



45% OWNED VALKEA RESOURCES HITS SIGNIFICANT GOLD IN DRILLING AT AARNIVALKEA, FINLAND

Key Points

- **45%-owned TSXV-listed Valkea Resources (Valkea, TSXV:OZ) has intersected significant gold mineralisation in several holes of its recently completed 6 hole program at the Aarnivalkea West gold prospect in Finland**
- **Drilling has defined two distinct zones, named Koivu and Honka**
- **Intercepts include 36.45 metres @ 1.5g/t gold, including 15.35 metres @ 3.43g/t gold, including 2.75 metres @ 12.92g/t gold**
- **Both zones are open down dip and the Koivu zone is also open along strike**

S2 Resources Ltd (“S2” or the “Company”) advises that Valkea Resources (Valkea, TSXV:OZ), a company in which S2 has an approximate 45% equity ownership, has reported significant gold mineralisation in several holes of its recently completed six hole program at the Aarnivalkea West gold prospect (refer to OZ TSXV news release of 27 February 2025).

Drilling has defined two distinct zones, termed Koivu and Honka, located approximately 500 metres apart within the 1,300 metre long Aarnivalkea mineralised trend (see Figure 1). Both the Koivu and Honka zones are interpreted to split into two distinct parallel mineralised structures down dip, which are also open down dip. The Koivu zone is also open along strike.

Background

The Aarnivalkea gold prospect is located 24 kilometres northwest of Agnico Eagle’s 9Moz Kittila gold mine¹ and 65 kilometres northwest of Rupert Resources’ 4.1Moz Ikkari discovery². It was discovered by S2 (refer to S2 ASX announcement of 8 December 2020), and partly drilled until Covid enforcement regulations made ongoing operations impractical.

S2 sold its Finnish subsidiary which owns the Aarnivalkea deposit to Valkea in a transaction which was finalised in September 2024 (refer to S2 ASX announcement of 19 September 2024) for a combination of cash and shares in Valkea. As a result, S2 currently has an approximate 45% equity ownership of Valkea, and S2’s Executive Chairman, Mark Bennett, is a Director of Valkea, representing S2 as its major shareholder.

