ASX Announcement

10th August 2021

DRILLING OF RUOPAS ISOVAARA TARGET IN THE COMING WEEKS AND EM SURVEYS COMMENCING AT WEST MURCHISON

Key Points

- **Drilling of the Rupoas Isovaara nickel-copper-PGE target in northern Finland to commence in the coming weeks as planned**
- **Ruopas Isovaara target defined by a 280 metres by 240 metre EM plate sitting on a gravity and magnetic ridge with coincident nickel and copper anomalism in base of till (BoT) drilling**
- **Moving loop EM surveys commencing at the West Murchison project in Western Australia this week**
- **EM survey areas to include the Woodrarung target where initial soil geochemical surveys detected anomalous nickel, copper, gold and PGEs over mapped ultramafics on a magnetic high**
- **Broad step-out drilling ongoing at Aarnivalkea gold, 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") advises that drilling of the Ruopas Isovaara nickel-copper-PGE target ("Isovaara"), located in the Central Lapland Greenstone Belt ("CLGB") in northern Finland (Figure 1) is due to commence in the coming weeks. As planned, the diamond rig currently drilling at Aarnivalkea will temporarily relocate to Isovaara to test a well-defined fixed loop electromagnetic (FLEM) plate (Figure 2).

At the West Murchison nickel-copper-PGE project in Western Australia (Figure 3), moving loop electromagnetic surveys (MLEM) will commence this week over three target areas, including Woodrarung, Aubrey and Whitehurst. These target areas are defined by magnetic highs interpreted to represent underlying magmatic mafic-ultramafic intrusions.

Ruopas Isovaara nickel-copper-PGE target (100% S2)

S2's Ruopas project is prospective for magmatic nickel-copper-PGE style mineralisation, similar to Anglo American's giant Sakatti nickel-copper-PGE deposit (44.4Mt at 1.9% Cu, 0.69% Ni and 1.46g/t PGE) located approximately 80 kilometres to the east. Isovaara has a well-defined basement EM conductor identified in an airborne versatile time domain electromagnetic (VTEM) survey and subsequently confirmed in a ground-

based FLEM survey. This conductor comprises a large 280 metre by 240 metre plate plunging steeply to the northeast. It is coincident with a +6 kilometre long zone of anomalous copper and nickel identified in historic base of till (BoT) drilling by the Finnish Geological Survey (the "GTK"). The BoT anomaly sits on a regional linear gravity high, indicative of underlying mafic-ultramafic geology (see S2 ASX announcement dated 16th May 2019), not unlike the gravity high that contains the Nova-Bollinger and Silver Knight deposits in the Fraser Range of Western Australia.

The Company has been eager to test Isovaara since defining the FLEM target in May 2019, but was delayed by an individual objection to the grant of the Mining Licence. This objection was overruled by the Administrative Court of Northern Finland in March 2021, clearing the way for the current drill program.

