). Importantly, it is open both up and down dip, and along strike and plunge.

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 the hangingwall of this structure as a complex clustering of gold mineralised fractures with variable associated quartz vein development. Mineralisation is closely associated with disseminated sulphide (pyrite-arsenopyrite) alteration zones around faults, and with variable presence of stibnite both coarsely crystalline within veins and as finer disseminations.

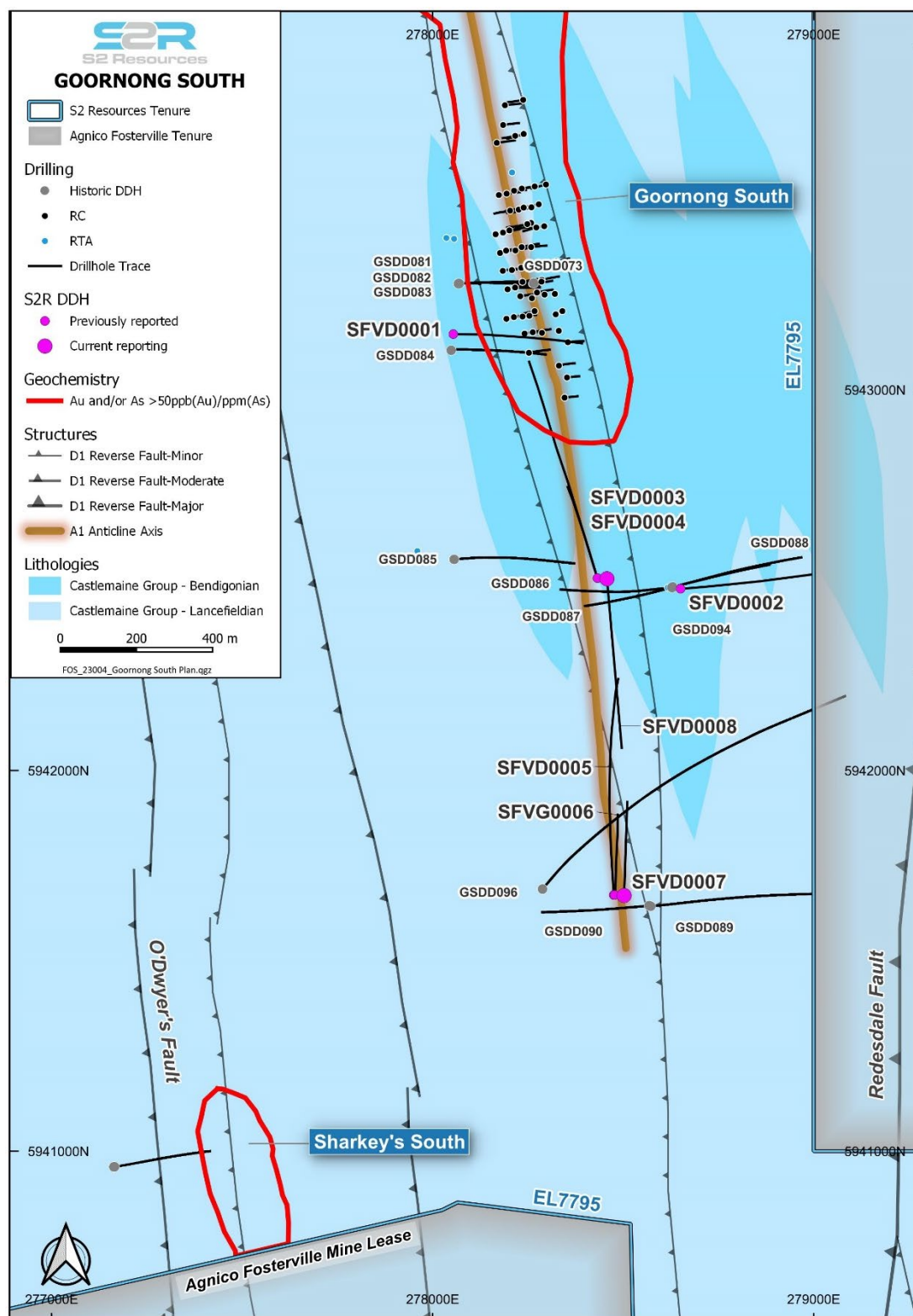


Figure 4. Map of the Goornong South area showing the diamond drill holes completed by S2, gold oxide mineralised zone (historic RC drilling) and Kirkland Lake diamond drill holes drilled immediately prior to their relinquishment of the ground, aimed at testing the southerly down plunge continuation of this zone. Note, the O'Dwyer's Fault (which contains the Robbins Hill and Curie zones further south) both extend through this area.

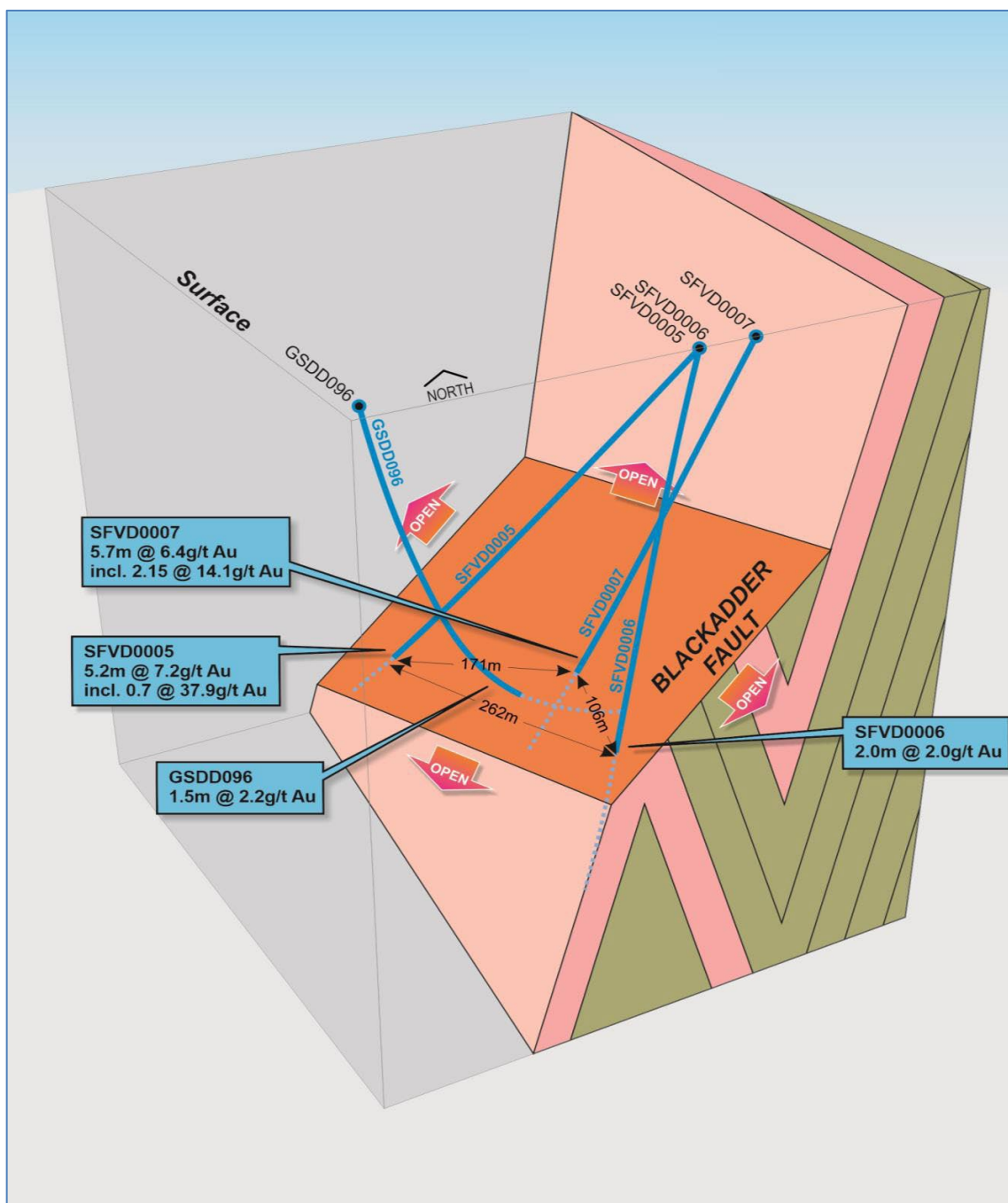
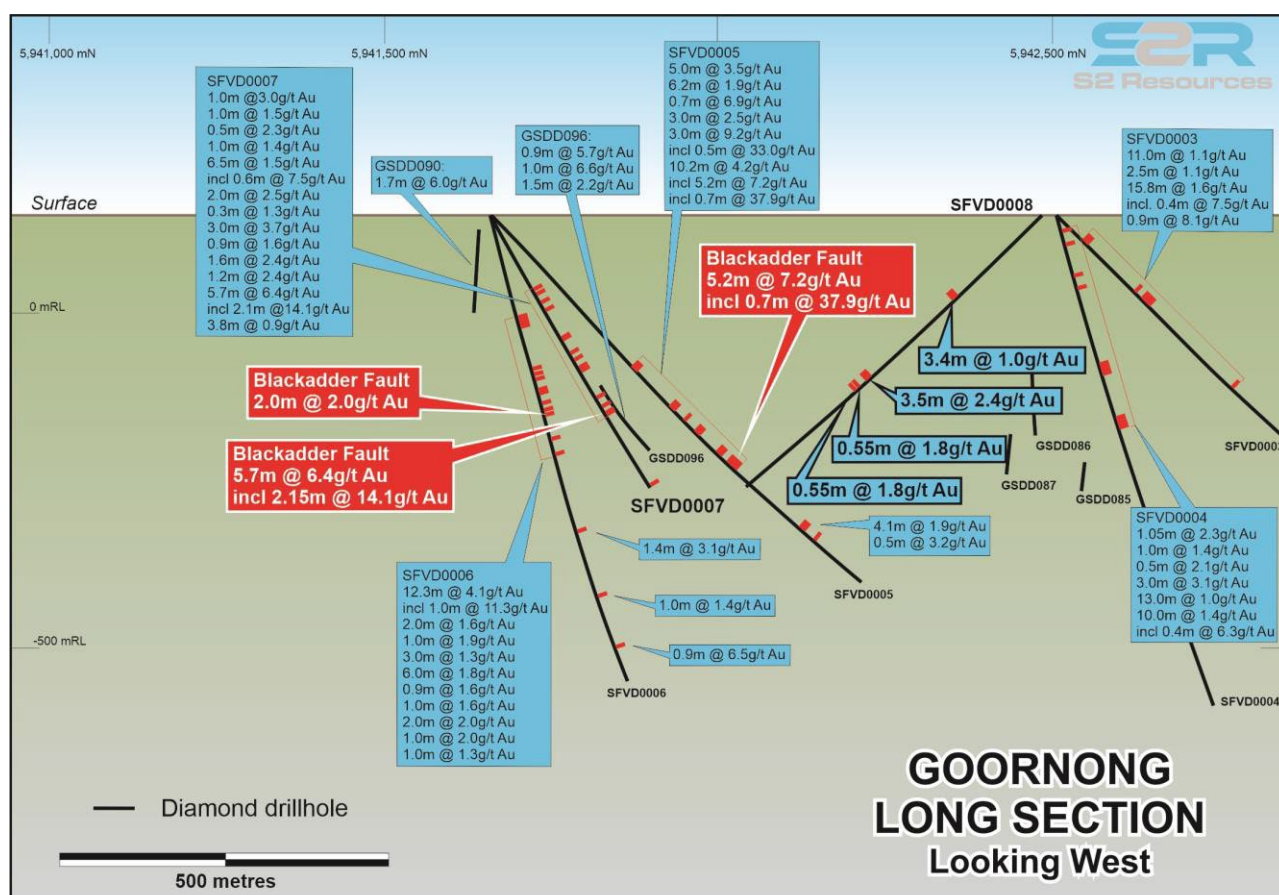


Figure 5. Isometric block diagram looking north-northeast showing drillhole collars at surface and pierce points on the Blackadder Fault with associated gold intercepts at depth. The fault surface is assumed to extend up and down dip to adjacent fold limbs where it may steepen and becomes parallel with stratigraphic units. The orange coloured part is the flatter part which is considered more likely to dilate and thicken.

Key intercepts within this broad zone of complex mineralised structures around the Blackadder Fault include:

- 3.0 metres @ 3.1g/t gold from 113 metres (SFVD0004)
- 13.0 metres @ 1.0g/t gold from 234 metres (SFVD0004)
- 10.0 metres @ 1.4g/t gold from 320 metres, including 0.4 metres @ 6.3g/t gold from 324.7 metres (SFVD0004)
- 5.0 metres at 3.5g/t gold from 319 metres (SFVD0005)
- 6.2 metres at 1.9g/t gold from 395 metres (SFVD0005)
- 0.7 metres at 6.9g/t gold from 409.6 metres (SFVD0005)
- 3.0 metres at 2.5g/t gold from 430 metres (SFVD0005)



Geological Survey of Victoria discovery Portal, includes 13 lines located on EL7795 that traverse several mineralised trends and which in places extend across Agnico Eagle's mine lease where they highlight the high-grade Swan Zone and the down plunge position of the Curie Zone currently being drilled out by Agnico Eagle from underground (Figure 7). Inversion modelling shows chargeability anomalism is coincident with several known mineralised structures, including the Sugarloaf, Fosterville, O'Donnell's, O'Dwyer's and Goornong trends. Most anomalous chargeability responses are broad and extend close to surface. Possible sources for these chargeability responses include hydrothermal sulphide alteration around favourable structures (such as hinge structures and limb thrusts) which often localise quartz veining and gold mineralisation, or stratigraphic responses localised around hinge zones, proximal to gold mineralisation. In combination with analysis and interpretation of historic drilling and surface geochemistry the chargeability surveys appear to provide a primary response related to mineralisation that can be used to prioritise and vector towards gold mineralisation at specific locations along these known trends.

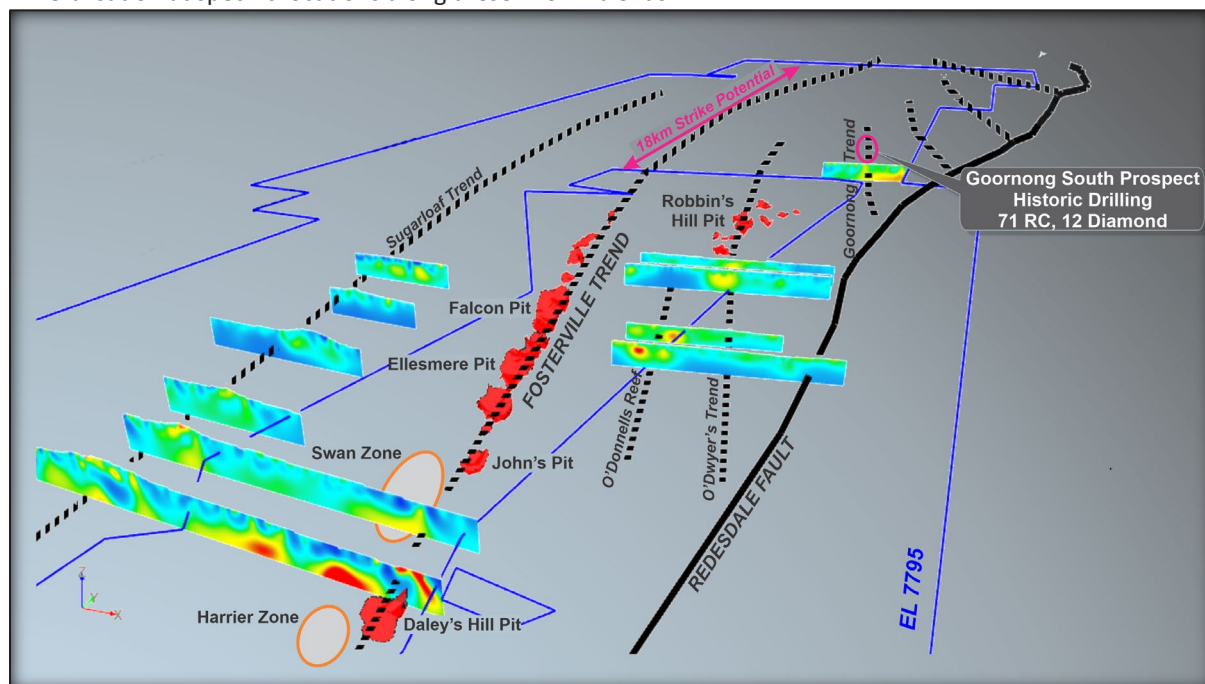


Figure 7. 3D view looking NNW showing mineralised trends at the Fosterville Gold Mine that extend into S2's EL7795 application and the chargeability inversion models that highlight anomalies associated with alteration associated with known gold mineralisation on the Fosterville mine lease, and as yet undrilled positions on, or trending into, S2's EL7795, such as the Sugarloaf trend, the Goornong trend, and the extensions of the O'Donnell's trend and O'Dwyer's trend, which hosts the Robbins Hill/Curie gold zone currently being mined by Agnico. Anything coloured yellow or hotter is anomalous.

During March and April 2024, the first phase of a broad IP geophysical survey was completed in the northern part of the tenement following the signing of eight (8) land access agreements with local farmers. The survey area covers the strike extensions of known gold-endowed structures such as the Fosterville and O'Dwyer's faults, which respectively host the Swan and Curie deposits on Agnico's Mining Lease, and which are largely concealed by shallow transported cover of the Murray basin in the northern part of the tenement (see Figure 8).

The first phase of IP successfully identified two significant broad chargeability anomalies. The first broad anomaly covers the extensions of the mineralised structures north of the Fosterville Mine, including the Goornong mineralised zone which is the focus of current diamond drilling, and the O'Dwyer's and Fosterville faults. The chargeability anomalism parallels and in some areas is offset from the interpreted faults, perhaps representing down-dip positions of more focused sulphide accumulations. A particularly strong anomaly is located at a structural intersection of the north trending Fosterville Fault and a NW trending cross fault.

The second broad anomaly is more loosely defined by broad traverses completed in the north-east corner of the licence, adjacent and east of the historic May Reef prospect. This area of cover east of Bendigo Creek has had no previous exploration despite being in a favourable position adjacent and to the west of the Redesdale Fault.

