

STRONG GOLD AND MULTIELEMENT ANOMALIES IN SOIL SAMPLING AT YEUNGROON

Key Points

- **Results from second wave of S2 soil geochemical sampling at the Yeungroon project in Victoria confirm and extend multiple broad gold-multielement anomalies**
- **Anomalies include gold only, and gold-arsenic-bismuth with variable copper-silver-molybdenum-lead $\pm$ tellurium**
- **Results confirm the gold prospectivity of this previously unexplored area to the north of the historic Wedderburn gold field**
- **Landholder access negotiations to commence to complete extensional sampling**

S2 Resources Ltd (“S2” or the “Company”) advises that follow up infill and extensional soil sampling has confirmed and expanded the corridor of gold anomalies located to the north of the historic Wedderburn gold field at the Yeungroon project, located in central Victoria, Australia (see Figure 1). S2 is earning an 80% interest from TSXV-listed Valkea Resources (“Valkea”, formerly Outback Goldfields Corp, TSXV:OZ)¹.

Grid-based soil sampling on a nominal 200 x 50 metre grid in the north of the area has identified a broad zone with a number of gold anomalies. Some of these anomalies are gold-only and others are gold plus arsenic, bismuth copper, silver, molybdenum, lead $\pm$ tellurium. The various element maps are shown in Figures 2 to 8. The multielement association resembles that of intrusion related, magmatic hydrothermal gold mineralisation rather than typical epizonal Victorian lode gold deposits.

These anomalies are located on the projected northern strike extension of the Wedderburn gold field, which is recorded as having produced 150,000 ounces of predominantly alluvial gold, and has had very little production of, or exploration for, the primary reef gold source (Whitehouse, 2010²). This anomalous corridor coincides with the position of the major Avoca Fault, which is a major structural break between the Bendigo zone and the Stawell zone, and a major conduit for mineralising fluids.

There are numerous historical workings in the license area, predominantly for alluvial gold along creeks, but also several trends of shallow quartz reef workings. In the broad area of anomalism in the north, multiple creeks with evidence of historical gold workings are present, cross-cutting the zones of gold anomalism defined in the soil sampling, suggesting the soil sampling may reflect an underlying bedrock source for the alluvial gold mineralisation in the creeks.

Note 1: S2 currently has a ~25% shareholding in Valkea

Note 2: Whitehouse, G.K. (2010) EL5026, Wedderburn - Relinquishment report. Fiddler Creek Gold Mining Co.

Now that initial reconnaissance has identified areas of interest, the Company will commence land access negotiations with relevant land owners and government bodies with the aim of undertaking further systematic sampling to better define the various anomalous trends³.

Note 3: Access agreements are subject to negotiation with relevant landowners and lessees, and are not guaranteed.

