



RUPERT RESOURCES TO SPEND UP TO A\$5.5 MILLION¹ TO FARM INTO REGIONAL S2 FINNISH GOLD GROUND

S2 RETAINS 100% OF AARNIVALKEA GOLD AND RUOPAS NICKEL-COPPER-PGE GROUND WHERE DRILLING IS UNDERWAY

Key Points

- Canadian gold explorer Rupert Resources to spend up to €3.4 million (A\$5.5 million¹) to earn a 70% interest in up to 37 square kilometres of S2's regional gold ground in Finland
- Rupert has had significant success in the Central Lapland Greenstone Belt with the outstanding Ikkari gold discovery, located on the same structural trend just 16 kilometres east of the farm-in area
- This agreement follows the recently announced agreement with Kinross Gold for an earn-in of up to US\$9.5 million (A\$13.0 million²) on 83 square kilometres of S2's regional ground in Finland
- S2 retains 100% ownership of 461 square kilometres of ground containing the Aarnivalkea (Aarni') gold prospect and the Ruopas Isovaara nickel-copper-PGE target
- These agreements enable S2 to focus on Aarni' and Ruopas, whilst new partners explore selected parts of its highly prospective regional ground holdings
- Diamond drilling has commenced at the Aarni' gold prospect, where partial results from the first two of 13 holes returned encouraging intercepts, including 5.81 metres at 2.7g/t gold and 5.64 metres at 3.1g/t gold in hole FAVD0065

S2 Resources Ltd ("S2" or the "Company"), through its wholly owned Finnish subsidiary Sakumpu Exploration Oy ("Sakumpu"), has entered into a binding farm-in agreement ("Agreement") with Rupert

¹ Using an exchange rate of A\$1.00:€0.623

² Using an exchange rate of A\$1.00:US\$0.733

Resources (“Rupert”) (RUP.V) on two exploration licence applications (the “Licence” or “Licences”) covering an area of 37 square kilometres in the Central Lapland Greenstone Belt (“CLGB”) in northern Finland (Figure 1). Under the Agreement, Rupert can spend up to 3.4 million Euro’s (“€”, approximately A\$5.5 million¹) to earn a 70% interest in the Sikavaara East and Sikavaara West licences, with an initial expenditure requirement of €1.2 million over the first three years.

Sikavaara East is just 16 kilometres west of Rupert’s Area 1, host to six discoveries including the standout Ikkari discovery, where better intercepts include:

- 110.4 metres at 6.1g/t gold from 183.6 metres in hole 121019,
- 188 metres at 4.4g/t gold from 64 metres in hole 121026, and
- 167 metres at 4.2g/t gold from 213 metres in hole 120071

Sikavaara West is located 6 kilometres west of Sikavaara East, and its boundary is 400 metres east of Rupert’s Hirvi project where 2019 RC drilling included intercepts of:

- 38 metres at 1.4g/t gold from 52 metres in hole 119202, and
- 53 metres at 1.3g/t gold from 72 metres in hole 119209

S2’s farm-in licences, and Rupert’s Ikkari and Hirvi projects are all located along the Sirkka Shear, a major regional thrust zone in the CLGB (see Figure 1).

This Agreement with Rupert follows the previously announced farm-in agreement with Kinross Gold (“Kinross”) on an area covering 83 square kilometres also in the CLGB. Under this agreement, Kinross can spend up to US\$9.5 million (approximately A\$13.0 million²) to earn a 70% interest in four licences and licence applications, with a minimum expenditure requirement of US\$3.5 million over the first three years (refer to S2 ASX announcement dated 6th June 2021).

S2 retains 100% ownership of the licences covering its Aarni’ gold prospect, which is currently being drilled, and its Ruopas Isovaara nickel-copper target, which will be the focus of diamond drilling in the coming weeks (see S2 ASX announcement dated 10th August 2021). The Company may consider further strategic options for the balance of its large ground position, which totals 122 square kilometres excluding the Aarni’/Ruopas tenure and areas subject to farm-in agreements. The CLGB is an emerging gold and base metal province, with existing world class assets including Agnico Eagle’s 7.4 million ounce Kittila gold mine and Anglo American’s 44Mt Sakatti nickel-copper-PGE deposit.