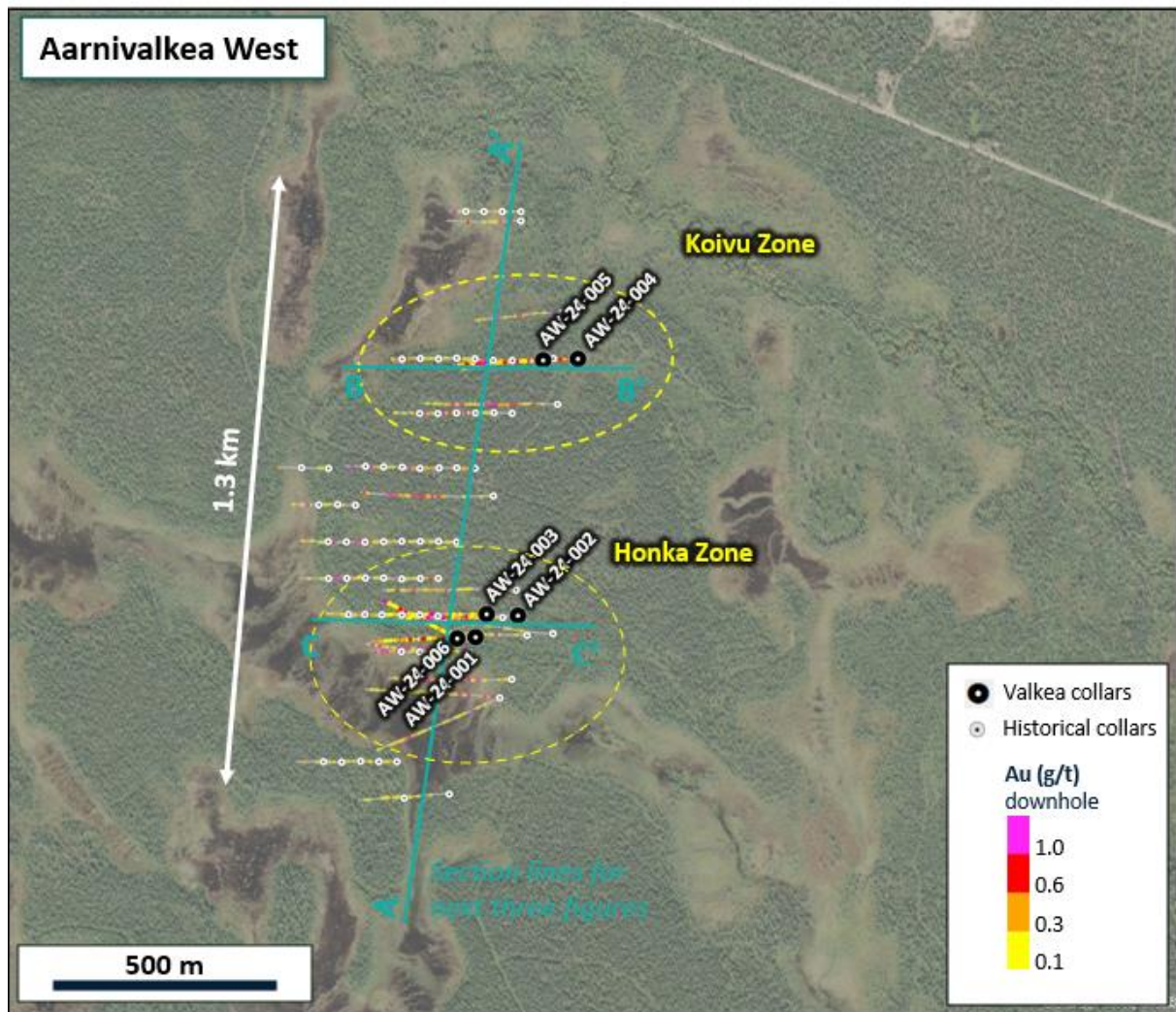


Figure 1: Aarnivalkea West trend showing previous and new drilling, with location of the Koivu and Honka zones.

Koivu

Gold mineralisation was intersected in both holes drilled at Koivu, with key intercepts being:

- **36.45 metres @ 1.5g/t gold** from 150.15 metres in hole AW-24-005, including:
 - **15.35 metres @ 3.43g/t gold** from 169.4 metres, including:
 - **2.75 metres @ 12.92g/t gold** from 182 metres
- **37.95 metres @ 0.61g/t gold** from 220.10 metres in hole AW-24-004, including:
 - **12.65 metres @ 1.25g/t gold** from 245.4 metres, including:
 - **1.5 metres @ 4.99g/t gold** from 254.4 metres

These two holes are located 30 metres up dip and 25 metres down dip respectively from S2's previous drillhole, FAVD64, which intersected **55.48 metres @ 1.63g/t gold including 8.5 metres @ 8.57g/t gold³** (refer to S2 ASX announcement of 4 January 2021). They confirm the continuity of this broad zone of mineralisation, and show that it appears to split into two parallel zones which are open down dip (see Figure 2). Gold mineralisation is associated with quartz-carbonate-pyrite veins and veinlets hosted in deformed and silicified intermediate volcanics and diorite porphyries.