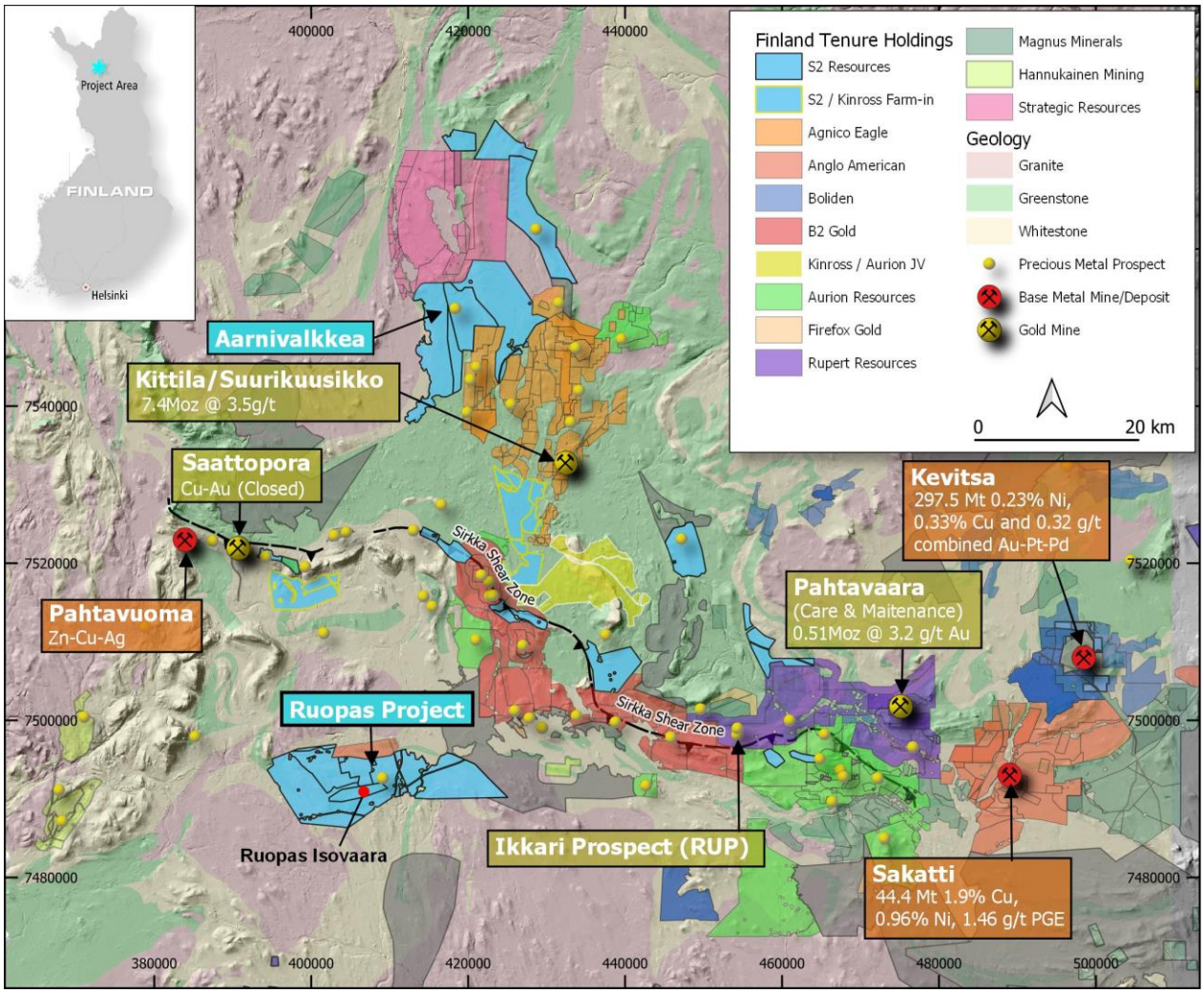

Figure 1. Map of S2's landholding in the Central Lapland Greenstone Belt, including neighbouring companies, mines, defined resources and regional prospects. Resources are sourced from public company statements. See Figure 2 below for an insert of Ruopas Isovaara.