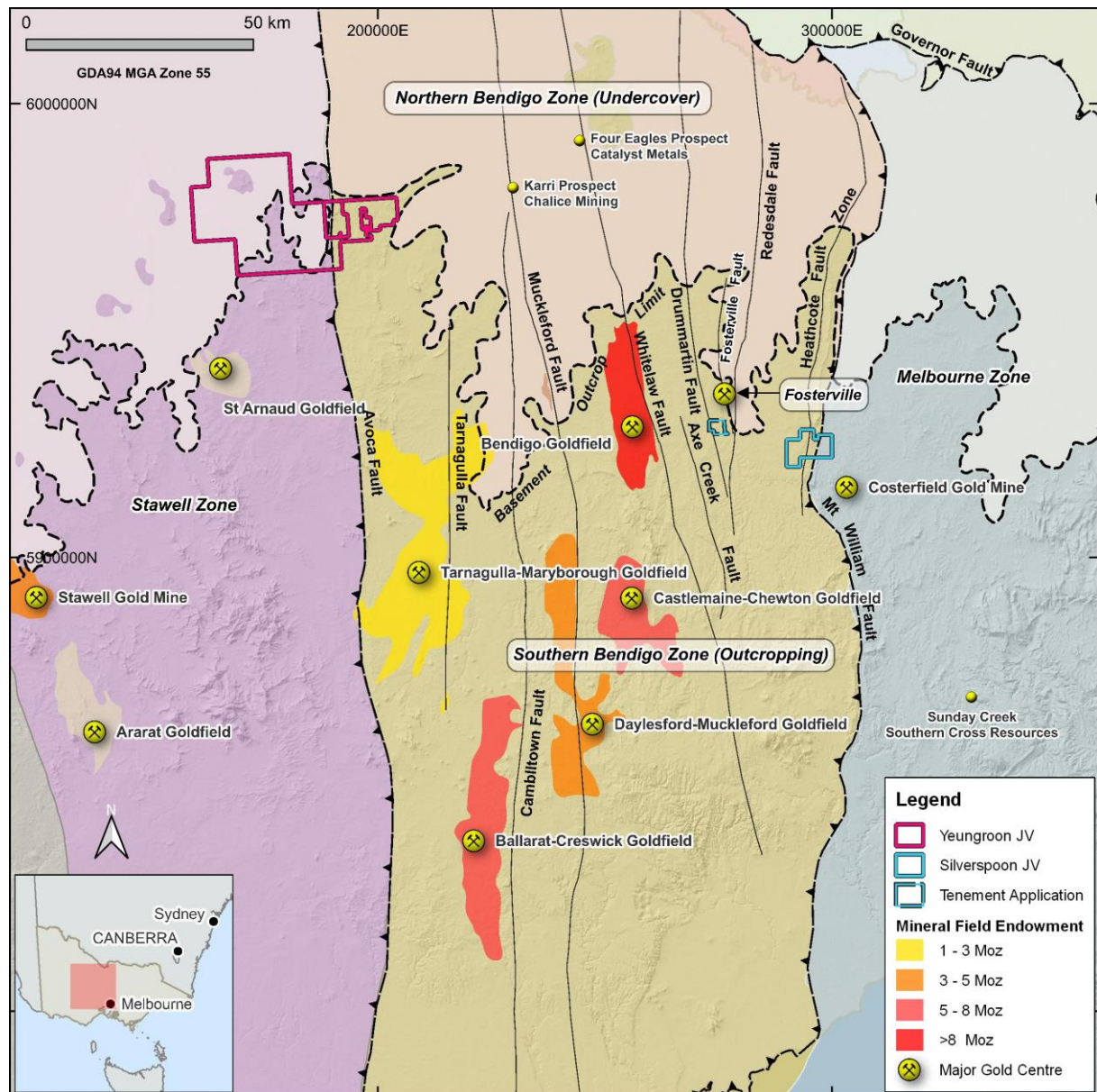


Figure 1: Location map of S2's Victorian exploration projects (Yeungroon in pink and Silver Spoon in blue) showing the constituent exploration licences/applications relative to known deposits and regional geology.

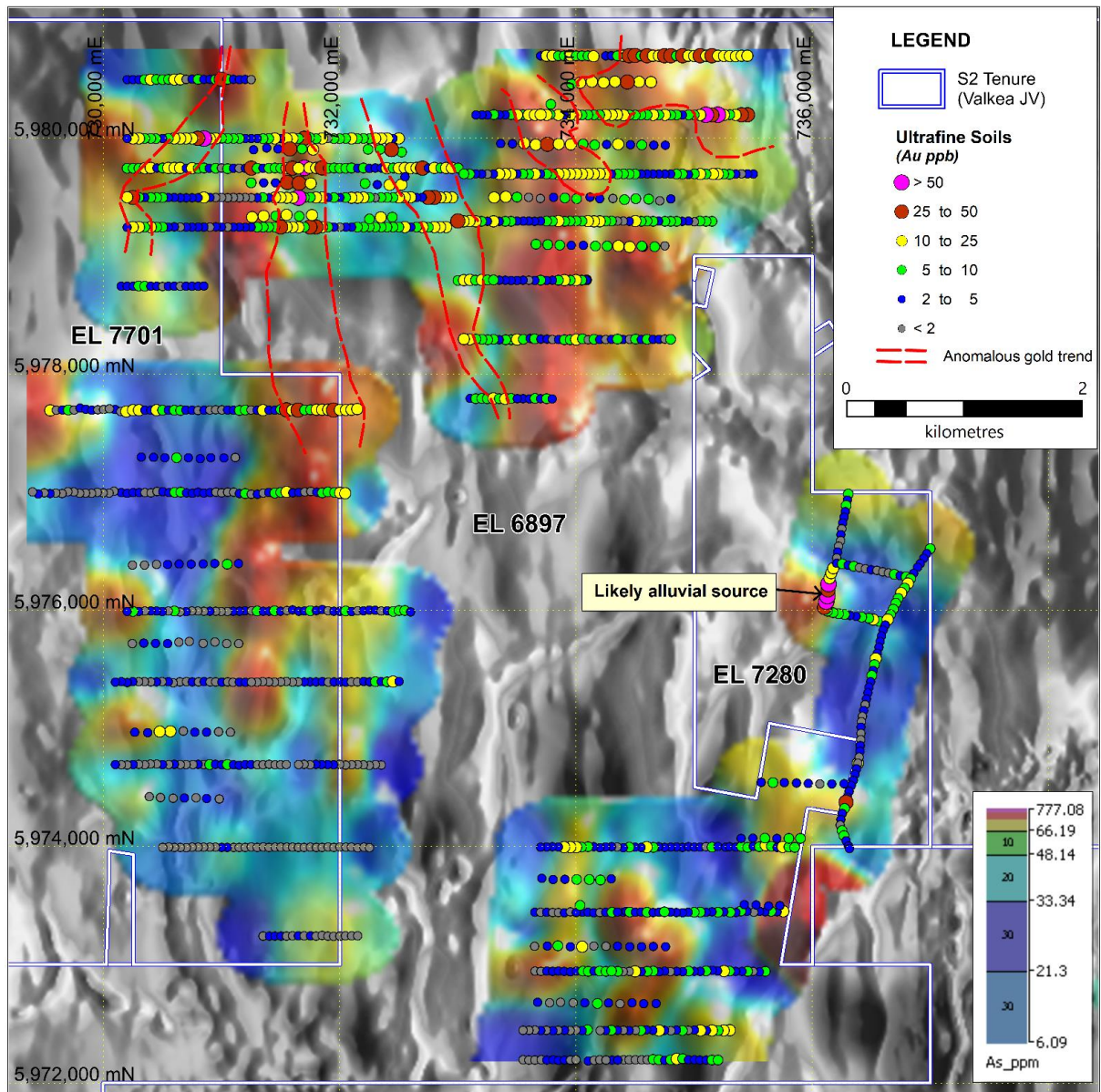


Figure 2: Gold (dots) and arsenic (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