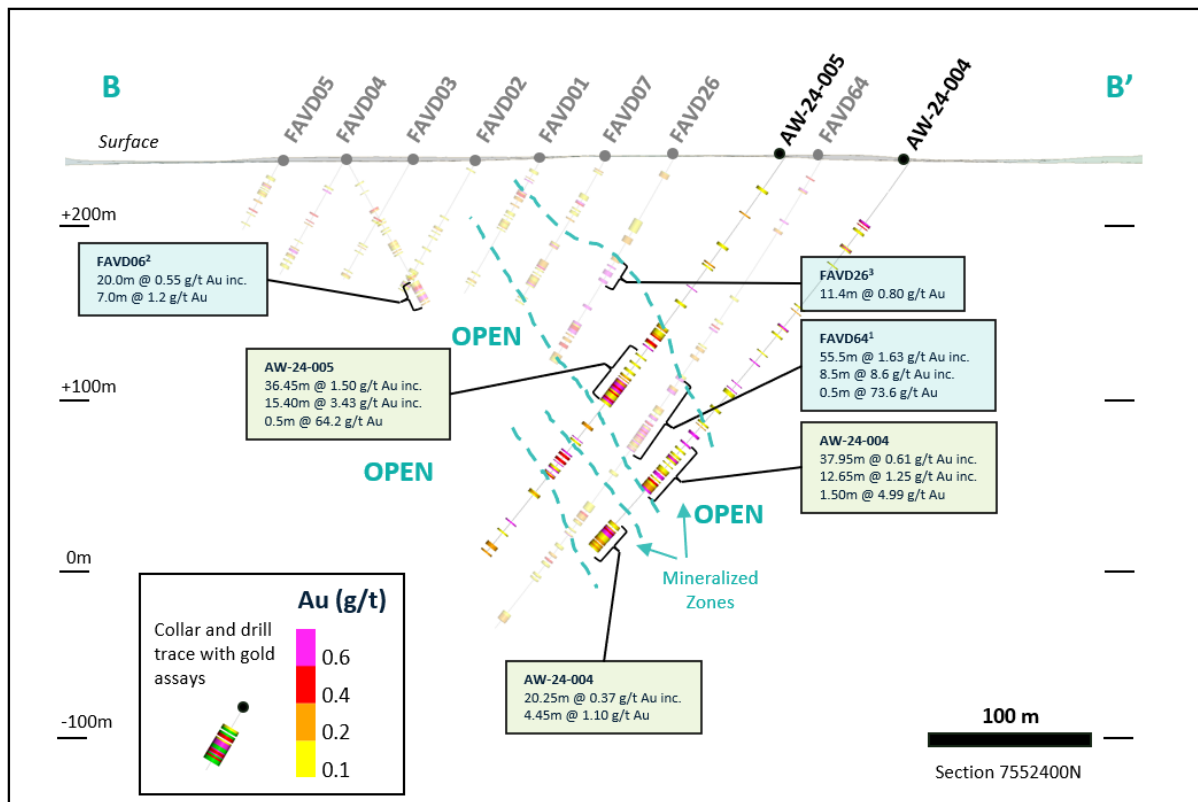


Figure 2: Cross section of the Koivu zone, Aarnivalkea West.

Honka

Gold mineralisation was intersected in all holes drilled at Honka, with key intercepts being:

- **10.25 metres @ 1.45g/t gold** from 187.0 metres in hole AW-24-003, including:
 - **4.75 metres @ 2.77g/t gold** from 192.5 metres

The new drillholes are clustered around S2's previous drillholes, and confirm that mineralisation occurs over a broad width in this area, and is open down dip (see Figure 3). Mineralisation is associated with quartz-carbonate-pyrite-arsenopyrite veins and veinlets hosted in deformed and albite-carbonate-sericite altered basalts and intermediate tuffs.

Valkea's drilling has identified two discrete "hotspots" within the overall Aarnivalkea West mineralised trend, which comprises a zone of intense alteration and deformation with elevated gold over widths of 100-200 metres. Both zones are open down dip, and both appear to split into two discrete parallel structures down dip. The Koivu zone is also open for approximately 100 metres north and 100 metres south along strike, and the zones are separated by approximately 500 metres of limited wide spaced drilling (see Figure 4).

Further drilling is required to track the full vertical and lateral extent of these zones.