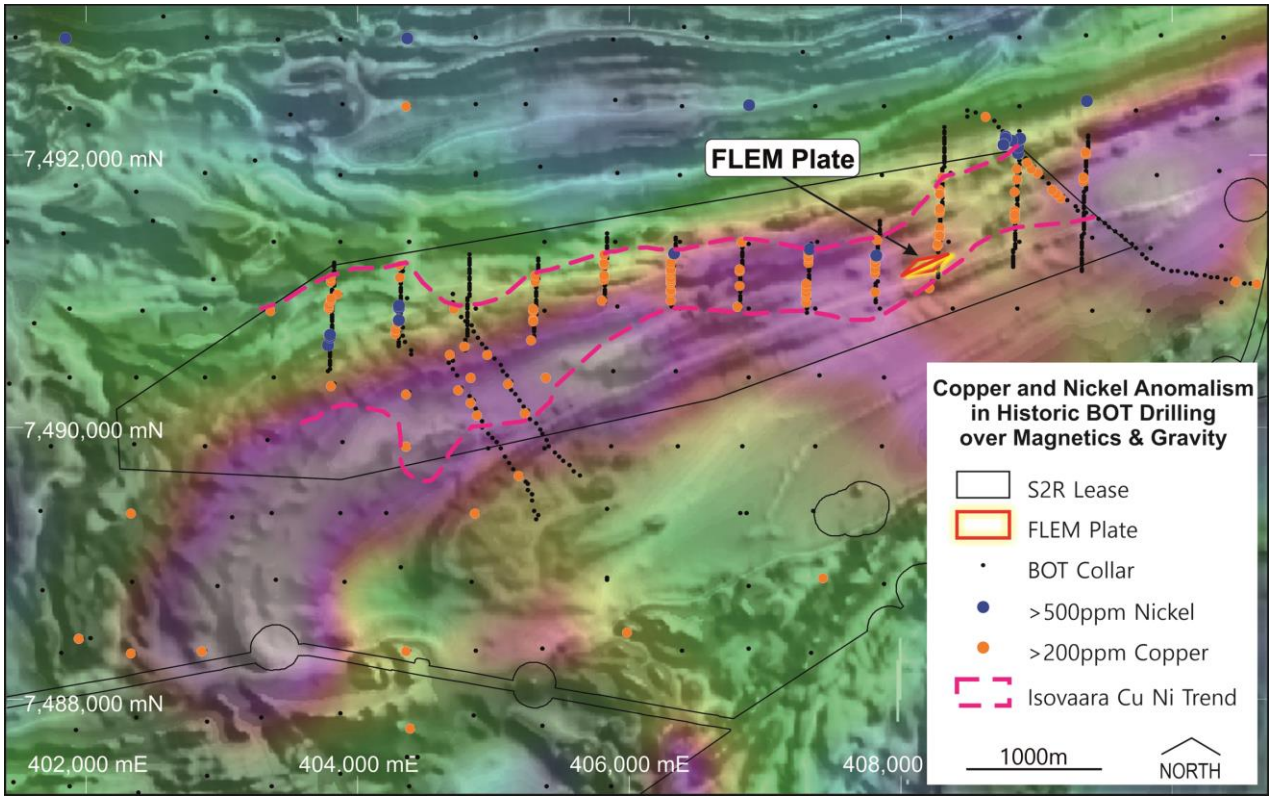

Figure 2. Location of the EM conductor on a gravity ridge (colour) with a coincident BoT copper-nickel anomaly at Isovaara. The conductor plunges to the northeast so any eroded up-plunge component would have been located to the west where the main BoT anomalism occurs. Magnetics, gravity and BoT drilling were sourced from the GTK.

West Murchison nickel-copper-PGE target (100% S2)

A geophysical crew is mobilising to commence a MLEM survey at the West Murchison project, within the Narryer Terrane along the Western Yilgarn margin in Western Australia. This area is considered prospective for magmatic nickel-copper-PGE mineralisation, containing interpreted ultramafic intrusions along the margins of the Yilgarn craton, which has a prolonged complex structural history.

MLEM will cover three interpreted mafic-ultramafic intrusions, commencing at the Woodrarung target, where mapping has identified outcropping ultramafic and mafic rocks that have intruded into a mixture of sedimentary and granitic gneisses. Soil sampling by S2 has identified a coincident nickel-copper-gold anomaly with values up to 1,562ppm nickel, 550ppm copper and +50ppb gold (see Figures 4 and 5, and refer to S2 ASX announcement dated 13 July 2020) with modest semi-coincident PGE anomalism up to 14 ppb combined platinum and palladium (refer to S2 ASX announcement dated 10 August 2020).

The Aubrey and Whitehurst targets have been interpreted from aeromagnetic imagery, with the underlying basement geology mainly obscured by recent cover (alluvial sediments, sand dunes and laterite), although limited outcrop of intrusive mafic has been observed adjacent to the magnetic high at Whitehurst.

The survey is expected to take six to eight weeks to complete with interpretations expected shortly thereafter.