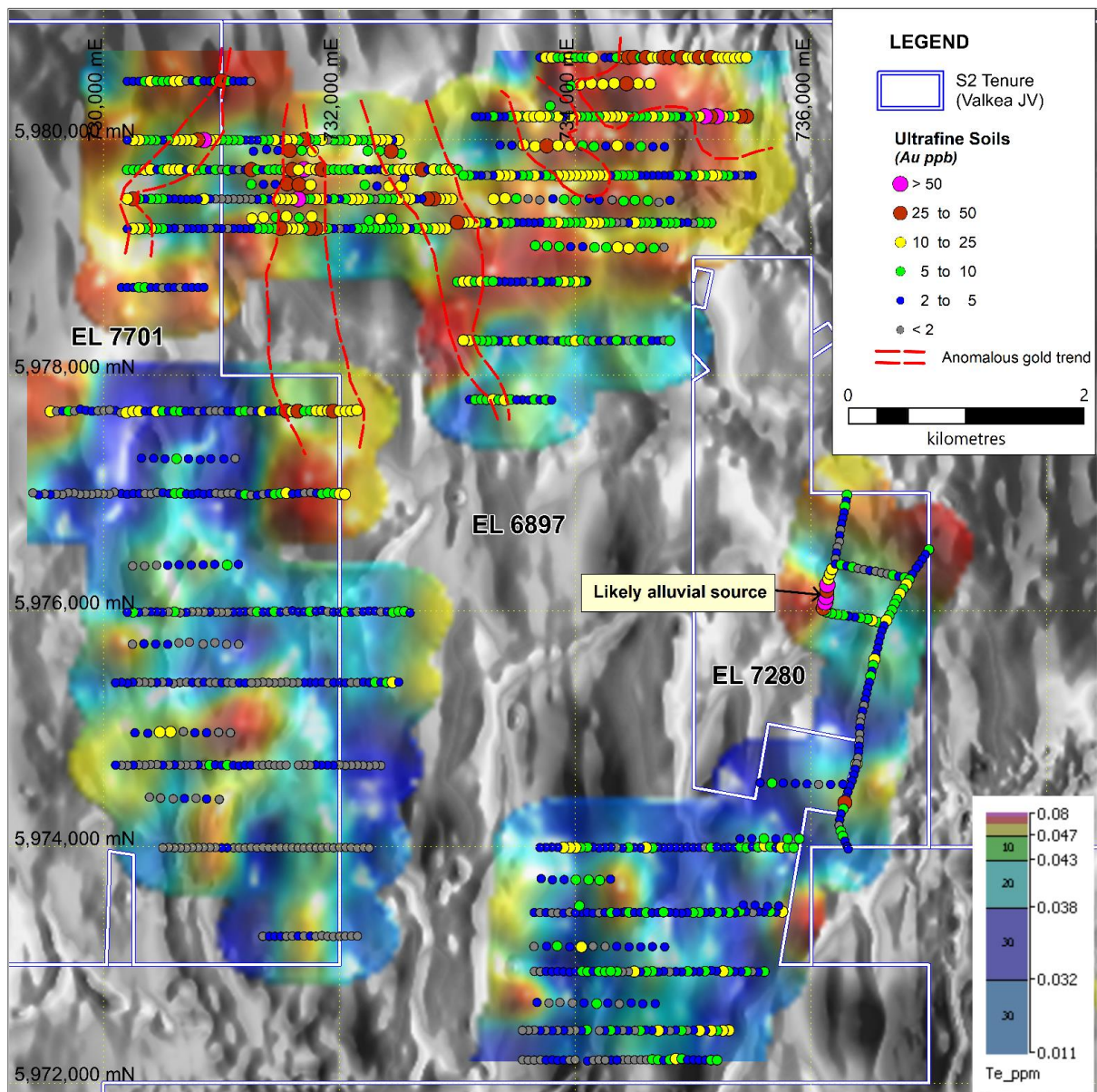


Figure 3: Gold (dots) and tellurium (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