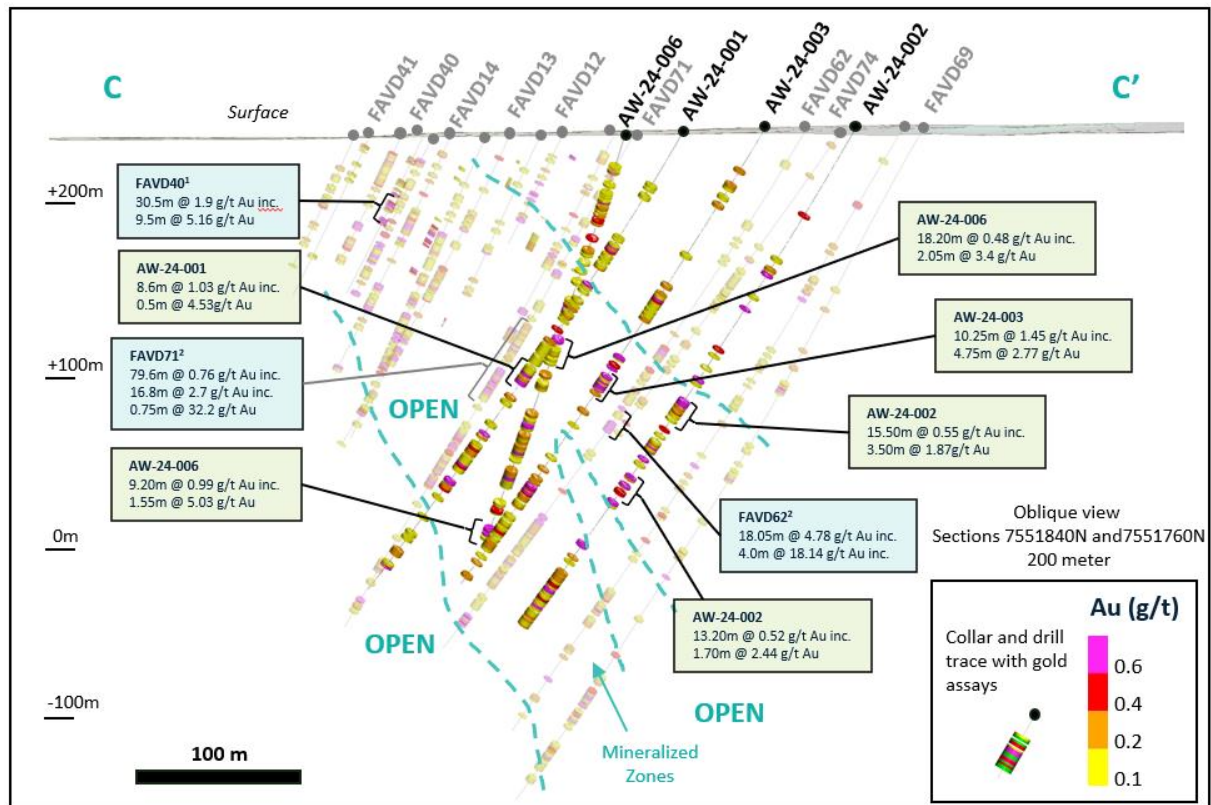


Figure 3: Cross section of the Honka zone, Aarnivalkea West.