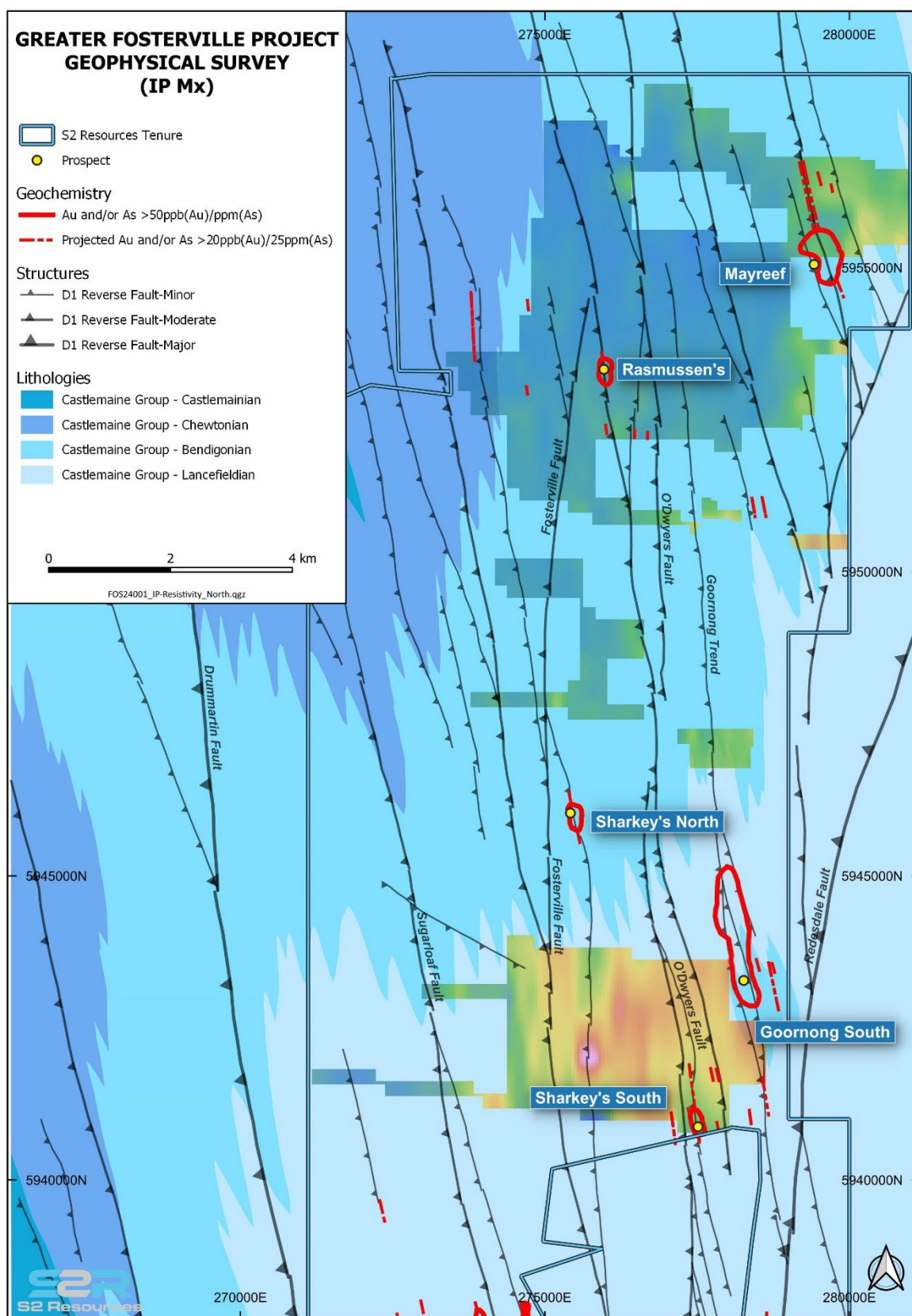


Figure 8. Extent of area surveyed by induced polarisation (IP) geophysical survey, showing chargeability anomalies, geochemical anomalies, stratigraphy and interpreted gold-controlling structures.

A second phase of broad IP is planned as part of the Company's strategy in working with landowners around local farming requirements. The second phase of work will add to the regional coverage and also work on advancing the definition of targets within the two broad anomalous zones.

Glenlogan, New South Wales (S2 earning up to 80%)

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 70% interest in the Glenlogan project, and potentially 80% if Legacy elects to opt for a loan carry rather than maintain its equity position in the project by contributing on a pro-rata basis. 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 initially 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 9, S2 ASX announcement of 29th January 2024 for source information).

In September 2024 the Company completed the first diamond drill hole (SGLD0001) to test the prominent magnetic anomaly (see Figure 10) modelled as a vertically oriented columnar body (see S2 ASX announcement of 29 January 2024). It was collared some distance to the southwest of the centre of the magnetic anomaly and was designed to drill to the northeast with a relatively flat trajectory in order to pass through both the vertically oriented magnetic body, any enveloping alteration and/or mineralised zones surrounding it, and any sub-zones (individual intrusive phases) within it.

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 porphyritic bodies that emanate from larger batholithic intrusive bodies. Individual porphyry "pencils" may exhibit 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 was designed in this way, rather than drilling vertically down the axis of the magnetic body (see Figure 11).

After passing through a cover sequence of shales, sandstones and dacitic volcanics of potential Devonian or Silurian age, the hole intersected a variety of intrusive rocks including monzodiorite, quartz diorite, gabbroic diorite and basaltic andesite from 464 metres downhole (approximately 350 metres below surface) to a final depth 1,354.7 metres, equivalent to a vertical depth of 1,000 metres below surface (see Figures 10 and 12). The contact between the cover rocks and the intrusive bodies is interpreted to be unconformable, with evidence of the intrusives having been partially weathered (i.e. exposed at surface) prior to being buried by the younger cover rocks. If correct, on the basis of the interpreted Devonian/Silurian age of the unconformable rocks, this implies a potentially Ordovician age for the intrusives – which is importantly the same age as the Cadia intrusive complex.

The measured magnetic susceptibility of the monzodiorite and gabbroic intrusive rocks is compatible with the magnetic susceptibility required as a source for the magnetic anomaly modelled from the surface magnetic data, so this intrusion is interpreted as being responsible for the observed anomaly. In this sense, the hole tested the magnetic feature and explained the anomaly as being caused by an inherently magnetic intrusive rather than by hydrothermal alteration relating to a mineralized porphyry system.

However, the main monzodiorite to gabbroic intrusion has been intruded by a number of later stage intrusive units including felsic to intermediate porphyries, aplite and microgranodioritic dykes and mafic dykes. The monzodiorites and the gabbro are also pervasively hydrothermally altered, with weak to moderate chlorite-epidote-pyrite and carbonate alteration, and in places hematite-feldspar alteration. The chlorite-epidote-pyrite alteration assemblage is consistent with the propylitic alteration halo often found as a more distal, outer shell around porphyry copper-gold deposits, and the hematite dusting of feldspars is similar to the "red rock" alteration seen within the intermediate halo between the outer propylitic zone and the inner potassic zone of some of the porphyry deposits in the East Lachlan Fold Belt.

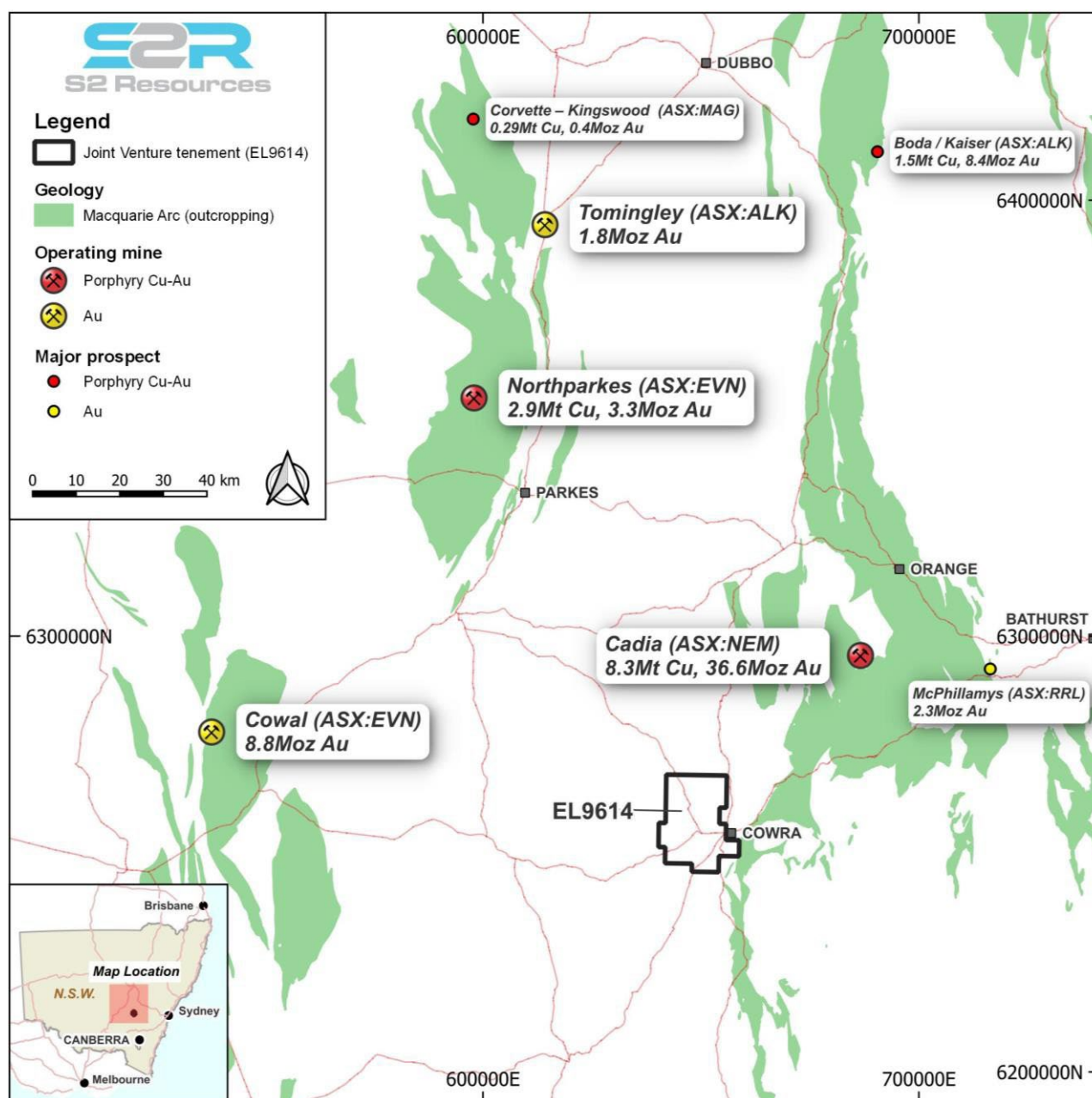


Figure 9. District scale map showing location of the Glenlogan project (EL9614) relative to outcropping prospective Macquarie Arc rocks and known copper-gold occurrences. The project area is immediately west of outcropping Macquarie Arc rocks where they are interpreted to lie beneath younger (Silurian/Devonian) sequences.

Only a very low density of quartz-pyrite veins was observed, so the drillhole did not intersect any features indicative of being close to the inner, potassic alteration zone of a porphyry system, if such a system is present, and the distribution of these veins did not show any systematic change in frequency, so does not provide a vector.

There was a marked increase in pyrite alteration and abundance, present as disseminations, blebs and veinlets, throughout the last 100 metres of the drill hole. The increase in pyrite appears to be related to several later porphyry dyke intrusions within this interval and occurs both within the dykes and throughout adjacent rock units. The increase in pyrite is also associated with a subtle increase in chlorite-epidote alteration. This increase in pyrite and propylitic alteration may indicate the hole is approaching a mineralised system, however the “pyritic shell” around a porphyry system can extend a significant distance, and there is no guarantee that a pyritic shell will necessarily contain a copper-rich core.

Selected samples from throughout the drillhole have been submitted for multi-element assay, petrography and spectral analysis to characterise the lithologies and alteration, the presence of any subtle alteration zonation vectors, and implications for the potential fertility of the system.

The Company is also assessing the merits of various ground geophysical surveys that may also assist in in vectoring prior to a decision on the location of a second hole given the magnetic body targeted by the first hole appears to be explained by the broad magnetite bearing intrusive.

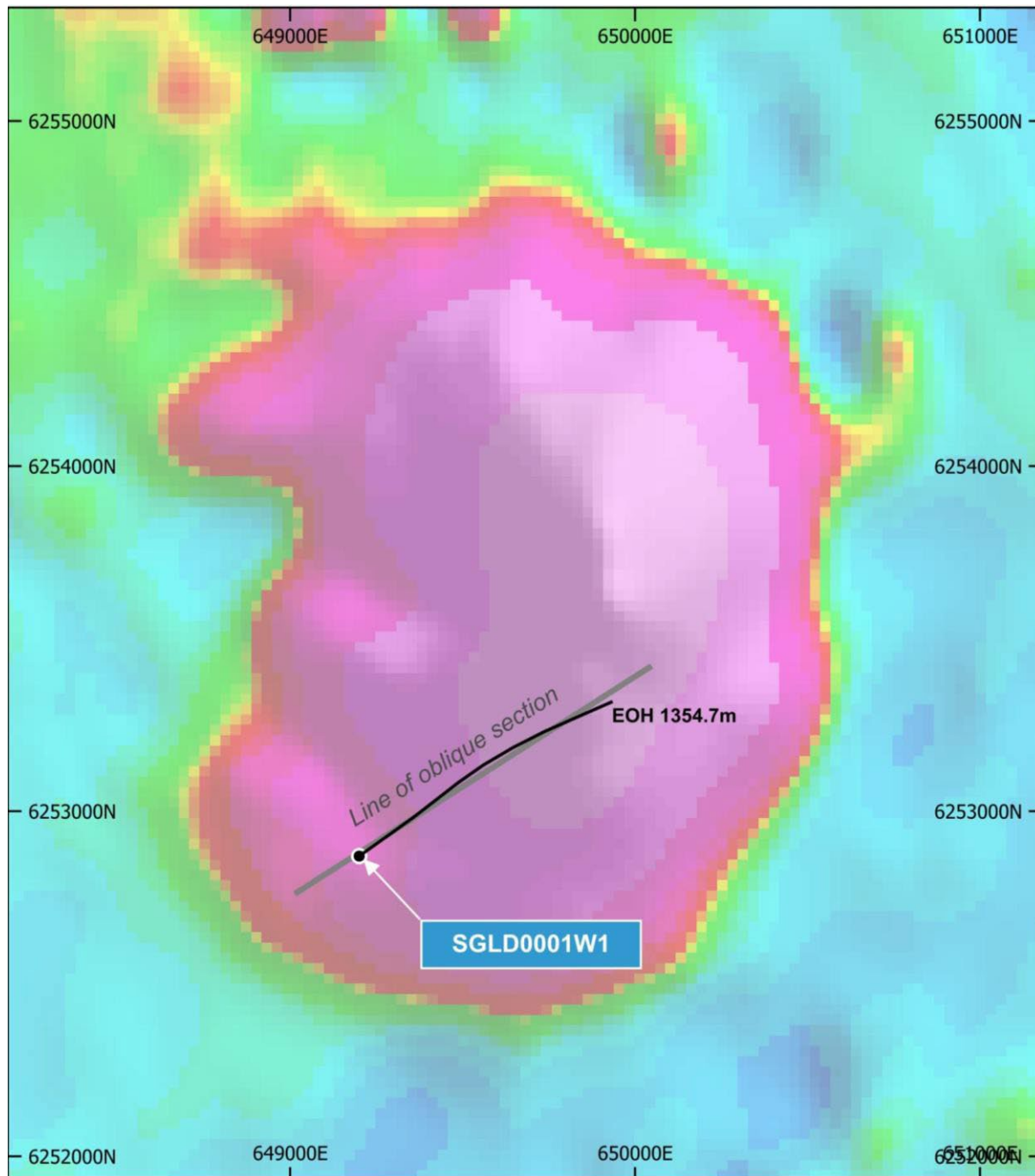


Figure 10: Plan of magnetic anomaly and trace of drill hole SGLD0001

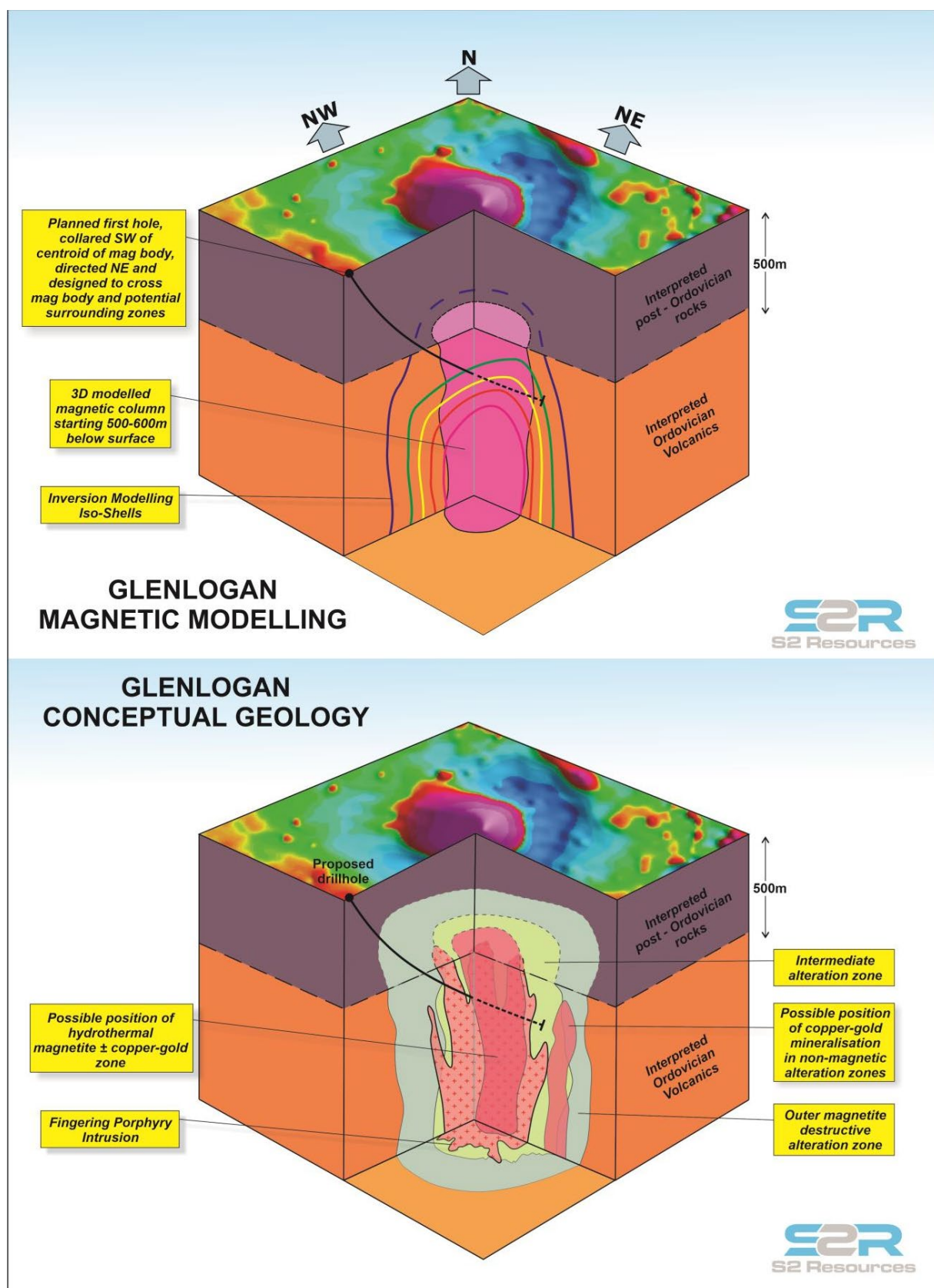


Figure 11. Schematic cutaway block diagram showing the modelled magnetic column in 3D and where the first hole was planned to test it (top), and the potential geological basis for the magnetic anomalism – a very simplified porphyry intrusive system with associated alteration envelopes and mineralised zones.

