
S2 RESOURCES LTD

ACN 606 128 090

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11am WST
DATE: 12 November 2019
PLACE: Rokeby Room
BDO
38 Station Street
SUBIACO

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders 11am on Sunday 10 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GREY EGERTON-WARBURTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 3.6(c) of the Constitution, and for all other purposes, Grey Egerton-Warburton, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 37 for a period of 3 years from the date of approval of this Resolution."

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – ISSUE OF RELATED PARTY OPTIONS TO MARK BENNETT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Options to Mark Bennett (or his nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – ISSUE OF RELATED PARTY OPTIONS TO JEFFREY DOWLING

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options to Jeffrey Dowling (or his nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – ISSUE OF RELATED PARTY OPTIONS TO ANNA NEULING

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 4,500,000 Options to Anna Neuling (or her nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – ISSUE OF RELATED PARTY OPTIONS TO GREY EGERTON-WARBURTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Grey Egerton-Warburton (or his nominee) under the Director Share Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO SERVICE PROVIDER – ANTHONY GODDARD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 10 – ISSUE OF OPTIONS TO SERVICE PROVIDER – JOHAN VANDAELE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 22 September 2019

By order of the Board

**Anna Neuling
Director**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6166 0240.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.s2resources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GREY EGERTON-WARBURTON

3.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. Clause 3.6(a) of the Company Constitution also provides that a director must retire from office at the third AGM after the director was elected or last re-elected and clause 3.6(d) excludes managing directors from this requirement.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election at each AGM. Clause 3.6(c) of the Company Constitution restates this requirement.

Grey Egerton-Warburton has served as a director since 29 April 2016 and was last re-elected on 7 October 2016. As this will be the third AGM since his appointment, he retires by rotation in accordance with the Constitution and ASX Listing Rule 14.4 and seeks re-election from Shareholders. The requirement to hold an election in accordance with the Constitution and ASX Listing Rule 14.5 is satisfied by virtue of Grey Egerton-Warburton's re-election. No further determination as to which director must seek re-election is therefore required.

3.2 Qualifications and other material directorships

Mr Egerton-Warburton is an experienced corporate financier, with a strong background in natural resources, having spent 16 years with Hartleys Limited, including many years as head of corporate finance. He has extensive experience in equity capital markets, acquisitions, divestments and domestic and international change of control transactions, having led a substantial number of capital raisings, takeovers and mergers for many ASX listed companies, across many sectors. While at Hartleys, Mr Egerton-Warburton worked closely with Sirius Resources as its corporate advisor from mid 2012 until the completion of the merger between Sirius and Independence Group.

Mr Egerton-Warburton currently serves as Deputy Chair of the Women and Infants Research Foundation, the charitable arm of King Edward Memorial Hospital in Perth, Western Australia.

3.3 Independence

If elected the board does consider Mr Egerton-Warburton will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Egerton-Warburton and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

4.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply the company's constitution is modified by omitting the provisions.

A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders)

The Company's constitution (including the proportional takeover provisions set out in clause 37) was adopted on 29 May 2015. Accordingly the proportional takeover provisions included in the Constitution apply until 29 May 2018 unless sooner omitted or renewed.

Resolution 37.4 is a special resolution which will enable the Company to modify its Constitution by renewing clause 37 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 37.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the Constitution was released to ASX on 15 October 2015 and is available for download from the Company's ASX announcements platform.

4.2 Proportional takeover provisions (clause 37 of Constitution)

(a) General

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 37 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause will cease to have effect at the end of three years from the date of the adoption of the last renewal of the clause.

(b) Information required by section 648G of the Corporations Act

(i) Effect of proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve

the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

(ii) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(iv) **Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect**

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

(v) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing

the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (A) proportional takeover bids may be discouraged;
- (B) lost opportunity to sell a portion of their Shares at a premium; and
- (C) the likelihood of a proportional takeover bid succeeding may be reduced.

(c) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision set out in clause 37 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of 52.1 million (based on the number of Shares on issue and the closing price of Shares on the ASX on Monday 16 September 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: S2R) .

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at Monday 16th September 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.105 50% decrease in Issue Price	0.20 Issue Price	0.315 50% increase in Issue Price
247,915,179 (Current Variable A)	Shares issued - 10% voting dilution	24,791,517 Shares	24,792,517 Shares	24,792,517 Shares
	Funds raised	\$2,603,109	\$5,206,219	\$7,809,328
371,872,769 (50% increase in Variable A)	Shares issued - 10% voting dilution	37,187,276 Shares	37,187,276 Shares	37,187,276 Shares
	Funds raised	\$3,904,664	\$7,809,328	\$11,713,992
459,830,358 (100% increase in Variable A)	Shares issued - 10% voting dilution	49,583,035 Shares	49,583,035 Shares	49,583,035 Shares
	Funds raised	\$5,206,219	\$10,412,437	\$15,618,656

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 247,915,179 Shares on issue comprising:
2. The issue price set out above is the closing price of the Shares on the ASX on Monday 16th September 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the Company's forward exploration and development work programs or for the purposes of funding a strategic acquisition; or
- (ii) as non-cash consideration for a strategic acquisition in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 13 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 11 November 2018, the Company has not issued any Equity Securities under either its ASX Listing Rule 7.1 and 7.1A capacity.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. RESOLUTIONS 5-8 – ISSUE OF RELATED PARTY OPTIONS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 15,500,000 Options (**Related Party Options**) to Mark Bennett, Jeffrey Dowling, Anna Neuling and Grey Egerton-Warburton or (their nominees) (**Related Parties**) pursuant to the Director Share Option Plan (**DSOP**) and on the terms and conditions set out below.

The quantum of proposed options represents approximately 65% of that originally issued to the directors, which expired unexercised on 14 September 2019.