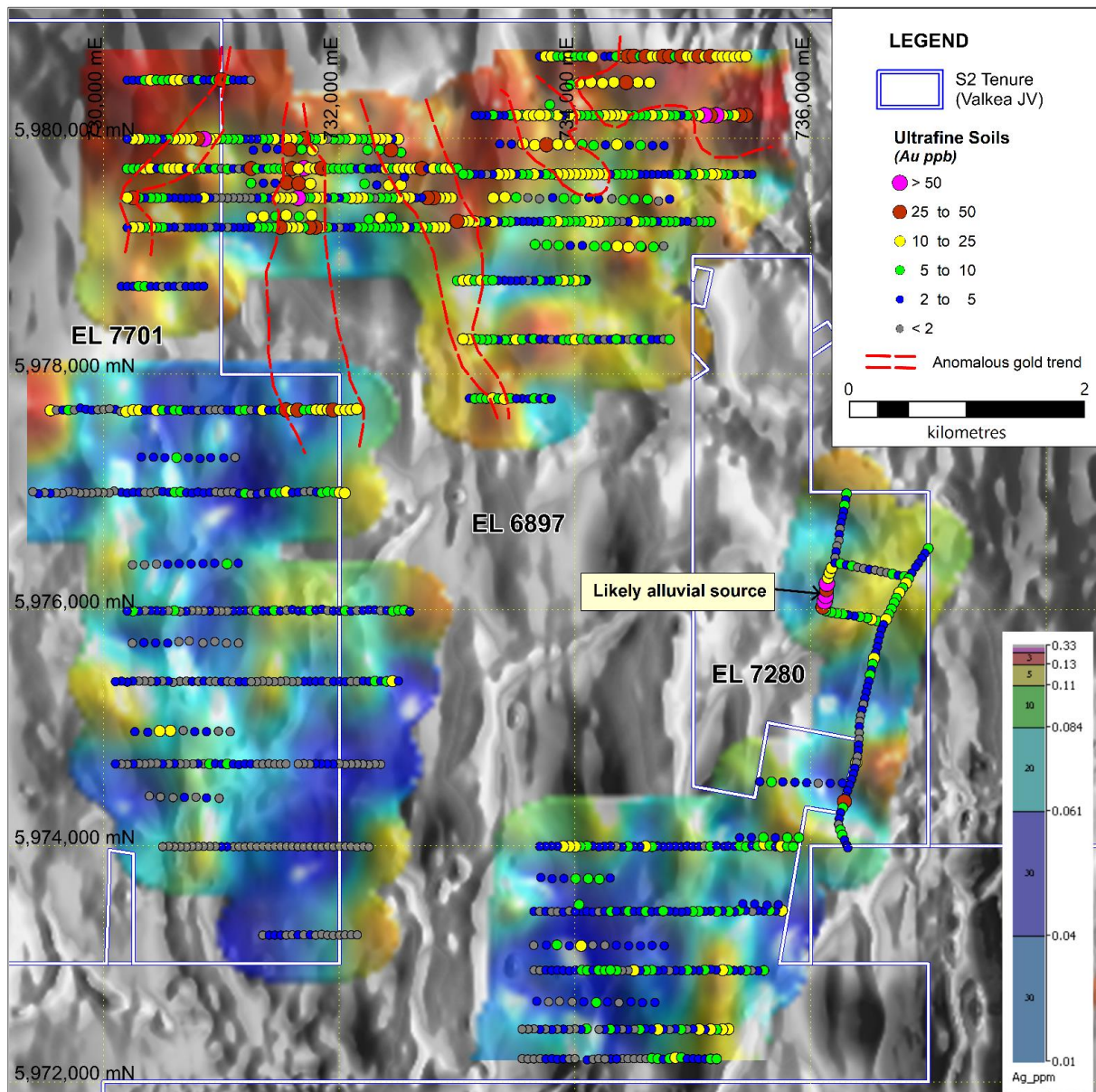


Figure 4: Gold (dots) and silver (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