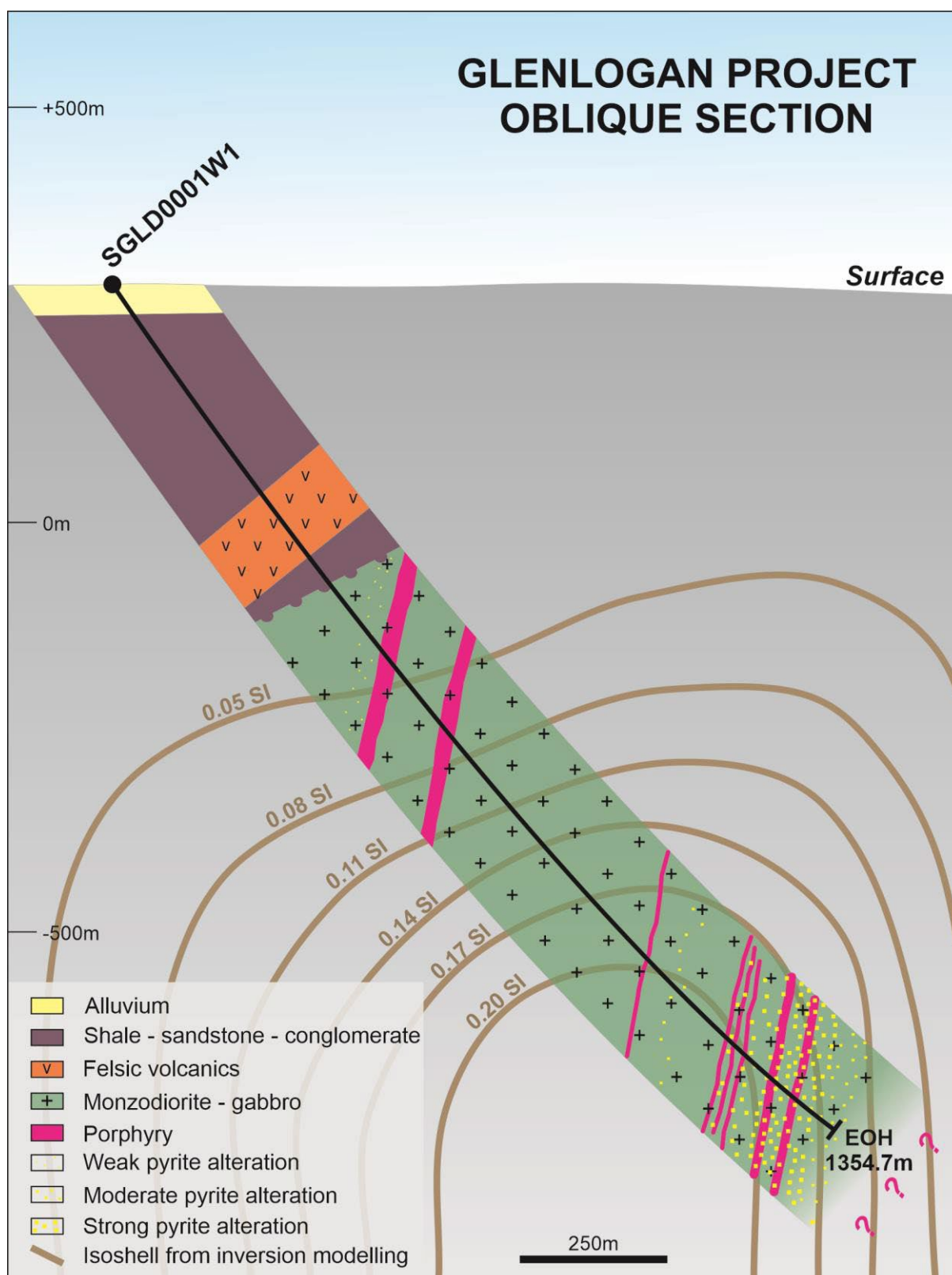


Figure 12: Oblique cross section of hole SGLD0001W1 showing trace of hole with respect to the modelled magnetic susceptibility isoshells of the target anomaly and geology encountered. Note the presence of a large multiphase intrusion located below an interpreted unconformable Devonian and/or Silurian sequence, and importantly, the increase in porphyry dykes, propylitic alteration and hydrothermal pyrite downhole.

Koonenberry, New South Wales (S2 100%)

S2 has three Exploration Licences covering 2,712 square kilometres, located 130km northeast of Broken Hill in northern New South Wales (NSW), with the Silver City Highway passing through the centre of the project area. As an early mover into the area, S2 has been able to acquire approximately 140 kilometres strike extent of the most prospective and accessible part of the Koonenberry Belt, which hosts a series of mafic-ultramafic sills that have intruded the late Proterozoic to Cambrian Mt Arrowsmith volcanics and is prospective for magmatic nickel-copper-cobalt-PGE mineralisation.

The project area covers a coincident gravity and magnetic ridge, interpreted to represent a slice of dense lower crust containing numerous mafic and ultramafic intrusions, of a similar scale to the Fraser Complex within the Albany-Fraser Belt that contains the intrusion hosting Nova. Whereas the Albany-Fraser Belt is Proterozoic in age and wraps around the southeastern margin of the Yilgarn Craton, the Koonenberry Belt is late Proterozoic to Cambrian in age and wraps around the northeastern margin of the Curnamona Craton (see Figure 13). Both are accretionary mobile belts containing nickel prospective stratigraphy.

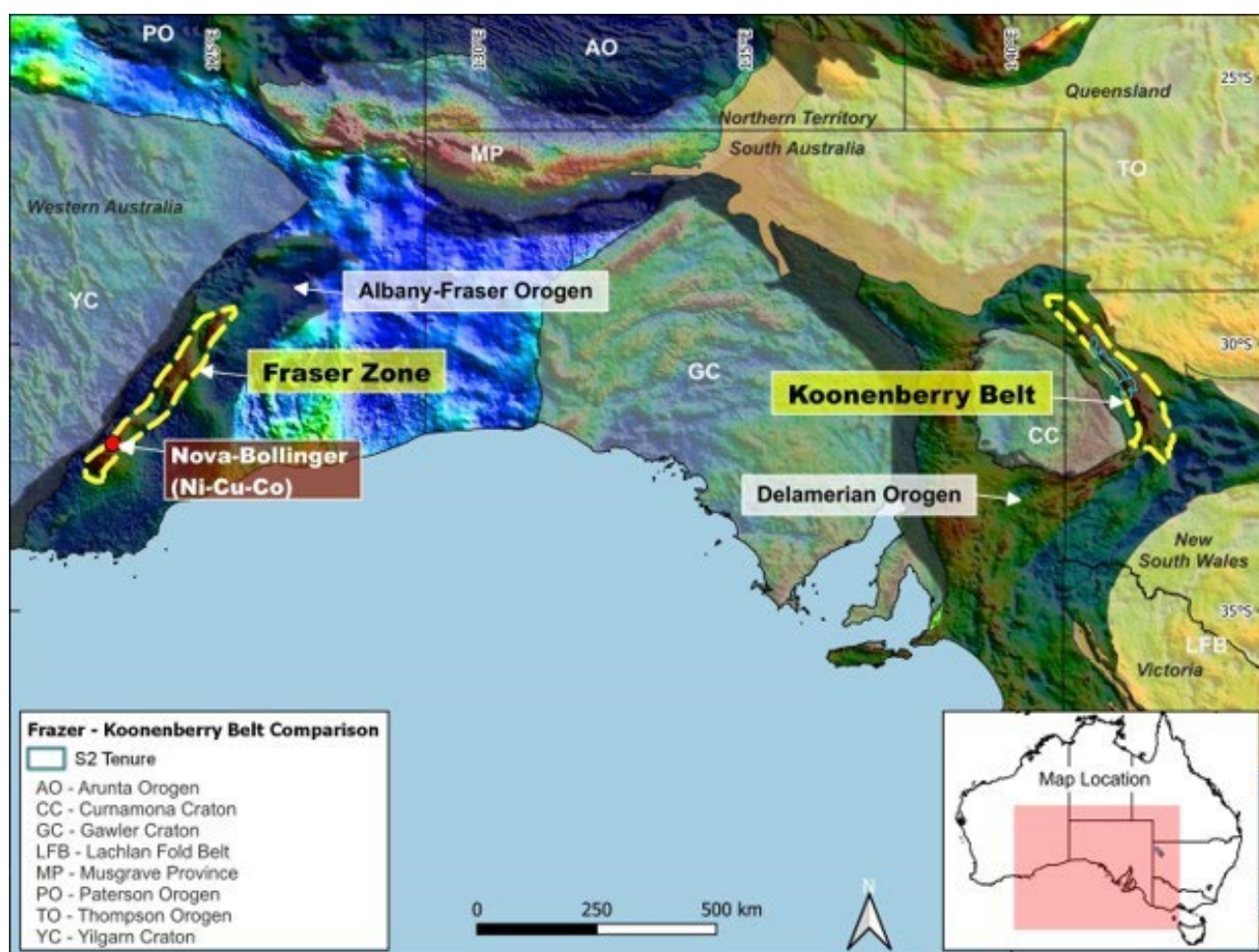


Figure 13. Location map of the Koonenberry Belt showing and a comparison to the Fraser Zone of the Fraser Range which hosts the Nova-Bollinger deposit. The Koonenberry Belt is located on the north-eastern margin of the Curnamona Craton.

Compilation and review of historical exploration has confirmed the fertility of the belt for magmatic nickel-copper sulphides, with shallow and wide-spaced previous drilling by INCO/Vale and Carpentaria Exploration intersecting anomalous nickel and copper in several historical holes (see Figure 14). Key results from within the project area include:

- 7 metres @ 0.46% nickel from 7 metres in hole CKOAC0053 (aircore) at Bald Hill South
- 10 metres @ 0.35% nickel from 2 metres, including 3 metres @ 0.54% nickel and 0.1% copper from 3 metres in hole CKORB0160 (RAB) at Packsaddle
- 4 metres @ 0.22% nickel and 0.11% copper from 31 metres in hole RC12KB008 (RC) at Packsaddle
- 4 metres @ 0.3% nickel from 5 metres in hole CKORB0195 (RAB) at Highway

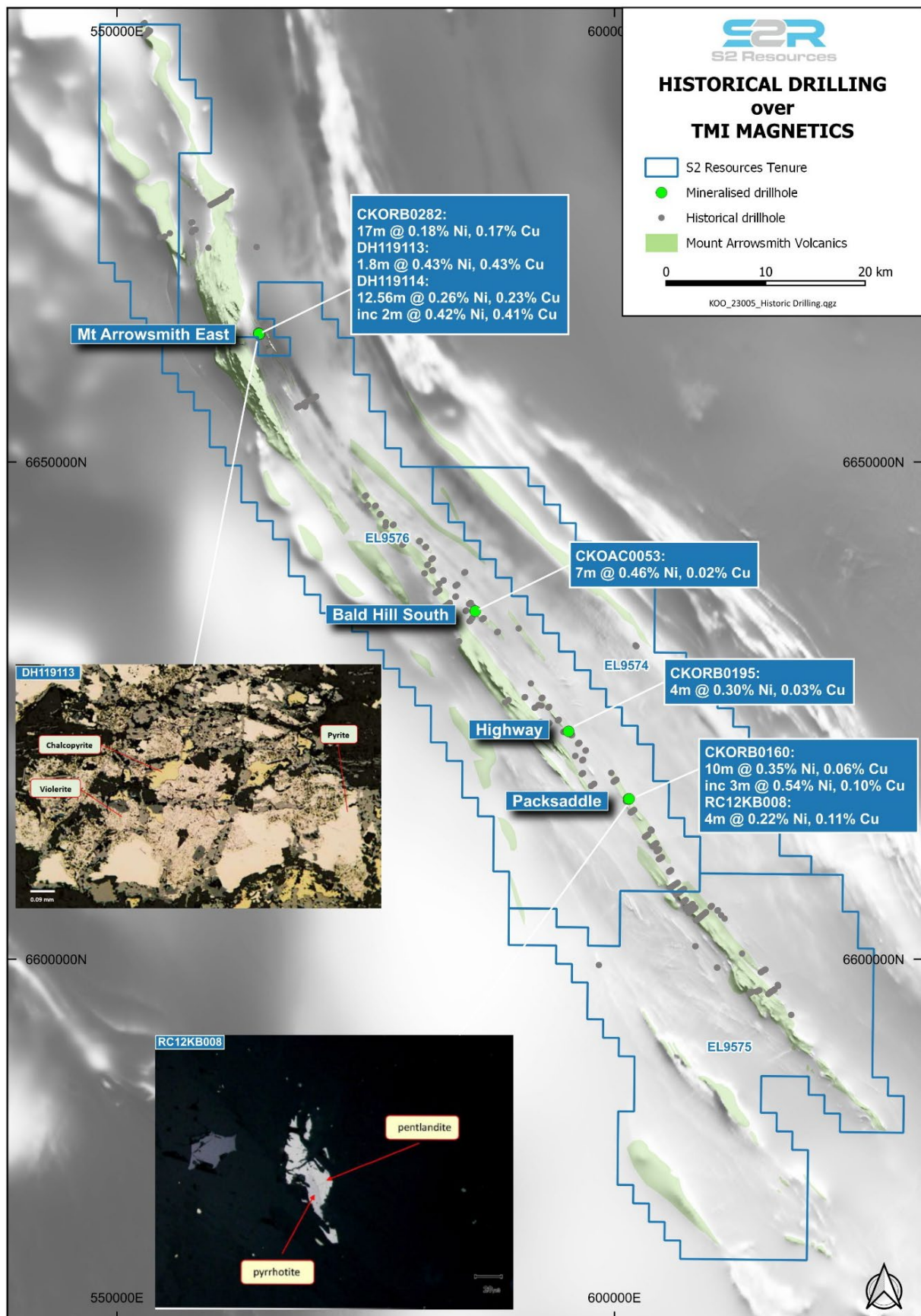


Figure 14. Summary of nickel-copper intercepts in sparse previous drilling, and proven magmatic nickel-copper sulphides in thin section confirming the fertility/prospectivity of the belt.

Furthermore, assessment of open file data confirms the presence of magmatic sulphides in the form of disseminated pentlandite, chalcopyrite and violarite in samples from old holes drilled at Packsaddle and Mt Arrowsmith East, located just outside of S2's tenement boundary (see Figure 14).

During the year S2, has undertaken ground-based electromagnetic (EM) surveys, designed to systematically explore for massive nickel-copper sulphide mineralisation. A moving loop (MLEM) configuration using the highly sensitive deep penetrating ARMIT B-field system is the primary method used, although a fixed loop (FLEM) survey configuration has been employed where topography dictates. This systematic approach is planned to continue during the upcoming year.

Warraweena, New South Wales (S2 earning up to 70%)

In December 2023, S2 entered into an agreement with private prospect generator company Oxley Resources Limited ("Oxley") to earn up to 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. In addition to the joint venture tenement S2 also holds a 100% interest in two exploration licences covering an additional 1670 square kilometres, adjacent to EL9269.

S2 identified the area as an attractive target based on the presence of coincident distinct, unexplained gravity and magnetic anomalies (see Figures 15), concealed beneath the transported cover of the upper Darling River drainage catchment and younger overlying rocks. Limited previous drilling that has penetrated into the basement rocks has also identified mafic (and possible ultramafic) rocks associated with these anomalies.

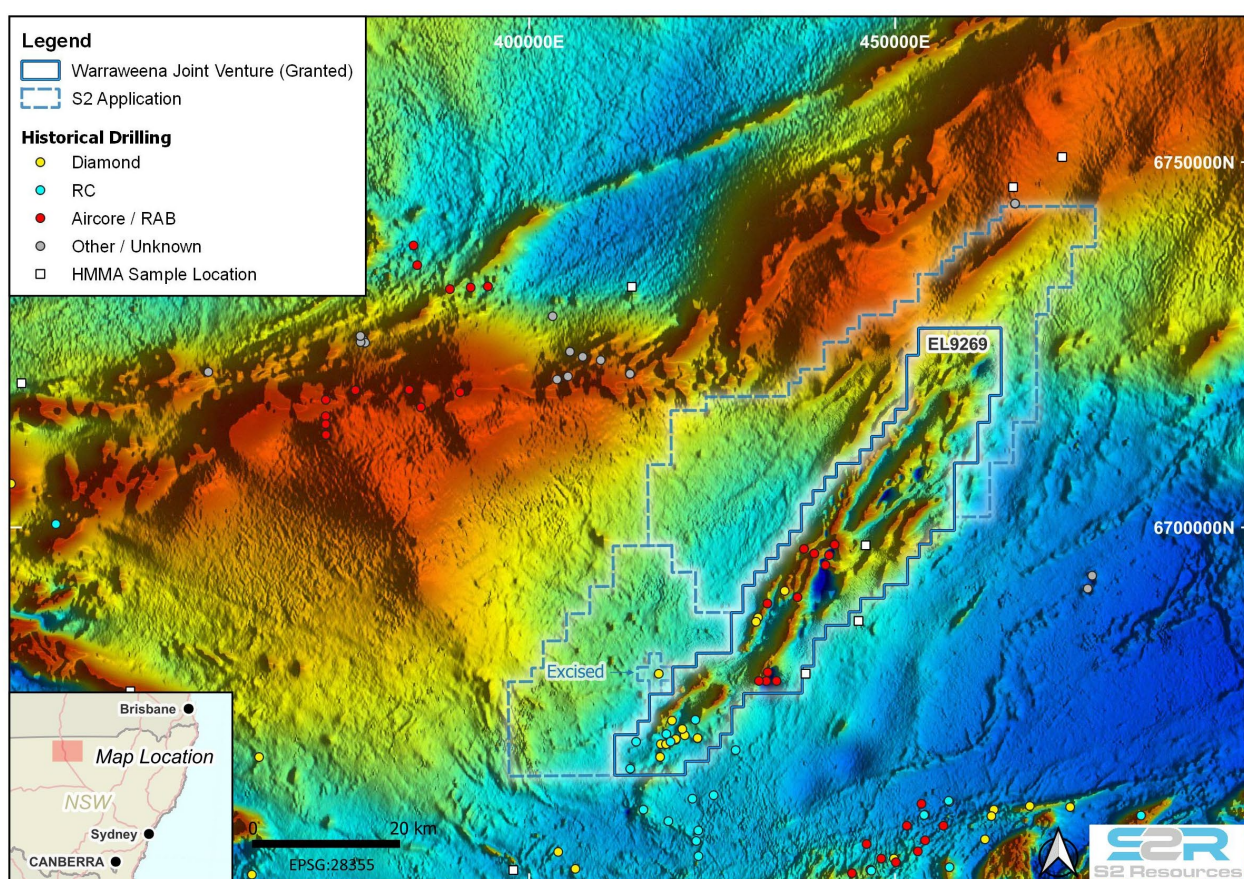


Figure 15. Magnetic map showing numerous discrete magnetic bodies hidden beneath the transported cover of the upper Darling River drainage catchment, showing outline of EL9269 and adjacent 100% S2 exploration licences along with the location of limited previous (and in many cases ineffective) drilling.

Furthermore, it is also the location of a strongly anomalous heavy mineral concentrate sample identified in the Australia-wide Heavy Mineral Map of Australia publicly released on 12th October 2023. This heavy mineral concentrate sample contains the highest number of pentlandite (nickel sulphide) grains recorded in any of the 1,315 samples collected in the Australia-wide survey (10x the next largest sample). It also contains the second highest concentration of chalcopyrite (copper sulphide) and sphalerite (zinc sulphide) of all samples in this survey (see Figure 16).

In addition, petrological and geochemical studies undertaken from the limited drilling completed by previous explorers, show the basement rocks display calc-alkaline to shoshonitic volcanic island-arc affinities, similar to the rocks from the Macquarie Arc that host the Cadia and North Parkes copper-gold porphyry deposits to the south. The presence of several prominent “holes” in the magnetic data is also suggestive of the presence of plutons intruding the country rocks that may also be prospective for copper-gold porphyry mineralisation.

The project also covers the northern part of the Cobar Basin so is also potentially prospective for Cobar-style massive sulphide zinc-lead mineralisation.

In May 2024, S2 commenced a detailed regional gravity survey over the project area, completed on an 800 metre by 400 metre (and locally 200 metre) spacing to greatly improve the resolution of the government data that was collected on a nominal 4 kilometre spacing. Once complete, the results will be integrated with the detailed aeromagnetic data to target follow-up exploration.