Commenting on the Agreement, S2’s Chief Executive Officer Matthew Keane said, “We are very pleased to be partnering with Rupert, a company that has demonstrated its exploration capabilities with multiple discoveries in the CLGB. Importantly, the farm-in licences sit within the same structural corridor that host Rupert’s emerging Ikkari discovery, making them the ideal partner for these areas. Securing quality tenure in the region is becoming increasingly difficult with little free ground left in the CLGB. S2 is now leveraging off its large ground position resulting from being an early mover in the region. Both the Rupert and the Kinross agreements will expedite exploration on a group of highly prospective licences, whilst allowing S2 to focus its funds to advance 100% owned targets. The September quarter will be an exciting period for our Finland projects as we follow up on high grade gold intercepts at Aarni’ and drill test the nickel-copper-PGE EM target at Ruopas Isovaara”.

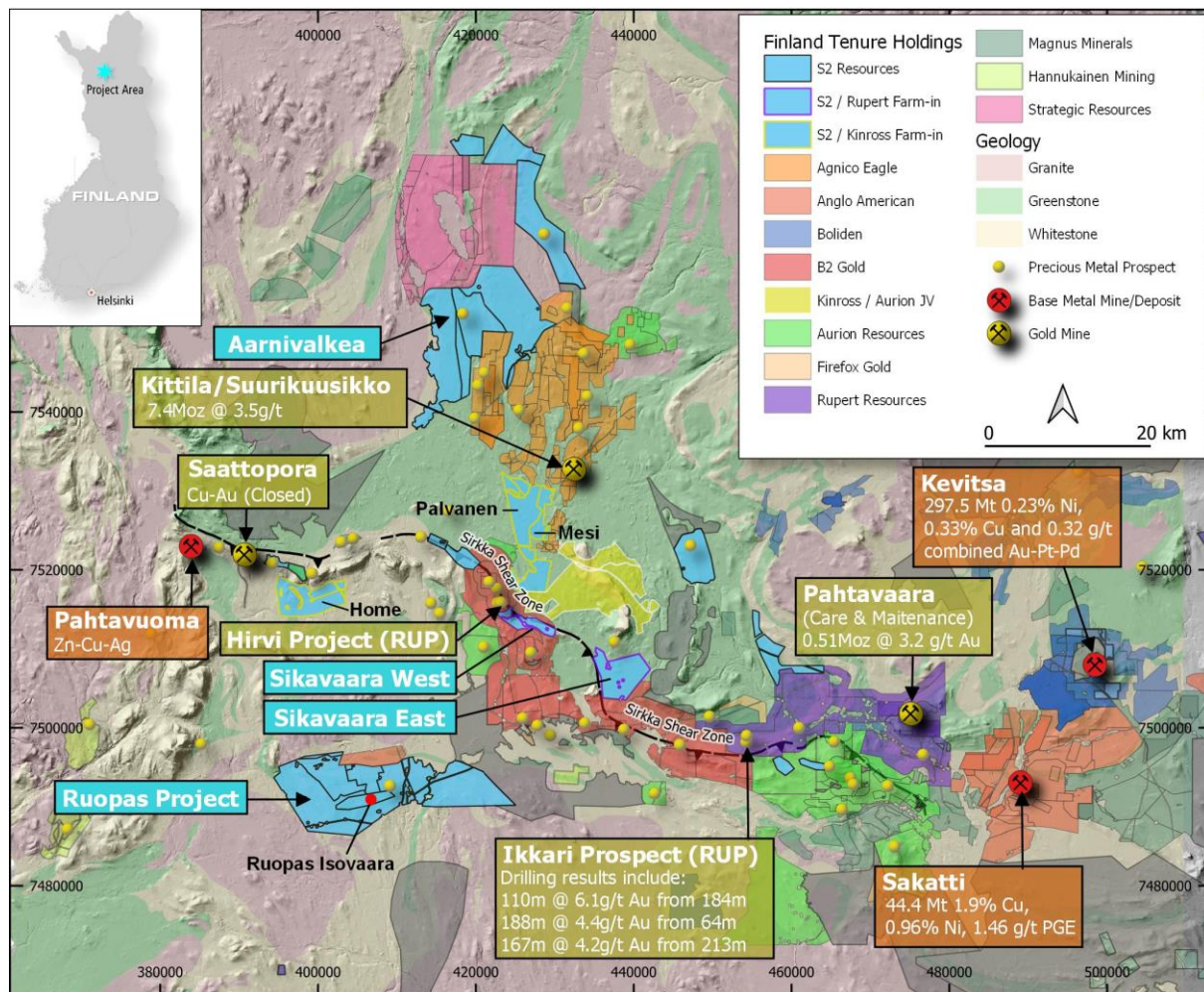


Figure 1. Location map showing S2's landholding in the Central Lapland Greenstone Belt, Finland. The map shows the areas related to the Rupert and Kinross earn-in agreements. The map also shows neighbouring companies, mines, defined resources and recent drill intercepts. Resources and drill intercepts are sourced from public company statements.

Rationale for S2's Finnish farm-in agreements

The farm in agreements with Rupert and Kinross satisfy several of S2's strategic objectives, namely:

- S2 retains 100% ownership of and will focus its funds on the Aarni' gold prospect and Ruopas Isovaara nickel-copper target
- Collaborating with quality partners to expedite exploration on earlier stage, but highly prospective gold targets on its regional ground holdings areas, namely:
 - Rupert Resources farm-in on the Sikavaara East and Sikavaara West areas (covering an area of 37 square kilometres)
 - Kinross farm-in on the Home and Palvanen/Mesi blocks (covering an area of 83 square kilometres)

- Decreasing the overall fixed cost which S2 would otherwise need to incur to continue to hold a 100% interest in this extensive area
- This significant reduction in regional fixed ground holding costs enables S2 to optimise the effectiveness of its exploration program by increasing the proportion of in-ground expenditure at Aarni' and Ruopas
- Should Rupert or Kinross make a discovery within the farm-in areas, S2 has the option to retain a 30% exposure as a joint venture (JV) participant