The Board has not increased its cash remuneration since listing in 2015. To ensure the Company retains its key people, S2 has determined that the best way to reward and incentivise its board, executives and employees is via the issue of options over ordinary shares which have an exercise price that requires the share price to increase by nearly 50% before the options crystallise any value to the recipient while conserving cash and ensuring S2 offers competitive market based remuneration. This results in the alignment of shareholder and board and employee interests in maximising S2's share price.

The Remuneration Committee is not planning on recommending the issue of Director Options each year but has adopted the approach of reviewing the Options that have expired in the year and assessing what level it would be appropriate to then replace them with.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Mark Bennett, Jeffrey Dowling, Anna Neuling and Grey Egerton-Warburton are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in section 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

6.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Related Party Options:

- (a) The related parties are Mark Bennett, Jeffrey Dowling, Anna Neuling and Grey Egerton-Warburton and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 15,500,000 Related Party Options comprising:
 - (i) 6,000,000 Related Party Options to Mr Bennett (Resolution 5);
 - (ii) 3,000,000 Related Party Options to Mr Dowling (Resolution 6);
 - (iii) 4,500,000 Related Party Options to Ms Neuling (Resolution 7); and
 - (iv) 2,000,000 Related Party Options to Mr Grey Egerton-Warburton (Resolution 8).
- (c) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the exercise price of the Related Party Options will be set at the higher of \$0.30 or 143% of the 5 day VWAP as at the date of the AGM. As such,

the Company may receive cash consideration as a result of the issue of the Shares on an exercise of Related Party Options, being an amount equal to the exercise price multiplied by the number of the Related Party Options that are exercised. A table demonstrating potential receipt of funds by the Company upon exercise of the Related Party Options is set out below:

Possible Share Price \$	Deemed Exercise Price \$	Number of Share issued (assuming all Related Party Options are exercised)	Funds received \$
0.21 as at Monday 16 th September 2019	0.31	15,500,000	4,805,000
0.19	0.28	15,500,000	4,340,000
0.23	0.33	15,500,000	5,115,000

- (e) the DSOP was adopted by Shareholders on 13 November 2018. It permits for Directors of the Company to take part under the Option Plan which is currently Mark Bennett, Jeff Dowling, Anna Neuling and Grey Egerton-Warburton. No Options have previously been issued under the Option Plan;
- (f) no loan will be provided to the Related Parties with respect to the Related Party Options;
- (g) the Related Party Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (h) the terms of the Related Party Options are in accordance with the Option Plan, subject to the key terms and conditions of the Related Party Options summarised in Schedule 3;
- (i) the value of the Related Party Options is set out in Schedule 3;

(j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options as at 30 June 2019	Options Lapsed unexercised as out of the money	Options as at date of this Notice of Meeting	Related Party Options issued if approved	Options if the Related Party Options are approved and issued
Mark Bennett	5,035,868	19,500,000 ²	(12,500,000) ⁶	7,000,000 ²	6,000,000	13,000,000
Jeffrey Dowling	700,000	4,750,000 ^{6,3}	(2,500,000) ⁶	2,250,000 ³	3,000,000	5,250,000
Anna Neuling	675,000	11,500,000 ⁴	(8,750,000) ⁶	1,750,000 ⁴	4,500,000	6,250,000
Grey Egerton-Warburton	1,030,400	3,250,000 ⁵	-	3,250,000 ⁵	2,000,000	5,250,000

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: S2R).
2. 7,000,000 Options comprising of:
 - a. 3,000,000 Options exercisable at \$0.61 each on or before 6 October 2020; and
 - b. 4,000,000 Options exercisable at \$0.23 each on or before 17 October 2021.
3. 2,250,000 Options comprising of:
 - a. 1,000,000 Options exercisable at \$0.61 each on or before 6 October 2020; and
 - b. 1,250,000 Options exercisable at \$0.23 each on or before 17 October 2021.
4. 1,750,000 Options comprising of:
 - a. 1,500,000 Options exercisable at \$0.61 each on or before 6 October 2020; and
 - b. 1,250,000 Options exercisable at \$0.23 each on or before 17 October 2021.
5. 3,250,000 Options comprising of:
 - a. 1,000,000 Options exercisable at \$0.35 each on or before 6 October 2020;
 - b. 1,000,000 Options exercisable at \$0.61 each on or before 6 October 2020; and
 - c. 1,250,000 Options exercisable at \$0.23 each on or before 17 October 2021.
6. The difference from 30 June 2019 to the date of this notice of meeting is due to 23,750,000 Options exercisable at \$0.31 each on or before 14 September 2019 expiring subsequent to 30 June 2019.

- (k) the cash remuneration (salary and superannuation) from the Company to the Related Parties for the previous financial year and the proposed cash remuneration (salary and superannuation) for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year - 2019
Mark Bennett	\$345,531	\$345,531
Jeffrey Dowling	\$82,125	\$82,125
Anna Neuling	\$131,400 ¹	\$79,938 ¹
Grey Egerton-Warburton	\$49,275	\$49,275

Notes:

1. Anna Neuling's cash remuneration varies depending on the quantum of days worked through the year. She is employed 2 days a week which would equate to \$120,000 plus 9.5% superannuation a year.
- (l) if the Related Party Options granted to the Related Parties are exercised, a total of 15,500,000 Shares would be issued. This will increase the number of Shares on issue from 247,915,179 (being the total number of Shares on issue as at the date of this Notice) to 263,415,179 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.25%, comprising 2.42% by Mark Bennett and 1.21% by Jeff Dowling and 1.81% by Anna Neuling and 0.81% by Grey Egerton-Warburton;
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.23	22/8/2019, 12/9/2019,13/9/2019
Lowest	0.0660	11/03/2019
Last	0.21	16/9/2019

- (n) the Board acknowledges the grant of Related Party Options to Mark Bennett, Jeffrey Dowling, Anna Neuling and Grey Egerton-Warburton is contrary to Recommendation 8 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council, like many other similar sized exploration companies. However, the Board considers the grant of Related Party Options to Mark Bennett, Jeffrey Dowling, Anna Neuling and Grey Egerton-Warburton, reasonable in the circumstances for the reasons set out in paragraph (o) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;