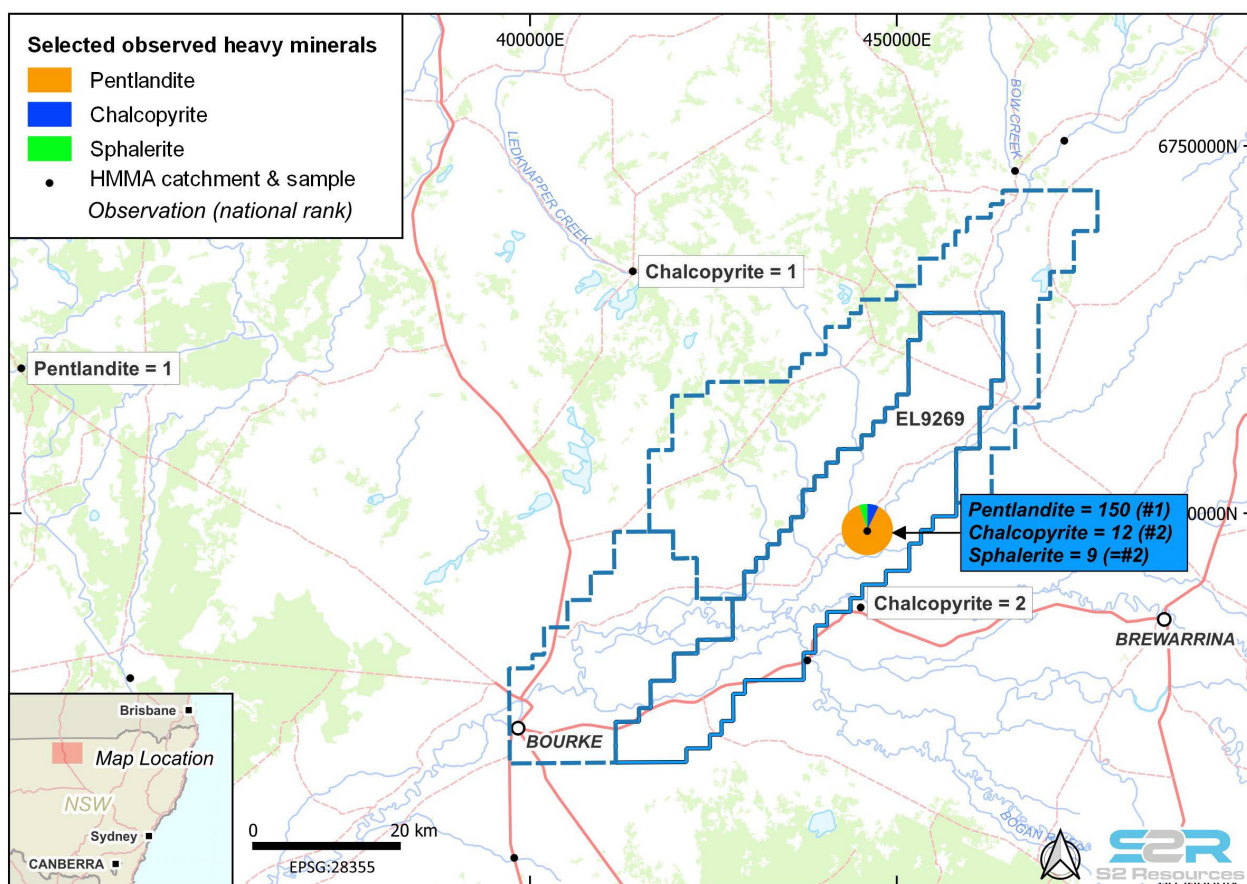


Figure 16. Zoomed in view of the HMMA, showing the anomalous sample in the drainage catchment over the target, its location within EL9269, and adjacent samples for contrast. The number of mineral grains and the overall ranking of these in the Australia-wide dataset are also shown.

Jillewarra Joint Venture (S2 earning up to 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. A prospectivity review and targeting exercise has identified a high priority target zone (“Karbah”) along a 35-kilometre strike extent of the Karbah Shear Zone (KSZ), a regionally significant NNE trending striking shear zone, that is interpreted to extend south through Westgold’s Big Bell gold mine and Spartan Resources recent discoveries at the Never Never – Pepper gold deposits (see Figure 17). 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.

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 Karbah gold target located in the southeastern part of the project area.

Elsewhere on the project, in August 2023, S2 completed a wide spaced, regional aircore program over the Selga-King and Woods base metal stratigraphy, designed to test soil geochemical anomalies and provide valuable geological information on the basement geology (see Figure 18).

At Selga-King, aircore drilling intersected anomalous copper and zinc, associated with the margin of a fractionated pyroxenite-gabbro intrusion, including 20 metres @ 0.20% copper and 0.12% zinc from surface (SJWA0470) and 5 metres @ 0.14% copper and 0.07% zinc from 12 metres to the end of hole (SJWA0454).

In addition, anomalous gold was intersected in one hole (12 metres @ 0.35 g/t gold from 12 metres in SJWA0502), in upper saprolite clays above dolerite on the regional line, approximately 1200 metres south of the previous RC drilling at the Woods prospect. This gold intercept represents a potentially new mineralised trend within the Jillewarra project

Subsequent to year end, S2 signed a Deed of Variation to the binding earn-in agreement, resulting in an extension of the stage 1 and stage 2 earn-in periods by an extra year each as well as the removal of non-core mineral titles from the joint venture, whilst retaining ground over the key 35 kilometres of strike length of the prospective Karbah shear zone. The new project area is 443 square kilometres, representing a reduction of area by 44%.

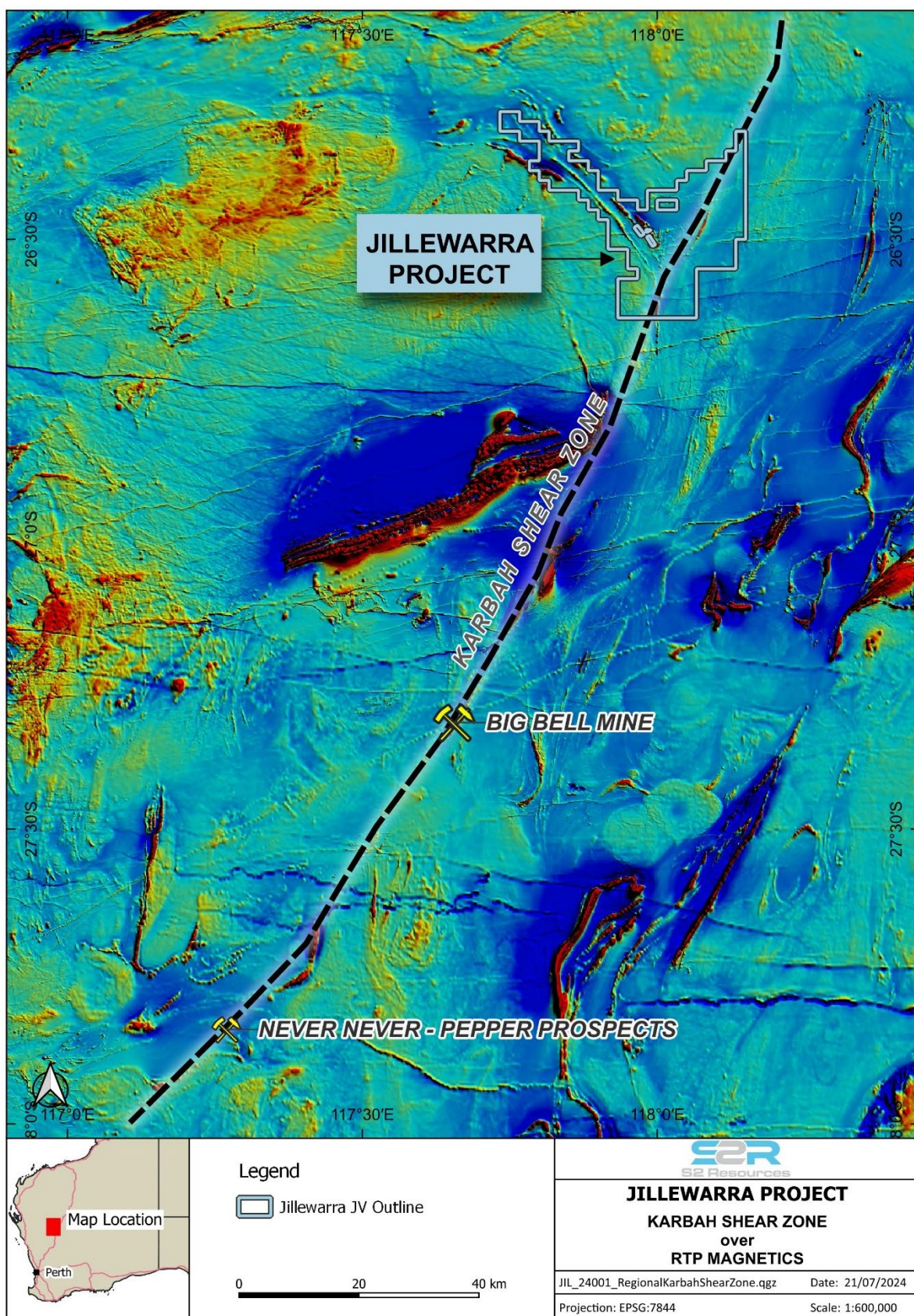


Figure 17. Regional aeromagnetic image of Murchison district showing the new outline of the Jillewarra project covering the interpreted regional shear zone that extends south through Westgold's Big Bell gold mine and Spartan Resources recent discoveries at the Never Never – Pepper gold deposits

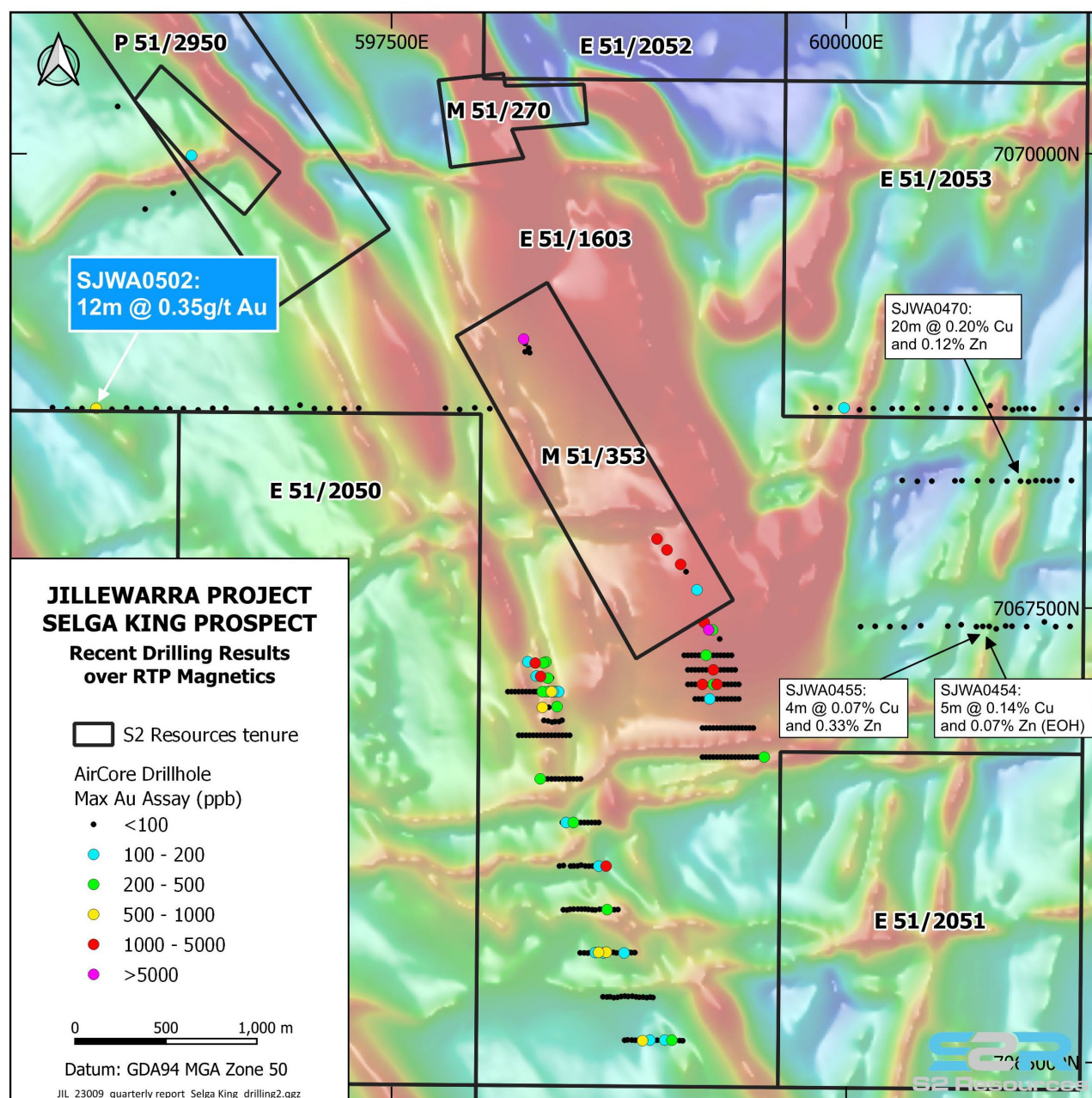


Figure 18. S2 drillhole coverage over the Chesterfield region of Jillewarra, showing the results of recent drilling at Selga King and south of the Woods base metal target.

West Murchison, Western Australia (S2 100%)

The West Murchison project comprises three Exploration Licences covering 693 square kilometres over interpreted mafic-ultramafic intrusions prospective for magmatic nickel-copper-PGE mineralisation, within the West Yilgarn nickel-copper-PGE province defined as a consequence of the discovery of the Julimar deposit by Chalice Mining. The three EL's contain five priority target areas identified on the basis of magnetic anomalies, the presence of mafic-ultramafic rocks in outcrop, and anomalies in ultrafine soil sampling.

In August 2023, S2 signed a binding agreement to vend several projects, including the West Murchison tenements, into Pacific State Metals (Holdings) Ltd ("Pacific State"). Pacific State is an unlisted Australian-incorporated public company intended to list on the Australian Securities Exchange ("ASX"). S2 was advised in June 2024 that Pacific State was unable to complete the listing and the companies agreed to terminate the agreement, so full ownership of the EL's has reverted back to S2.

A review of results from the most recent program ultrafine soil sampling has extended the previously identified soil anomaly at Woodrarung as well as identified broad nickel-copper-palladium-gold anomalies in three additional areas. 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.

At Woodrarung, sampling has identified a northwest-southeast trending semi-coincident copper-nickel-palladium-gold anomaly that extends for over 3 kilometres which overlies a prominent northwest trending structural feature (see Figure 19). The new anomaly is located southeast of the partially drill tested area at Woodrarung where S2 drilling previously intersected sulphide-related copper-nickel-gold-silver mineralisation in reverse circulation (RC) drilling (see S2 ASX quarterly report of 28 April 2022).

Soil sampling at Yalgamine 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 20).

Soil sampling at Aubrey South has identified an anomaly extending over a length of 4 kilometres consisting of semi-coincident elevated copper, nickel, palladium and gold. The anomaly also coincides with a major north-south striking structural discontinuity.

Soil sampling at Whitehurst has defined a cluster of copper, palladium, nickel and gold anomalies spanning several structures of unknown significance.

Ground truthing of these anomalies is currently underway to determine the influence of landforms and regolith conditions on their extent and magnitude, which will then assist in determining the nature of the next steps in exploration within the project.

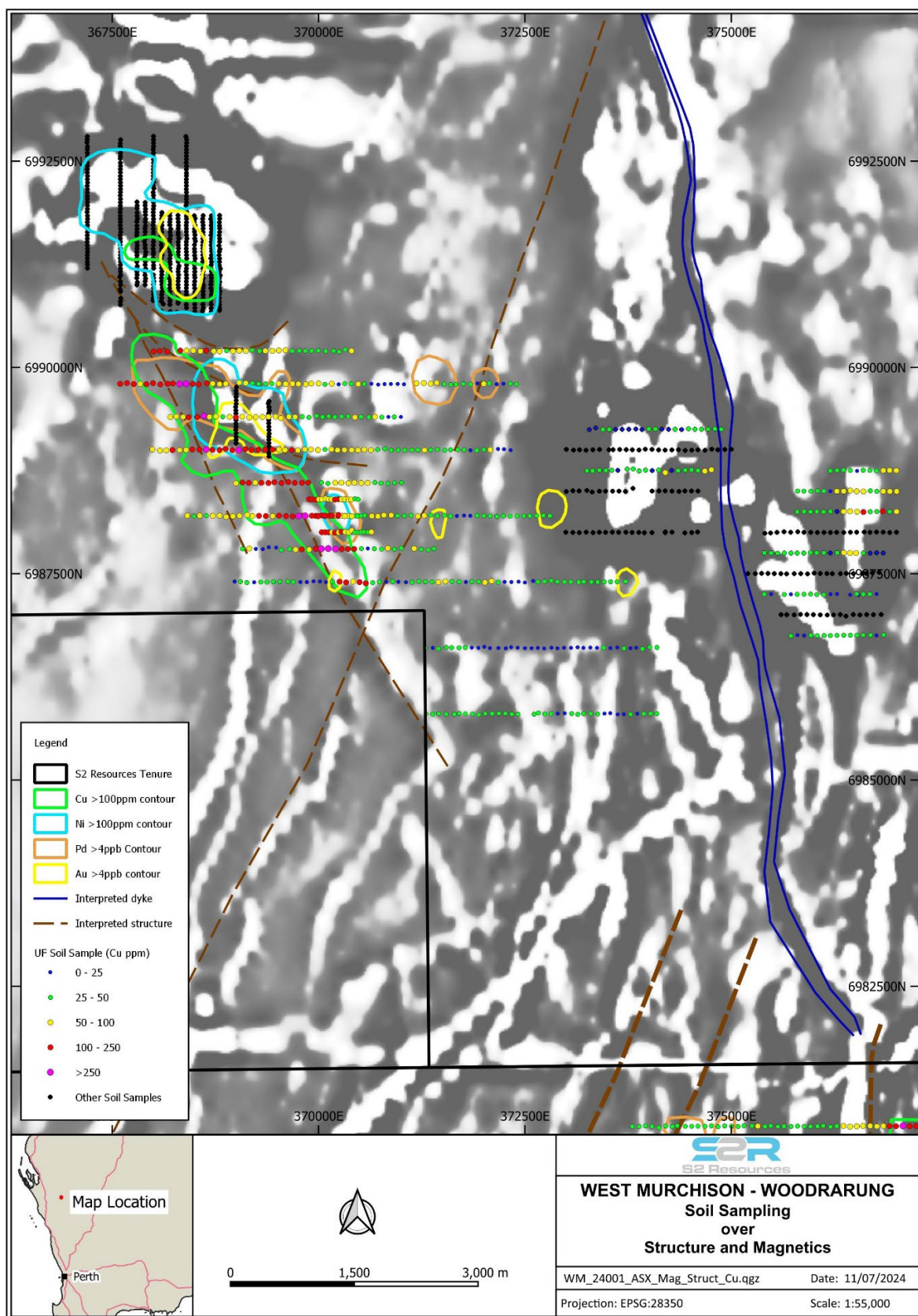


Figure 19. Woodrarung area showing coincident nickel-copper-palladium-gold anomalism and associated structures as seen in aeromagnetic data.

