

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

S2 Resources Ltd

**ABN**

18 606 128 090

**Quarter ended ("current quarter")**

30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,203)	(1,203)
(b) development	-	-
(c) production	-	-
(d) staff costs	(472)	(472)
(e) administration and corporate costs	(246)	(246)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	41	41
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,882)</b>	<b>(1,882)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments – net proceeds	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – net payments for cash backed guarantees	19	19
<b>3.10 Net cash from / (used in) financing activities</b>	<b>19</b>	<b>19</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(1,863)</b>	<b>(1,863)</b>
4.1 Cash and cash equivalents at beginning of period	15,026	15,026
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,882)	(1,882)

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19	19
4.5	Effect of movement in exchange rates on cash held	117	117
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,280</b>	<b>13,280</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,280	8,012
5.2	Call deposits	7,000	7,014
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,280</b>	<b>15,026</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
138
-

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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

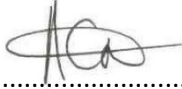
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,806
9.2 Development	-
9.3 Production	-
9.4 Staff costs	460
9.5 Administration and corporate costs	301
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>2,567</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
0.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<p><b><u>Scandinavian Tenements</u></b>  <b><i>Finland Exploration Licence (100% S2)</i></b>  Ruopas 1  Paana Central</p> <p><b><u>Australian Tenements</u></b>  <b><i>Fraser Range</i></b>  E28/2791  E28/2792  E28/2793  E28/2794</p> <p><b><u>Nevada Tenements</u></b>  <b><i>Ecru (JV with Newmont USA Ltd)</i></b>  T29N R47E Section 27 (All)    T29N R47E Section 33 (N1/2, N1/2S1/2)</p>	Application Application  Application Application Application Application  Granted Private Mineral Rights  Granted Private Mineral Rights	0% 0%  0% 0% 0% 0%  0% 0%	0% 0%  0% 0% 0% 0%  Earning 70%  Earning 70%

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  ..... Date: ...30 October 2018.....  
(Director)

Print name: Anna Neuling

## 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.