S2 RESOURCES LTD

ABN: 18 606 128 090

HALF YEAR FINANCIAL REPORT

31 December 2025

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HALF YEAR FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

CONTENTS

Corporate Directory

Directors

Mark Bennett	Executive Chairman
Jeff Dowling	Non-Executive Director
Anna Neuling	Non-Executive Director

Company Secretary

Andrea Betti

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Registered Office

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Perth, Western Australia 6000

Auditor

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Level 9 Mia Yellagonga Tower 2
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Perth WA 6000
Telephone: (08) 6382 4600

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth, Western Australia 6000
Telephone: 1300 787 575

Stock Exchange Listing

S2 Resources Ltd shares are listed on the Australian Securities Exchange.

ASX Code

S2R

Directors' Report

The Directors of S2 Resources Ltd ("Directors") present their report on S2 Resources Ltd ("Company" or "S2") and the entities it controlled at the end of, or during, the half year ended 31 December 2025 ("Consolidated Entity" or "Group").

Directors

The names and details of the Directors in office during the half year ended 31 December 2025 and until the date of this financial report are as follows. The Directors were in office for the entire period unless otherwise stated.

Mark Bennett
Jeff Dowling
Anna Neuling

Principal Activities

The principal continuing activity of the Group is mineral exploration.

Review of Operations

Operating Result

The profit from continuing operations for the half year ended 31 December 2025 after providing for income tax amounted to $12,317,094 (2024: Loss of $3,850,093).

The profit on continuing operations results from $16,453,871 gain on the sale of an exploration licence, $1,998,246 of exploration expenditure incurred and expensed, $807,291 of administration including business development costs, $222,685 of share-based payments expenses, $49,508 depreciation costs, $76,806 of other income and net profit /(losses) including finance costs and share of associate consolidated statement of loss $985,853. The exploration expenditure incurred and expensed mainly relates to the Company's Australian projects.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar

Dividends

No dividends were paid or proposed to be paid to members during the half year ended 31 December 2025.

Significant Changes in the State of Affairs

On 30 October 2025, the Company advised it had signed binding agreements with Agnico Eagle Mines Limited (Agnico) pursuant to which:

The Company would place S2 ordinary shares to Agnico for A$3 million at A$0.101 per share which completed on the 05 November 2025.

The Company's subsidiary, Southern Star Exploration Pty Ltd would sell exploration licence EL007795, located adjacent to Agnico's Fosterville gold mine in Victoria to a wholly-owned subsidiary of Agnico for a A$17 million cash payment with completion subject to Victorian Government approval and other customary conditions which were satisfied and completed on 22 December 2025.

Directors' Report (continued)

After Balance Date Events

Subsequent to the end of the period, on 12 January 2026, the Company entered into an agreement with a private company San Antonio Exploration Pty Ltd (SAE) to earn up to 75% interest in the Loch Lilly-Kars project, which is located 50-80 kilometres southeast of Broken Hill in far western New South Wales.

The project comprises two granted Exploration licences and two exploration licence applications (ELA's).

The agreement comprises an earn-in and joint venture phase, with key terms as follows:

• The Company to pay A$50,000 cash and issue SAE with 373,134 S2 shares, representing an agreed consideration of A$25,000 based on the 5 day volume weighted average price ("VWAP") to close of trading on Thursday 8th January of A$0.067 per share
• The Company can spend A$3 million within 3 years of signing to earn a 51% participating interest, including a minimum spend of A$1 million before withdrawal
• Following this, the Company can form a joint venture with a 51% interest, or elect to spend a further A$3 million within a further 2 years to earn an additional 24% interest for a 75% participating interest

There has been no other matter or circumstance that has arisen since 31 December 2025 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of *the Corporations Act 2001* is set out on page 18 of the interim financial report.

Signed in accordance with a resolution of the Board of Directors.