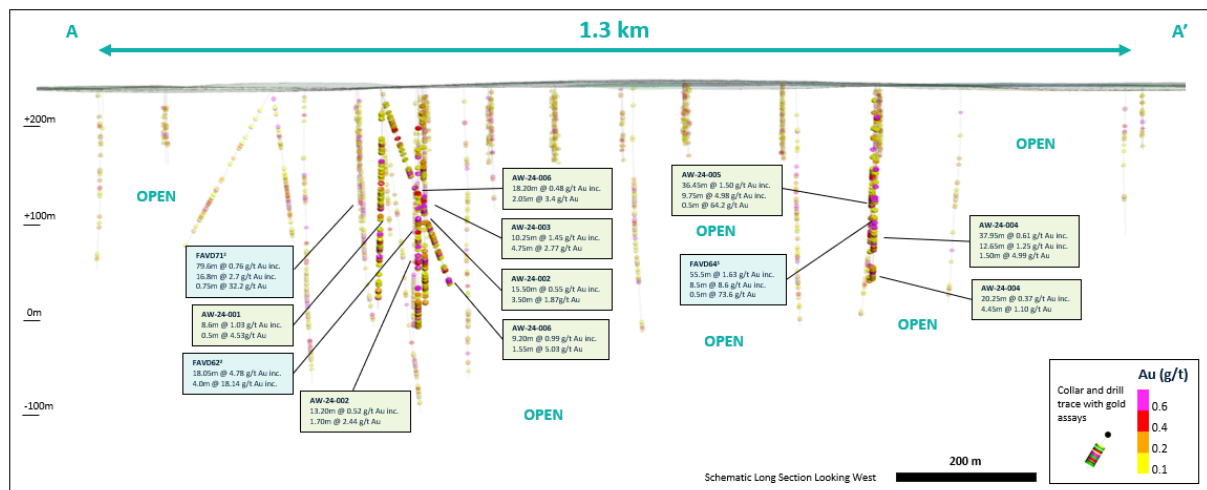


Figure 4: Long projection of the Aarnivalkea West mineralised trend showing drilling to date and the location of the Koivu and Honka zones.

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

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Notes:

1. Agnico Eagle website (agnicoeagle.com), 31 December 2023 Reserve and Resource statement.
2. B Thomas, I Larouche & G Digges La Touche 2023, NI43-101 Technical Report, Rupert Resources Updated Mineral Resource Estimate for the Ikkari Project, Finland, December 2023, Rupert resources website (rupertresources.com).
3. This intercept is based on the cutoff grades and internal dilution criteria used by Valkea to calculate intersections, and for this reason differs from the intercept previously quoted by S2 using different cutoff grade and internal dilution criteria.

Competent Persons statement

Information in this report that relates to exploration results from work undertaken by S2 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. Information in this report that relates to exploration results from work undertaken by or on behalf of Valkea is based on information reviewed and approved by Christopher Leslie, Ph.D., P.Geo., a Qualified Person as defined under the terms of Canadian National Instrument 43-101 (refer Valkea's TSXV news release of 27 February 2025).

Table 1. Aarnivalkea West Assay Results – Koivu Zone

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
AW-24-004	47.25	54.90	7.65	0.18
and	65.80	68.00	2.20	0.29
and	127.70	129.25	1.55	1.22
and	176.40	181.35	4.95	0.41
and	220.10	258.05	37.95	0.61
including	245.40	258.05	12.65	1.25
including	245.40	246.90	1.50	4.99
and	285.35	305.60	20.25	0.37
including	290.00	294.45	4.45	1.10
AW-24-005	122.90	143.95	21.05	0.21
and	150.15	186.60	36.45	1.50
including	169.40	184.75	15.35	3.43
including	182.00	184.75	2.75	12.92
including	182.00	182.50	0.50	64.20
and	223.95	242.20	18.25	0.38
and	295.85	302.80	6.95	0.19

Calculations are uncut and length-weighted using a 0.1 g/t gold cutoff with less than five continuous metres of internal dilution. Intervals are downhole core lengths. True widths are unknown.

Table 2. Aarnivalkea West Assay Results – Honka Zone

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
AW-24-001	77.70	101.35	23.65	0.17
and	113.55	119.80	6.25	0.31
and	156.70	190.10	33.40	0.35
including	181.50	190.10	8.60	1.03
and	229.00	258.30	29.30	0.21
and	331.40	334.65	3.25	0.48
AW-24-002	103.45	108.50	5.05	0.35
and	203.30	218.80	15.50	0.55
including	203.30	206.80	3.50	1.87
and	234.90	242.60	7.70	0.48
including	238.75	242.60	3.85	0.77
and	262.80	276.00	13.20	0.52
including	269.00	270.70	1.70	2.44
and	282.35	285.60	3.25	1.24
and	315.40	317.45	2.05	1.87
and	337.85	380.60	42.75	0.24
AW-24-003	123.60	144.00	20.40	0.24
and	172.20	174.00	1.80	0.77
and	187.00	197.25	10.25	1.45
including	192.50	197.25	4.75	2.77
and	269.00	323.00	54.00	0.21
including	272.00	276.80	4.80	0.79
AW-24-006	43.00	66.00	23.00	0.16
and	122.10	135.00	12.90	0.28
and	150.80	169.00	18.20	0.48
including	150.80	152.85	2.05	3.40
and	183.05	188.15	5.10	0.20
and	206.15	261.50	55.35	0.25
and	293.70	302.90	9.20	0.99
including	293.70	295.25	1.55	5.03

Calculations are uncut and length-weighted using a 0.1 g/t gold cutoff with less than five continuous metres of internal dilution
Intervals are downhole core lengths. True widths are unknown.

