



## **S2 AWARDED BLOCK 4 IN NORTH CENTRAL VICTORIAN GOLDFIELDS GROUND RELEASE TENDER**

### **LARGE BLOCK SURROUNDING KIRKLAND LAKE'S FOSTERVILLE MINE**

#### **Key Points**

- **S2 the successful tenderer for the prime ground release Block 4 surrounding the world class Fosterville mine**
- **Block 4 has an area of 394 square kilometres and extends for 55 kilometres, incorporating the northern and southern extensions of stratigraphy and structures which host Fosterville mine mineralisation**
- **Multiple historic gold prospects and anomalies already identified, yet exploration drilling remains limited**

S2 Resources Ltd (“S2” or the “Company”) has received notification from the Victorian Department of Jobs, Precincts and Regions that its wholly owned subsidiary, Southern Star Resources Pty Ltd, has been awarded Block 4 of the North Central Victorian Goldfields Ground Release. This 394 square kilometre block has a north-south strike extent of 55 kilometres and surrounds the high grade, high margin Fosterville mine operated by Kirkland Lake Gold (“Kirkland Lake”, KLA:ASX, KL:TSX) (Figure 1), which produced 640,467 ounces of gold at an average grade of 33.9g/t gold in 2020. The award gives S2, via Southern Star, the sole right to apply for an exploration licence over what is arguably the most prospective and highly contested gold ground in Australia. Once granted, it will be a major focus for the Company.

The tender comprised four blocks, however S2 regards Block 4 the most prospective as it includes extensions of the Fosterville host stratigraphy, similar structures, and known gold occurrences. These occurrences have only been sparsely and shallowly drilled, and may represent the uppermost tips of south plunging shoots analogous to those documented at Fosterville itself.

The tender process was contested by a large number of Australian and international resource companies, and the selection criteria were based on exploration credentials along with environmental, social and governance (ESG) principles.

Whilst highly prospective, S2 also recognises that the area is home to a diverse community of stakeholders and hopes to work together with local residents, businesses and aboriginal representatives in a collaborative and constructive manner to unlock the economic potential of the area whilst preserving its environmental values and quality of life for all.

The Company wishes to thank the Government of Victoria and those involved in the tender review process for entrusting us with this responsibility. Please refer to today’s public media release by Victoria’s Minister for Resources, Jaala Pulford MP for further details.

Commenting on the successful tender, S2’s Chief Executive Officer Matthew Keane said, “We are humbled to have been selected based our exploration track record and high focus on ESG. This is a highly prospective block situated in the historic and well-endowed Bendigo goldfields. It has real potential for “company making” discoveries and S2’s highly experienced team is excited to get on the ground and commence work. This is an accredited gold exploration team, having been responsible for multiple gold mine discoveries in the past, including Thunderbox and Baloo in Western Australia and Wahgnion in Burkina Faso, as well as the major Nova-Bollinger nickel-copper mine in Western Australia. This block is a valuable addition to S2’s existing portfolio of high quality gold and base metal projects in Australia and Finland”.