Mark Bennett
Executive Chairman
Perth
11 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
Other income		86,696	151,182
Corporate Salaries and wages		(270,310)	(352,757)
Business Development & consulting		(371,958)	(45,533)
Share & Company registry		(42,722)	(36,901)
Listing fees		(43,262)	(47,087)
Rent, insurance & variable outgoings		(79,039)	(71,274)
Depreciation expense		(49,508)	(53,015)
Share based payments	7	(222,685)	(778,336)
Gain on sale of exploration licence	11	16,453,871	-
Other gains/(losses)		(8,866)	9,492
Finance costs		(1,024)	(2,141)
Exploration expenditure expensed as incurred	3	(1,998,246)	(2,166,837)
Impairment of exploration asset	3	(150,000)	-
Share of associate's loss	4	(985,853)	(456,886)
Profit/ (Loss before income tax from continuing operations		12,317,094	(3,850,093)
Income tax (expense)/benefit		-	-
Profit / (Loss) after income tax from continuing operations		**12,317,094**	**(3,850,093)**
Profit after income tax from discontinued operations		-	6,189,406
Profit for the period		**12,317,094**	**2,339,313**
Other comprehensive income			
Items that will not be classified to profit or loss			
Changes in the fair value of Investments at fair value through other comprehensive income		1,276	(19,021)
Items that may be classified to profit or loss			
Exchange differences on translation of foreign operations		(142,395)	30,321
Total Comprehensive Income for the period attributable to the members of S2 Resources Ltd		**12,175,975**	**2,350,613**
Earnings / (Loss) per share for continuing operations for the period attributable to the Members of S2 Resources Ltd		**Cents**	**Cents**
Basic & diluted earnings per share		**2.41**	**(0.85)**
Earnings /(Loss) per share for the period attributable to the Members of S2 Resources Ltd		**Cents**	**Cents**
Basic & diluted earnings per share		**2.41**	**0.52**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	31 December 2025 $	30 June 2025 $
CURRENT ASSETS			
Cash and cash equivalents		22,785,946	3,790,399
Other Assets		301,212	302,092
Trade and other receivables		233,924	170,493
Financial assets held at fair value through other comprehensive income		-	38,042
TOTAL CURRENT ASSETS		**23,321,082**	**4,301,026**
NON-CURRENT ASSETS			
Exploration and evaluation	3	1,559,898	1,709,898
Property, plant and equipment		45,091	49,171
Investment in Associate	4	2,834,935	3,962,242
Right-of-use assets		15,903	45,667
TOTAL NON-CURRENT ASSETS		**4,455,827**	**5,766,978**
TOTAL ASSETS		**27,776,909**	**10,068,004**
CURRENT LIABILITIES			
Trade and other payables	11	2,563,771	703,658
Provisions		179,951	165,402
Lease Liabilities		27,418	55,026
TOTAL CURRENT LIABILTIES		**2,771,140**	**924,086**
NON-CURRENT LIABILTIES			
Lease Liabilities		729	1,897
Provision for long service leave		30,558	22,852
TOTAL NON-CURRENT LIABILTIES		**31,287**	**24,749**
TOTAL LIABILTIES		**2,802,427**	**948,835**
NET ASSETS		**24,974,482**	**9,119,169**
EQUITY			
Share capital	5	84,805,215	81,348,562
Reserves	6	3,331,042	1,875,211
Accumulated losses		(63,161,775)	(74,104,604)
TOTAL EQUITY		**24,974,482**	**9,119,169**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2025

Attributable to equity holders of the Group **in $ dollars**	**Share capital**	**Share based payment Reserves**	**Foreign Currency Translation Reserve**	**Fair Value Other Comprehensive Income (“FVOCI”) Reserve**	**Accumulated losses**	**Total**
Balance at 1 July 2025	**81,348,562**	**4,214,292**	**332,017**	**(2,671,098)**	**(74,104,604)**	**9,119,169**
Profit for the half year	-	-	-	-	12,317,094	12,317,094
Other comprehensive income	-	-	(142,395)	1,276	-	(141,119)
Total comprehensive gain for the period	**-**	**-**	**(142,395)**	**1,276**	**12,317,094**	**12,175,975**
Transactions with owners, recorded directly in equity						
Issue of share capital	3,609,998	-	-	-	-	**3,609,998**
Capital raising costs	(153,345)	-	-	-	-	**(153,345)**
Contributions by and distributions to owners						
Share-based payment transactions	-	222,685	-	-	-	222,685
Transfer on sale of investments to accumulated losses	-	-	-	2,669,822	(2,669,822)	-
Transfer of lapsed and expired options value to accumulated losses	-	(1,295,557)	-	-	1,295,557	**-**
Total contributions by and distributions to owners	3,456,653	(1,072,872)	-	2,669,822	(1,374,265)	**3,679,338**
Balance at 31 December 2025	**84,805,215**	**3,141,420**	**189,622**	**-**	**(63,161,775)**	**24,974,482**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2024