- S2 retains optionality to consider further strategic options over an additional 122 square kilometres of regional tenure in this emerging gold province

Key terms of the Rupert farm-in agreement

Earn-in requirements:

- Rupert is required to spend a minimum of €1.2 million within 3 years on the licences (the Stage 1 expenditure) which comprise two exploration licence applications known as Sikavaara East (ML2016:0056) and Sikavaara West (ML2019:0107), of which a minimum expenditure of €400,000 must be spent within the first 12 months
- Upon satisfying the Stage 1 expenditure requirements, Rupert can elect to progress to a second stage to earn a 70% interest by spending a further €2.2 million expenditure within an additional 3 years of satisfying the Stage 1 expenditure requirements (Stage 2 expenditure)
- The farm-in option for each Exploration Licence shall vest and commence on the date of grant of either or both of the exploration licence applications to S2's subsidiary, Sakumpu. If only one Licence is granted the expenditure commitment is reduced by half. If neither Licence is granted within 18 months the agreement terminates.
- Rupert will be the operator during the farm-in period and is responsible for meeting all amounts required to maintain the blocks in good standing
- In the case of each Licence, if Rupert does not complete either Stage 1 or Stage 2 expenditure, the block reverts to 100% Sakumpu (S2) ownership

If Rupert completes both Stage 1 and Stage 2 of the earn-in, this will represent a total spend of €3.4 million (A\$5.5m¹).

Joint venture terms:

- Should Rupert satisfy the Stage 1 expenditure requirement and progress to satisfy the Stage 2 expenditure requirements in respect to the Licences, it will have the option to acquire a 70% participating interest (with Sakumpu retaining a 30% interest) and a joint venture will be established
- Rupert will be the operator whilst its participating interest in the joint venture is greater than 50%
- S2 (through its subsidiary Sakumpu) can elect to contribute its pro rata share of joint venture expenditure or dilute
- Should either party dilute to 10% or less (or if a party's participating interest is less than 30% and it fails to contribute its pro rata share of funding on three occasions whilst its participating interest

remains at less than 30%), that party's interest will automatically convert to a 2% net smelter returns (NSR) royalty, with the other party having the right to buy down half of this royalty (1%) for €1 million.