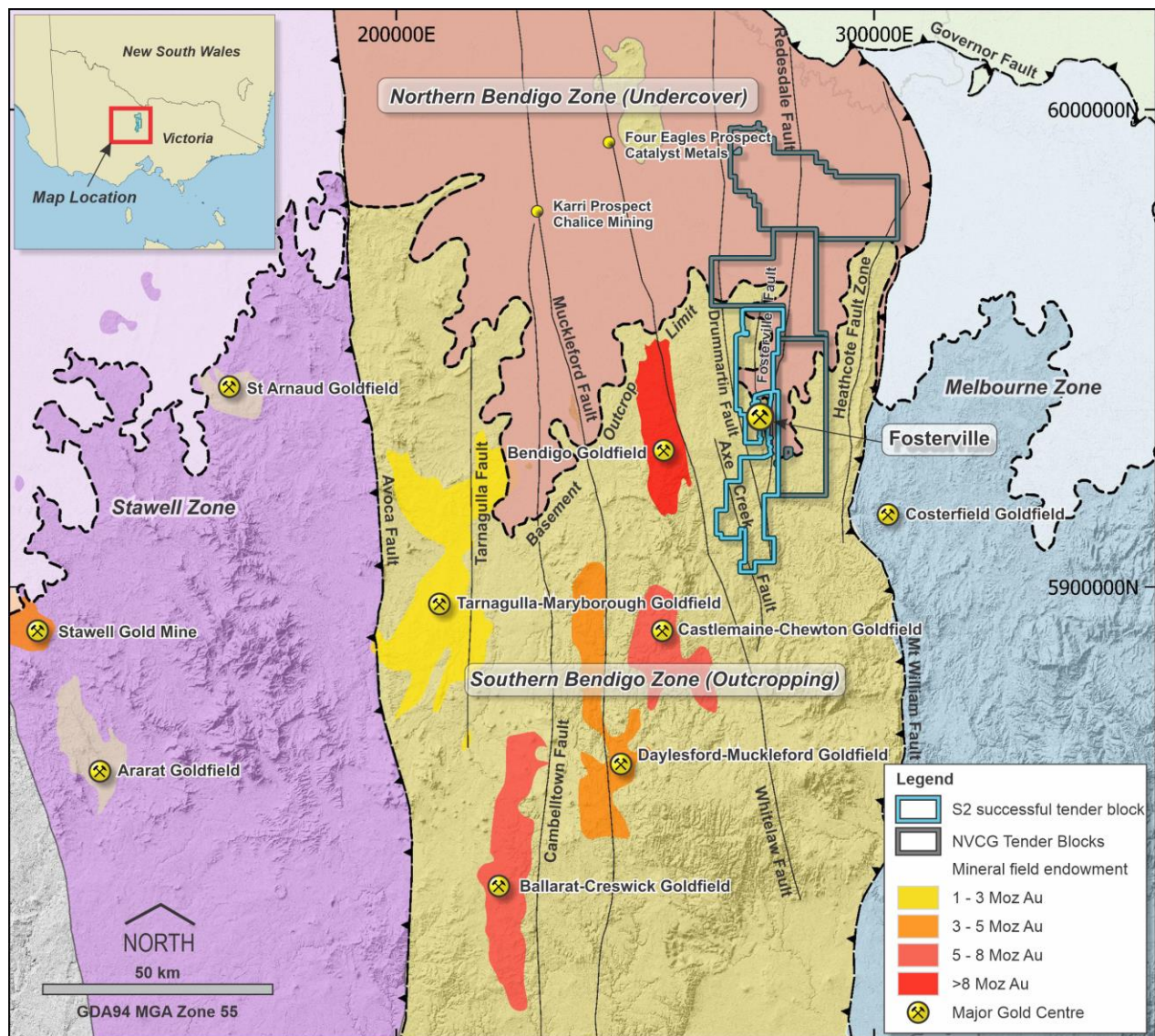


Figure 1. Regional map of the Victorian Goldfields showing the location of the awarded Block 4 (blue), the Fosterville mine and gold endowments of selected fields.

## Walk up targets

Block 4 sits in the prolific Bendigo goldfields which has a history of gold prospecting and mining dating back to 1851. Key mineralised structures, including the Fosterville Fault which hosts the Fosterville mine propagate NNW-SSE through the block. S2 has an excellent head start to exploration on the block with multiple gold prospects and anomalies already identified by historic explorers, most recently by Kirkland Lake prior to the expiry of its tenure. Known gold occurrences include May Reef, Myrtle Creek, Rasmussen's, Goornong South and Goornong North.

