



## CORPORATE UPDATE

### Key points

- **Further cost reductions and board restructure to maximise cash position**
- **Exit US exploration while deferring Finland exploration until COVID-19 pandemic passes and borders reopen**
- **Pivot company's exploration efforts towards Australia**
- **Low cost reconnaissance work to proceed at Fraser Range**

S2 Resources Ltd ("S2" or the "Company") advises that it has taken further measures in response to the current COVID-19 pandemic in order to position itself for maximum effectiveness once normal circumstances resume. These measures are aimed at preserving cash, focussing more on its Australian assets, and optimising the team's readiness for a restart to its activities. They include restructuring the board, reducing any non-essential personnel, implementing pay cuts for key employees, and withdrawing from the Ecrú farm-in in Nevada, USA.

### Exploration

Initial reconnaissance work is set to proceed at the Company's recently granted tenements in the Fraser Range, which are situated in the central part of the belt between IGO's Nova nickel mine, Mark Creasy's Silver Knight nickel deposit and Legend Mining's new Mawson nickel discovery. This work can be undertaken at low cost and these tenements are in an area not subject to the WA Government's recently imposed intrastate travel restrictions, where work can be undertaken from an isolated field camp without the need to interact with local communities, providing that the current directives do not change.

The Company has also recently applied for several new tenements in the Three Springs and West Murchison regions, where it sees potential for magmatic nickel sulphide prospectivity along the western margin of the Yilgarn craton. These areas are also not affected by the intrastate travel ban.

In order to reduce its costs and future expenditure liabilities, and in the context of the international travel ban, the Company has elected to withdraw from its Ecrú farm-in in Nevada, USA, effective immediately.



The Company intends to retain its Finland exploration portfolio where it has several promising gold prospects, but does not expect to be active there until late 2020 due to travel restrictions in place (See ASX release dated 18 March 2020).

### **Board changes**

The Company is also implementing several changes to its board, aimed at lowering costs during the expected six month period of enforced reduction in activities and ensuring it remains well positioned once normal business and market conditions resume.

Current non-executive chairman Jeff Dowling will move to a non-executive director role, and current managing director and chief executive officer Mark Bennett will assume the role of executive chairman. Non-executive director Grey Egerton-Warburton will step off the board but will remain available to the company on an as needs basis. Executive director and company secretary Anna Neuling will remain in her current role. These changes are effective from the date of this announcement.

To complement Mark's move to executive chairman, the Company will use this period to employ a new chief executive officer to lead its exploration effort, once normal conditions resume.

### **Personnel**

The Company's Perth office will remain closed until further notice, with staff working from home or in low-risk situations in the field.

In addition to the previously announced 40% cut in salaries for executive directors and 40% cut in fees for non-executive directors, all staff have taken pay cuts of 30-40% to assist the Company preserve its financial position and ensure it emerges from the Covid-19 crisis well funded and ready for renewed activity. It is a credit to the team that they have been prepared to assist in this way. This measure will be reviewed end-June.

Unfortunately, largely because of the lack of overseas exploration activity for the foreseeable future, the company has also had to freeze or terminate the engagement of a number of its consultants and contract personnel.

*Commenting on the restructure of the company activities, S2's chairman Jeff Dowling said "I would like to personally thank and acknowledge the contribution of Grey Egerton-Warburton as a director of the Company, his counsel and advice has been of great value. Our employees and contractors impacted by these changes have also shown exceptional commitment to the company to ensure that S2 is in the best position to emerge from this enforced period of reduced activity in a strong position and the Board wishes to thank them sincerely. "*



This announcement has been provided to the ASX under the authorization of the Board.

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