Table 3. Drill Collar Information

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Azimuth	Dip	EOH (m)
AW-24-001	418381	7551792	241	270	-55	353.9
AW-24-002	418474	7551839	243	270	55	380.6
AW-24-003	418406	7551842	243	270	-50	350.9

AW-24-004	418605	7552399	244	270	-55	305.6
AW-24-005	418529	7552396	246	270	-55	302.8
AW-25-006	418341	7551789	264	300	55	302.9

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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>	Unbiased core sample intervals were cut in half by diamond saw at Valkea's dedicated and secure core logging and processing facility in Sodankylä, Finland. Half of the drill core was sampled and delivered in sealed and secured bags to the ALS Global preparation facilities in Sodankylä, Finland.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Valkea implements a rigorous internal QA/QC program that includes the insertion of field and lab duplicates, certified reference materials (standards prepared by an independent lab) and blanks into the sample stream. Data verification of the analytical results includes a statistical analysis of the QA/QC data.
	<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>	Diamond drilling was used to obtain core samples that have been cut and sampled on intervals that are determined by lithology and mineralisation. The drill core samples are sent to ALS Laboratories for analyses for gold. Drill core is sampled at Valkea's facilities in Sodankylä, Finland.
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>	Diamond drilling with WL 76 wireline bit producing a 57.5 mm diameter core.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Diamond Drill core recoveries are recorded by the driller and written on core block markers. The exact recovery is then recorded on a metre basis after core mark-up and recorded in the database.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Sample quality is qualitatively logged on a metre basis, recording sample condition.
	<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>	No relationship has been seen to exist

Criteria	JORC Code explanation	Commentary
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>	The logging uses a standard legend developed by Valkea which is suitable for implicit wireframing. All diamond holes are geotechnically and structurally logged.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	All core has been photographed both dry and wet. Geological logging of the diamond drill holes is into laptop computers using standardised codes and templates. These logs are then imported into Valkea's central database
	<i>The total length and percentage of the relevant intersections logged</i>	All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core sawn in half and half core taken for assay.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Half of the drill core was sampled and delivered in sealed and secured bags to the ALS Global preparation facilities in Sodankylä, Finland. Core samples were prepared using ALS standard preparation procedure PREP-31A which involves crushing the sample to 70% less than 2mm, followed by a riffle split of 250g, and then a pulverised split to better than 85% passing 75 microns.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	In addition to ALS Global laboratory QA/QC protocols, Valkea implements a rigorous internal QA/QC program that includes the insertion of field and lab duplicates, certified reference materials (standards prepared by an independent lab) and blanks into the sample stream. Data verification of the analytical results includes a statistical analysis of the QA/QC data. Results are considered acceptable
	<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>	For DDH's non-biased core cutting through using an orientation line marked on core and cut to the line
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered to be of appropriate size for the material being sampled
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>	All samples were analysed by ALS Minerals in Galway, Ireland. Drill core samples were analyzed for 48 elements by ICP-MS on a 0.25-gram aliquot using a four-acid digestion (method ME-MS61). Overlimit samples (>10,000 ppm As) were re-analyzed using an ore-grade, four-acid digestion and ICP-AES finish (method ME-OG62). Gold was analyzed by fire assay on a 30-gram aliquot with an AES finish (inductively coupled plasma atomic emission spectroscopy - method Au-ICP21). Overlimit samples (>10 ppm Au) were reanalysed by fire assay using a gravimetric finish on a 30-gram aliquot (Au-GRA21).
	<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>	No geophysical tools were used to determine any element concentrations.