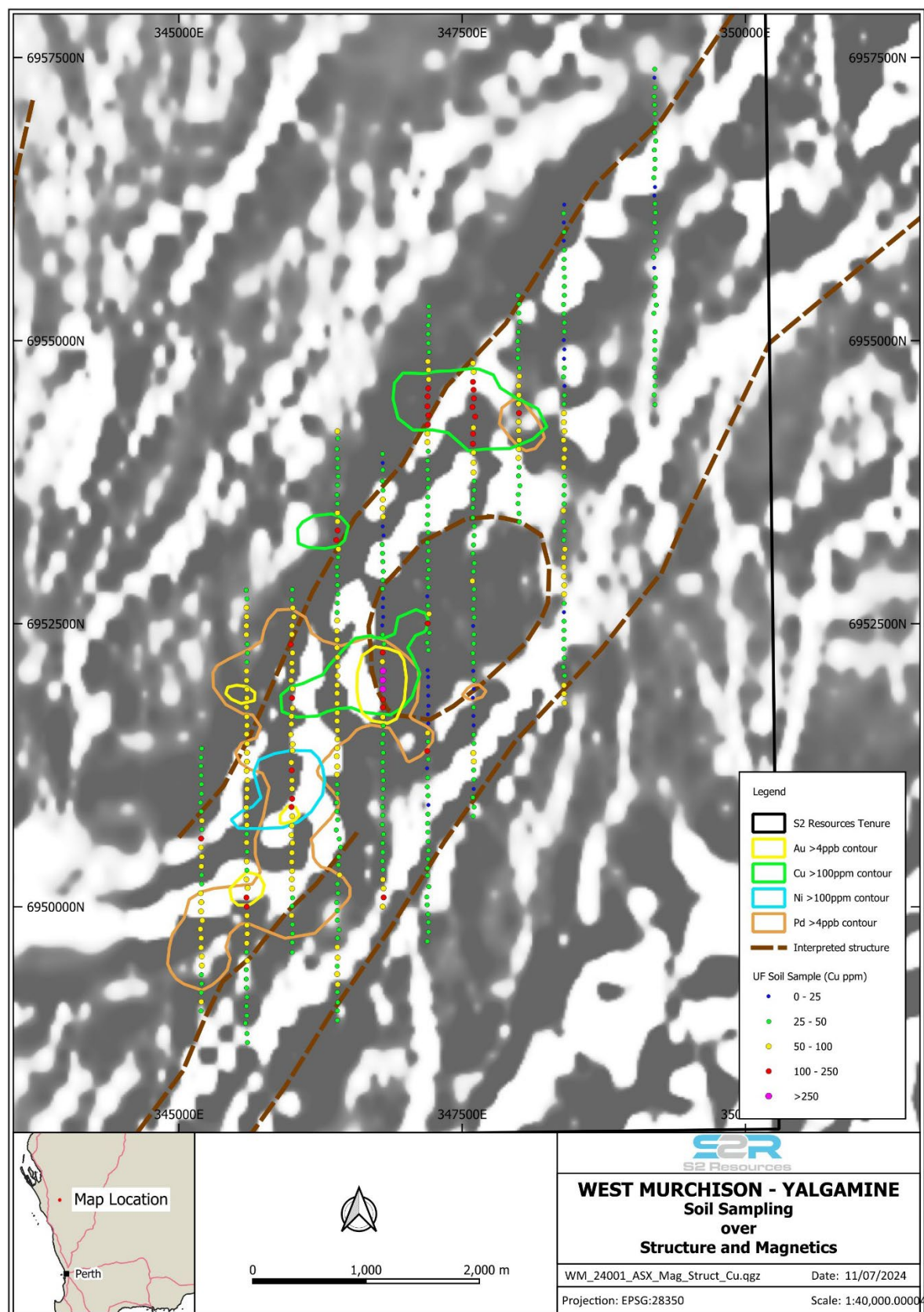


Figure 20. Yalgamine area showing coincident nickel-copper-palladium-gold anomalism and associated structures as seen in aeromagnetic data

Polar Bear, Western Australia (S2 80 to 100% nickel rights)

S2 holds the nickel (and associated base metal and PGE) rights over an area of 435 square kilometres at the Polar Bear project, which covers the southeast extension of the prolific Kambalda and Widgiemooltha nickel belts. The Company 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 Westgold). The project area hosts three known zones of nickel sulphide mineralisation, associated with cumulate facies ultramafic channels, at the Halls Knoll, Taipan and Gwardar prospects.

No work was undertaken during the year.

Fraser Range 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).

In August 2023, S2 signed a binding agreement to vend several projects, including the Fraser Range tenements, into Pacific State Metals (Holdings) Ltd ("Pacific State"). Pacific State is an unlisted Australian-incorporated public company intended to list on the Australian Securities Exchange ("ASX"). S2 was advised in June 2024 that Pacific State was unable to complete the listing and the companies agreed to terminate the agreement, so full ownership of these tenements has reverted back to S2.

No work was undertaken during the year, and subsequent to the reporting date, Exploration Licence E28/2794 was surrendered.

FINLAND PROJECTS

Central Lapland Greenstone Belt, Finland (since sold for cash and equity)

During the year, S2 entered into a definitive Share Purchase Agreement (SPA) with Vancouver-based Outback Goldfields Corporation ("Outback", TSX.V: OZ), to 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, to be completed concurrently with a capital raising of C\$5 million by Outback.

The sale process was completed subsequent to years end, resulting in S2 owning a ~44% equity stake in Outback, now renamed Valkea Resources Corp ("Valkea") (OZ:TSX-V).

S2's Executive Chairman, Mark Bennett, was also appointed to the board of Valkea as S2's representative. S2 has rights to two board seats and also non-dilution rights.

S2 will continue to be exposed to potential exploration success and value upside through its major holding in Valkea, which, courtesy of its ownership of Sakumpu, owns a mix of granted Exploration Licences and Exploration Licence applications covering approximately 355 square kilometres within the Central Lapland Greenstone Belt (CLGB) of Finland. The licences cover areas that has not been extensively or effectively explored in the past, despite the CLGB hosting "world-class" gold and nickel-copper-cobalt-PGE deposits, including Agnico Eagle's 7.4-million-ounce Kittilä gold mine, Boliden's 298 million tonne Kevitsa copper-nickel-gold-PGE mine and Anglo American's 44 million tonne Sakatti nickel-copper-PGE deposit.

Valkea's initial focus will be the continuation of drilling at the Aarnivalkea prospect, which has the potential to be another significant discovery with approximately 1.3 kilometres strike 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).

Directors Report

The Directors of S2 Resources Ltd ("Directors") present their report on the consolidated entity consisting of S2 Resources Ltd ("the Company" or "S2") and the entities it controlled at the end of, or during, the year ended 30 June 2024 ("Group").

Directors

The names and details of the Directors in office during the financial year and until the date of this Report are as follows. Directors were in office for the entire year unless otherwise stated.

Mark Bennett
Jeff Dowling
Anna Neuling

Principal Activities

The principal continuing activity of the Group is mineral exploration.

Dividends

No dividends were paid or proposed to be paid to members during the financial year.

Review of Operations

Operating Result

The loss from continuing operations for the year ended 30 June 2024 after providing for income tax amounted to \$8,190,632 (2023: loss of \$6,755,677).

The loss results from \$5,655,140 of exploration expenditure incurred and expensed, \$1,239,643 of share-based payments expenses, \$997,130 of administration costs, \$651,697 of business development costs including travel, \$138,957 of depreciation costs, \$35,728 of gain on sale of tenement, \$148,849 on sale of shares \$264,262 interest income and \$43,096 of other gains including finance costs. The exploration expenditure incurred and expensed mainly relates to the Company's Australian projects.

Material Business Risks

The Group's exploration operations will be subject to the normal risks of mineral exploration, and any revenues will be subject to factors beyond the Group's control. The material business risks that may affect the Group are summarised below.

Key Personnel

In formulating its exploration programs, feasibility studies and development strategies, the Group relies to a significant extent upon the experience and expertise of the directors and management. A number of key personnel are important to attaining the business goals of the Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Group to conduct its business and, accordingly, affect the financial performance of the Group and its share price. Recruiting and retaining qualified personnel is important to the Group's success.

Future Capital Raisings

The Group's ongoing activities may require substantial further financing in the future. Any additional equity financing may be dilutive to shareholders and may be undertaken at lower prices than the current market price. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or

Directors Report (cont)

funding, if and when needed, will be available on terms favourable to the Company or at all. If the Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

Exploration Risk

The success of the Group depends on the delineation of potentially economic mineral resources, securing and maintaining title to the Group's exploration and mining tenements, meeting joint venture earn-in commitments and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Group and possible relinquishment of the tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. If the level of operating expenditure required is higher than expected, the financial position of the Group may be adversely affected. The Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Feasibility and Development Risks

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Group's. In the event of the discovery of potentially economic mineral resources, there is a risk that a feasibility study and associated technical works will not achieve the results expected. There is also a risk that, even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

Regulatory Risk

The Group's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, land access, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Group will be successful in maintaining such authorisations in full force and effect without modification or revocation.

To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be curtailed or prohibited from continuing or proceeding with exploration. The Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement may also be subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

Directors Report (cont)

Environmental Risk

The operations and activities of the Group are subject to the environmental laws and regulations of Australia and Finland. As with most exploration projects and mining operations, there is potential for the Group's operations and activities to have an impact on the environment, particularly if mine development proceeds. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

Climate Change Risk

We are an exploration company however we acknowledge that the operations and activities of the Group are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate pattern.

Macro-Economic Risk

The operations and activities of the Group are exposed to a number of global external factors, including macro-economic risks affecting profitability and business continuity, increasing interest rates, significant fluctuations in foreign exchange, and ability to raise equity funding. While the Group has limited direct controls over these issues, continued oversight is essential to ensuring the ongoing operations and activities of the Group.

Foreign Currency Risk

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The Group is primarily exposed to the fluctuations in the Euro, as the Group holds Euro bank deposits however most of the Group's exploration costs and contracts are denominated in Australian dollars. The Group aims to reduce and manage its foreign exchange risk by holding funds in a Euro account so that the exchange rate is crystallised early and future fluctuations in rates for settlement of Euro denominated payables are avoided. The same applies to potential future expenditures in other currencies such as the American and Canadian dollar. The Group does not currently undertake any hedging of foreign currency items.

Directors Report (cont)

Significant Changes in the State of Affairs

On 7 August 2023 the Group advised that it signed a binding agreement with Pacific State Metals (Holdings) Ltd (Pacific State) to vend its West Murchison and Fraser Range tenements into Pacific State. Pacific State is an unlisted Australian-incorporated public company that has indicated to S2 that it has an intention to list on the Australian Securities Exchange ("ASX") by 30 June 2024.

In return for the sale of its West Murchison and Fraser Range tenements to Pacific State, S2 will receive 7,000,000 ordinary fully paid shares in the issued capital of Pacific State, representing approximately 28.6% of Pacific State's issued capital (on a post-transaction basis). Based on the agreed proforma capital structure post the planned initial public offering (IPO) on ASX, it is expected that S2 will hold approximately 13% of the issued capital in Pacific State post-completion of the IPO.

As part of the sale agreement, Pacific State has undertaken to use its reasonable endeavours to seek to list on ASX as soon as practicable. In the meantime, Pacific State is required to keep the tenements in good standing. Should Pacific State not complete an ASX listing by 30 June 2024 (or such later date as the parties may otherwise agree), then each of S2 and Pacific State must do all things necessary to unwind the transaction (such that the West Murchison and Fraser Range tenements will be transferred back to S2 and S2 will surrender the shares it holds in Pacific State).

On 17 June the Group advised that it had 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, effective immediately. Consequently, S2 will retain ownership of the tenements which comprise the West Murchison and Fraser Range projects, and the Company's equity ownership in Pacific State will cease, as per the terms of the agreement.

On 4 December 2023 the Group reached an agreement with Oxley Resources Limited to earn a 70% interest in the Warraweena project, which comprises Exploration Licence EL9269, covering an area of 932 square kilometres extending 75 kilometres northeast from Bourke in northern New South Wales. The Group issued Oxley with 590,000 fully paid ordinary shares upon signing, representing a consideration of A\$100,300 at an issue price of A\$0.17 per share. The Group will be required to spend A\$2.7 million by 31 July 2027 to earn a 70% participating interest. This spend will include minimum expenditure of A\$350,000 by 31 December 2024 (before withdrawal), which will include minimum expenditure of A\$270,000 by 31 July 2024. As part of the agreement, at least A\$750,000 of the overall earn-in to be spent on drilling.

On 20 December 2023, the Group completed a placement to institutional and sophisticated investors by issuing 41,176,471 shares at an issue price of \$0.17, providing funds raised of \$7,000,000 (less costs). Funds raised to be used for ongoing exploration, other emerging opportunities and working capital. The placement was completed within the Group's 15% capacity pursuant to ASX Listing Rule 7.1 and accordingly no shareholder approval was required in connection with the equity raising.

On 29 January 2024 the Group announced it had reached an agreement with ASX-listed company Legacy Minerals Holdings Ltd (Legacy) to earn a 70% interest in the Glenlogan project, which comprises Exploration Licence EL9614, covering an area of 85 square kilometres in the Lachlan Fold Belt of central New South Wales.

The Group issued Legacy with 1 million fully paid ordinary shares upon signing, representing consideration of approximately A\$150,000 at a deemed issue price of A\$0.15 per share. The Group's minimum commitment in the agreement is to drill the Shellback magnetic anomaly within 12 months and to undertake 1,200 metres of diamond drilling. As part of this agreement, the Group can spend A\$2 million within 2 years of signing to earn a 51% participating interest in the project, and following this the Group can elect to spend a further A\$4 million within a further 3 year period to earn an additional 19% interest for a total 70% participating interest. This will include a minimum of 8,000 metres of diamond drilling.

Directors Report (cont)

On 4 March 2024 the Group announced it had signed a letter of intent in which Outback Goldfields, a Vancouver based TSX.V listed company would purchase Sakumpu Exploration Oy, the Group's wholly owned Finnish subsidiary for a total consideration of C\$7 million, comprising C\$1.5 million in cash and C\$5.5 million in shares in Outback.

The transaction is subject to a number of terms and conditions with the key terms set out in the LOI summarised below.

- Outback to buy S2's wholly owned subsidiary, Sakumpu Exploration Oy, which is the holder of S2's Finnish exploration assets, including the Aarnivalkea gold prospect, and interests in two current exploration earn in deals with Kinross Gold Corporation and Rupert Resources
- As consideration, S2 will receive C\$1.5 million (approximately A\$1.7 million) cash and C\$5.5 million (approximately A\$6.2 million) worth of Outback shares at a deemed issuance price equal to shares issued pursuant to the Offering (see below)
- Outback will undertake a concurrent financing to raise a minimum C\$5 million gross via a non-brokered private placement (the "Offering") to continue exploring S2's Finnish tenure.
- S2 will own a significant portion (possibly 35-45%) of Outback post-financing.

On 10 May the Group announced that further to the Letter Of Intent (LOI), it had entered into a definitive Share Purchase Agreement (SPA) with Vancouver-based Outback Goldfields Corporation ("Outback", TSX.V: OZ). The transaction remains subject to the completion of a C\$5 million financing, as described in S2's ASX announcement of 4 March 2024, and satisfaction of various other conditions which include: Toronto Venture Exchange (TSX.V) approval and Outback shareholder approval.

After Balance Date Events

On 1 July 2024, the Group announced the following share-based payments arrangements as part of the annual issue of options to all Company personnel and directors This is in line with the Company's policy to issue/propose options on a consistent basis in terms of vesting conditions, term, and exercise price, and on a consistent and objective date that aligns with other remuneration changes at the financial year end.

Options Series	Number Issued	Number at 01 July 2024	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(22) Issued 1 July 2024	3,750,000	3,750,000	01/07/2024	01/07/2028	0.135	0.059
(22) Issued 1 July 2024*	10,000,000	10,000,000	-	01/07/2028	0.135	-
Total	13,750,000	13,750,000				

*subject to approval by shareholders at the 2024 AGM

(22) The 3,750,000 options in series 22 comprised 3,250,000 options were issued to employees under the Employee Share Option Plan which vest one year from grant date and 500,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.

The 10,000,000 options in series 22 which vest one year from proposed date were issued to directors and are subject to approval at the AGM.

There has been no other matter or circumstance that has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Directors Report (cont)

Likely Developments and Expected Results of Operations

The Group will continue its exploration activities in Australia for the foreseeable future. The Group will also seek other exploration opportunities that will add value to the Group's portfolio of assets.

Environmental Regulation

The Group's operations are subject to environmental regulation under the laws of Finland, the Australian Commonwealth and the States of Western Australia, Victoria, and New South Wales. The Board of Directors ("Board") is of the view that all relevant environmental regulation requirements have been met.

Information on Directors

Mark Bennett – Executive Chairman

Experience and Expertise

Dr Bennett was the managing director and CEO of Sirius Resources NL ("Sirius") from its inception until its merger with Independence Group NL and was non-executive director of Independence Group following the merger until June 2016.

He is a geologist with 30 plus years of experience in gold, nickel and base metal exploration and mining. He holds a BSc in Mining Geology from the University of Leicester and a PhD from the University of Leeds and is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of London, a Fellow of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors.

He has worked in Australia, West Africa, Canada, USA and Europe, initially for LionOre Mining International Limited and WMC Resources Limited at various locations including Kalgoorlie, Kambalda, St.Ives, LionOre's nickel and gold mines throughout Western Australia, the East Kimberley, and Stawell in Victoria. His more recent experience, as Managing Director of Sirius, S2 Resources and as a director of private Canadian company True North Nickel, has been predominantly in Western Australia (the Fraser Range including Nova-Bollinger, and the Polar Bear project in the Eastern Goldfields), Quebec (the Raglan West nickel project), British Columbia, Sweden, Finland, and Nevada.

Positions held include various technical, operational, executive and board positions including Executive Chairman, Managing Director, Chief Executive Officer, Executive Director, Non-Executive Director, Exploration Manager and Chief Geologist.

Dr Bennett is a two times winner of the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox gold mine, the Waterloo nickel mine and most recently the world class Nova-Bollinger nickel-copper mine.

In addition to his technical expertise, Dr Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and led Sirius from prior to the discovery of Nova through feasibility, financing, permitting and construction, and through the schemes of arrangement to merge with Independence and to demerge S2.

Other Directorships

Chairman of Falcon Metals since September 2021.

Former Directorships in the Last Three Years

Non-Executive Director of Todd River Resources Ltd November 2018 to 22 September 2022

Number of interests in shares and options held in S2 Resources Ltd

Options	14,000,000
Shares	5,560,784

Directors Report (cont)

Jeff Dowling – Non- Executive Director

Experience and Expertise

Mr Dowling was Sirius' Non-Executive Chairman until 21 September 2015 and is a highly experienced corporate leader with 36 years' experience in professional services with Ernst & Young. Mr Dowling held numerous leadership roles within Ernst & Young which focused on the mining, oil and gas and other industries.

His professional expertise centres around audit, risk and financial management derived from acting as lead partner on large public company audits, capital raisings and corporate transactions. Mr Dowling's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years.

Mr Dowling has a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

Mr Dowling is the Chairman of the Group's Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee which was formed on 19 July 2016.

Other Directorships

Non-Executive Director of NRW Holdings Ltd since 22 August 2013.

Non-Executive Director of Fleetwood Corporation Ltd since 1 July 2017.

Non-Executive Chairman of Arrow Minerals Ltd since 15 December 2023.

Former Directorships in the Last Three Years

Non-Executive Director of Battery Minerals since 21 June 2019 to 4 September 2023.

Number of interests in shares and options held in S2 Resources Ltd

Options	5,750,000
Shares	700,000

Anna Neuling – Non-Executive Director

Experience and Expertise

Ms Neuling was the Company Secretary and Chief Financial Officer of Sirius Resources NL from the company's inception in 2009 until 22 September 2013 where she was appointed as Executive Director – Corporate and Commercial until its merger with Independence Group that occurred on 21 September 2015.

