



DRILLING STARTED IN NEVADA, SWEDEN NEXT

Key points

- **First reverse circulation (RC) drilling program has started at the Pluto project in Nevada**
- **Objective is to prove concept, ie, the presence of favourable host rock stratigraphy at depth and/or evidence of mineralizing process having occurred**
- **Drilling expected to take 3 weeks and assays up to a further 5 weeks**
- **Diamond drilling to recommence in Sweden in mid-November, initially at Bjurtraskgruvan**

S2 Resources Ltd (“S2” or the “Company”) provides the following update regarding the start of its first drilling program at the Pluto project in Nevada, USA, and the imminent restart of drilling in Skellefte, Sweden.

Pluto, Nevada

S2 has the right to earn a 70% interest in the project from TSXV listed Renaissance Gold, by spending US\$3 million by 30th June 2022.

The Pluto project is a conceptual Carlin-style target comprising a pronounced coincident gravity and geochemical anomaly that may reflect the presence of concealed prospective stratigraphy and mineralization. Refer to the ASX presentation of 17th October 2017 and ASX announcement of 1st August 2017 for details.

The target stratigraphy is a package of limestones that may include the Antler sequence, which hosts significant deposits elsewhere in the district. Examples of Antler sequence-hosted Carlin-style gold mineralization include parts of the Twin Creeks mine (6.96 million ounces), deposits of the Battle Mountain district (>10 million ounces) and Lone Tree (4.9 million ounces).

At Pluto, the presence of outcropping Havallah Formation sedimentary rocks, which typically structurally overlie the Antler sequence, together with a distinct gravity anomaly suggests that the area may be underlain by a fault uplifted block (a horst) containing denser Antler sequence limestones that, whilst concealed, may be closer to surface than in the surrounding area.

The central part of this interpreted uplifted block also contains a multi-element soil geochemical anomaly comprising elevated levels of gold, silver, arsenic, antimony, mercury and thallium, which are

all Carlin-style pathfinder elements. This geochemical anomaly is centred on an outcrop of jasperoidal gold-silver mineralization as previously reported. The existence of such mineralization within the Havallah Formation (which is generally a poor host rock and which usually structurally overlies the more receptive limestones) is considered encouraging because it may represent upwards “leakage” of mineralization from subjacent areas. Such leakage may be a signature of buried mineralization, and may represent the “smoke” above the “fire”.

Accordingly, the objectives of this initial drilling program are:

- To determine if the most prospective host rock, the Antler Sequence (or its equivalent), is in fact present beneath the obscuring Havallah Formation
- If it is present, to determine how deep, and how thick it is
- If present at an appropriate depth and thickness, to determine the potential for mineralized zones – in terms of textures and the fingerprint of mineralizing fluids
- If present, to detect any signature of and vectors towards nearby mineralization

The detection of mineralization is *not* the prime aim or expectation of this first program, so the intersection of any mineralization above 0.1g/t gold would be regarded as a bonus.

The program comprises up to 4,800 feet (about 1,500 metres) of reverse circulation (RC) drilling and is being undertaken by Boart Longyear. It is expected to take approximately 3 weeks and the anticipated assay turnaround time of up to 5 weeks. The Pluto project is located adjacent to Highway 305 at an altitude of 5,750 feet (about 1,750 metres). Given the imminent onset of winter, any follow up drilling is most likely to occur next spring (March 2018 onwards). Drilling operations are undertaken in the imperial measurement system, so drill rods are typically 10 or 20 feet long and sample intervals are typically 5 feet (1.56 metres). RC drilling is also undertaken using water injection for dust suppression, which may have an impact on sample quality.

Carlin-style mineralization varies widely in terms of grade and scale. It may take the form of large, lower grade deposits amenable to open pit mining and heap leaching (sometimes referred to as “leach grade” mineralization), or it may be high grade and refractory. It is often cryptic (ie, visually subtle or invisible), comprising ultra-fine gold and/or sulphides. Most Carlin-style mineralization is hosted within specific receptive limestone or limey-siltstone units, and is associated with decalcification and silicification of the limestones by the gold-bearing hydrothermal fluids. Mineralization can be particularly strongly developed where the receptive limestone sequence is capped by an overthrust layer of physically and chemically unfavourable and impermeable sedimentary rocks, or other aquatards (barriers to fluid flow) such as greenstones (basaltic lava flows) within the limestone sequence, that cause ponding of the upward moving mineralizing fluids beneath them – similar to how oil collects within the crests of anticlines.

Skellefte, Sweden

Drilling is scheduled to start in the Skellefte district of northern Sweden at about the time the Nevada drilling program concludes – most likely mid-November. Drilling of various targets will continue during the northern winter drill season until approximately March 2018.

Initial drilling will be at the Bjurtraskgruvan VMS prospect, to test the centre of a large (450 metre long) electromagnetic anomaly contiguous with and down plunge from known copper-zinc mineralization

identified in last winter's drilling campaign. Refer to the ASX presentation of 17th October 2017 and ASX announcement of 8th May 2017 for details.

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Panorama of the Pluto project area showing the "amphitheatre" of exposed Havallah Formation rocks surrounded by recent volcanics, with a bulldozer preparing the first drill pad (upper right hand side of view, in distance).

Competent Persons statement

The information in this report that relates to Exploration Results from Nevada is based on information compiled by John Bartlett, who is an employee and shareholder of the Company. The information in this report that relates to Exploration Results from Sweden and Finland is based on information compiled by Andy Thompson, who is an employee and shareholder of the Company. Mr Bartlett and Mr Thompson are members of the Australian Institute of Mining and Metallurgy (MAusIMM) and have 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 and Mr Thompson consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

No JORC tables are included because no results are quoted.

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