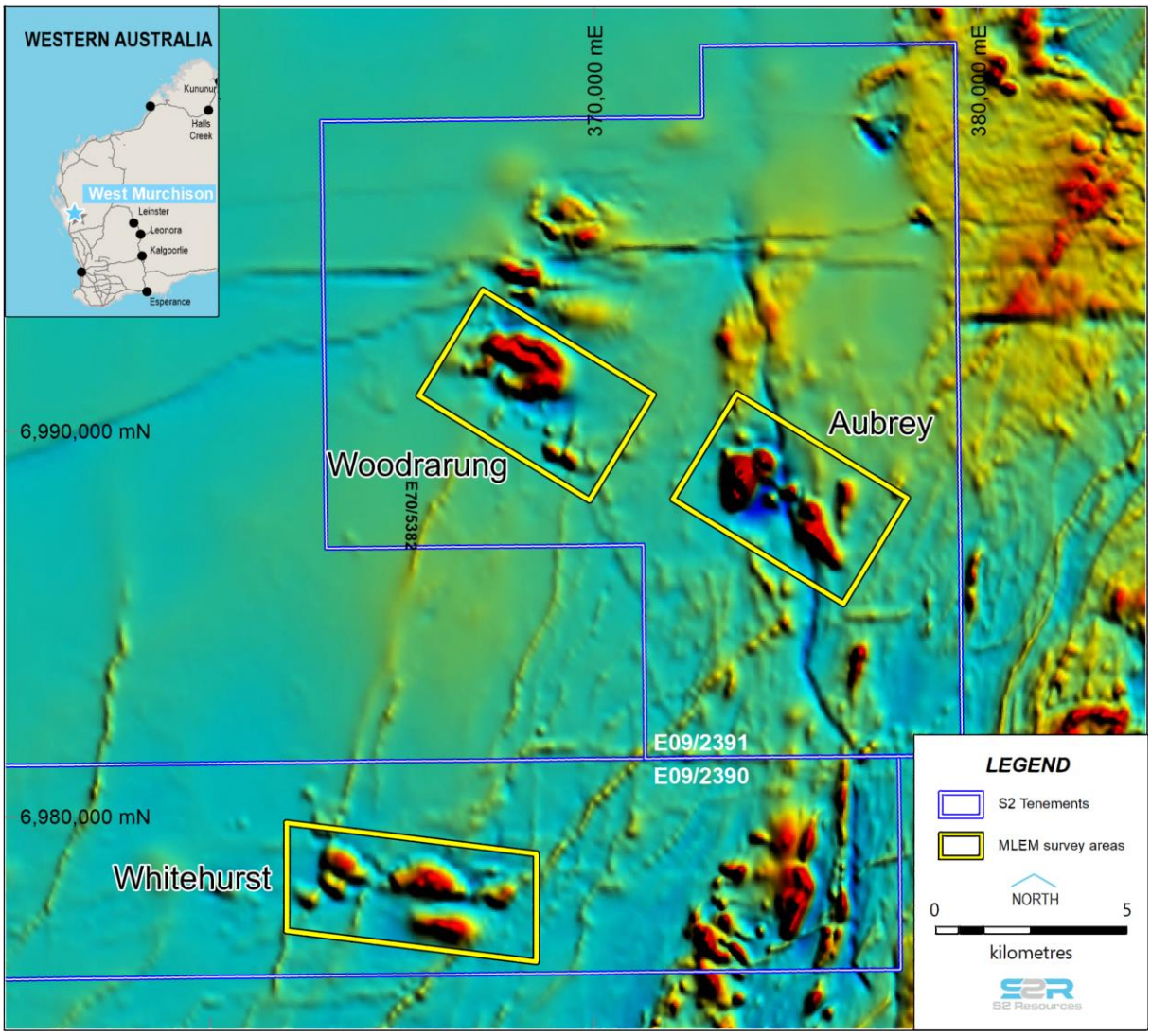

Figure 3. Location of the Woodrarung, Aubrey and Whitehurst targets at the West Murchison project underlain by aeromagnetic imagery showing both mapped and interpreted mafic-ultramafic intrusions.