Attributable to equity holders of the Group **in $ dollars**	**Share capital**	**Share based payment Reserves**	**Other Reserve**	**Foreign Currency Translation Reserve**	**Fair Value Other Comprehensive Income (“FVOCI”) Reserve**	**Accumulated losses**	**Total**
Balance at 1 July 2024	**78,725,836**	**4,507,628**	**144,517**	**363,474**	**(2,633,056)**	**(73,019,354)**	**8,089,045**
Gain for the half year	-	-	-	-	-	2,339,313	2,339,313
Other comprehensive income	-	-	-	30,321	(19,021)	-	11,300
Total comprehensive gain for the period	**-**	**-**	**-**	**30,321**	**(19,021)**	**2,339,313**	**2,350,613**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfer of reserve	-	-	(144,517)	-	-	144,517	-
Share-based payment transactions	-	778,336	-	-	-	-	778,336
Transfer of lapsed and expired options value to accumulated losses	-	(1,359,546)	-	-	-	1,359,546	**-**
Total contributions by and distributions to owners	-	(581,210)	(144,517)	-	-	1,504,063	**778,336**
Balance at 31 December 2024	**78,725,836**	**3,926,418**	**-**	**393,795**	**(2,652,077)**	**(69,175,978)**	**11,217,994**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

for the half year ended 31 December 2025

	Notes	31 December 2025 $	31 December 2024 $
Cash flows from operating activities			
Cash paid to suppliers and employees for administration activities		(877,142)	(849,863)
Cash paid to suppliers and employees for exploration activities		(1,708,282)	(2,027,673)
Interest received		79,148	109,888
Interest and other finance costs paid		(1,024)	(5,316)
Net cash used in operating activities		**(2,507,300)**	**(2,772,964)**
Cash flows from investing activities			
Payments for property, plant and equipment		(14,958)	(2,604)
Payment for Associate		-	(276,769)
Net proceeds from sale of assets		200	19
Net proceeds from sale of subsidiary		-	1,172,582
Net proceeds from sale of exploration licence	11	18,153,670	-
Net proceeds of investments		38,924	
Other		-	50,000
Net cash provided by investing activities		**18,177,836**	**943,228**
Cash flows from financing activities			
Net receipts / (payments) for cash backed guarantees		10,000	(9,724)
Proceeds from issue of shares & other equity securities		3,609,998	-
Share issue transaction costs		(260,450)	-
Principal elements of lease payments		(28,741)	(22,680)
Net cash provided by/ (used) in financing activities		**3,330,807**	**(32,404)**
Net increase / (decrease) in cash and cash equivalents		19,001,343	(1,862,140)
Effects of exchange rate changes on cash and cash equivalents		(5,796)	12,667
Cash and cash equivalents at 1 July		3,790,399	5,322,413
Cash and cash equivalents at 31 December		**22,785,946**	**3,472,940**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with Australia Accounting Standards ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.* The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical costs, except for financial assets held at fair value. All amounts are presented in Australian dollars, unless otherwise noted. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2025. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Standards and Interpretations applicable to 31 December 2025

In the period ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. None of which have a material impact on the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that it believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 7.

Exploration and evaluation costs

Exploration and evaluation costs for each area of interest in the early stages of the project life are expensed as they are incurred except for acquisition costs, until they satisfy the requirements that are stated below.

Exploration and evaluation costs are capitalised in an identifiable area of interest upon announcement of a JORC 2012 compliant resource and costs will be amortised in proportion to the depletion of the mineral resources at the commencement of production. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining

NOTE 1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Significant influence
The Group has considered its investment in Valkea and the rights and obligations contained within the Shareholder Rights Agreement (dated 18 September 2024) concluding the Group has significant influence but not control or joint control.