- (o) Mark Bennett declines to make a recommendation to Shareholders in relation to the Resolution 4 due to his material personal interest in the outcome of Resolution 4 on the basis that he (or his nominee) is to be granted Related Party Options should the Resolution be passed. However, in respect of the Resolutions 5, 6 and 7, Mark Bennett recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) at the inception of the Company, 23,750,000 Options were issued to Directors of the Company at an exercise price of \$0.31. These options have expired on 14 September 2019 and therefore it was felt appropriate to issue Directors with Options to partially replace the expired Options;
 - (ii) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (iii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (p) Jeffrey Dowling declines to make a recommendation to Shareholders in relation to Resolution 5 due to Jeffrey Dowling's material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Option in the Company should Resolution 5 be passed. However, in respect of Resolutions 4, 6 and 7, Jeffrey Dowling recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (q) Anna Neuling declines to make a recommendation to Shareholders in relation to Resolution 6 due to Anna Neuling's material personal interest in the outcome of the Resolution on the basis that she (or her nominee) is to be granted Related Party Option in the Company should Resolution 6 be passed. However, in respect of Resolutions 4, 5 and 7, Anna Neuling recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (r) Grey Egerton-Warburton declines to make a recommendation to Shareholders in relation to Resolution 7 due to Grey Egerton-Warburton's material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Option in the Company should Resolution 7 be passed. However, in respect of Resolutions 4, 5 and 6, Grey Egerton-Warburton recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (o);
- (s) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and

- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTIONS 9-10 – ISSUE OF OPTIONS TO SERVICE PROVIDERS

7.1 General

Resolutions 9 and 10 seek Shareholder approval for the issue of 200,000 Options in consideration for satisfaction of exploration and business development services (**Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 5 above.

The effect of Resolution 9 and 10 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Options to be issued is 400,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) 400,000 Options will be issued for nil cash consideration in satisfaction of exploration and business development services provided by Anthony Goddard, an experienced geologist;
- (d) the Options will be issued to Anthony Goddard or a related entity, who is not a related party of the Company;
- (e) 400,000 Options will be issued for nil cash consideration in satisfaction of exploration services provided by Johan Vandaele in his role as contract project geologist;
- (f) the Options will be issued to Johan Vandaele or a related entity, who is not a related party of the Company;
- (g) the Options will be issued on the terms and conditions set out in Schedule 4; and

no funds will be raised from the Placement as the Options are being issued in consideration for exploration and business development services.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 5.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) A spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means S2 Resources Ltd (ACN 606 128 090).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

DSOP means Director Share Option Plan as set out in Schedule 2.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S & P Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and a securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 5-8 with the terms and conditions set out in Schedule 2.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 13 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 5 March 2019 Appendix 3B – 5 March 2019	50,000	Unquoted Options ²	Employees pursuant to the employee incentive scheme approved at the meeting held on 13 November 2018	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company. Current value using Black & Scholes option model = \$7,445
Issue – 28 November 2018 Appendix 3B – 28 November 2018	400,000	Unquoted Options ³	Service Providers pursuant to the employee incentive scheme approved at the Shareholder meeting held on 13 November 2018	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company. Current value using Black & Scholes option model = \$52,360
Issue – 28 November 2018 Appendix 3B – 28 November 2018	2,500,000	Unquoted Options ⁴	Employees pursuant to the employee incentive scheme approved at the meeting held on 13 November 2018	No issue price (non-cash consideration)	Consideration: Performance based remuneration for services provided to the Company. Current value using Black & Scholes option model = \$327,249

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Options, exercisable at \$0.11 each, on or before 4 March 2023, vesting 12 months after they are issued. The full terms and conditions were disclosed in the notice of annual general meeting for the shareholder meeting held on 13 November 2018.
3. Unquoted Options, exercisable at \$0.14 each, on or before 27 November 2022, vesting 12 months after they are issued. The full terms and conditions were disclosed in the notice of annual general meeting for the shareholder meeting held on 13 November 2018.
4. Unquoted Options, exercisable at \$0.14 each, on or before 27 November 2022, vesting 12 months after they are issued. The full terms and conditions were disclosed in the notice of annual general meeting for the shareholder meeting held on 13 November 2018.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

SCHEDULE 2 – DIRECTOR SHARE OPTION PLAN

S2 RESOURCES LTD

ACN 606 128 090

DIRECTORS SHARE OPTION TERMS – 2018

These are the terms of the options granted to Directors of the Company in connection with its listing on ASX.

1. **INTERPRETATION**

1.1 **Definitions**

The following words have the following meanings.

Associate has the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth).

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company or a committee of the Board.

Business Day means a day that is a "business day" under the Listing Rules and not a public holiday in Perth.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (or any substitute) and includes any applicable clearing and settlement facility that is a prescribed CS facility under the Corporations Act.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Company means S2 Resources Limited (ACN 606 128 090).

Corporations Act means the *Corporations Act 2001* (Cth), as amended or modified (including by an ASIC instrument applying to the Company) from time to time.

Director means a director of the Company.

Expiry Date means, in respect of an Option, the fourth anniversary of the date of grant of the Option.

Group means the Company and all Associated Bodies Corporate.

Listing Rules means the official listing rules of ASX and any other rules of the ASX applying to the Company while it is admitted to the official list of ASX and the ASX Settlement Rules (or other operating rules) including any waiver granted under the Listing Rules, in each case as amended from time to time.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Nominated Party means, in respect of a Director:

- (a) an immediate family member (as defined in the Corporations Act) of the Director;
- (b) a company whose members comprise no persons other than the Director or immediate family members (as defined in the Corporations Act) of the Director; or

- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Director is a director of the trustee,

as nominated by the Director and accepted by the Board in its sole and absolute discretion to be the holder of Options.

Offer means an offer made to a Director to subscribe for one or more Options under the Terms as set out in an Offer Document.

Offer Document means the letter under which the director was offered the Options.