Diamond drilling underway in Finland

Diamond drilling is underway at S2's Aarni' gold prospect with six of the 13 planned holes completed to date. Assays have been received for selected intervals of the first two diamond holes (FAVD0065 and FAVD0066) with better intercepts including:

Hole FAVD0065

- 1.20 metres at 1.0g/t gold from 166.0 metres and
- 5.81 metres at 2.7g/t gold from 381.1, including 0.62 metres at 16.7g/t gold from 386.3 metres and
- 5.64 metres at 3.1g/t gold from 393.4 metres, including 1.04m at 14.2g/t gold from 393.4 metres

Hole FAVD0066

- 0.64 metres at 7.5g/t gold from 314.2 metres and
- 6.79 metres at 1.2g/t gold from 330.5 metres, including 0.89 metres at 5.2g/t gold from 335.5 metres

Assays are awaited for the remainder of sampled intervals of holes FAVD0065 and FAVD0066, and for the entirety of holes FAVD0067 to FAVD0070 (Figure 2). The current diamond program consists of 250 to 500 metre deep, broad spaced scout holes designed as a first pass systematic test of approximately 1.1 kilometres of strike below the gold anomalism identified in previous shallow diamond drilling (refer to S2 ASX announcement date 9th August 2021).

In the coming weeks, S2 also plans to drill test the compelling Rupoas Isovaara target which contains a previously identified 280 metre by 240 metre electromagnetic (EM) plate with coincident anomalous nickel and copper in base of till (BoT) drilling (Figure 3). Isovaara is considered prospective for magmatic style nickel-copper-PGE mineralisation and is located 80 kilometres west of Anglo American's giant Sakatti deposit (44.4Mt at 1.9% Cu, 0.96% Ni 1.46g/t PGEs).

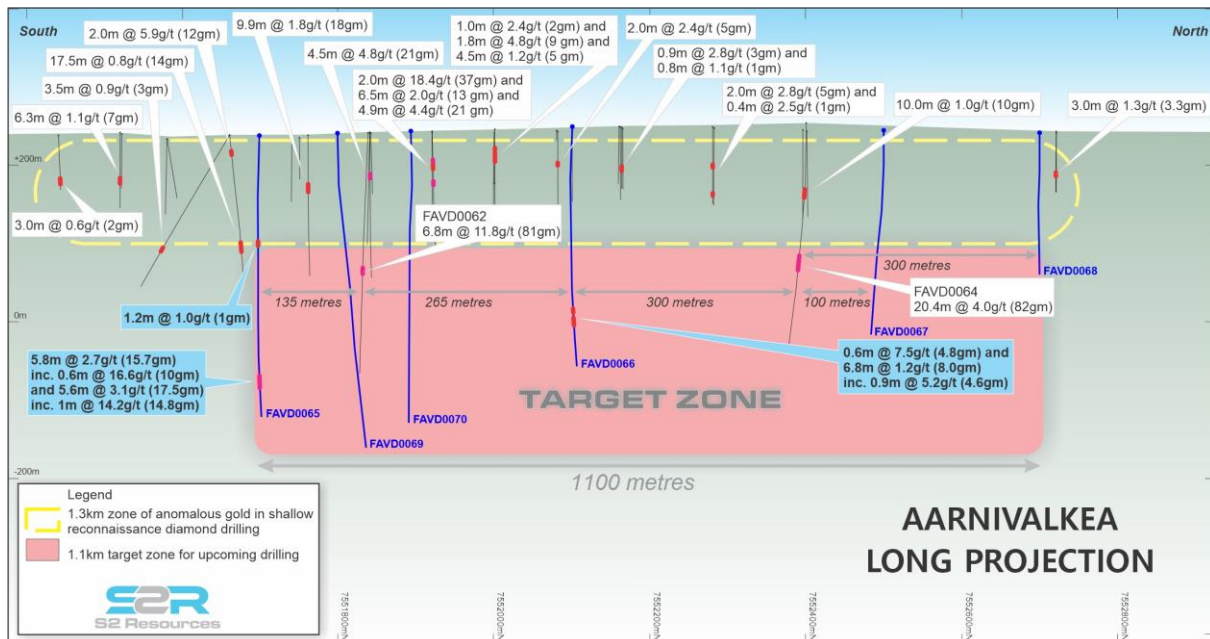


Figure 2. Long projection of the Aarnivalkea prospect showing recently completed holes (blue traces), the target zone for the ongoing drilling program (pink) and previous diamond drilling (grey traces) with selected intercepts.