Ms Neuling worked at Deloitte in London and Perth prior to joining LionOre Mining International Limited in 2005, until its takeover by Norilsk Nickel. She holds a degree in mathematics from the University of Newcastle (UK).

She is a Fellow of the Institute of Chartered Accountants in England and Wales and has held a number of senior executive positions in the resources industry, including CFO and Company Secretarial roles at several listed companies.

Ms Neuling is a member of the Group's Audit & Risk Committee and Remuneration & Nomination Committee which was formed on 19 July 2016.

Other Directorships

Non-Executive Director of MLG OZ Ltd since 23 March 2021, Interim Chair since 21 April 2023.

Non-Executive Chair of Tombador Iron Resources Ltd since 25 September 2020.

Former Directorships in the Last Three Years

Non-Executive Director of CZR Resources Ltd from 2 November 2020 to 10 September 2021.

Number of interests in shares and options held in S2 Resources Ltd

Options	6,250,000
Shares	799,875

Directors Report (cont)

Meetings of Directors

The number of meetings of the Board and of each Board Committee held during the year ended 30 June 2024 and the number of meetings attended by each Director were:

Director	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Meeting Held	Meetings attended	Meeting Held	Meetings attended	Meeting Held	Meetings attended
Mark Bennett (i)	8	8	2	2	2	2
Anna Neuling	8	8	2	2	2	2
Jeff Dowling	8	8	2	2	2	2

- (i) Mark Bennett attended the Audit & Risk Committee meetings and the Remuneration & Nomination Committee Meetings by invitation he is not a member of either committee.

Indemnifying of Officers or Auditor

During the year the Group paid a premium in respect of insuring Directors and Officers of the Group against liabilities incurred as a Director or Officer. The insurer shall pay on behalf of the Group or each Director or Officer all losses for which the Director or Officer is not indemnified by the Group arising from a claim against a Director or Officer individually or collectively.

The Group had not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group against a liability incurred as an auditor.

Options & Rights

Unissued ordinary shares of the Company under options or rights at 30 June 2024 are as follows:

Options

Number	Grant Date	Expiry Date	Exercise Price \$
200,000	27/08/2020	26/08/2024	0.30
2,000,000	05/10/2020	04/10/2024	0.39
7,350,000	17/11/2020	16/11/2024	0.38
10,300,000	12/11/2021	11/11/2025	0.29
300,000	19/04/2022	18/04/2026	0.25
200,000	28/04/2022	27/04/2026	0.23
8,100,000	21/10/2022	20/10/2026	0.20
3,350,000	09/09/2023	08/09/2027	0.25
10,000,000	15/11/2023	08/09/2027	0.25

There were no shares issued since the end of the financial year on the exercise of options. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Directors Report (cont)

Remuneration Report (audited)

This Remuneration Report, which has been audited, outlines the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) (“KMP”) remuneration arrangements for the Group, in accordance with the requirements of the section 308 (3c) of the Corporations Act 2001 and its Regulations.

The KMP covered in this remuneration report are:

- Mark Bennett – Executive Chairman
- Anna Neuling – Non-Executive Director
- Jeff Dowling – Non-Executive Director

The principles adopted have been approved by the Board and have been set out in this Remuneration Report. This audited Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, Related Party Disclosures.

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group’s executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure in this Remuneration Report aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, it conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) aligns shareholders and executive interests;
- (iii) performance based and aligned to the successful achievement of strategic and tactical business objectives; and
- (iv) transparency.

Executive Directors

Remuneration to Executive Directors reflects the demands which are made on, and the responsibilities of, the Executive Directors. Executive Directors’ remuneration is reviewed annually to ensure it is appropriate and in line with the market. There are no retirement allowances or other benefits paid to Executive Directors other than superannuation guarantee amounts as required.

The executive remuneration and reward framework has three components:

- (i) base pay;
- (ii) share-based payments; and
- (iii) other remuneration such as superannuation and long service leave.

The combination of these comprises the Executive Director's total remuneration.

Directors Report (cont)

Remuneration Report (audited) (cont)

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (CONT)

Fixed remuneration, consisting of base salary and superannuation will be reviewed annually by the Remuneration & Nomination Committee, based on individual contribution to corporate performance and the overall relative position of the Group to its market peers.

Non - Executive Directors

Remuneration to Non-Executive Directors reflects the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' remuneration is reviewed annually. The maximum aggregate for annual cash remuneration of Non-Executive Directors is \$300,000 and was approved by shareholders prior to the demerger of the Company from Independence Group NL (formerly Sirius Resources NL) on 21 September 2015.

From 1 July 2023 to 30 June 2024, exclusive of superannuation guarantee the annual cash remuneration for the Non-Executive Directors was \$148,250 per annum.

Company Performance

As an exploration company, the Board does not consider the operating loss after tax as one of the performance indicators when implementing an incentive based remuneration policy. The Board considers that identification and securing of new business growth opportunities, the success of exploration and, if appropriate, feasibility activities, safety and environmental performance, the securing of funding arrangements and responsible management of cash resources and the Company's other assets are more appropriate performance indicators to assess the performance of management at this stage of the company's development.

Short-term incentives

To align the remuneration of employees with the company aim of responsible management of cash resources, there were no short-term incentives paid or proposed to be paid for the year ended 30 June 2024. The company's approach with regard to the use of short-term cash incentives will be assessed by the Remuneration & Nomination Committee on an ongoing basis as the company evolves.

Long-term incentives

To align the board and management with shareholder's interests and with market practices of peer companies and to provide a competitive total remuneration package, the Board introduced a long-term incentive ("LTI") plan to motivate and reward Executives and Non-Executive Directors. The LTI is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan.

The table below shows the losses and earnings per share of the Company for the last five financial years.

	2024	2023	2022	2021	2020
Net loss	(8,190,632)	(6,755,677)	(7,365,625)	(7,234,407)	(7,475,048)
Share price at year end (cents)	9	13	14	13	9.3
Loss per share (cents)	(1.89)	(1.81)	(2.11)	(2.34)	(3.02)

Directors Report (cont)

Remuneration Report (audited) (cont)

2. DETAILS OF REMUNERATION

The amount of remuneration paid and entitlements owed to KMP is set out below.

Year Ended 30 June 2024

CASH REMUNERATION AND ENTITLEMENTS

Cash remuneration						
2024	Salary	Termination payment	Post-employment benefits (superannuation)	Movement in annual leave entitlement owing	Movement in long service leave entitlement	Total cash payments and entitlements
Directors	\$	\$	\$	\$	\$	\$
M Bennett	325,000		27,399	6,250	6,330	364,979
A Neuling	65,000		7,150	-	-	72,150
J Dowling (i)	83,250		-	-	-	83,250
	473,250	-	34,549	6,250	6,330	520,379

(i) Salary paid in lieu of superannuation as employer shortfall exception certificate in place.

Year Ended 30 June 2023

CASH REMUNERATION AND ENTITLEMENTS

Cash remuneration						
2023	Salary	Termination payment	Post-employment benefits (superannuation)	Movement in annual leave entitlement owing	Movement in long service leave entitlement	Total cash payments and entitlements
Directors	\$	\$	\$	\$	\$	\$
M Bennett (i)	318,125		25,292	(18,030)	33,255	358,642
A Neuling	69,229		7,226	(4,175)	-	72,280
J Dowling (ii)	82,875		-	-	-	82,875
Other Key Management Personnel						
M Keane (iii)	33,478	324,767	6,323	(20,653)	-	343,915
	503,707	324,767	38,841	(42,858)	33,255	857,712

(i) Dr Bennett has taken unpaid leave in the financial year. His remuneration package is still as per the summary of his service agreement provided below.

(ii) Salary paid in lieu of superannuation as employer shortfall exception certificate in place.

(iii) Redundant 12 August 2022 with 12 months payment in lieu of notice as per service agreement below.

Directors Report (cont)

Remuneration Report (audited) (cont)

DETAILS OF REMUNERATION (CONT)

2024 TOTAL REMUNERATION

	Total cash payments and entitlements	Options issued	Total	LTI % of remuneration
Directors	\$	\$	\$	
M Bennett	364,979	445,097	810,076	55%
A Neuling	72,150	206,171	278,321	74%
J Dowling	83,250	206,171	289,421	71%
	520,379	857,439	1,377,818	

2023 TOTAL REMUNERATION

	Total cash payments and entitlements	Options issued	Total	LTI % of remuneration
Directors	\$	\$	\$	
M Bennett	358,642	219,136	577,778	40%
A Neuling	72,279	73,045	145,324	50%
J Dowling	82,875	73,045	155,920	47%
Other Key Management Personnel				
M Keane	343,916	-	343,916	-
	857,712	365,226	1,222,938	

There were no non-monetary benefits other than options paid to the Directors or KMP for the year ended 30 June 2024.

3. SERVICE AGREEMENTS

For the year ended 30 June 2024, the following service agreements were in place with the Directors and KMP of S2:

On 4 September 2015, an Executive Services Agreement was entered into between the Company and Managing Director and Chief Executive Officer Mark Bennett. Under the terms of the Agreement:

- Dr Bennett was paid a remuneration package of \$325,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Dr Bennett twelve months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Dr Bennett may terminate the Agreement by giving the Company three months' notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 3 April 2020, a Change of Role letter was entered into between the Company and Mark Bennett which changed his role from Managing Director and Chief Executive Officer to Executive Chairman. All other terms remained in line with his Executive Services Agreement.

Directors Report (cont)

Remuneration Report (audited) (cont)

3. SERVICE AGREEMENTS (CONT)

On 10 September 2015, a letter of appointment was entered into between the Company and Non-Executive Chairman Jeff Dowling. Under the terms of the Agreement:

- Mr Dowling was paid a remuneration package of \$75,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, either party may terminate the Agreement by the giving of written notice.

On 3 April 2020, a Change of Role Letter was entered into between the Company and Jeff Dowling which changed his role from Non-Executive Chairman to Non-Executive Director. All other terms remained in line with his letter of appointment.

On 4 September 2015, an Executive Services Agreement was entered into between the Company and Executive Director Anna Neuling. Under the terms of the Agreement as Executive Director:

- Ms Neuling was appointed as Executive Director, including the role of Company Secretary.
- Ms Neuling was paid a remuneration package of \$120,000 per annum comprising a base salary plus statutory superannuation for work on a part time basis (based on \$300,000 full time equivalent).
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Ms Neuling twelve months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Ms Neuling may terminate the Agreement by giving the Company three months' notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

Ms Neuling resigned in line with the terms of the Agreement on 31 July 2022.

On 1 August 2022, a letter of appointment was entered into between the Company and Non-Executive Director Anna Neuling. Under the terms of the Agreement:

- Ms Neuling was paid a remuneration package of \$65,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, either party may terminate the Agreement by the giving of written notice.

4. SHARE-BASED COMPENSATION

Option holdings

The numbers of options in the Company held during the year ended by each KMP of S2, including their related parties, are set out below:

2024	Balance at the start of the year	Granted during the year	Expired during the year	Balance at year end vested & exercisable	Balance at the year ended unvested	Total balance at the year end
Director						
M Bennett	15,000,000	5,000,000	6,000,000	9,000,000	5,000,000	14,000,000
A Neuling	8,250,000	2,500,000	4,500,000	3,750,000	2,500,000	6,250,000
J Dowling	6,250,000	2,500,000	3,000,000	3,250,000	2,500,000	5,750,000
	29,500,000	10,000,000	13,500,000	16,000,000	10,000,000	26,000,000

As at 30 June 2024, the number of options that have vested and exercisable were 18,500,000.

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in the year ended or future reporting years are as follows:

Directors Report (cont)

Remuneration Report (audited) (cont)

Series	Grant Date	Expiry date	Exercise price \$	Fair value per option \$	Vested %
15	05 Oct 2020	4 Oct 2024	0.39	0.14	100%
16	17 Nov 2020	16 Nov 2024	0.38	0.14	100%
17	12 Nov 2021	11 Nov 2025	0.29	0.13	100%
20	16 Nov 2022	20 Oct 2026	0.20	0.11	100%
21	15 Nov 2023	09 Sep 2023	0.25	0.11	*

*Options vest a year after grant date.

Options issued in the year were priced using a Black-Scholes option pricing model using the inputs below:

	Series 21
Grant date share price	0.18
Exercise price	0.25
Expected volatility	100%
Option life	4 years
Dividend yield	0.00%
Fair Value	0.111
Interest rate	4.17%

5. SHARE-BASED COMPENSATION (CONT)

Shareholdings

The numbers of shares in the Company held during the year ended by each KMP of S2, including their related parties, are set out below:

2024	Balance at the start of the year	Other changes during the year	Balance for the year ended
Directors			
M Bennett	5,560,784	-	5,560,784
A Neuling	799,875	-	799,875
J Dowling	700,000	-	700,000
	7,060,659	-	7,060,659

There were no shares granted to KMP's during the reporting year as remuneration.

Use of remuneration consultants

No remuneration consultants were engaged or used for the Group during the year ended 30 June 2024.

Directors Report (cont)

Remuneration Report (audited) (cont)

Voting and comments made at the Company's Annual General Meeting

At the 2023 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2023 was passed on a poll with 99.52% of votes cast on the poll voting “For” the resolution to adopt the Remuneration Report. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

Share trading policy

The trading of shares issued to participants under any of the Group’s employee equity plans is subject to, and conditional upon, compliance with the Group’s employee share trading policy as per the Group’s Corporate Governance Policy. Directors and executives are prohibited from entering into any hedging arrangements over options under the Group’s employee option plan. The Group would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

This concludes the Remuneration Report, which has been audited.

Directors Report (cont)

Proceedings on behalf of the Group

No person had applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings had been brought or intervened in on behalf of the Group with leave of the court under section 237 of the Corporations Act 2001.

Audit Services

During the year ended 30 June 2024, \$46,000 was paid or is payable for audit services provided by the auditors. There were no non-audit services performed during the financial year.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 77 of this report.

Corporate Governance

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability.

Signed in accordance with a resolution of the Board of Directors.



Mark Bennett

Executive Chairman

Melbourne

06 September 2024

Annual Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	30 June 2024	30 June 2023
			*Restated
		\$	\$
Other income		469,037	129,554
Corporate salaries and wages		(534,589)	(836,092)
Consulting and legal fees		(213,875)	(254,791)
Share and company registry		(129,289)	(129,889)
Rent, insurance and variable outgoings		(119,377)	(93,391)
Business development		(510,116)	(182,075)
Travel expenditure		(141,581)	(81,352)
Depreciation expense		(138,957)	(147,734)
Share-based payments	12	(1,239,643)	(779,846)
Gain on sale of exploration permit		35,728	179,421
Foreign exchange (losses)/gains and bank charges		(7,128)	51,089
Finance cost of Lease Liability		(5,702)	(5,784)
Exploration expenditure expensed as incurred		(5,184,662)	(4,066,519)
Loss before income tax from continuing operations		(7,720,154)	(6,217,409)
Income tax benefit/(expense)	4	-	-
Loss after income tax from continuing operations		(7,720,154)	(6,217,409)
Loss after income tax from discontinued operations		(470,478)	(538,268)
Loss for the year		(8,190,632)	(6,755,677)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of Investments at fair value through other comprehensive income	6	(676,455)	(1,182,178)
<i>Items that may be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		21,682	20,090
Total comprehensive (loss) for the year attributable to the members of S2 Resources Ltd		(8,845,405)	(7,917,765)
Loss per share for loss attributable to the members of S2 Resources Ltd			
Basic loss per share (cents) from continuing operations		(1.78)	(1.78)
Basic loss per share (cents) from discontinued operations		(0.11)	(0.11)
Basic loss per share (cents)		(1.89)	(1.81)

*Restated to include discontinued operations

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Annual Financial Report (cont)

Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents	5	5,322,413	5,767,312
Restricted cash	5	399,358	340,389
Trade and other receivables		304,201	129,685
Financial assets held at fair value through other comprehensive income	6	76,083	752,539
Asset Held for Sale	7	990,962	-
TOTAL CURRENT ASSETS		7,093,017	6,989,925
NON-CURRENT ASSETS			
Exploration and evaluation	7	1,709,898	2,426,570
Property, plant and equipment		104,570	119,743
Right-of-use assets		79,618	148,840
TOTAL NON-CURRENT ASSETS		1,894,086	2,695,153
TOTAL ASSETS		8,987,103	9,685,078
CURRENT LIABILITIES			
Trade and other payables	9	615,428	503,482
Liabilities associated with Asset Held for Sale	9	26,700	-
Lease liabilities		46,516	74,672
Provisions		82,911	68,013
TOTAL CURRENT LIABILITIES		771,555	646,167
NON CURRENT LIABILITIES			
Lease liabilities		43,705	85,139
Provision for long service leave		82,798	73,437
TOTAL NON CURRENT LIABILITIES		126,503	158,576
TOTAL LIABILITIES		898,058	804,743
NET ASSETS		8,089,045	8,880,335
EQUITY			
Share capital	10	78,725,836	71,911,364
Reserves	11	2,382,563	2,599,278
Accumulated losses		(73,019,354)	(65,630,307)
TOTAL EQUITY		8,089,045	8,880,335

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Annual Financial Report (cont)

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

Attributable to equity holders of the Group in \$ dollars	Share capital	Share based payment Reserves	Other Reserve	Foreign Currency Translation Reserve	Fair Value Other Comprehensive Income ("FVOCI") Reserve	Accumulated losses	Total
Balance at 1 July 2023	71,911,364	4,069,570	144,517	341,792	(1,956,601)	(65,630,307)	8,880,335
Loss for the year	-	-	-	-	-	(8,190,632)	(8,190,632)
Other comprehensive income	-	-	-	21,682	(676,455)	-	(654,773)
Total comprehensive loss for the period	-	-	-	21,682	(676,455)	(8,190,632)	(8,845,405)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Issue of share capital	7,250,300	-	-	-	-	-	7,250,300
Capital raising costs	(435,828)	-	-	-	-	-	(435,828)
Share-based payment transactions	-	1,239,643	-	-	-	-	1,239,643
Transfer of lapsed and expired options value to accumulated losses	-	(801,585)	-	-	-	801,585	-
Total contributions by and distributions to owners	6,814,472	438,058	-	-	-	801,585	8,054,115
Balance at 30 June 2024	78,725,836	4,507,628	144,517	363,474	(2,633,056)	(73,019,354)	8,089,045

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Annual Financial Report (cont)

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

Attributable to equity holders of the Group in \$ dollars	Share capital	Share based payment Reserves	Other Reserve	Foreign Currency Translation Reserve	Fair Value Other Comprehensive Income ("FVOCI") Reserve	Accumulated losses	Total
Balance at 1 July 2022	65,831,625	3,388,852	144,517	321,702	(774,423)	(58,973,759)	9,938,514
Loss for the year	-	-	-	-	-	(6,755,677)	(6,755,677)
Other comprehensive income	-	-	-	20,090	(1,182,178)	-	(1,162,088)
Total comprehensive loss for the period	-	-	-	20,090	(1,182,178)	(6,755,677)	(7,917,765)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Issue of share capital	6,455,500	-	-	-	-	-	6,455,500
Capital raising costs	(375,761)	-	-	-	-	-	(375,761)
Share-based payment transactions	-	779,847	-	-	-	-	779,847
Transfer of lapsed and expired options value to accumulated losses	-	(99,129)	-	-	-	99,129	-
Total contributions by and distributions to owners	6,079,739	680,718	-	-	-	99,129	6,859,586
Balance at 30 June 2023	71,911,364	4,069,570	144,517	341,792	(1,956,601)	(65,630,307)	8,880,335

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Annual Financial Report (cont)

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 \$
Cash flows from operating activities			
Cash paid to suppliers and employees for corporate activities		(1,546,061)	(1,602,026)
Cash paid to suppliers and employees for exploration activities		(5,670,987)	(4,404,447)
Interest received		266,066	80,704
Interest and other finance costs paid		(11,401)	(10,063)
Net cash used in operating activities	15	(6,962,383)	(5,935,832)
Cash flows from investing activities			
Payment of property, plant and equipment		(53,888)	(74,491)
Payments of exploration activities capitalised		(59,597)	-
Proceeds from sale of assets		1,199	51,932
Proceeds from sale of tenement		35,728	179,421
Proceeds from sale of investments		147,360	172,700
Net cash (used in)/derived from investing activities		70,802	329,562
Cash flows from financing activities			
Proceeds from issue of shares		7,000,000	6,413,500
Share issue transaction costs		(435,828)	(375,761)
Repayment of Borrowings		(74,249)	(95,572)
Receipts/(Payments) for cash backed guarantees		(43,300)	(33,546)
Cash from financing activities		6,446,623	5,908,621
Net increase in cash and cash equivalents		(444,958)	302,351
Effects of exchange rate changes on cash and cash equivalents		59	53,346
Cash and cash equivalents at 1 July 2023		5,767,312	5,411,615
Cash and cash equivalents at 30 June 2024	5	5,322,413	5,767,312

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2024

S2 Resources Ltd ("Company" or "S2") is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Group as at and for the year ended to 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or "consolidated entity" and individually as a "Group entity").