Option means an option granted pursuant to these Terms to subscribe for (subject to Term 7) one Share upon and subject to the terms of these Terms and the terms of the Offer.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Term 4.3.

Participant means a Director to whom Options have been granted under the Terms or the Director in respect of whom a Nominated Party has been granted Options.

Retained means, in respect of a person, that the person is employed as an employee of a Group member or is engaged as a "contractor" (as defined in the Class Order) of a Group member.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Terms means these terms.

Trigger Event means:

- (a) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) a Takeover Bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

Vesting Period means, in respect of an Option, any period specified as such in the Offer Document for that Option.

VWAP means "volume weighted average market price" as defined in the Listing Rules.

1.2 Interpretation

In these Terms unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including these Terms) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of these Terms and a reference to these Terms includes any schedule, exhibit or annexure to these Terms;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) a reference to **\$** or **dollar** is to Australian currency.

2. **PURPOSE**

The purpose of the grant of options to the Directors is to better align the interests of the Directors and Shareholders.

3. **DATE OF GRANT**

Options are granted with effect from the date on which the Company's shares are first quoted on ASX.

4. **OPTIONS**

4.1 **Number of Options**

- (a) The number of Options (if any) granted to each Director is set out in the Offer Document.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.2 **No Consideration**

The Options issued are issued for nil cash consideration.

4.3 **Option Exercise Price**

- (a) Subject to Term 4.3(b), the Option Exercise Price is as set out in the Offer Document.

- (b) To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option shall be that minimum price if the amount determined under paragraph 4.1(a) would be less than that minimum.

4.4 **Disposal of Options**

Options will not be transferable and will not be quoted on the ASX, unless the Offer provides otherwise.

4.5 **Adjustment to Terms**

- (a) Subject to any requirements of the Listing Rules and Term 4.5(b), the Board will have the power to make adjustments to or vary the terms of an Option by notice to the Participant or Nominated Party (as applicable) who holds the relevant Option.
- (b) No adjustment or variation of the terms of an Option will be made without the consent of the Participant or Nominated Party (as applicable) who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation in accordance with Term 7 or introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Terms;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
 - (iv) to take into consideration possible adverse taxation implications in respect of the Terms including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

5. **WHEN OPTIONS MAY BE EXERCISED**

5.1 **Exercise**

- (a) Subject to this Term 5, a Participant or Nominated Party (as applicable) will be entitled to exercise an Option granted as a result of an Offer only:
 - (i) after the Vesting Period (if any) has expired and before the Expiry Date;
 - (ii) if shareholder approval is required under applicable law or the Listing Rules for the Company to issue a Share upon exercise of the Option, such shareholder approval is obtained; and
 - (iii) if the Option is otherwise capable of exercise in accordance with the terms of the relevant Offer and the Terms.
- (b) An Option may not be exercised if applicable law prohibits the exercise of the Option.

5.2 **Exercise of less than all Options**

Subject to Term 5.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

5.3 **Lapsing of Options**

Subject to Term 5.4, a Participant's (or if applicable a Participant's Nominated Party's) unexercised Option will lapse and all rights in respect of that Option will be lost:

- (a) on the Expiry Date of the Option; or
- (b) if the Participant ceases to be a Director and the Participant is not Retained immediately following the time when the Participant ceases to be a Director (the **Time of Cessation of Directorship**):
 - (i) where the Option is exercisable at the Time of Cessation of Directorship – at the end of the day that is 12 months after the Time of Cessation of Directorship;
 - (ii) where the Option is not exercisable at the Time of Cessation of Directorship – immediately at the Time of Cessation of Directorship;
- (c) if the Participant ceased to be a Director of the Company but was Retained immediately following the time when the Participant ceased to be a Director of the Company (that is, paragraph (b) did not apply), and the Participant subsequently ceases to be so Retained:
 - (i) where the Option is exercisable at the time when the Participant ceases to be so Retained (the **Time of Cessation of Retention**) – at the end of the day that is 12 months after the Time of Cessation of Retention;
 - (ii) where the Option is not exercisable at the Time of Cessation of Retention – immediately at the Time of Cessation of Retention;
- (d) if the Option lapses under Term 5.4,
whichever is earliest.

5.4 **Trigger Event**

Notwithstanding any other Term, upon the occurrence of a Trigger Event the Options may be exercised at any time within 30 days after the Trigger Event, and in any number, so as to permit the holder to participate in any change of control arising from the Trigger Event. Thereafter, the Options shall lapse to the extent they have not been exercised

6. **HOW TO EXERCISE OPTIONS**

6.1 **Delivery to Company Secretary**

Options granted to a Participant or a Participant's Nominated Party may only be exercised by delivery to the Company's secretary (at a time when the Options may be exercised) of:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be

incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;

- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant or Nominated Party (as applicable):
 - (i) stating that the Participant or Nominated Party (as applicable) exercises the Options and specifying the number of Options which are exercised; and
 - (ii) specifying the subregister of the Company in which the Shares referred to in Term 6.2(a) are to be recorded; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

By exercising an Option, the Participant or Nominated Party (as applicable) agrees to become a member of the Company and to be bound by the Company's constitution.

6.2 **Issue of Shares**

If the items specified in Term 6.1 are delivered in accordance with that Term, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Term 6.1 issue to the Participant or Nominated Party (as applicable) the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Term 8 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Term 6.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the Participant or Nominated Party (as applicable) a replacement certificate reflecting the number of those Options which remain unexercised.

6.3 **Death of Participant or Mental Incapacity**

If a Participant has died or the Participant's estate becomes liable to be dealt with under the laws relating to mental health, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Terms 6.1 and 6.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

6.4 **Beneficial Owner of Shares**

From and including the date of issue to a Participant or a Participant's Nominated Party (as applicable) of any Shares in accordance with these Terms, the Participant or Nominated Party (as applicable) will:

- (a) be the legal and beneficial owner of those Shares; and
- (b) subject to the Corporations Act, the Constitution and the Listing Rules, be entitled to deal with those Shares as beneficial owner.

