



## **A\$9.1 MILLION PLACEMENT TO ACCELERATE EXPLORATION, SHARE PURCHASE PLAN TO RAISE UP TO A\$3 MILLION TO FOLLOW**

### **Highlights**

- **A\$9.1 million raised in heavily oversubscribed placement**
- **Share Purchase Plan to raise up to \$3 million to follow, to allow current S2 shareholders to participate at the same price as the Placement**
- **Post-completion of Placement and Share Purchase Plan, S2 will be very well funded with a cash balance of up to approximately A\$27.5 million (after costs)**
- **This positions S2 to aggressively pursue its various exploration opportunities**

S2 Resources Ltd ("S2" or the "Company") advises that it has successfully completed the bookbuild for a placement to domestic and international institutional and sophisticated investors raising A\$9.1 million ("Placement"). The Placement was heavily oversubscribed, reflecting the strong interest from a variety of existing and new investors, driven in part by S2's recent exploration success at its Polar Bear project in Western Australia.

The Placement of 22.7 million ordinary shares ("New Shares") will be within S2's 15% capacity under ASX Listing Rule 7.1 and accordingly no shareholder approval is required in connection with the equity raising. The new shares will rank equally with the Company's existing ordinary shares. The issue price pursuant to the Placement is A\$0.40 per New Share ("Issue Price"), representing a:

- 14% discount to the last closing price of S2 shares on 22 July 2016 of A\$0.465 per share; and
- 3.3% discount to the five day volume weighted average price (VWAP) of S2 shares to 22 July of A\$0.4135 per share.

In order to ensure retail shareholders are able to participate, a Share Purchase Plan ("SPP") will be undertaken to raise up to A\$3 million at the same Issue Price as the Placement.



Post-completion of the Placement and the SPP, S2 will be very well funded with a cash balance of up to approximately A\$27.5 million after transaction costs. The net proceeds from the Placement and SPP will be used:

- to accelerate S2's ongoing exploration activities; and
- for general corporate purposes.

S2's Managing Director Mark Bennett said: "It is pleasing to see such strong demand, which reflects the level of interest in the Company's assets. The Placement enables us to further strengthen our share register with selected institutional investors whilst the SPP enables our smaller retail shareholders to participate at the same pricing. Having such a strong balance sheet positions S2 to vigorously pursue its various opportunities unfettered by cash constraints, which puts us in a very advantageous position when compared to many others in the junior exploration sector".

Hartleys Limited acted as Lead Manager to the Placement with Bell Potter Securities Limited acting as Co-Manager to the Placement.

Settlement of the Placement is scheduled to occur on Tuesday, 2 August 2016, with the New Shares expected to be issued and commence trading on Wednesday, 3 August 2016.

#### **Share Purchase Plan Details**

Under the SPP, eligible S2 shareholders will be invited to subscribe for new ordinary shares in S2 at the Issue Price up to a maximum of A\$15,000 per shareholder. The amount to be raised under the SPP will be up to A\$3 million.

Participation in the SPP will be open to shareholders who are registered holders of S2 shares at 5pm (WST) on the Record Date of 22 July 2016 and whose registered address is in Australia or New Zealand.

Further details of the SPP will be released on the ASX, including in relation to the eligibility requirements, and distributed to eligible S2 shareholders shortly.

#### **For further information, please contact:**

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