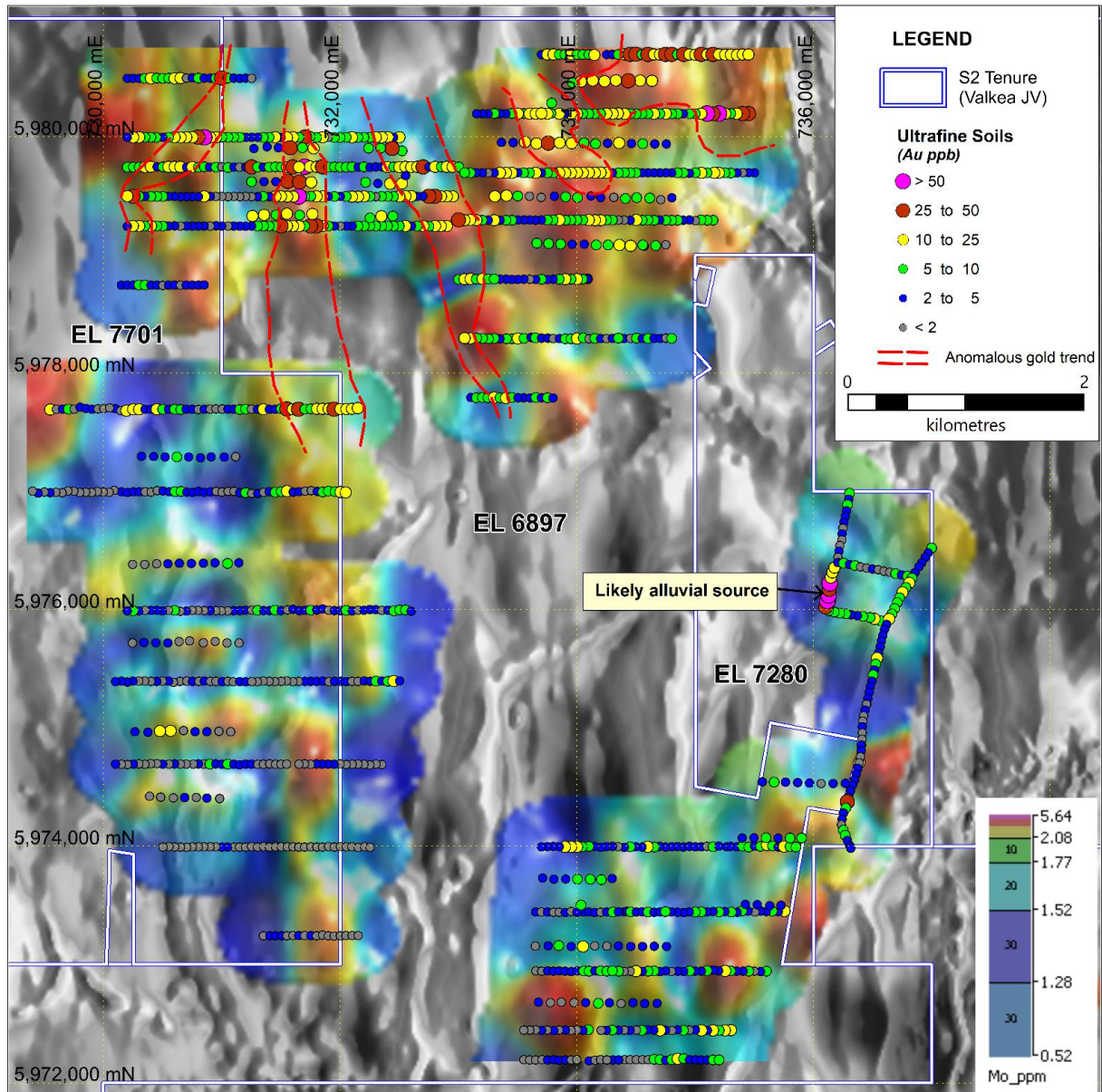


Figure 5: Gold (dots) and molybdenum (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

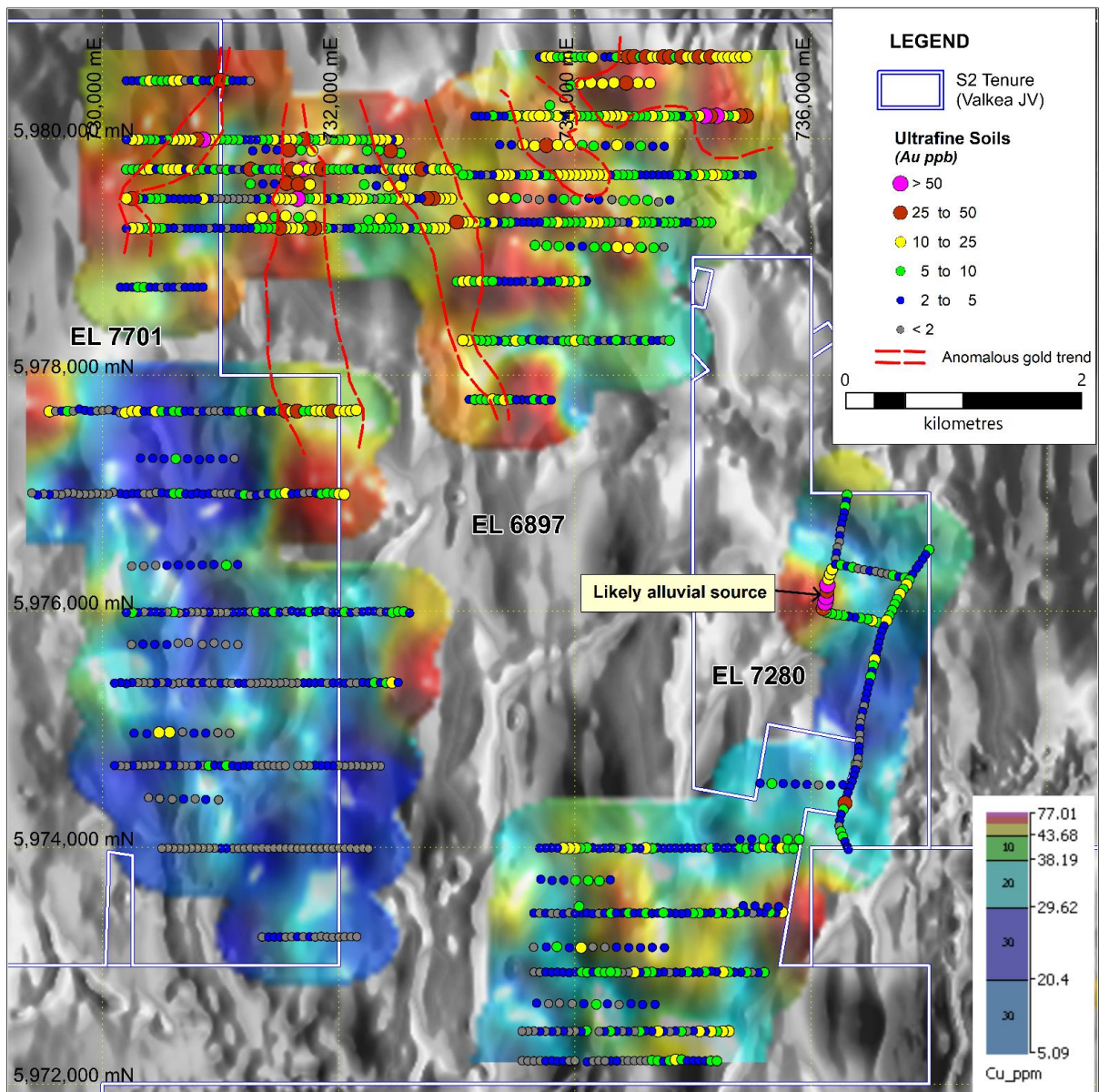


Figure 6: Gold (dots) and copper (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