6.5 **Equal Rank**

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Share, except for entitlements which had a record date before the date of issue of that Share.

6.6 **Official Quotation**

Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time in accordance with the Listing Rules.

7. **NEW ISSUES OF SHARES AND REORGANISATIONS**

7.1 **Participation generally**

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

7.2 **Rights Issues and Bonus Issues**

- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to Schedule 2.
- (b) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares to be issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.

7.3 **Reorganisation**

If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner required by the ASX Listing Rules at the time of the reorganisation.

7.4 **Notice of Adjustments**

Whenever the number of Shares comprised in an Option or the Option Exercise Price is adjusted pursuant to these Terms, the Company will give notice of the adjustment to the Participant (and, if applicable, the Participant's Nominated Party) and ASX together with calculations on which the adjustment is based.

7.5 **Cumulative Adjustments and rounding**

- (a) Effect will be given to Term 7.3 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.
- (b) Until an Option is to be exercised, all calculations adjusting the Number of Shares or the exercise price must be carried out to include all fractions, but on exercise the number of Shares is rounded down to the next lower whole number and the exercise price is rounded up to the next higher cent.

8. **OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE**

8.1 **No contravention**

Notwithstanding the Terms or the terms of any Option, no Option may be exercised and no Share may be issued under the Terms if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of a Director's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical or burdensome.

8.2 **Consistency**

- (a) Nothing in these Terms prevents an act being done that applicable law or the Listing Rules require to be done.
- (b) If applicable law or the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (c) If applicable law or the Listing Rules require these Terms or the terms of the issue of the Options to contain a provision and they do not contain such a provision, these Terms or the terms of issue of the Options (as the case may be) are taken to contain that provision.
- (d) If applicable law or the Listing Rules require these Terms or the terms of the issue of the Options not to contain a provision and they contain such a provision, these Terms or the terms of issue of the Options (as the case may be) are taken not to contain that provision.
- (e) If any provision of these Terms or the terms of the issue of the Options are or become inconsistent with applicable law or the Listing Rules, these Terms or the terms of issue of the Options (as the case may be) are taken not to contain that provision to the extent of the inconsistency.

9. **ADMINISTRATION**

- (a) The Board may appoint for the proper administration and management of the Terms, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Terms.
- (b) Subject to the provisions of the Terms, the Board may make such regulations and establish such procedures for the administration and management of the Terms as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Terms will be final.

10. **ATTORNEY**

Each Participant and each Nominated Party (the **relevant party**), in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **attorney**), severally, as the relevant party's attorney to

complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the relevant party which may be convenient or necessary for the purpose of giving effect to the provisions of these Terms;

- (b) covenants that the relevant party will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Term; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

11. **ASIC RELIEF**

Notwithstanding any other provisions of the Terms, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Terms pursuant to its power to exempt and modify the Corporations Act and required to be included in the Terms in order for that exemption or modification to have full effect, is deemed to be contained in the Terms. To the extent that any covenant or other provision deemed by this Term to be contained in the Terms is inconsistent with any other provision in the Terms, the deemed covenant or other provision shall prevail.

12. **GOVERNING LAW**

These Terms are governed by and shall be construed and take effect in accordance with the laws of Western Australia.

SCHEDULE 1

Notice of Exercise of Options

To: The Directors
S2 Resources Ltd

I _____ of _____

_____ being registered holder of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise _____ of the abovementioned options. I enclose a cheque for \$_____ in payment of the option exercise price due in respect of those options calculated on the basis of \$_____ per option.

I authorise and direct the Company to register me as the holder of the shares to be allotted to me and I agree to accept such shares subject to the provisions of the Constitution of the Company.

Please register the shares on the [issuer sponsored / CHESS] sub-register [under my [HIN/SRN •]].

Dated the _____ day of _____ 20 ____ .

Signature of Holder

Note:

Cheques should be made payable to [S2 Resources Ltd].

SCHEDULE 2

Adjustment Formula

$$O^1 = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O^1 = The new exercise price of the Option.

O = The old exercise price of the Option.

E = The number of Shares into which an Option is exercisable.

P = The VWAP per Share calculated over the 5 trading days before the ex rights date or ex entitlements date.

S = The subscription price for one security under the renounceable rights or entitlements issue.

D = The dividend due but not yet paid on existing Shares (except those to be issued under the renounceable rights issue or entitlements issue).

N = Number of Shares with rights or entitlements required to be held to receive a right to one new security.

However, if O^1 under this formula is less than the minimum price specific in Term 4.3, the new Exercise Price of the Option is to be equal to that minimum price.

SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 5, 6, 7 and 8 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	16 th September 2019
Market price of Shares	21 cents
Exercise price	31 cents
Expiry date (length of time from issue)	4 years
Risk free interest rate	0.71%
Volatility (discount)	80%
Indicative value per Related Party Option	\$0.10464 cents
Total Value of Related Party Options	\$1,621,896
Mark Bennett	\$627,831
Jeffrey Dowling	\$313,915
Anna Neuling	\$470,873
Grey Egerton-Warburton	\$209,277

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 4 – SERVICE PROVIDER SHARE OPTION PLAN

S2 RESOURCES LTD

ACN 606 128 090

SERVICE PROVIDER SHARE OPTIONS

The Directors are empowered to operate the S2 Resources Ltd Service Provider Share Option Plan (**Plan**) on the following terms and in accordance with the Listing Rules of ASX (where applicable).

1. **INTERPRETATION**

1.1 **Definitions**

For the purposes of the Plan, the following words have the following meanings.

Associate has the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth).

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has 20% or more of the voting power in the Company; and
- (c) a body corporate in which the Company has 20% or more of the voting power.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company or a committee of the Board.

Business Day means a day that is a "business day" under the Listing Rules and not a public holiday in Perth.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (or any substitute) and includes any applicable clearing and settlement facility that is a prescribed CS facility under the Corporations Act.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Company means S2 Resources Ltd (ACN 606 128 090).

