



S2 SELLS WA GOLD PROJECTS FOR A\$9 MILLION and retains nickel-copper-cobalt-PGE rights

Key points

- **Polar Bear and Norcott projects, together with the Eundynie Joint Venture, sold to Westgold for A\$9 million**
- **Consideration to S2 comprises A\$3 million cash plus 4 million Westgold shares**
- **Sale further strengthens S2's balance sheet, with cash and investments totalling A\$25 million post-transaction**
- **S2 retains nickel rights over the WA Gold Projects, including the Taipan and Halls Knoll nickel sulphide prospects discovered by S2's precursor Sirius Resources**
- **Sale enhances S2's capacity to focus on its Scandinavian and Nevadan exploration projects as well as additional new opportunities**

S2 Resources Ltd ("S2" or the "Company") advises that it has executed a binding Heads of Agreement ("Agreement") with Westgold Resources Limited ("Westgold") to sell its interest in the Polar Bear Project (100%), Eundynie Joint Venture (80%) and the Norcott Project (100%) (together, the "WA Gold Projects") via the sale of all of the shares in S2's wholly owned subsidiary Polar Metals Pty Ltd ("Sale").

Under the terms of the Agreement, S2 will receive A\$3 million cash plus 4 million Westgold shares. Assuming a share price of A\$1.50 per share, the total consideration will be A\$9 million.

S2 will sign a voluntary restriction agreement in respect of the Westgold shares for a period of six months from settlement.

Settlement will take place 5 business days after the completion of the standard conditions precedent included in the Agreement.

The Sale further strengthens S2's balance sheet with cash and investments now totaling approximately A\$25 million, enhancing the Company's capacity to focus its time and funds on the opportunities presented in its overseas exploration activities, and also retains exposure to the upside of Polar Bear's nickel prospectivity, which includes the Taipan and Halls Knoll nickel prospects discovered by S2's precursor, Sirius Resources.



S2 is in the midst of its Swedish winter drilling campaign and will also commence drilling in Nevada in April and widespread reconnaissance exploration in Finland in May. The funds from the Sale position the Company with a strong balance sheet to fund this work as well as other opportunities going forward.

The WA Gold Projects include the Baloo gold deposit, which despite being too small for S2 to develop as a stand-alone mining operation, is a good strategic fit for Westgold, which owns the Higginsville gold operation located within 10 kilometres of Baloo.

Hartleys Limited acted as corporate advisor to S2 in respect of the Sale.

Commenting on the transaction, S2's Managing Director Mark Bennett, said:

“We are pleased to have executed this agreement, which is part of our strategy to focus on those opportunities that we believe have the best potential to deliver a significant discovery, whilst minimizing the need for external funding and keeping our capital structure as tight as possible so that in the event of success our shareholders retain maximum leverage to it. We are also pleased to become a shareholder of Westgold and look forward to Westgold progressing the development and exploration of the WA Gold Projects”.

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