The separate financial statements of the parent entity, S2 Resources Ltd, have not been presented within this financial report. Summary parent information has been included in Note 20.

The financial statements were authorised for issue on 19 September 2024 by the Directors of the Company.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or OCI.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(a)(iii).

(i) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(ii) Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the consolidated entity.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(a) Basis of preparation (cont)

(iii) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that it believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 12.

Exploration and evaluation costs

Exploration and evaluation costs for each area of interest in the early stages of the project life are expensed as they are incurred except for acquisition costs, until they satisfy the requirements that are stated below.

Exploration and evaluation costs are capitalised in an identifiable area of interest upon announcement of a JORC 2012 compliant resource and costs will be amortised in proportion to the depletion of the mineral resources at the commencement of production. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

(iv) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by S2 at the end of the reporting year. A controlled entity is any entity over which S2 has the ability and right to govern the financial and operating policies to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 21 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Australian dollar (\$), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchanges rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(c) Revenue Recognition

Interest income is recognised on a time proportion basis using the effective interest method.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(g) Exploration and Evaluation

(i) Exploration and evaluation assets acquired

Exploration and evaluation assets comprise of acquisition of mineral rights (such as joint ventures) and fair value (at acquisition date) of exploration and expenditure assets from other entities. As the assets are not yet ready for use they are not depreciated. Exploration and evaluation assets are assessed for impairment if:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; or
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the assets are demonstrable, exploration and evaluation assets are first tested for impairment and then reclassified to mine properties as development assets.

(ii) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development.

Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

The Statement of Profit or Loss and Other Comprehensive Income will recognise expenses arising from excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(h) Interest in Joint Ventures

The Group accounts for 100% of the assets, liabilities and expenses of joint venture activity. These have been incorporated in the financial statements.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(i) Employee Benefits

(i) Equity Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(ii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(iii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(j) Issued Capital

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Group, excluding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(l) Investments and other financial assets

Investments and other financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); or
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT)

(i) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(ii) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

(m) New Accounting Standards and Interpretations not yet mandatory or early adopted

The Group has adopted all standards which became effective for the first time for the year ended 30 June 2024. The adoption of any new accounting standards applicable to the Group has not had a material impact on the financial statements.

The Group has chosen not to early-adopt any accounting standards that have been issued but are not yet effective. The impact of accounting standards that have been issued, but are not yet effective, is not material to these financial statements.

(n) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 2. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, lease liabilities and accounts receivable and payable.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management.

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, and liquidity risk, credit risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Australian Dollar current and non-current debt obligations with floating interest rates. The Group is also exposed to interest rate risk on its cash and short term deposits.

<u>2024</u>	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing between 1 and 2 years	Non-interest bearing	Total	Weighted average effective interest rate
Financial Instruments	\$	\$	\$	\$	\$	%
(i) Financial assets						
Available cash on hand	2,048,676	3,000,000	-	273,737	5,322,413	4.60
Restricted cash	-	245,000	-	154,358	399,358	4.85
Total financial assets	2,048,676	3,245,000	-	428,095	5,721,771	
(ii) Financial liabilities						
Trade and other payables	-	-	-	615,428	615,428	
Lease liabilities – current	-	46,516	-	-	46,516	
Lease liabilities – non current	-	-	43,705	-	43,705	
Total financial liabilities	-	46,516	43,705	615,428	705,649	

<u>2023</u>	Floating interest rate	Fixed interest rate maturing in 1 year or less	Fixed interest rate maturing between 1 and 2 years	Non-interest bearing	Total	Weighted average effective interest rate
Financial Instruments	\$	\$	\$	\$	\$	%
(i) Financial assets						
Available cash on hand	1,805,758	3,000,000	-	961,554	5,767,312	4.18
Restricted cash	-	195,000	-	145,389	340,389	4.38
Total financial assets	1,805,758	3,195,000	-	1,106,943	6,107,701	
(ii) Financial liabilities						
Trade and other payables	-	-	-	503,482	503,482	
Lease liabilities – current	-	74,672	-	-	74,672	
Lease liabilities – non current	-	-	85,139	-	85,139	
Total financial liabilities	-	74,672	85,139	503,482	663,293	

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT)

Net Fair Values

The net fair value of financial assets and liabilities approximate carrying values due to their short-term nature.

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in interest rates.

	30 June 2024	30 June 2023
	\$	\$
Change in loss:		
Increase by 1%	(20,487)	(18,058)
Decrease by 1%	20,487	18,058
Change in equity:		
Increase by 1%	(20,487)	(18,058)
Decrease by 1%	20,487	18,058

Foreign exchange risk

Exposure

The Group holds foreign currency cash in Euro and US Dollar to operate in Finland and the United States. It also has foreign currency receivables and payables in these countries which are exposed to foreign currency fluctuations. The Group manages its foreign exchange risk and exposure by purchasing foreign currency for the following budget year and reviews forecasted exchange rates by various banks on a monthly basis. The Group's exposure to foreign currency risk at the end of the reporting year, expressed in Australian dollar, was as follows:

Year ended 30 June 2024	EUR \$	USD \$	Total \$
Cash on hand	109,340	164,142	273,482
Restricted cash	67,519	46,839	114,358
Other receivables	1,972	6,300	8,272
Trade and other payables	(27,849)	(8,966)	(36,815)
	150,982	208,315	359,297
Year ended 30 June 2023	EUR \$	USD \$	Total \$
Cash on hand	510,665	450,817	961,482
Restricted cash	68,593	46,796	115,389
Other receivables	10,596	-	10,596
Trade and other payables	(78,391)	(6,700)	(85,091)
	511,463	490,913	1,002,376

Amounts recognised in profit or loss and other comprehensive income

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT)

During the year ended, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2024 \$	2023 \$
<i>Amounts recognised in profit or loss</i>		
Net foreign exchange gain/(loss) included in other income/other expenses	(59)	(55,368)
Total net foreign exchange (losses) recognised in loss before income tax for the year	(59)	(55,368)
<i>Net gains/(losses) recognised in other comprehensive income</i>		
Translation of foreign operations	(21,682)	(20,090)

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in EUR/\$ exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro and US dollar denominated financial instruments and the impact on other components of equity arises from translation of foreign operations.

	Impact on post tax loss \$	Impact on other components of equity \$
EUR/\$ exchange rate – increase 10%*	(47,048)	(24,199)
EUR/\$ exchange rate – decrease (10%)*	47,048	24,199
USD/\$ exchange rate – increase 10%*	(232)	(5,649)
USD/\$ exchange rate – decrease (10%)*	232	5,649

*Holding all other variables constant

LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Management monitors rolling forecasts of the Group's cash reserves on the basis of expected development, exploration and corporate cash flows. This ensures that the Group complies with prudent liquidity risk management by maintaining sufficient cash and marketable securities and the availability of funding through the equity markets to meet obligations when due.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- based on Standard and Poor's rating agency.

The credit risk on other receivables is limited as it is comprised of prepayments and GST recoverable from the Australian Taxation Office and tax authorities in Finland. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating. There are no receivable balances which are past due or impaired.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT)

Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statement of financial position as investments (see Note 6). The Group's investment is publicly traded on the Australian Stock Exchange ("ASX").

The Group is not currently exposed to commodity price risk.

Sensitivity

The table below summarises the impact of increases/decreases of the investment's share price on the Group's equity and post-tax loss for the year. The analysis is based on the assumption that the investment's share price had increased or decreased by 10% with all other variables held constant, and that the Group's equity instrument moved in line with the indexes.

	Impact on post tax loss	Impact on post tax loss	Impact on other components of equity	Impact on other components of equity
	2024	2023	2024	2023
	\$	\$	\$	\$
ASX index – increase 10%	-	-	(7,608)	(75,254)
ASX index – decrease (10%)	-	-	7,608	75,254

There would be no impact on post tax loss as the Group does not recognise any financial assets at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as investments. As the fair value of investments would still be above cost, no impairment loss would be recognised in profit or loss as a result of the decrease in the index.

Amounts recognised in statement of profit or loss and other comprehensive income

The amounts recognised in profit or loss and other comprehensive income in relation to the investments held by the Group are disclosed in Note 6.

NOTE 3. SEGMENT INFORMATION

For management purposes, the Group has three reportable segments as follows:

- Finland exploration activities, which includes exploration and evaluation of mineral tenements in Central Lapland.
- Australia exploration activities, which includes exploration and evaluation of mineral tenements in Western Australia, New South Wales and Victoria.
- Unallocated, which includes all other expenses that cannot be directly attributed to any of the segments above, this includes the cost of storage of exploration equipment in the US.

Segment information that is evaluated by the Chief Operating Decision Maker (as defined by AASB 8 Operating Segments) is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 3. SEGMENT INFORMATION (CONT)

SEGMENT RESULTS

Statement of profit or loss for the year ended 30 June 2024				
	Finland exploration activities	Australia exploration activities	Unallocated	Total
Other income	-	-	469,037	469,037
Corporate expenses	-	-	(997,130)	(997,130)
Business Development	-	-	(510,116)	(510,116)
Travel	-	-	(141,581)	(141,581)
Depreciation expense	-	-	(138,957)	(138,957)
Share-based payments	-	-	(1,239,643)	(1,239,643)
Other gain/(losses) - net	-	-	(7,128)	(7,128)
Gain on disposal of tenement			35,728	35,728
Finance Cost of Right of Use asset	-	-	(5,702)	(5,702)
Exploration expenditure expensed as incurred	(470,478)	(5,182,339)	(2,323)	(5,655,140)
Loss before income tax	(470,478)	(5,182,339)	(2,537,815)	(8,190,632)
Income tax expense	-	-	-	-
Loss after income tax for the year	(470,478)	(5,182,339)	(2,537,815)	(8,190,632)

Statement of profit or loss for the year ended 30 June 2023				
	Finland exploration activities	Australia exploration activities	Unallocated	Total
Other income	-	-	129,554	129,554
Corporate expenses	-	-	(1,314,163)	(1,314,163)
Business Development	-	-	(182,075)	(182,075)
Travel	-	-	(81,352)	(81,352)
Depreciation expense	-	-	(147,734)	(147,734)
Share-based payments	-	-	(779,847)	(779,847)
Other gain/(losses) - net	-	-	51,089	51,089
Gain on disposal of tenement			179,421	179,421
Finance Cost of Right of Use asset	-	-	(5,784)	(5,784)
Exploration expenditure expensed as incurred	(538,268)	(4,054,911)	(11,608)	(4,604,787)
Loss before income tax	(538,268)	(4,054,911)	(2,162,499)	(6,755,678)
Income tax expense	-	-	-	-
Loss after income tax for the year	(538,268)	(4,054,911)	(2,162,499)	(6,755,678)

	Finland exploration activities	Australia exploration activities	Total
Exploration assets 2024	990,962	1,709,898	2,700,860
Exploration assets 2023	966,972	1,459,598	2,426,570

SEGMENT ASSETS AND LIABILITIES

The Group's other assets (excluding exploration assets) are mostly attributable to the unallocated segment therefore assets attributable to exploration in Finland and Australia is immaterial for disclosure.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 4. INCOME TAX

Recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

Current tax	-	-
Deferred tax	-	-
Under (over) provided in prior years	-	-
Total income tax benefit/(expense) per Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

Numerical reconciliation between tax expense and pre-tax net loss

Net loss before tax	(8,190,632)	(6,755,677)
Income tax benefit at 30% (2023: 30%)	(2,342,525)	(1,971,740)
Income tax expense / (benefit) for overseas entities (at various rates)	(76,480)	125,509
<i>Increase in income tax due to:</i>		
Non-deductible expenses	327,238	238,916
Current year tax losses not recognised	2,168,427	1,670,070
<i>Decrease in income tax due to:</i>		
Movement in unrecognised temporary differences	(76,660)	67,705
Capital losses recognised during the year	-	-
Capital losses utilised during the year	-	-
Tax losses utilised during the year	-	-
	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

Previous year tax losses brought forward (1)	11,727,181	9,909,266
Tax revenue losses (2)	2,168,427	1,705,607
	13,895,608	11,614,873

(1) Tax losses have been adjusted to reflect 2023 actual tax return.

(2) Net deferred tax assets have not been brought to account as it is not probable that within the immediate future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

NOTE 5. CASH AND CASH EQUIVALENTS

	30 June 2024 \$	30 June 2023 \$
Current		
Cash at bank and in hand	5,322,413	5,767,312
Restricted cash	399,358	340,389
	5,721,771	6,107,701

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 6. INVESTMENTS AND OTHER FINANCIAL ASSETS

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

(ii) Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	30 June 2024 \$	30 June 2023 \$
Investments		
<i>Balance at beginning of the year</i>		
Trinex Minerals Ltd	752,539	1,956,601
Aurion Resources Ltd	-	150,816
<i>Movement during the year</i>		
Trinex Minerals change in fair value of investment	(527,607)	(1,204,062)
Trinex Minerals shares disposal of shares	(148,849)	(150,816)
Balance as at 30 June	76,083	752,539

(iii) Fair values of other financial assets at amortised cost

Financial assets at amortised cost include the following:

	30 June 2024 \$	30 June 2023 \$
Current – Trade and other receivables		
Trade and other receivables	304,201	129,685
	304,201	129,685

Due to the short term nature of the trade and other receivables and prepayments, their carrying amount is considered to be the same as their fair value.

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 7. EXPLORATION AND EVALUATION

	30 June 2024 \$	30 June 2023 \$
Exploration asset held for sale (iii)	990,962	-
Exploration costs	1,709,898	2,426,570
Movement during the year		
Balance at beginning of the year	2,426,570	2,366,972
Exploration expenditure incurred during the year	5,655,140	4,604,786
Exploration expenditure incurred during the year and expensed (i)	(5,655,140)	(4,604,786)
Exploration expenditure relating to acquisitions (ii)	250,300	59,598
Foreign currency translation difference	23,990	
Balance at end of the year	2,700,860	2,426,570

(i) During the year ended 30 June 2024 the exploration expenditure incurred pertains to the following:

Australian Projects

Exploration expenditure incurred and expensed for Australia was \$5,182,339.

Finland Projects

Exploration expenditure incurred and expensed for Finland was \$470,478.

US Projects

Exploration expenditure incurred and expensed for the in the US was \$2,323

(ii) On 29 January 2024 S2 entered into an agreement with Legacy Minerals. The agreement comprises an earn-in and joint venture phase, with key terms as follows:

- S2 to issue Legacy with 1 million ordinary shares on signing, representing a consideration of approximately A\$150,000 at a deemed price of A\$0.15 per share
- S2's minimum commitment is to drill the Shellback magnetic anomaly within 12 months and to undertake 1,200 metres of diamond drilling
- S2 can spend A\$2 million within 2 years of signing to earn a 51% participating interest
- Following this, S2 can elect to spend a further A\$4 million within a further 3 years to earn an additional 19% interest for a 70% participating interest, including a minimum of 8,000 metres of diamond drilling.

On 04 December 2023 S2 entered into an agreement with Oxley Resources. The agreement comprises an earn-in and joint venture phase, with the key terms as follows:

- S2 to issue Oxley with 590,000 ordinary shares on signing, representing a consideration of approximately A\$100,000 at a deemed price of A\$0.17 per share
- S2 to spend A\$2.7 million by end July 2027 to earn a 70% participating interest
- This includes a minimum expenditure of A\$350,000 by end December 2024 before withdrawal, itself including a minimum expenditure of A\$270,000 by end July 2024
- At least A\$750,000 of the overall earn-in spend to be spent on drilling

At earn-in point

- A joint venture will be formed with S2 having a 70% participating interest and Oxley having a 30% participating interest
- Oxley will have a one-time choice to retain its 30% participating interest or to convert this to a 15% carried interest

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 7. EXPLORATION AND EVALUATION (CONT)

- In the circumstance of a 30% participating interest, Oxley must contribute or dilute
- Should Oxley's interest drop below 10%, its interest will revert to a 2% net smelter return (NSR) royalty
- S2 can buy down half of this royalty (ie, 1%) for A\$1.5 million
- In the circumstance of a carried interest, S2 will have an 85% interest and Oxley' 15% interest will be funded by S2 up to the commencement of commercial production
- Oxley will repay this carried amount from 80% of the production revenue attributable to its 15% interest in a mining operation

- (iii) On 4 March 2024 the Group announced it had signed a letter of intent in which Outback Goldfields, a Vancouver based TSX.V listed company would purchase Sakumpu Exploration Oy, the Group's wholly owned Finnish subsidiary for a total consideration of C\$7 million, comprising C\$1.5 million in cash and C\$5.5 million in shares in Outback.

The transaction is subject to a number of terms and conditions with the key terms set out in the LOI summarised below.

- Outback to buy S2's wholly owned subsidiary, Sakumpu Exploration Oy, which is the holder of S2's Finnish exploration assets, including the Aarnivalkea gold prospect, and interests in two current exploration earn in deals with Kinross Gold Corporation and Rupert Resources
- As consideration, S2 will receive C\$1.5 million (approximately A\$1.7 million) cash and C\$5.5 million (approximately A\$6.2 million) worth of Outback shares at a deemed issuance price equal to shares issued pursuant to the Offering (see below)
- Outback will undertake a concurrent financing to raise a minimum C\$5 million gross via a non-brokered private placement (the "Offering") to continue exploring S2's Finnish tenure.
- S2 will own a significant portion (possibly 35-45%) of Outback post-financing.

On 10 May the Group announced that further to the Letter Of Intent (LOI), it had entered into a definitive Share Purchase Agreement (SPA) with Vancouver-based Outback Goldfields Corporation ("Outback", TSX.V: OZ). The transaction remains subject to the completion of a C\$5 million financing, as described in S2's ASX announcement of 4 March 2024, and satisfaction of various other conditions which include: Toronto Venture Exchange (TSX.V) approval and Outback shareholder approval.

NOTE 8. DISCONTINUED OPERATIONS

On 10 May 2024 the Group entered into a Share Purchase Agreement (SPA) with Vancouver based Outback Goldfields Corporate agreement to sell Sakumpu exploration Oy, the Group's wholly owned Finnish subsidiary for a total consideration of C\$7 million comprising C\$1.5million in cash and C\$5.5 million in shares in Outback. This transaction is expected to complete by 30 September 2024.