Corporations Act means the *Corporations Act 2001* (Cth), as amended or modified (including by an ASIC instrument applying to the Company) from time to time.

Director means a director of the Company.

Eligible Participant means a full or part time service provider of the Company or an Associated Body Corporate.

Exercise Condition means, in respect of an Option, any condition set out in the Offer which must be satisfied (unless waived by the Board in its absolute discretion) before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

Expiry Date means, in respect of an Option, the date that the Option will lapse if not otherwise exercised as determined by the Board in its discretion with respect to that Option at the time of the grant of that Option.

Good Leaver means the Relevant Person dies, suffers Total and Permanent Disability or ceases employment from the Group on the basis of Retirement or Redundancy.

Group means the Company and all Associated Bodies Corporate.

Listing Rules means the official listing rules of ASX and any other rules of the ASX applying to the Company while it is admitted to the official list of ASX and the ASX Settlement Rules (or other operating rules) including any waiver granted under the Listing Rules, in each case as amended from time to time.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Nominated Party means:

- (a) an immediate family member (as defined in the Corporations Act) of an Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members (as defined in the Corporations Act) of the Eligible Participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Participant is a director of the trustee,

as nominated by the Participant and accepted by the Board in its sole and absolute discretion to be the holder of Options.

Offer means an offer made to an Eligible Participant to subscribe for one or more Options under the Plan as set out in an Offer Document.

Offer Document means an offer document in such form as determined by the Board from time to time consistent with the Corporations Act and, if applicable, the Class Order. An indicative offer document is included in Schedule 2.

Option means an option granted pursuant to these Rules to subscribe for (subject to rule 7) one Share upon and subject to the terms of these Rules and the terms of the Offer.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.7.

Participant means an Eligible Participant to whom Options have been granted, or the Eligible Participant in respect of whom a Nominated Party has been granted Options, under the Plan.

Plan means the plan established in accordance with these Rules.

Poor Leaver means a Participant who ceases to be an Eligible Participant by reason of their employment being terminated for cause (including unlawful or serious misconduct), as determined by the Board.

Redundancy means termination of the employment of a Participant due to economic, technological, structural or other organisational change where through no act or default of the Participant:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) the Group no longer requires the position held by the Participant to be held by anyone.

Retirement means where a Participant intends to permanently cease all gainful employment in circumstances where the Participant provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Total and Permanent Disability means that the Participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Trigger Event means:

- (a) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) a Takeover Bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

Vesting Period means, in respect of an Option, any period determined by the Board and specified as such in the Offer Document for that Option.

VWAP means "volume weighted average market price" as defined in the Listing Rules.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;

- (d) a reference to any document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Plan and a reference to this Plan includes any schedule, exhibit or annexure to this Plan;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) a reference to **\$** or **dollar** is to Australian currency.

2. **PURPOSE**

The purpose of the Plan is to:

- (a) encourage participation by Eligible Participants in the Company through Share ownership; and
- (b) attract, motivate and retain Eligible Participants.

3. **COMMENCEMENT**

This Plan will commence on the date determined by the Board.

4. **OFFERS OF OPTIONS**

4.1 **Determination by the Board**

The Board, acting in its absolute discretion, may offer Options to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:

- (a) the Eligible Participant's length of service with the Group;
- (b) the contribution made by the Eligible Participant to the Group;
- (c) the potential contribution of the Eligible Participant to the Group; or
- (d) any other matter the Board considers relevant.

4.2 **Offer Document**

An Offer must be made using an Offer Document.

4.3 **Personal Offer**

An Offer is personal and is not assignable except as provided for in these Rules.

4.4 **Acceptance Time Period**

- (a) An Eligible Participant may only accept an Offer within the time period specified in the Offer Document. To accept the Offer, the Eligible Participant must comply with the instructions specified in the Offer Document unless the Board otherwise determines. Nothing limits the Board's power to treat conduct of an Eligible Participant in respect of an Offer as a valid acceptance of the Offer.
- (b) Upon receipt of a duly completed acceptance in accordance with paragraph (a), the Company must grant the Options to the Participant or the Participant' Nominated Party and issue an option certificate for the Options.

4.5 **Number of Options**

- (a) The number of Options (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law and the Listing Rules.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.6 **No Consideration**

Options issued under the Plan will be issued for nil cash consideration.

4.7 **Option Exercise Price**

- (a) Subject to Rule 4.7(b), in respect of any Offer, the Board may determine the Option Exercise Price (if any) for an Option offered under that Offer in its absolute discretion.
- (b) To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than that minimum price.

4.8 **Option Exercise Conditions**

An Option may be made subject to Exercise Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

4.9 **Vesting Period**

An Option may be made subject to a Vesting Period as determined by the Board in its discretion and as specified in the Offer for the Option.

4.10 **Disposal of Options**

Options will not be transferable and will not be quoted on the ASX, unless the Offer provides otherwise.

4.11 **Adjustment to Terms**

- (a) Subject to any requirements of the Listing Rules and Rule 4.11(b), the Board will have the power to make adjustments to or vary the terms of an Option by notice to the Participant or Nominated Party (if applicable) who holds the relevant Option.
- (b) No adjustment or variation of the terms of an Option will be made without the consent of the Participant who (or whose Nominated party) holds the relevant Option if such adjustment or variation would have a materially prejudicial effect

upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation in accordance with Rule 7 or introduced primarily:

- (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (ii) to correct any manifest error or mistake;
- (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (iv) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

4.12 **Discretion to refuse participation**

The Board may at any time until Options are issued refuse the participation of an Eligible Participant even if the Eligible Participant has accepted the Offer.

