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S2 TO SELL FOSTERVILLE TENEMENT TO AGNICO EAGLE

Key points:

- **S2 to sell its Fosterville exploration licence EL007795, and undertake a strategic placement of shares, to Agnico Eagle, to raise A$20 million**
- **The A$20 million is comprised of A$17 million cash payment for exploration licence EL007795 and A$3 million placement at A$0.101 per share**
- **Agnico Eagle, the world's second largest gold producer, to become S2's fourth largest shareholder with a 5.6% ownership interest in S2**
- **Upon completion, S2 will have total cash of A$23.1 million plus investments currently valued at A$5.33 million and is well positioned for future exploration activities**

S2 Resources Ltd ("S2" or the "Company") advises that it has signed binding agreements with Agnico Eagle Mines Limited ("Agnico") pursuant to which: (i) S2's subsidiary, Southern Star Exploration Pty Ltd will sell exploration licence EL007795, located adjacent to Agnico's Fosterville gold mine ("Fosterville") in Victoria to a wholly-owned subsidiary of Agnico (the "Tenement Sale") for a A$17 million cash payment; and (ii) S2 will place S2 ordinary shares (the "Placement") to Agnico for A$3 million at A$0.101 per share.

The Placement pricing is based on the 20-day volume weighted average price ("VWAP") of trading in S2 shares up to 28th October 2025. The Placement will result in the issue of approximately 29.74 million S2 ordinary shares, which will be issued under the Company's existing ASX Listing Rule 7.1A placement capacity. Following the Placement, Agnico is expected to be the Company's fourth largest shareholder with a 5.6% ownership interest in S2, behind Jupiter Asset Management (13.6%), Mark Creasy (12.7%), and Paradice Investment Management (8.2%). Settlement of the Placement is expected to occur within five business days and is not conditional upon completion of the Tenement Sale.

Completion of the Tenement Sale is subject to Victorian Government approval and to the satisfaction of other customary conditions, and is expected to take up to two months to complete.

Together with existing cash reserves of A$3.1 million[1], the A$20 million to be received from the Tenement Sale and Placement is expected to result in S2 having total cash of A$23.1 million[2], plus a listed investment currently valued at A$5.33 million[3], positioning the Company as a well-funded explorer able to pursue various exploration opportunities without the requirement for near-term dilution from equity funding.

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S2's Executive Chairman Mark Bennett commented "This transaction sets up S2 to be able to explore vigorously without the requirement for near-term dilution, and on completion of the transaction, the Company will be better funded than at any other time during its ten year history, at a time when we are starting to drill several potentially high impact exploration targets. It is also very pleasing to have the support of Agnico Eagle, the world's second largest gold mining company, as a shareholder, and we look forward to a productive ongoing relationship."

The Company's immediate focus will continue to be on the first ever drilling of geophysical targets at the Warraweena project in northern New South Wales, where S2 is earning up to an 80% interest in ground held by Oxley Resources, and on adjacent 100% S2 ground.

In parallel with this, negotiations are in progress with the traditional owners of the Jillewarra area in Western Australia, to enable the granting of tenements and commencement of exploration over its gold targets at the Jillewarra Joint Venture, where S2 is earning an initial 51% interest, and now also over an additional 100% held adjacent exploration licence application[4]. Together, these applications cover an effectively unexplored 60 kilometres of strike of the same structure that is interpreted to host Westgold's Big Bell gold mine and Ramelius Resources' Never Never gold mine to the south.

Salient Corporate acted as Corporate Adviser to the transaction and Corrs Chambers Westgarth acted as legal adviser to the Company.

Notes:

1. *Cash balance as at end of September quarter, refer to S2 ASX releases of 24th October 2025 "September 2025 Quarterly Activities Report" and "Appendix 5B cash flow report".*
2. *Inclusive of the proceeds from the Tenement Sale and the Placement.*
3. *Value of Valkea (TSXV:OZ) shareholding based on 14.375 million shares at C$0.34 and an exchange rate of 1.089562 as at 28th October 2025.*
4. *S2 ASX announcement of 29 September 2025 "Exploration update".*

This announcement has been provided to the ASX under the authorisation of the S2 Board.

For further information, please contact:

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