

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

S2 Resources Ltd

ABN

18 606 128 090

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(53)	(53)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(107)	(107)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(150)	(150)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(239)	(239)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other		
	Other - Reimbursement for Deferred Tax Assets in relation to the Demerger transaction on 21 September 2015.	4,145	4,145
	Other - Cash acquired upon acquisition of subsidiaries on 21 September 2015.	2,766	2,766
	Net investing cash flows	6,672	6,672
1.13	Total operating and investing cash flows (carried forward)	6,522	6,522

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	6,522	6,522
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	15,855	15,855
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital raising costs	-	-
	Other - Payments for cash backed guarantees	(205)	(205)
	Net financing cash flows	15,650	15,650
	Net increase (decrease) in cash held	22,172	22,172
1.20	Cash at beginning of quarter/year to date	-	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	22,172	22,172

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As per the Demerger Scheme of Arrangement completed on 21 September 2015, S2 Resources Ltd acquired Polar Metals Pty Ltd and Sirius Europa Pty Ltd from SIR (Sirius Resources NL) where shares were issued in exchange of intercompany loans outstanding with SIR. The value of this exchange was \$23.6M.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,400
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Total	3,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,172	-
5.2 Deposits at call	15,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	22,172	-

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased

Australian Tenements			
<i>Polar Bear (100% S2)</i>			
E15/1298	Granted	0%	100%
E63/1142	Granted	0%	100%
E63/1712	Granted	0%	100%
M15/651	Granted	0%	100%
M15/710	Granted	0%	100%
M63/230	Granted	0%	100%
M63/255	Granted	0%	100%
M63/269	Granted	0%	100%
M63/279	Granted	0%	100%
P15/5167	Granted	0%	100%
P15/5168	Granted	0%	100%
P15/5171	Granted	0%	100%
P15/5638	Granted	0%	100%
P15/5639	Granted	0%	100%
P15/5640	Granted	0%	100%
P63/1584	Granted	0%	100%
P63/1585	Granted	0%	100%
P63/1587	Granted	0%	100%
P63/1588	Granted	0%	100%
P63/1589	Granted	0%	100%
P63/1590	Granted	0%	100%
P63/1591	Granted	0%	100%
P63/1592	Granted	0%	100%
P63/1593	Granted	0%	100%
P63/1594	Granted	0%	100%
E15/1461	Application	0%	0%
E63/1725	Application	0%	0%
E63/1756	Application	0%	0%
E63/1757	Application	0%	0%
M15/1814	Application	0%	0%
P15/5958	Application	0%	0%
P15/5959	Application	0%	0%
<i>Eundynie JV (80% S2)</i>			
E15/1458	Granted	0%	100%
E15/1459	Granted	0%	100%
E63/1726	Granted	0%	100%
E63/1727	Granted	0%	100%
E15/1464	Application	0%	0%
E15/1738	Application	0%	0%
<i>Norcott Project (100% S2)</i>			
E15/1487	Application	0%	0%
E63/1728	Application	0%	0%
<i>Finland Reservations (67% S2)</i>			
Kuivasalmi VA 2014:0061	Granted	0%	100%
Kaarestunturi VA 2015:0002	Granted	0%	100%
Paana VA 2015:0011	Granted	0%	100%

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Torvinen VA 2015:0025	Granted	0%	100%
Selkä VA 2015:0027	Granted	0%	100%
Mantovaara	Application	0%	0%
Lammasvuoma	Application	0%	0%
Utsamo	Application	0%	0%
Sweden Reservations (67% S2)			
Gallejaur nr 401	Granted	0%	100%
Rengård nr 401	Granted	0%	100%
Svansele nr 401	Granted	0%	100%
Svansele nr 402	Granted	0%	100%
Brännäs nr 401	Granted	0%	100%
Båtfors nr 401	Granted	0%	100%
Holmtjärn nr 401	Granted	0%	100%
Hästkomyran nr 401	Granted	0%	100%
Laxselmyran nr 401	Granted	0%	100%
Rengård nr 402	Granted	0%	100%
Svansele nr 403	Granted	0%	100%
Tjäliträsk nr 401	Granted	0%	100%
Laxselmyran nr 402	Granted	0%	100%
Laxselmyran nr 403	Granted	0%	100%
Udden nr 401	Granted	0%	100%
Udden nr 402	Granted	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	N/A	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	207,401,278	207,401,278	N/A	Fully Paid

+ See chapter 19 for defined terms.

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	207,401,277	207,401,277	0.19	0.19
7.5	+Convertible debt securities <i>(description)</i>	N/A	N/A	N/A	N/A
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	Options <i>(description and conversion factor)</i>			Exercise Price	Expiry date
		23,750,000	-	\$0.31	14/09/2019
		1,900,000	-	\$0.31	14/09/2019
		3,000,000	-	\$0.31	14/09/2019
7.8	Issued during quarter				
		23,750,000	-	\$0.31	14/09/2019
		1,900,000	-	\$0.31	14/09/2019
		3,000,000	-	\$0.31	14/09/2019
7.9	Exercised during quarter	-	-	-	-
7.10	Expired (or lapsed) during quarter	-	-	-	
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		
7.13	Other	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 19 October 2015

Print name: Anna Neuling – Director

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Rule 5.3

+ See chapter 19 for defined terms.