5. **WHEN OPTIONS MAY BE EXERCISED**

5.1 **Exercise**

- (a) Subject to this Rule 5, a Participant (or the Participant's Nominated Party, as applicable) will be entitled to exercise an Option granted as a result of an Offer:
 - (i) only after the Vesting Period has expired and before the Expiry Date; and
 - (ii) only:
 - (A) where the Option is not subject to any Exercise Conditions; or
 - (B) where the Option is subject to any Exercise Conditions, if all Exercise Conditions have been satisfied (or waived by the Board); and
 - (iii) only if the Option is otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) An Option may not be exercised if applicable law prohibits the exercise of the Option.

5.2 **Exercise of less than all Options**

Subject to Rule 5.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

5.3 **Lapsing of Options**

Subject to the terms of the Offer made to a Participant and Rules 5.4 and 5.5, a Participant's (or if applicable a Participant's Nominated Party's) unexercised Option will lapse and all rights in respect of that Option will be lost:

- (a) on the Expiry Date of the Option;

- (b) if the Exercise Conditions applying to the Option cease to be able to be satisfied;
 - (c) if the Participant ceases to be an Eligible Participant and:
 - (i) is a Poor Leaver – immediately on the Participant ceasing to be an Eligible Participant (the **Time of Cessation**);
 - (ii) is a Good Leaver – on the Expiry Date of the Option, unless otherwise determined by the Board in its absolute discretion;
 - (iii) is neither a Poor Leaver nor a Good Leaver (for example, where the Participant voluntarily resigns):
 - (A) where the Option is exercisable at the Time of Cessation – at the end of the day that is 90 days after the Time of Cessation unless otherwise determined by the Board in its absolute discretion; or
 - (B) where the Option is not exercisable at the Time of Cessation – immediately at the Time of Cessation unless otherwise determined by the Board in its absolute discretion;
 - (d) if the Option lapses under rule 5.4 or 5.5,
- whichever is earliest.

5.4 **Discretionary Exercise of Options on Death or Mental Incapacity**

- (a) Where a Participant dies or the Participant's estate becomes liable to be dealt with under the laws relating to mental health prior to the date on which Options become exercisable, the Board may, in its absolute discretion, determine that some or all of the Options held by that Participant may be exercised by the Participant's personal legal representative within such additional time as is determined by the Board (the **additional grace period**).
- (b) Options which have not been exercised by the end of the additional grace period lapse immediately and all rights in respect of these Options will thereupon be lost.

5.5 **Trigger Event**

Notwithstanding any other Rule, upon the occurrence of a Trigger Event, the Board may determine:

- (a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Board will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- (b) to use its reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

6. HOW TO EXERCISE OPTIONS

6.1 Delivery to Company Secretary

Options granted to a Participant or a Participant's Nominated Party may only be exercised by delivery to the Company's secretary (at a time when the Options may be exercised) of:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant or Nominated Party (as applicable):
 - (i) stating that the Participant or Nominated Party (as applicable) exercises the Options and specifying the number of Options which are exercised; and
 - (ii) specifying the subregister of the Company in which the Shares referred to in Rule 6.2(a) are to be recorded; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

By exercising an Option, the Participant or Nominated Party (as applicable) agrees to become a member of the Company and to be bound by the Company's constitution.

6.2 Issue of Shares

If the items specified in Rule 6.1 are delivered in accordance with that Rule, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Rule 6.1 issue to the Participant or Nominated Party (as applicable) the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Rule 8 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 6.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the Participant or Nominated Party (as applicable) a replacement certificate reflecting the number of those Options which remain unexercised.

6.3 Death of Participant or Mental Incapacity

If a Participant has died or the Participant's estate becomes liable to be dealt with under the laws relating to mental health, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Rules 6.1 and 6.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

6.4 **Beneficial Owner of Shares**

From and including the date of issue to a Participant or a Participant's Nominated Party (as applicable) of any Shares in accordance with these Rules, the Participant or Nominated Party (as applicable) will:

- (a) be the legal and beneficial owner of those Shares; and
- (b) subject to the Corporations Act, the Constitution and the Listing Rules, be entitled to deal with those Shares as beneficial owner.

6.5 **Equal Rank**

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Share, except for entitlements which had a record date before the date of issue of that Share.

6.6 **Official Quotation**

Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time in accordance with the Listing Rules.

7. **NEW ISSUES OF SHARES AND REORGANISATIONS**

7.1 **Participation generally**

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

7.2 **Rights Issues and Bonus Issues**

- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to Schedule 3.
- (b) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares to be issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.

7.3 **Reorganisation**

If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner required by the ASX Listing Rules at the time of the reorganisation or, subject to the Corporations Act and the Listing Rules, as determined by the Board.

7.4 **Notice of Adjustments**

Whenever the number of Shares comprised in an Option or the Option Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant (and, if applicable, the Participant's Nominated Party) and ASX together with calculations on which the adjustment is based.

7.5 **Cumulative Adjustments and rounding**

- (a) Effect will be given to Rule 7.4 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.
- (b) Until an Option is to be exercised, all calculations adjusting the Number of Shares or the exercise price must be carried out to include all fractions, but on exercise the number of Shares is rounded down to the next lower whole number and the exercise price is rounded up to the next higher cent.

8. **OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE**

8.1 **No contravention**

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical or burdensome.

8.2 **Consistency**

- (a) Nothing in this Plan prevents an act being done that applicable law or the Listing Rules require to be done.
- (b) If applicable law or the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (c) If applicable law or the Listing Rules require this Plan or the terms of the issue of the Options to contain a provision and they do not contain such a provision, this Plan or the terms of issue of the Options (as the case may be) are taken to contain that provision.
- (d) If applicable law or the Listing Rules require this Plan or the terms of the issue of the Options not to contain a provision and they contain such a provision, this Plan or the terms of issue of the Options (as the case may be) are taken not to contain that provision.
- (e) If any provision of this Plan or the terms of the issue of the Options are or become inconsistent with applicable law or the Listing Rules, this Plan or the terms of issue of the Options (as the case may be) are taken not to contain that provision to the extent of the inconsistency.

9. **AMENDMENT OF RULES**

Subject to and in accordance with the Trading Rules, the Board (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be materially reduced or materially adversely affected unless prior written approval from the affected holder(s) is obtained.