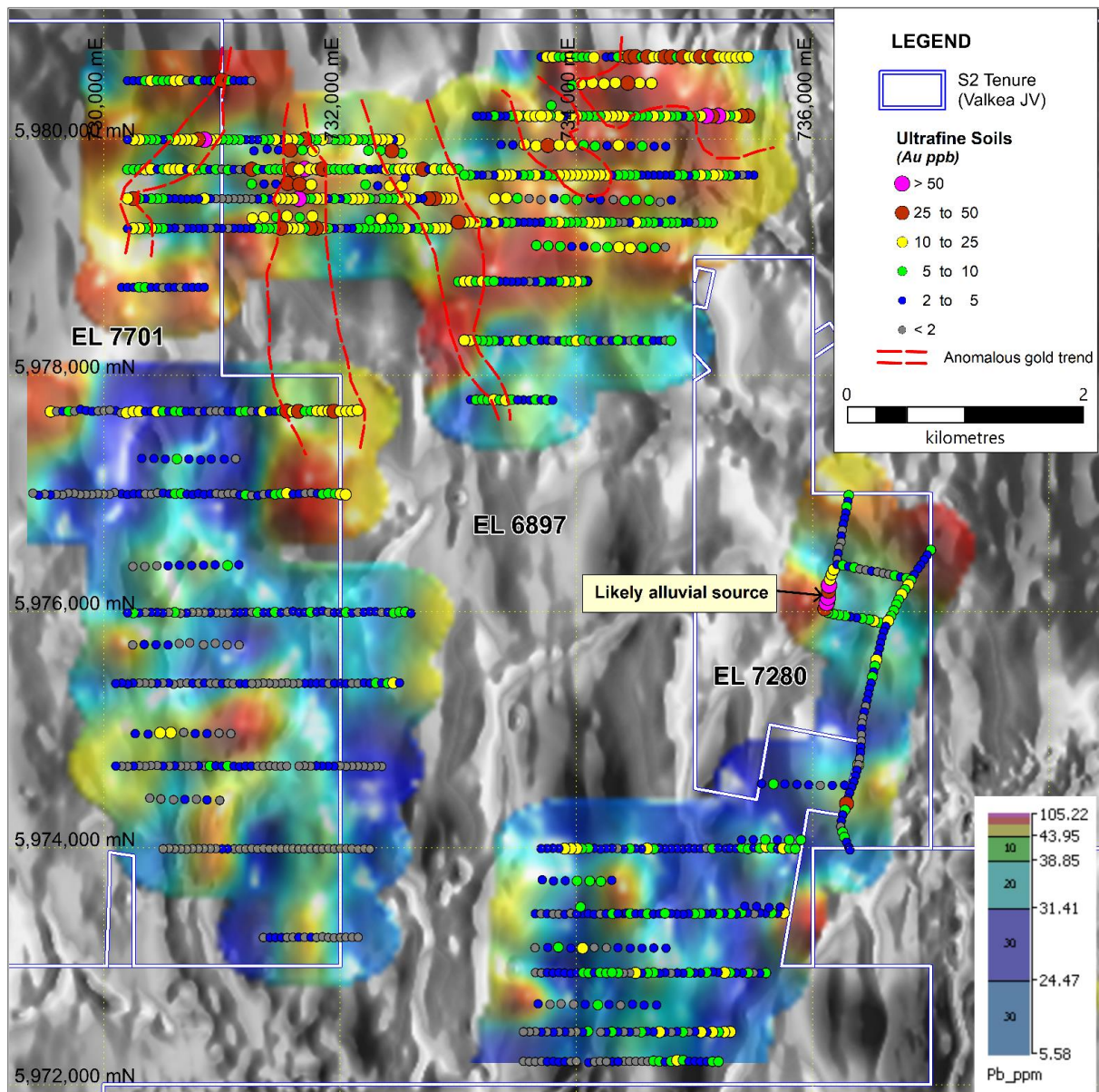


Figure 7: Gold (dots) and lead (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics. Gold anomalous corridors are outlined in red.