Impairment
The Group assesses at each reporting period whether there are any indicators of impairment for the investment in associate. None were noted for the period from acquisition to 31 December 2025.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has one reportable segment as follows:

- Australia exploration activities, which includes exploration and evaluation of mineral tenements in Western Australia, New South Wales and Victoria.
- Corporate costs and all other expenses that cannot be directly attributed to Australian exploration are presented as unallocated costs when segment information is provided to Chief Operating Decision Maker (CODM)

Segment information that is evaluated by the CODM (as defined by AASB 8 Operating Segments) is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

Statement of profit for the half year ended 31 December 2025

	Australia exploration activities	**Unallocated**	**Total**
Other income	-	86,696	86,696
Corporate expenses	-	(540,961)	(540,961)
Business Development & Travel		(266,330)	(266,330)
Depreciation expense	-	(49,508)	(49,508)
Share-based payments	-	(222,685)	(222,685)
Other gain/(losses) - net	-	(8,866)	(8,866)
Finance cost	-	(1,024)	(1,024)
Gain on disposal of exploration licence	-	16,453,871	16,453,871
Share of associate's loss	-	(985,853)	(985,853)
Impairment of exploration asset	(150,000)	-	(150,000)
Exploration expenditure expensed as incurred	(1,998,246)		(1,998,246)
Profit before income tax	(2,148,246)	14,465,340	12,317,094
Income tax expense	-	-	-
Profit after income tax for the half year	(2,148,246)	14,465,340	12,317,094

NOTE 2: SEGMENT INFORMATION

Statement of loss for the half year ended 31 December 2024

	Australia exploration activities	**Unallocated**	**Total**
Other income	-	151,182	151,182
Admin expenses	-	(553,552)	(553,552)
Depreciation expense	-	(53,015)	(53,015)
Share-based payments	-	(778,336)	(778,336)
Other gain/(losses) - net	-	9,492	9,492
Finance cost	-	(2,141)	(2,141)
Gain on disposal of subsidiary	-	6,229,169	6,229,169
Share of associate's loss	-	(456,886)	(456,886)
Exploration expenditure expensed as incurred	(2,159,953)	(46,647)	(2,206,600)
Loss before income tax	(2,159,953)	4,499,266	2,339,313
Income tax expense	-	-	-
Loss after income tax for the half year	(2,159,953)	4,499,266	2,339,313

	Australia exploration activities	**Total**
Exploration assets 31 Dec 25	1,559,898	1,559,898
Exploration assets 30 Jun 25	1,709,898	1,709,898

SEGMENT ASSETS AND LIABILITIES

The Group's other assets (excluding exploration assets) are mostly attributable to the unallocated segment.

NOTE 3. EXPLORATION AND EVALUATION

	31 December 2025 $	**30 June 2025 $**
Exploration costs	**1,559,898**	**1,709,898**
Movement during the period		
Balance at beginning of the period	1,709,898	2,700,860
Exploration expenditure incurred during the period (i)	1,998,246	4,287,674
Exploration expenditure incurred during the period and expensed	(1,998,246)	(4,287,674)
Exploration asset sold (ii)	-	(990,962)
Impairment	(150,000)	-
Balance at end of the period	**1,559,898**	**1,709,898**

(i) During the half year ended 31 December 2025 the exploration expenditure incurred pertains to the following:

Australian Projects

Exploration expenditure incurred and expensed for Australian Projects was $1,998,246.

NOTE 4. INVESTMENT IN ASSOCIATE

The entity listed below have share capital consisting of ordinary shares and warrants of which 29.55% of the ordinary shares are held directly by the Group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporate	Place of business	% of ownership interest	Nature of relationship	Measurement method	Carrying amount
			2025 %			2025 $
Valkea Resources Corp.	Canada	Vancouver	29.55	Associate	Equity method	2,834,935

In September 2024, as part of the transaction for the sale of the Groups Finnish subsidiary Sakumpu Exploration Oy, and including participation in the associated placement for C$250,000, the Group acquired a 44.58% stake in Valkea Resources Corp (Formerly Outback Goldfields Corp.). Following a private placement by Valkea in June 2025 which S2 Resources did not partake in this shareholding was reduced to 29.55%.

Dr Mark Bennett, Executive Chairman of S2 Resources Ltd joined as a Non-Executive director of Valkea in September 2024.