Criteria	JORC Code explanation	Commentary
	<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>	In addition to ALS Global laboratory QA/QC protocols, Valkea implements a rigorous internal QA/QC program that includes the insertion of field and lab duplicates, certified reference materials (standards prepared by an independent lab) and blanks into the sample stream. Data verification of the analytical results includes a statistical analysis of the QA/QC data. Results are considered acceptable
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	All significant intercepts have been verified by senior Valkea exploration personnel, including verifying against drill logging, core photos and/or direct visual inspection of drill core.
	<i>The use of twinned holes.</i>	No twinned diamond holes have been drilled at Aarnivalkea West
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary sampling data is collected in a set of standard Excel templates. The information is managed by Valkea's database manager for validation and compilation into Valkea's central database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments made
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>	Diamond drill collars are pegged using a Hi-Target DGPS to +/- 1m accuracy. Drill rigs are aligned to Grid west using Standard Finnish National Grid ETRS-TM35FIN. The holes are downhole surveyed using a Deviflex tool.
	<i>Specification of the grid system used.</i>	The grid system used is the Standard Finnish National Grid ETRS-TM35FIN.
	<i>Quality and adequacy of topographic control.</i>	Elevation data for all collars is determined by a digital elevation model derived from public domain 2m Lidar data. Topographic control and map data is excellent.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Recent drilling was not completed on a regular grid. Previous diamond drilling at Aarnivalkea has been completed on 40m drill spacings on lines between 80 – 240 metres apart.
	<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>	Data spacing and distribution is not sufficient at this stage to allow the estimation of mineral resources.
	<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>	At Aarnivalkea, drillhole orientation is designed to intersect the mineralised package of rocks and be perpendicular to shearing and mineralisation. Structural measurements from orientated core indicate that the main fabric and contacts are dipping steeply to the east and hence holes collared at between – 50° and -60° dip 270° azimuth are appropriate. Valkea drilled one hole (AW-24-006) obliquely to target a potential oblique vein set, but the orientation is still considered appropriate..
	<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>	The drilling at this stage is preliminary and exploratory. It is not possible to assess if any sample bias has occurred due to drillhole orientation at this stage.

Criteria	JORC Code explanation	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by Valkea personnel (contractor GeoPool Oy). Drill samples and core is visually checked at the drill rig and then transported to Valkea's logging and cutting facilities by Valkea's personnel for logging, cutting and sampling. Bagged samples are transferred to ALS Laboratories in Sodankyla, Finland by Valkea's personnel.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been conducted at this stage.

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 Aarnivalkea prospect is located within the Paana Central Exploration Licence (ML2018:0081). The exploration licence is 100% owned by Sakumpu Exploration Oy, a Finnish registered 100% owned subsidiary of Valkea Resources (TSX-V:OZ) which is 45% owned by S2 Resources
	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 of the Exploration Licences are in good standing and no known impediments exist on the tenements being actively explored.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The Aarnivalkea West prospect was a greenfield discovery by S2 with historic BoT holes drilled in the region by Outokumpu not having been assayed for gold.
Geology	Deposit type, geological setting and style of mineralisation.	Aarnivalkea West is a shear zone hosted orogenic gold prospect within the Kittila Group of the Paleoproterozoic Central Lapland Greenstone belt. The primary host rocks include altered and sheared basalt, dacites and sediments Alteration assemblages include albite, sericite, carbonate, chlorite with disseminated pyrite, pyrrhotite and arsenopyrite.
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: <ul style="list-style-type: none"> 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. 	Refer to sample plans in text.
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.	All reported intersections of drilling undertaken by Valkea have been length weighted. A nominal 0.1g/t lower cut-off has been applied with less than five continuous metres of internal dilution. No top cut has been applied.
	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.	High grade intervals internal to broader zones of mineralisation are reported as included intervals.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	None used.
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').	At Aarnivalkea, the trend of mineralisation at the targets/prospects described is estimated to be dipping steeply to the east at approximately 75 to 80 deg. Refer to figures in body of text.
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.	Refer to Figures in body of text.
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 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.	Not applicable
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	Follow-up drilling is warranted to test the lateral and vertical extent of gold mineralization at the Koivu and Honka zones (Aarnivalkea West). The poorly tested, 500 meter gap between the two zones also warrants systematic drill testing. The company is also planning project-wide infill BoT (bottom of till) drilling and exploration diamond drilling at the Aarnivalkea East target. Additional targets in neighbouring exploration application licences that form part of the greater Paana Project will also be evaluated.