

Rule 5.3

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")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,757)	(1,809)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(812)	(919)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	107	117
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(2,463)	(2,612)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(34)	(34)
	(c) other fixed assets	(107)	(346)
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
	Other - Cash acquired upon acquisition of subsidiaries on 21 September 2015.	-	2,765
	Net investing cash flows	(141)	6,530
1.13	Total operating and investing cash flows (carried forward)	(2,604)	3,918

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,604)	3,918
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)
	Net financing cash flows	-	15,650
	Net increase (decrease) in cash held	(2,604)	19,568
1.20	Cash at beginning of quarter/year to date	22,172	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	19,568	19,568

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	158
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries and fees paid to directors in the quarter including superannuation.

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

S2 Resources Ltd issued 8,400,000 shares for the remaining 33.33% ownership of Norse Exploration Pty Ltd which owns 100% of Sakumpu Exploration Oy. Sakumpu Exploration Oy holds the tenure in Sweden and Finland.

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	2,253
4.2 Development	-
4.3 Production	-
4.4 Administration	307
Total	2,560

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	2,568	7,172
5.2 Deposits at call	17,000	15,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	19,568	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>			
		E15/1461	Granted	0%	100%
		E63/1725	Granted	0%	100%
		P15/5958	Granted	0%	100%
		P15/5959	Granted	0%	100%
		<i>Eundynie JV (80% S2)</i>			
		E15/1464	Granted	0%	80%
		E15/1738	Granted	0%	80%
		Finland Reservations (100% S2)			
		Silmä VA 2015:0039	Granted	0%	100%
		Pahka VA2015:0043	Granted	0%	100%
		Finland Exploration Licences (100% S2)			
		Mantovaara ML2015:0001	Granted	0%	100%
		Nuokkio	Application	0%	0%
		Kerjonen	Application	0%	0%
		Sweden Reservations (100% S2)			
		Vallen nr 401 2015:102	Granted	100%	100%
		Lindbacka nr 401 2015:104	Granted	100%	100%
		Brännäs nr 402 2015:117	Granted	100%	100%
		Laxselmyran nr 404	Application	0%	0%
		Näsvattnet nr 401	Application	0%	0%
		Petikträsk nr 401	Application	0%	0%
		Svansele nr 404	Application	0%	0%
		Malänäset nr 401	Application	0%	0%
		Malänäset nr 402	Application	0%	0%
		Malänäset nr 403	Application	0%	0%

+ See chapter 19 for defined terms.

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	215,801,278	215,801,278	N/A	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	8,400,000	8,400,000	N/A	Fully Paid
7.5	+Convertible debt securities (description)	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 (description and conversion factor)			Exercise Price	Expiry date
		23,750,000	-	\$0.31	14/09/2019
		1,900,000	-	\$0.31	14/09/2019
		3,600,000	-	\$0.31	14/09/2019
		50,000	-	\$0.31	9/10/2019
		400,000	-	\$0.31	23/10/2019
		400,000	-	\$0.31	28/11/2019

+ See chapter 19 for defined terms.

7.8	Issued during quarter	50,000 400,000 400,000	- - -	\$0.31 \$0.31 \$0.31	9/10/2019 23/10/2019 28/11/2019
7.9	Exercised during quarter	-	-	-	-
7.10	Expired (or lapsed) during quarter	-	-	-	
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		
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: 28 January 2016

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.