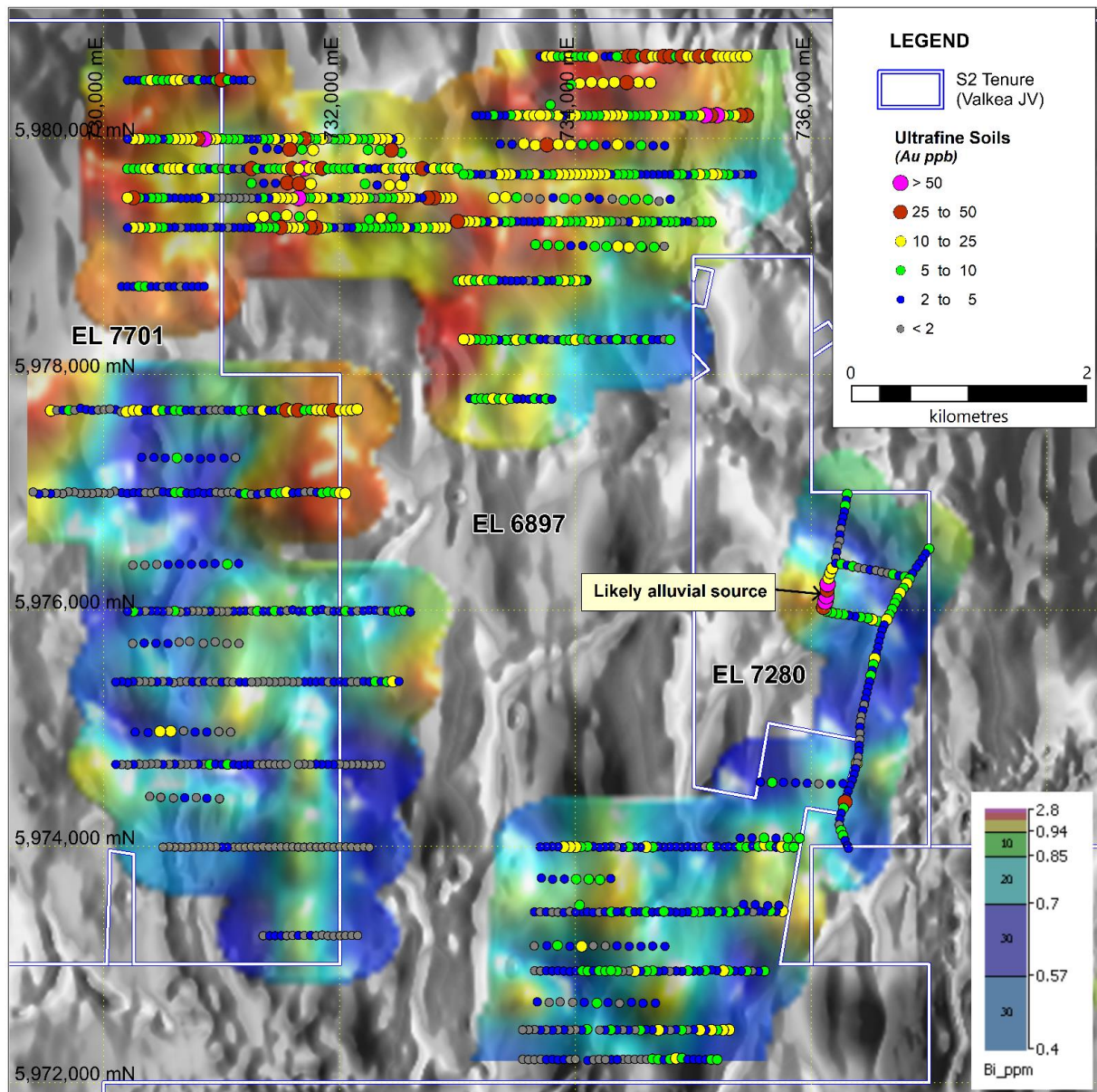


Figure 8: Gold (dots) and bismuth (gridded colour) anomalism in soil sampling at the Yeungroon project, over greyscale magnetics.

Project background

Under the terms of the agreement with Valkea, S2 has the right to earn an 80% interest in the Yeungroon and Silver Spoon projects by sole funding a total expenditure of \$1.2 million within 4 years across both projects (see S2 ASX announcement of 4th December 2024 for details). In the event of S2 being unable to undertake exploration as a consequence of land access or permitting delays or restrictions outside of its reasonable control, then S2 will be entitled to a fair and reasonable extension to the earn-in term.

Should S2 complete its earnin, Valkea can elect to contribute its share of expenditure or dilute. In the latter circumstance, should Valkea's participating interest decrease to less than 10% it will revert to a 2% Net Smelter Return (NSR) royalty, which S2 can buy back for C\$1.5 million at any time.

The Yeungroon project covers an area of 728 square kilometres north of Wedderburn in north central Victoria, and comprises three granted exploration licences (EL6897, EL7280 and EL7701). The Silver Spoon project comprises the Crosby granted exploration licence (EL6951) located approximately 15 kilometres southeast of Agnico Eagle's Fosterville gold mine and 15 kilometres northwest of Alkane's Costerfield gold-antimony mine, and one exploration licence application (ELA8311), which directly abuts the western boundary of the Fosterville Mining Lease. This block is under competitive application, having also been applied for by S2 and Agnico Eagle⁴.

Note 4: As this is a competitive application between 3 applicants there is no certainty that either S2 or Valkea will be awarded the tenement

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

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Past Exploration results reported in this announcement have been previously prepared and disclosed by Outback Goldfields in accordance with Canadian National Instrument 43/101. The Company is not aware of any other or new information or data that materially affects the information included in this market announcement. 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 announcements. Refer to Outback Goldfields' previous news release filings on SEDAR for details on past exploration results. Past announcements referenced in this announcement are as follows:

4 December 2024 *"S2 acquires three new gold projects in Victoria"*

6 March 2025 *"Exploration update"*

Competent Persons statement

Information in this report that relates to Exploration Results from Victoria is based on information compiled by John Bartlett, who is an employee and equity holder 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.

The following Tables are provided to ensure compliance with the JORC code (2012) edition requirements for the reporting of exploration results.