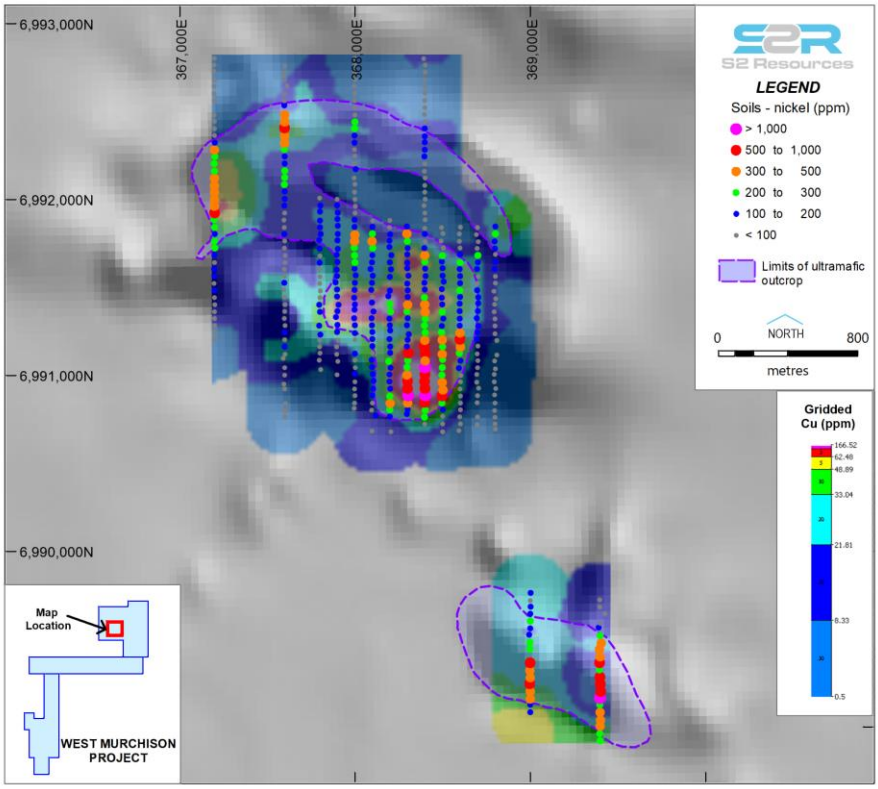

Figure 4. Woodrarung target - Nickel-copper soil anomalies (colour) over the magnetic anomalies interpreted to represent an ultramafic intrusion (greyscale). Nickel is shown as coloured dots and copper is shaded on the image.

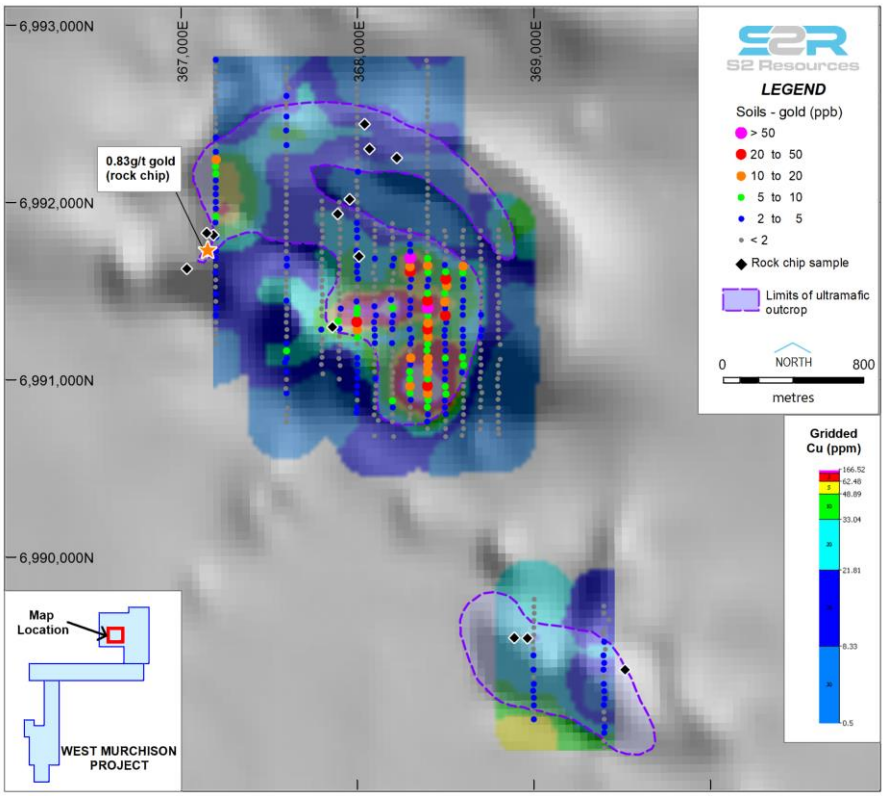

Figure 5. Woodrarung target - Gold anomalies in soil geochemistry over the magnetic anomalies interpreted to represent an ultramafic intrusion (greyscale). Higher grade rock chip sample also noted to the west of gold in soil anomalism.

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.

Competent Persons statements

The information in this report that relates to Exploration Results is based on information compiled by John Bartlett, who is an employee and shareholder of the Company. Mr Bartlett is a member of the Australian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience of relevance to the style of mineralization and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bartlett consents to the inclusion in this report of the matters based on information in the form and context in which it appears.