Summarised financial information for associates
The tables below provide provisionally accounted summarised financial information of Valkea that are material to the Group. The information disclosed reflects the amounts presented in the financial statement of the relevant associates and not the Group's share of those amounts. The amounts have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

Summarised balance sheet	**31 Dec 2025 $**	**31 Dec 2024 $**
Current assets	1,118,886	1,981,221
Non current assets (i)	8,897,596	11,882,970
Total assets	**10,086,462**	**13,864,191**
Current liabilities	403,411	432,480
Total liabilities	**403,411**	**432,480**
NET ASSETS	**9,683,051**	**13,431,711**

Reconciliation to carrying amounts	**31-Dec 2025 $**	**31-Dec 2024 $**
S2R's initial investment 19 September 2024	6,151,582	6,151,582
Group's share of loss to 30.06.25	(2,451,201)	(456,886)
Group's share of loss to 31.12.25	(985,853)	
Group's share of forex loss	(45,326)	-
Gain on dilution	27,752	-
Forex on investment	137,981	293,161
Carrying amount	**2,834,935**	**5,987,857**

(i) Non current assets and loss for the period has been modified to align Valkea's accounting policies to the Group's accounting policies. Valkea's accounting policy is to capitalise all exploration and evaluation expenditure whereas the Group expense all ongoing exploration and evaluation expenditure until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest

Valkea's share price as at 31 December 2025 was $0.416 AUD ($0.38 CAD FX rate $0.9142) with shares on issue of 48,645,702 giving a market capitalisation of $20,236,612. The Groups share in the market cap (29.55%) was $5,979,919

NOTE 5. SHARE CAPITAL

	31 Dec 2025 No of Shares	31 Dec 2025 $	30 Jun 2025 No of Shares	30 Jun 2025 $
Ordinary shares fully paid				
Balance at beginning of period	492,996,882	81,348,562	452,857,993	78,725,836
Movement in Share Capital				
Share Placement net of costs	38,216,357	3,456,653	40,138,889	2,622,726
Balance at period end	**531,213,239**	**84,805,215**	**492,996,882**	**81,348,562**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 6. RESERVES

	31 December 2025 $	30 June 2025 $
Share-based payments reserve (i)	3,141,420	4,214,292
Foreign currency translation reserve (ii)	189,622	332,017
Revaluation Reserve (iii)	-	(2,671,098)
	3,331,042	**1,875,211**

(i) The share-based payments reserve recognises the fair value of the options issued to Directors, employees and service providers.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.
In the period ended 31 December 2025, $1,295,557 in relation to the fair value of options which has lapsed or expired was transferred to accumulated losses.

(ii) Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iii) The revaluation reserve recognises the change in fair value of investments.

NOTE 7. SHARE BASED PAYMENTS

The following share-based payments arrangements were issued during the current period.

Options

Options Series	Number	Grant Date	Issue Date	Expiry Date	Exercise Price $	Fair value at Grant Date $
(24) 1 July 2025	3,800,000	01/07/2025	01/07/2025	01/07/2029	0.097	0.04
(24) 1 July 2025	8,000,000	07/08/2025	01/07/2025	01/07/2029	0.097	0.05

NOTE 7. SHARE BASED PAYMENTS (CONTINUED)

(24) The 3,800,000 options in series 24 which vest one year from grant date comprised 3,250,000 issued to employees under the Employee Share Option Plan and 550,000 issued to service providers. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.

The 8,000,000 options in series 24 which vest one year from proposed date were approved at a Shareholder General Meeting and granted to directors following the approval.
The weighted average exercise price of the share options granted during the period is $0.097.
The weighted average contractual life for options outstanding at the end of the period was 2.22 years.
The total expense of the share based payments for the period was:

	31 December 2025 $	31 December 2024 $
Options issued under Employee Share Plan	222,685	778,336

Options granted during the half year ended 31 December 2025, were priced using a Black-Scholes option pricing model using the inputs below:

	Series 24	Series 24 Directors
Grant date share price	0.07	0.07
Exercise price	0.097	0.097
Expected volatility	100%	100%
Option life	4 years	4 years
Dividend yield	0.00%	0.00%
Interest rate	3.23%	3.36%

The following reconciles the outstanding share options granted in the half year ended 31 December 2025:

	31 December 2025 Number of Options	31 December 2025 Weighted average exercise price $	31 December 2024 Number of Options	31 December 2024 Weighted average exercise price $
Balance at the beginning of the period	45,250,000	0.22	41,600,000	0.31
Granted during the period	11,800,000	0.10	13,750,000	0.14
Exercised during the period	-	-	-	-
Expired /cancelled during the period (i)	(10,550,000)	0.29	(10,100,000)	0.36
Balance at the end of the period	**46,500,000**	**0.17**	**45,250,000**	**0.28**
Un-exercisable at the end of the period	11,550,000	0.10	13,000,000	0.135
Exercisable at end of the period	**34,950,000**	**0.15**	**32,250,000**	**0.25**

(i) *Options expired or cancelled during the period*
During the half year ended 31 December 2025, 100,000 service provider options expired, 3,950,000 employee share options and 6,500,000 director share options expired or cancelled.

NOTE 8. RELATED PARTIES

During the half year ended 31 December 2025, options approved at a Shareholder General Meeting were issued to the following Directors and Key Management Personnel:

	Grant Date	Number of Options	Total value of share based payment	Share based payment expensed in the period
			$	$
Management				
Mark Bennett	07/08/25	4,000,000	180,400	72,160
Anna Neuling	07/08/25	2,000,000	90,200	36,080
Jeff Dowling	07/08/25	2,000,000	90,200	36,080
		8,000,000	**360,800**	**144,320**

Other than the Key Management Personnel transactions stated above, there were no new related party transactions for the half year ended 31 December 2025.

NOTE 9. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the end of the period, on 12 January 2026, the Company entered into an agreement with a private company San Antonio Exploration Pty Ltd (SAE) to earn up to 75% interest in the Loch Lilly-Kars project, which is located 50-80 kilometres southeast of Broken Hill in far western New South Wales.

The project comprises two granted Exploration licences and two exploration licence applications (ELA's).

The agreement comprises an earn-in and joint venture phase, with key terms as follows:

• The Company to pay A$50,000 cash and issue SAE with 373,134 S2 shares , representing an agreed consideration of A$25,000 based on the 5 day volume weighted average price ("VWAP") to close of trading on Thursday 8th January of A$0.067 per share
• The Company can spend A$3 million within 3 years of signing to earn a 51% participating interest, including a minimum spend of A$1 million before withdrawal
• Following this, the Company can form a joint venture with a 51% interest, or elect to spend a further A$3 million within a further 2 years to earn an additional 24% interest for a 75% participating interest
There has been no matter or circumstance that has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Commitments
Due to material changes to the Group's commitments since 30 June 2025 commitments as at 31 December 2025 are listed below

	31 December 2025	30 June 2025
	$	$
Not later than one year	1,735,335	1,972,332
After one year but less than two years	681,413	764,202
After two years but less than five years	1,451,678	7,482,651
	3,868,426	**10,219,185**

Contingencies
For the half year ended 31 December 2025, there were no contingencies to disclose for the Group.

NOTE 11. SALE OF EXPLORATION LICENCE

On 30 October 2025, the Company advised it had signed binding agreements with Agnico Eagle Mines Limited (Agnico) pursuant to which:

The Company's subsidiary, Southern Star Exploration Pty Ltd would sell exploration licence EL007795, located adjacent to Agnico's Fosterville gold mine in Victoria to a wholly-owned subsidiary of Agnico for a A$17 million cash payment with completion subject to Victorian Government approval and other customary conditions which were satisfied and completed on 22 December 2025.

	31 December 2025 $
Proceeds from sale of exploration licence*	17,000,000
Costs related to sale of exploration licence	546,129
Gain on sale of exploration licence	**16,453,871**

*Excludes GST of 1,700,000 received and included in Trade and Other Payables at period end.

Directors' Declaration

The Directors of the Company declare that:

1. The interim financial statements and notes set out on pages 6 to 18 are in accordance with the Corporations Act 2001 and other professional reporting requirements including:

(a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

(b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the period then ended.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mark Bennett
Executive Chairman
Perth
11 March 2026

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DECLARATION OF INDEPENDENCE BY JOHN CHRISTIDES TO THE DIRECTORS OF S2 RESOURCES LIMITED

As lead auditor for the review of S2 Resources Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of S2 Resources Limited and the entities it controlled during the period.

John Christides

Director

BDO Audit Pty Ltd

Perth

11 March 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of S2 Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of S2 Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

John Christides

Director

Perth, 11 March 2026