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Soil samples were collected by digging a small hole to collect a B-horizon sample from a nominal 30cm depth. Samples were sieved to collect a nominal 200g sample of <2mm material, collected in a paper geochemical bag and submitted to laboratory for analysis.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	The soil sample was collected from a depth of 30cm to ensure sample was from undisturbed soil (any potentially disturbed soil was recorded in the data sheets)
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	A nominal 200g sample of <2mm B-horizon material was collected from a nominal 30cm depth. Samples were submitted to Labwest for analysis by the Ultrafine+™ methodology.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	N/a – no drilling was completed
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	N/a – no drilling was completed

Criteria	JORC Code explanation	Commentary
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	N/a – no drilling was completed
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	N/a – no drilling was completed
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No logging of rock material has been undertaken during the collection of soil samples.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	N/a – no logging of rock chips has been carried out
	<i>The total length and percentage of the relevant intersections logged</i>	N/a – no logging of rock chips has been carried out
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/a – no diamond core drilling has been undertaken.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	A bulk soil has been collected from the designated depth for sampling. Samples have been dry sieved to a < 2mm size fraction.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Soil sampling is designed to identify geochemical trends to further target mineralisation. The sampling technique and preparation is considered appropriate for the sample media.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	A bulk sample of < 2mm soil material was collected from bottom of 30cm hole. No selective sampling of material other than size fraction was collected.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Duplicate samples were collected every 25 samples to assess representivity

Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample size collected is considered appropriate for the assay method being undertaken.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were submitted to Labwest for analysis by the Ultrafine+™ methodology, which involves splitting off a -2um size fraction and assayed using an aqua regia digest. The technique can be considered partial digest, but is considered appropriate for the type of material being sampled.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	N/a – no such instruments have been reported
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	QAQC procedures are considered appropriate. S2 has inserted duplicates and laboratory standards, designed to be used with the -2um fraction have been used to assess accuracy and precision.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant soil samples have been evaluated spatially to assess accuracy. Results show consistency where the new data and historical soils overlap, validating results.
	<i>The use of twinned holes.</i>	No twin holes are reported.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Handwritten data sheets recording details about the soil type, ground conditions etc were recorded in the field and have been captured digitally in the S2 SQL database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments to the assay data have been carried out.

Criteria	JORC Code explanation	Commentary
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Soil sampling data points were surveyed using GPSMAP 64sx. Location accuracy on soil sampling is reported at +/- 3m.
	<i>Specification of the grid system used.</i>	The grid system is MGA GDA94 (Zone 55).
	<i>Quality and adequacy of topographic control.</i>	The lidar imagery over the project area has been used to assign the RL data, based on the northing and easting co-ordinates, obtained using a Garmin GPSMAP64sx (the accuracy is reported at +/- 3m).
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Samples were collected every 50 metres along lines (MGA E-W lines and along roadsides). Spacing between lines is variable.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No Mineral Resource or Ore Reserve estimation is reported.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	E-W sample orientation is believed to achieve a relatively unbiased sampling for the likely gold bearing structures within the project area
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sampling bias is known.
Sample security	<i>The measures taken to ensure sample security.</i>	S2 personnel collected all soil samples in the field and transported them to a secure temporary storage facility. Soil samples were placed in boxes and securely taped up and dispatched onto a recognised road transportation courier to deliver to the laboratory in Perth.

Criteria	JORC Code explanation	Commentary
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No records of any audits or reviews of historic sampling have been compiled to date.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Yeungroon Project consists of three granted exploration licences (EL6897, EL7280 & EL7701), located approximately 75 kilometres northwest of Bendigo, Victoria adjacent the township of Wedderburn. The tenements are owned by Outback Goldfields Australia Pty Ltd ("Outback"), a wholly owned subsidiary of TSX-V listed Valkea Resources Ltd. S2 Resources is currently earning an interest in the project by way of a farmin joint venture agreement. (terms of the agreement are outlined in S2 ASX announcement dated 4 December 2024)
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All granted exploration licences are current and in good standing. Access and compensation agreements are required to conduct work on freehold land and while it is hoped that landowners will agree to these there is no guarantee that they will be forthcoming.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	OGA has undertaken a series of Exploration programs across the Yeungroon exploration Licence. Several programs of drilling, including 3208m of RAB (254 holes), 12,204m aircore (748 holes and 1024.4m of diamond drilling (9 holes). In addition to drilling, OGA has also undertaken a campaign of roadside soil sampling, comprising some 598 samples with geochemistry analysed using XRF. The programs completed to date have focused on testing previously under-explored ground in the Western half of the Yeungroon tenement. Modest extensions to mineralisation were discovered along strike of the historic Golden Jacket Mine, however the O'Connors Target zone stands out as the tenements highest potential target zone. O'Connors prospect is a strongly anomalous zone 3.5km long and 1.3km wide which is open along strike. It contains elevated Arsenic and Gold grades, and appears to be associated with large scale regional faulting.
Geology	Deposit type, geological setting and style of mineralisation.	The main deposit style sought is turbidite hosted orogenic gold mineralisation located in the Bendigo and Stawell Zones of the Victorian Gold Province. Examples of this style of mineralisation include Ballarat, Bendigo, Fosterville & Stawell. Gold mineralisation is typically hosted by quartz reefs located in fold and fault structures related to multiple compression events that formed upright chevron style fold geometry In addition the tenement is considered prospective for intrusion related gold mineralisation.

Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	There is no known drilling within the soil sampling area. .
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	N/a – no such weighting has been undertaken.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	N/a – no aggregate intervals have been reported
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	N/a – intercept lengths are being reported.
Diagram	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps, sections and tables are included in the body of the report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All historical results considered significant are reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	There is Lidar and aeromagnetic surveys over the area of interest that have guided exploration results to date.

Criteria	JORC Code explanation	Commentary
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Detailed review of all historical work will be undertaken, including the creation of database of historical sampling and drilling, prior to prioritising areas for on ground exploration