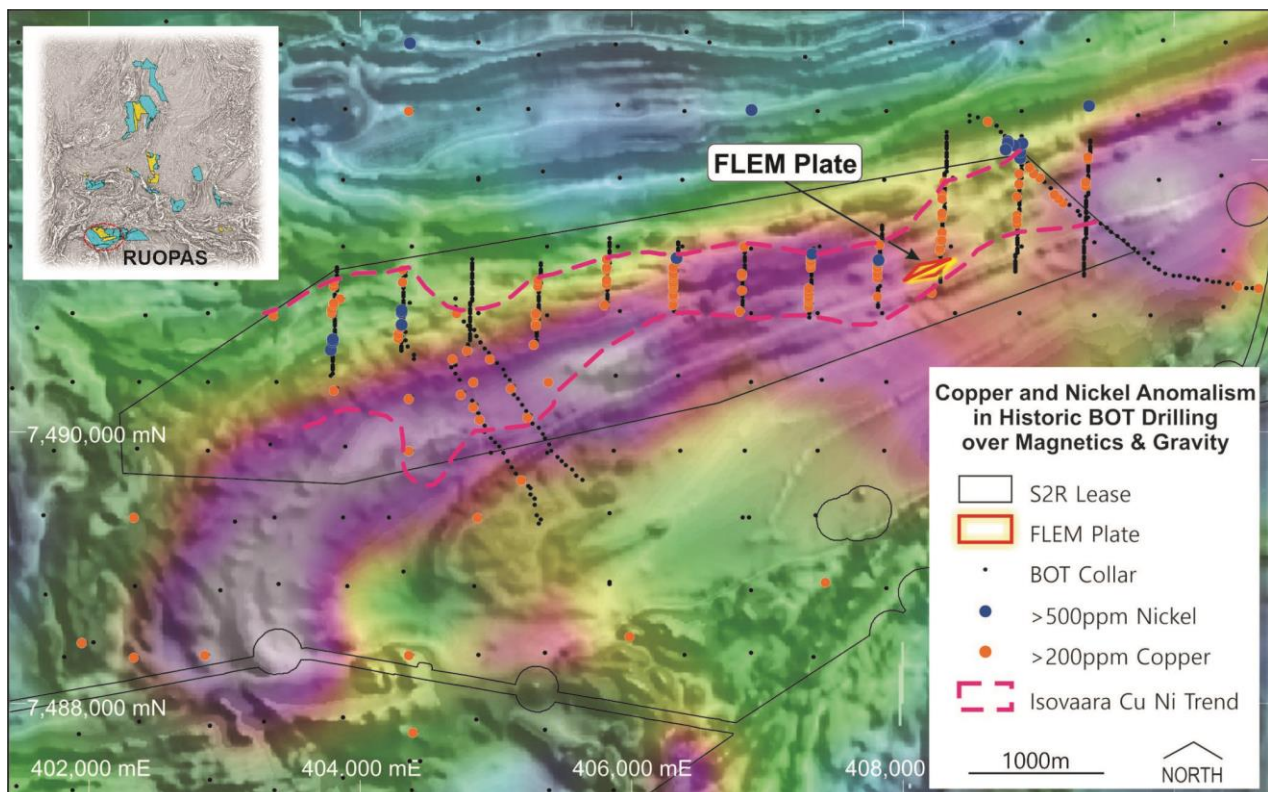


Figure 3. Location of the EM conductor on a gravity ridge (colour) with a coincident BoT copper-nickel anomaly at Ruopas Isovaara. The conductor plunges to the northeast so any eroded up-plunge component would have been located to the west where the main BoT anomalism occurs. Magnetics, gravity and BoT drilling were sourced from the Finnish Geological Survey (GTK).



This announcement has been provided to the ASX under the authorisation of Mark Bennett, Executive Chairman.

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Past Exploration results reported in this announcement have been previously prepared and disclosed by S2 Resources Ltd in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcement. Refer to www.s2resources.com.au for details on past exploration results.