The Goornong South prospect, for example, is situated immediately north of the Fosterville mine and sits on a parallel structure to Kirkland Lake's new Curie Zone on that company's Mining Lease. Recently reported drill intercepts for the Curie Zone include (refer to KLA's ASX announcement dated 31 August 2021):

- 23.1 g/t<sup>1</sup> over 2.2 m (ETW 1.4 m), including 103 g/t over 0.4 m (ETW 0.2 m) in hole RHD413
- 81.3 g/t<sup>1</sup> over 2.6 m (ETW 2.5 m), including 982 g/t over 0.2 m (ETW 0.2 m) in hole RHD439C
- 28.0 g/t<sup>1</sup> over 1.5 m (ETW 1.1 m), including 103 g/t over 0.2 m (ETW 0.2 m) in hole RHD441
- 19.7 g/t<sup>1</sup> over 3.8 m (ETW 3.4 m), including 158 g/t over 0.4 m (ETW 0.4 m) in hole RHD441A
- 6.8 g/t over 7.7 m (ETW 5.7 m) in hole RHD440A
- 9.0 g/t over 2.9 m (ETW 2.7 m) in hole RHD409A

<sup>1</sup> Visible gold in drill intercept

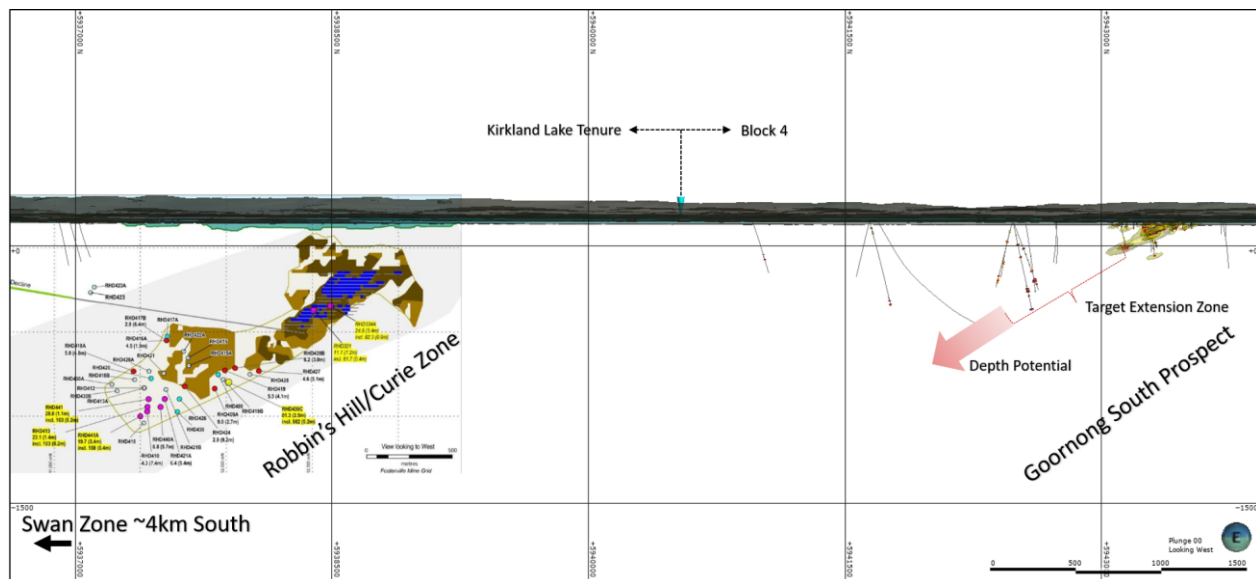


Figure 2. Long projection, highlighting the Goornong South prospect in relation to the Curie Zone from Kirkland Lake's Fosterville operation. Long projection images of Fosterville mineralisation have been approximately georeferenced for display purposes and taken from recent Kirkland Lake media releases. NOTE: not all historical drilling is displayed.

## Next steps

S2's first priority will be progressing the Block 4 application through to a granted Exploration Licence. A comprehensive data review and continued target generation will be undertaken before on-ground exploration commences. Community and stakeholder engagement will be an early and continued focus for the Company. S2's expenditure commitment over five years is A\$10.4 million. Expenditure commitments in the first two years are modest, at approximately A\$2 million. At 30 September, the Company had A\$9.9



million cash, plus a 13.5% stake in Todd River Resources (ASX:TRT) valued at A\$5.5 million (based on the market closing price of \$0.073 per share on the 28 October 2021).

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

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