Financial Performance information	30 June 2024 \$	30 June 2023 \$
Exploration expenditure expensed	(470,478)	(538,268)
Loss before income tax	(470,478)	(538,268)
Income tax benefit/(expense)	-	-
Loss after income tax for the year	(470,478)	(538,268)
Total comprehensive (loss) for the year	(470,478)	(538,268)

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 8. DISCONTINUED OPERATIONS (CONT)

Cash flow information	30 June 2024 \$	30 June 2023 \$
Net cash from discontinued activities	(521,963)	(521,963)
Net decrease in cash and cash equivalents from discontinued operations	(521,963)	(521,963)

NOTE 9. TRADE AND OTHER PAYABLES

	30 June 2024 \$	30 June 2023 \$
Trade and other payables (i)	615,428	503,482
Trade and other payables relating to assets held for sale	26,700	-
	642,128	503,482

- (i) These amounts generally arise from the usual operating activities of the Group and are expected to be settled within 12 months. Collateral is not normally obtained.

NOTE 10. SHARE CAPITAL

	30 June 2024 No. of Shares	30 June 2024 \$	30 June 2023 No. of Shares	30 June 2023 \$
Ordinary shares fully paid	452,857,993	78,725,836	410,091,522	71,911,364
Movement in Share Capital				
Share Placement	41,176,471	6,567,477	53,166,667	6,007,989
Share issue to Oxley Resources	590,000	98,798		
Share issue to Legacy Minerals	1,000,000	148,197		
Share issue for consulting services	-	-	300,000	40,750
Options exercised	-	-	250,000	31,000
Ordinary shares fully paid				
Balance at beginning of year	410,091,522	71,911,364	356,374,855	65,831,625
Balance at year end	452,857,993	78,725,836	410,091,522	71,911,364

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 11. RESERVES

	30 June 2024 \$	30 June 2023 \$
Share-based payments reserve (i)	4,507,628	4,069,570
Other reserve (ii)	144,517	144,517
Foreign currency translation reserve (iii)	363,474	341,792
Revaluation reserve (iv)	(2,633,056)	(1,956,601)
	2,382,563	2,599,278

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 11. RESERVES (CONT)

- (i) The share-based payments reserve recognises the fair value of the options issued to Directors, employees, and service providers. Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

In the year ended 30 June 2024, \$801,585 in relation to the fair value of options which has lapsed or expired was transferred to accumulated losses.

- (ii) The other reserve recognises the remaining non-controlling interest (33%) that was purchased from the Sakumpu vendors on 30 November 2015. Sakumpu Exploration Oy is a registered entity in Finland.
- (iii) Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.
- (iv) The revaluation reserve recognises the change in fair value of investments. Please refer to Note 6 of these financials.

NOTE 12. SHARE-BASED PAYMENTS

The following share-based payments arrangements were in existence during the current reporting year:

Options Series	Number Issued	Number at 30 June 2024	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(14) Issued 27 August 2020	200,000	200,000	27/08/2020	26/08/2024	0.30	0.10
(15) Issued 5 October 2020	2,000,000	2,000,000	05/10/2020	04/10/2024	0.39	0.14
(16) Issued 17 November	7,350,000	7,350,000	17/11/2020	16/11/2024	0.38	0.14
(17) Issued 12 November	11,050,000	10,300,000	12/11/2021	11/11/2025	0.29	0.13
(18) Issued 19 April 2022	300,000	300,000	19/04/2022	18/04/2026	0.25	0.11
(19) Issued 28 April 2022	200,000	200,000	28/04/2022	27/04/2026	0.23	0.10
(20) Issued 21 October	3,100,000	3,100,000	21/10/2022	20/10/2026	0.20	0.09
(20) Issued 21 October	5,000,000	5,000,000	16/11/2022	20/10/2026	0.20	0.11
(21) Issued 9 September	3,350,000	3,350,000	09/09/2023	08/09/2027	0.25	0.11
(21) Issued 9 September	10,000,000	10,000,000	15/11/2023	08/09/2027	0.25	0.11
Total	42,550,000	41,800,000				

- (14) The 200,000 options in series 14 which vest one year from grant date were issued to a service provider under the Service Provider Option Plan. For these options, the value of services received was unable to be measured reliably therefore the value of services received was measured by reference to the fair value of options issued.
- (15) The 2,000,000 options in series 15 which vests one year from grant date was issued to an employee under the Employee Share Option Plan.
- (16) The 7,350,000 options in series 16 comprised 4,500,000 options issued to the Directors of the Group which vested immediately, 2,450,000 options were issued to employees under the Employee Share Option Plan which vest one year from grant date and 400,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (17) The 11,050,000 options in series 17 comprised 6,500,000 options issued to the Directors of the Group which vested immediately, 4,450,000 options were issued to employees under the Employee Share Option Plan which vest one year from grant date and 100,000 options were issued to service providers which vest one year from grant date. For

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Notes to the Consolidated Financial Statements

NOTE 12. SHARE-BASED PAYMENTS (CONT)

the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.

(18) The 300,000 options in series 18 which vests one year from grant date was issued to an employee under the Employee Share Option Plan.

(19) The 200,000 options in series 19 which vests one year from grant date was issued to an employee under the Employee Share Option Plan.

(20) The 3,100,000 options in series 20 which vest one year from grant date comprised 2,900,000 issued to employees under the Employee Share Option Plan and 200,000 issued to service providers. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued. The 5,000,000 options in series 20 which vest one year from proposed date were issued to directors.

(21) The 3,350,000 options in series 21 which vest one year from grant date comprised 2,850,000 issued to employees under the Employee Share Option Plan and 500,000 issued to service providers. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued. The 10,000,000 options in series 21 which vest one year from proposed date were issued to directors.

The weighted average fair value of the share options granted during the year is \$0.25.

The total expense of the share based payments for the year was:

	30 June 2024 \$	30 June 2023 \$
Options issued to Directors	857,439	365,226
Options issued under Employee Share Plan	324,104	397,361
Options issued under Service Provider Plan	58,100	17,259
	1,239,643	779,846

The weighted average contractual life for options outstanding at the end of the year was 2.44 years.

Options were priced using a Black-Scholes option pricing model using the inputs below:

	Series 20	Series 20	Series 21	Series 21
Grant date share price	0.14	0.16	0.175	0.18
Exercise price	0.20	0.20	0.25	0.25
Expected volatility	100%	100%	94%	95%
Option life	4 years	4 years	4 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0.00%
Interest rate	3.75%	3.20%	3.78%	4.17%

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 12. SHARE-BASED PAYMENTS (CONT)

The following reconciles the outstanding share options granted in the year ended 30 June 2024:

	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	No. of Options	Weighted average exercise price \$	No. of Options	Weighted average exercise price \$
Balance at the beginning of the year	46,650,000	0.30	41,000,000	0.31
Granted during the year	13,350,000	0.25	8,100,000	0.20
Exercised during the year	-	-	(250,000)	0.13
Expired during the year (i)	(18,200,000)	0.30	(2,200,000)	0.14
Balance at the end of the year	41,800,000	0.28	46,650,000	0.30
Un-exercisable at the end of the year	13,350,000	0.25	8,100,000	0.20
Exercisable at end of the year	28,450,000	0.29	38,550,000	0.31

(i) Options expired or cancelled during the year

For the year ended 30 June 2024, 18,200,000 employee, director and service provider share options were lapsed or expired.

No amounts are unpaid on any of the shares. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

NOTE 13. DIVIDENDS

There were no dividends recommended or paid during the year ended 30 June 2024.

NOTE 14. KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2024	30 June 2023
	\$	\$
Short term employee benefits	473,250	828,474
Post-employment benefits	34,549	38,841
Short term benefits	6,250	(43,962)
Long term benefits	6,330	-
Share-based payment (i)	857,439	365,226
	1,377,818	1,188,579

(i) Share payment payments expensed in the period.

Detailed remuneration disclosures are provided in the Remuneration Report.

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Notes to the Consolidated Financial Statements

NOTE 15. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	30 June 2024	30 June 2023
	\$	\$
Loss for the year	(8,190,632)	(6,755,677)
Depreciation	138,957	147,734
Equity Settled share-based payment transaction	1,239,643	779,847
Income tax benefit/(expense)	-	-
Other (gain)/losses – net	1,429	(55,368)
Gain on disposal of asset	(1,199)	(51,932)
Gain on disposal of exploration permit	(35,728)	(179,421)
Gain on disposal of shares	(148,849)	-
Increase/(Decrease) in trade and other payables	138,646	221,567
Increase/(Decrease) in provisions Increase	(5,537)	(27,597)
(Increase)/Decrease in other assets	138,812	-
(Increase)/Decrease in receivables	(237,925)	(14,985)
Net cash outflow from operating activities	(6,962,383)	(5,935,832)

NOTE 16. BASIC LOSS PER SHARE

	30 June 2024	30 June 2023
	\$	\$
(a) Reconciliation of loss used in calculating loss per share		
Basic loss per share		
Loss attributable to the ordinary equity holders in calculating basic loss per share	(8,190,632)	(6,755,677)
(b) Weighted average number of shares used as the Denominator		
Ordinary shares used as the denominator in calculating basic loss per share	433,523,798	373,655,991
(c) Basic loss per share		
Basic loss per share	(1.89)	(1.81)

Where loss per share is non-dilutive, it is not disclosed.

NOTE 17. COMMITMENTS

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

	30 June 2024	30 June 2023
	\$	\$
Not later than one year	2,589,152	1,727,196
After one year but less than two years	2,455,834	2,065,360
After two years but less than five years	9,491,533	2,080,054
After five years*	-	1,003,318
	14,536,519	6,875,928

* Per annum

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Notes to the Consolidated Financial Statements

NOTE 18. RELATED PARTY TRANSACTIONS

Other than the Directors and key management personnel salaries and options described in Note 14 and the Remuneration Report, there were no related party transactions for the year ended 30 June 2024.

NOTE 19. JOINT VENTURES

The Group has interests in the following joint venture operations:

Tenement Area	Activities	2024	2023
Eundynie	Nickel	80%	80%

NOTE 20. PARENT ENTITY DISCLOSURES

Financial position

	30 June 2024 \$	30 June 2023 \$
Assets		
Current assets	5,728,457	5,762,862
Non-current assets	2,804,044	3,404,398
Total assets	8,532,501	9,167,260
Liabilities		
Current liabilities	484,355	365,634
Non-current liabilities	126,503	158,576
Total liabilities	610,858	524,210
Net assets	7,921,633	8,643,050
Equity		
Issued capital	78,725,836	71,911,365
Share-based payments reserve	4,507,628	4,069,570
Accumulated losses	(75,311,831)	(67,337,885)
Total equity	7,921,633	8,643,050

Financial performance

	30 June 2024 \$	30 June 2023 \$
Loss for the year	(8,734,252)	(8,019,340)
Other comprehensive income	-	-
Total comprehensive income	(8,734,252)	(8,019,340)

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Notes to the Consolidated Financial Statements

NOTE 21. SUBSIDIARIES

Name of entity	Country of incorporation	Class of Shares	Equity Holding	
			2024	2023
Third Eye Pty Ltd	Australia	Ordinary	100%	100%
Red Star Exploration Pty Ltd	Australia	Ordinary	100%	-
Dark Star Exploration Pty Ltd	Australia	Ordinary	100%	100%
Southern Star Exploration Pty Ltd	Australia	Ordinary	100%	100%
Sirius Europa Pty Ltd	Australia	Ordinary	100%	100%
Norse Exploration Pty Ltd	Australia	Ordinary	100%	100%
Sakumpu Exploration Oy	Finland	Ordinary	100%	100%
S2 Exploration Quebec Inc.	Canada	Ordinary	100%	100%
S2RUS Pty Ltd	Australia	Ordinary	100%	100%
S2RUS LLC	United States	Ordinary	100%	100%
Nevada Star Exploration LLC	United States	Ordinary	100%	100%

NOTE 22. EVENTS OCCURRING AFTER THE REPORTING YEAR

On 1 July 2024, the Group announced the following share-based payments arrangements as part of the annual issue of options to all Company personnel and directors. This is in line with the Company's policy to issue/propose options on a consistent basis in terms of vesting conditions, term, and exercise price, and on a consistent and objective date that aligns with other remuneration changes at the financial year end.

Options Series	Number Issued	Number at 01 July 2024	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(22) Issued 1 July 2024	3,750,000	3,750,000	01/07/2024	01/07/2028	0.135	0.059
(22) Issued 1 July 2024*	10,000,000	10,000,000	-	01/07/2028	0.135	-
Total	13,750,000	13,750,000				

*subject to approval by shareholders at the 2024 AGM

(22) The 3,750,000 options in series 22 comprised 3,250,000 options were issued to employees under the Employee Share Option Plan which vest one year from grant date and 500,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.

(22) The 10,000,000 options in series 22 which vest one year from proposed date were issued to directors and are subject to approval at the AGM.

NOTE 23. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Group:

Audit services

Total remuneration for audit services

30 June 2024 \$	30 June 2023 \$
46,000	48,000
46,000	48,000

Annual Financial Report (cont)

Notes to the Consolidated Financial Statements

NOTE 24. FAIR VALUE MEASUREMENT

This note provides an update on the judgements and estimates in determining the fair values of the financial instruments since the last annual financial report.

Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value. The Group classifies its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value.

	Level 1	Level 2	Level 3	Total
As at 30 June 2024	\$	\$	\$	\$
Financial assets as FVOCI – Equity Securities	76,083	-	-	76,083
As at 30 June 2023	\$	\$	\$	\$
Financial assets as FVOCI – Equity Securities	752,539	-	-	752,539

There were no transfers between levels during the year. The Group's policy is to recognise transfers into and out of the fair value hierarchy levels at balance date.

The fair value of the financial assets and liabilities held by the Group must be estimated for recognition, measurement and /or disclosure purposes. The Group measures fair value by level, per the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques used to determine fair values

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of assets and liabilities are included at an amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying value of amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these payments.

Financial assets at fair value through other comprehensive income – equity securities

The fair value of the equity holdings held in ASX companies are based on the quoted market prices from the ASX on the last trading day prior to the period end.

Consolidated Entity Disclosure Statement

Name of entity	Country of incorporation	Entity type	Ownership	Tax	Foreign
			Interest	Residency	Jurisdiction
Third Eye Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Red Star Exploration Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Dark Star Exploration Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Southern Star Exploration Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Sirius Europa Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Norse Exploration Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
Sakumpu Exploration Oy	Finland	Body Corporate	100%	Foreign	Finland
S2 Exploration Quebec Inc.	Canada	Body Corporate	100%	Australia	N/A
S2RUS Pty Ltd	Australia	Body Corporate	100%	Australia	N/A
S2RUS LLC	United States	Body Corporate	100%	Australia	N/A
Nevada Star Exploration LLC	United States	Body Corporate	100%	Australia	N/A

Basis of Preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of Tax Residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Directors' Declaration

The Directors of the Group declare that:

1. The financial statements and notes as set out on pages 18 to 47 are in accordance with the Corporations Act 2001, and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date.
2. The financial report also complies with International Financial Reporting Standards as disclosed in note 1 to the financial statements.
3. The Director acting in the capacity of Chief Executive Officer has declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the accounting standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
4. In the opinion of the Directors there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
5. The information disclosed in the consolidated entity disclosure statement on page 48 is true and correct.
6. The remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Mark Bennett
Executive Chairman
Melbourne
06 September 2024

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF S2 RESOURCES LIMITED

As lead auditor of S2 Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of S2 Resources Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit Pty Ltd
Perth
6 September 2024



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INDEPENDENT AUDITOR'S REPORT

To the members of S2 Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of S2 Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report



Carrying value of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
As the carrying value of the capitalised exploration and evaluation asset represents a significant asset of the Group at 30 June 2024, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. In particular, whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 7 and 1(g) to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Independent Auditor's Report



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of S2 Resources Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Ashleigh Woodley

Director

Perth, 6 September 2024

Additional ASX Information

The shareholder information set out below was applicable as at the dates specified.

Unlisted Securities

Options (Current as at 24 October 2024)

	Number on issue	Number of holders
Options expiring 16 November 2024 at an exercise price of \$0.38	7,350,000	11
Options expiring 11 November 2025 at an exercise price of \$0.29	10,300,000	14
Options expiring 18 April 2026 at an exercise price of \$0.25	300,000	1
Options expiring 27 April 2026 at an exercise price of \$0.23	200,000	1
Options expiring 21 October 2026 at an exercise price of \$0.20	8,100,000	14
Options expiring 8 September 2027 at an exercise price of \$0.25	13,350,000	14
Options expiring 1 July 2028 at an exercise price of \$0.135	3,750,000	13

Holders of over 20% of unlisted securities

These are the following holders of more than 20% of unlisted securities as at 24 October 2024:

	Number held
Mark Bennett	14,000,000

Distribution of Equity Securities

Analysis of numbers of ordinary shareholders by size of holding:

	Number of Shareholders
1 – 1,000	1,932
1,001 – 5,000	1,145
5,001 – 10,000	525
10,001 – 100,000	1,086
100,001 and over	438
	5,126

There are 3,221 holders holding less than a marketable parcel of ordinary shares based on the closing market price as at 24 October 2024.

Ordinary Shares Subject to Escrow

There are zero ordinary shares subject to either regulatory or voluntary escrow.

On-Market Buy-Back

There is no current on-market buy-back.

Voting Rights

The voting rights attaching to each class of equity securities are set out below:

- (a) *Ordinary Shares:* On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) *Options:* These securities have no voting rights.

Additional ASX Information (cont)

Substantial Holders (Current as at 24 October 2024)

Ordinary Shares	Number held	Percentage of issued shares
Mark Gareth Creasy, Yandal Investments Pty Ltd, Ponton Minerals Pty Ltd, Lake Rivers Gold Pty Ltd and Free CI Pty Ltd	67,419,935	14.89%
Jupiter Asset Management	66,186,987	14.62%
Paradise Investment Management Pty Ltd	40,077,522	8.85%

Equity Security Holders (Current as at 24 October 2024)

The names of the twenty largest holders of quoted equity securities (ordinary shares) are listed below:

Rank	Name	Units	% of Units
1	CITICORP NOMINEES PTY LIMITED	75,110,988	16.59
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,233,017	9.55
3	YANDAL INVESTMENTS PTY LTD	42,482,707	9.38
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	10,729,273	2.37
5	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	9,000,000	1.99
6	PONTON MINERALS PTY LTD	8,312,410	1.84
7	FREE CI PTY LTD	8,312,409	1.84
7	LAKE RIVERS GOLD PTY LTD	8,312,409	1.84
9	MARTINI 29 PTY LTD	6,492,895	1.43
10	DR MARK ANTHONY BENNETT	4,619,916	1.02
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,395,362	0.97
12	MR CHRIS RETZOS	4,000,000	0.88
13	BLACK RAVEN MINING PTY LTD	3,933,905	0.87
14	BOND STREET CUSTODIANS LIMITED <TRYLAN - D83486 A/C>	3,750,000	0.83
15	MR ROBERT MACFADYEN PTY LTD <MACFADYEN S/F A/C>	3,650,000	0.81
16	BNP PARIBAS NOMS PTY LTD	3,581,201	0.79
17	MR GRAEME BRUCE HATHWAY	3,565,000	0.79
18	CITITEL PTY LTD <CITITEL SUPER FUND A/C>	3,340,174	0.74
19	PALM BEACH NOMINEES PTY LIMITED	3,000,000	0.66
19	MR ANTHONY MARK SAIA + MRS CARMEN SAIA <SAIA FAMILY SUPER FUND A/C>	3,000,000	0.66
Total of Top 20		252,821,666	55.83
Total Remaining Holders Balance		200,036,327	44.17

Additional ASX Information (cont)

Tenement Schedule as at 30 June 2024

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

Exploration Licenses

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

Competent Persons Statement

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 Australasian Institute of Mining and Metallurgy (MAusIMM) and 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 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.

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 mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as 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.