10. **ADMINISTRATION OF PLAN**

10.1 **General administration**

- (a) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Plan.
- (b) Subject to the provisions of the Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Rules will be final.

10.2 **Duration**

- (a) The Plan continues in operation until the Board decides to end it.
- (b) The Board may suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

11. **RIGHTS OF ELIGIBLE PARTICIPANTS**

Neither participation in the Plan by the Company or an Associated Body Corporate or any Eligible Participants or Option holders or anything contained in these Rules shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Participant or Option holder or to vary the terms of employment of any Eligible Participant or Option holder. Nor shall participation or the rights or benefits of an Eligible Participant or Option holder under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Participant or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

12. **ATTORNEY**

Each Participant and each Nominated Party (the **relevant party**), in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **attorney**), severally, as the relevant party's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the relevant party which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;
- (b) covenants that the relevant party will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

13. **ASIC RELIEF**

Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

14. **NOTICES**

Any notice to Participants may be given in such manner as the Board determines.

15. **GOVERNING LAW**

This Plan is governed by and shall be construed and take effect in accordance with the laws of Western Australia.

SCHEDULE 1

Notice of Exercise of Options

To: The Directors
S2 Resources Ltd

I _____ of _____

_____ being registered holder of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise _____ of the abovementioned options. I enclose a cheque for \$_____ in payment of the option exercise price due in respect of those options calculated on the basis of \$_____ per option.

I authorise and direct the Company to register me as the holder of the shares to be allotted to me and I agree to accept such shares subject to the provisions of the Constitution of the Company.

Please register the shares on the [issuer sponsored / CHESS] sub-register [under my [HIN/SRN •]].

Dated the _____ day of _____ 20__ .

Signature of Holder

Note:

1. Each holder must sign.
2. Cheques should be made payable to S2 Resources Ltd.

SCHEDULE 2

Offer Document

[Name and address of Eligible Participant]

Dear [*]

SERVICE PROVIDER SHARE OPTION PLAN

The board of directors of S2 Resources Limited (**Company**) is pleased to make an offer to you of [insert] options pursuant to its Employee Share Option Plan (**Plan**).

The Company informs you of the following:

- (a) accompanying this letter is a full copy of the terms of the Plan;
- (b) this offer remains open for acceptance by you for 14 days from the date of this letter (**Offer Period**);
- (c) the options under the Plan will be granted to you for nil consideration;
- (d) the exercise price of each of the options is \$[*] and the expiry date is [*]; and
- (e) the Options are subject to the following Exercise Conditions:
 - (i) [insert];
 - (ii) [insert];
- (f) the Options are subject to a Vesting Period of [insert];
- (g) the Company will, during the period commencing on the date of this letter and expiring when the options lapse or are exercised, make available to you the current market price of the underlying shares to which the options relate within a reasonable time of you requesting that information. Alternatively you may find the current share price of the Company on the ASX via the ASX website (www.asx.com.au). Please note that share price information on that website is delayed by 20 minutes.

[Include general information about the risks of acquiring and holding options being offered under the Plan if relying on ASIC class order.]

THIS LETTER AND ALL OTHER DOCUMENTS PROVIDED TO YOU AT THE TIME OF THIS OFFER CONTAIN GENERAL ADVICE ONLY – THEY DO NOT TAKE INTO ACCOUNT YOUR PERSONAL OBJECTIVES, FINANCIAL SITUATION AND NEEDS. YOU SHOULD CONSIDER OBTAINING YOUR OWN FINANCIAL PRODUCT ADVICE FROM AN INDEPENDENT PERSON WHO IS LICENSED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION TO GIVE SUCH ADVICE.

You may nominate any of the following persons to receive the options:

- an immediate family member (as defined in the Corporations Act);
- a company whose members comprise no persons other than you and your immediate family members (as defined in the Corporations Act); or
- a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth)) where you are a director of the trustee.

The Board may accept or reject a proposed Nominated Party in its sole and absolute discretion.

Could you please confirm your acceptance of the offer set out in this letter by signing in the appropriate place below and returning it to the Company on facsimile number [insert] **by no later than** [insert].

Yours faithfully

[insert name]
For and on behalf of
S2 Resources Ltd

Encl.

Acceptance of offer

I agree to the terms and conditions set out above and accept the offer of options as contained in the letter set out above.

Signature

Name: _____

Date: _____

Nomination of Nominated Party

Please issue the options to the following **Nominated Parties**, who by signing this document each agrees to the terms and conditions set out above and accept the offer of options as contained in the letter set out above.

Please repeat this section if there is more than one Nominated Party.

Execution by Nominated Party

Individual / Director

Director / Secretary (if corporate trustee)

Name: _____

Date: _____

Number of options to be issued to this Nominated Party: _____

The Nominated Party is: _____ *(Please specify nature of relationship).*

SCHEDULE 3

Adjustment Formula

$$O^1 = O - \frac{E[P - (S + D)]}{N + 1}$$

where:

O^1 = The new exercise price of the Option.

O = The old exercise price of the Option.

E = The number of Shares into which an Option is exercisable.

P = The VWAP per Share calculated over the 5 trading days before the ex rights date or ex entitlements date.

S = The subscription price for one security under the renounceable rights or entitlements issue.

D = The dividend due but not yet paid on existing Shares (except those to be issued under the renounceable rights issue or entitlements issue).

N = Number of Shares with rights or entitlements required to be held to receive a right to one new security.

However, if O^1 under this formula is less than the minimum price specific in Rule 4.7, the new Exercise Price of the Option is to be equal to that minimum price.



S2 Resources Limited
ABN 18 606 128 090

S2R

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (WST)** Sunday, 10 November 2019.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of S2 Resources Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of S2 Resources Ltd to be held at Rokeby Room, BDO, 38 Station Street, Subiaco, Western Australia on Tuesday, 12 November 2019 at 11:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 - 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 - 8 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

