

ANNUAL REPORT



2019



CORPORATE DIRECTORY

Directors

Jeff Dowling
Non-Executive Chairman

Mark Bennett
Managing Director

Anna Neuling
Executive Director

Grey Egerton-Warburton
Non-Executive Director

Company Secretary

Anna Neuling

Registered Office

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Share Register

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Perth WA 6000

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Auditor

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

Telephone: 08 6382 4600

Stock Exchange Listing

S2 Resources Ltd's shares are listed on the Australian Securities Exchange (ASX).

ASX code: S2R

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Managing Director and Chairman's Review

The year ending June 2019 has seen your company make steady progress towards achieving its objectives, with advances in its Finnish exploration and a continuing strong cash position to fund ongoing programs.

This has been achieved through disciplined technical and strategic management of our assets coupled with prudent financial management across four countries and currencies to maximise our financial resources whilst minimising dilution of our share capital.

As previously stated, our aim is to make substantial discoveries capable of having a significant positive material impact on the value of the company. We have the capability and the track record of developing these into mines should they be financially robust, technically low risk and in stable jurisdictions, but we are also prepared to monetise these should they be deemed financially marginal and/or technically risky rather than persist with opportunities that can become a management diversion and an opportunity cost.

We started the year with A\$15 million and finished the year with A\$12 million, having spent A\$5 million on ambitious exploration programs without raising fresh capital. We achieved this by monetising non-core assets and making and being prepared to crystallise opportunistic investments. In fact, since listing in 2015 with A\$20 million, we have spent A\$20 million on exploration and still have A\$12 million, having undertaken only one capital raising in 2016. This clearly demonstrates that we have been successful in both exploring aggressively and managing our finances prudently.

Key activities and outcomes during the year are summarised below.

Finland:

- Defining new gold and base metal anomalies in ground breaking reconnaissance ionic leach geochemical surveys across our tenure.
- Undertaking a major reconnaissance base of till sampling program, defining gold anomalies beneath the geochemical anomalies.
- Identifying new electromagnetic anomalies using both VTEM and ground-based EM follow-up.
- Opportunistically pegging open ground with an existing target at Aakenusvaara, and undertaking the first drilling in over two decades.
- Commencing a maiden diamond drilling program confirming the presence of a major mineralised structure at Aarnivalkea.

Nevada:

- Undertaking first drilling at Ecu.
- Acquiring gravity, AMT and magnetic data at Ecu to generate additional drill targets.

Australia:

- Undertaking the first diamond drilling at the Gwardar nickel prospect, Polar Bear, since the sale of the tenure and the retention of the nickel rights.
- Pegging of three new exploration licences in the Fraser Range.

Corporate:

- Monetising the company's investment in Westgold, received via the sale of the Polar Bear tenure and the Baloo gold resource.
- Acquiring a strategic 19.99% stake in Todd River Resources Ltd.

With new projects consummated, new prospects and targets defined, and active programs underway, we look forward to a positive year of progress.



Mark Bennett
Managing Director and CEO



Jeff Dowling
Non-Executive Chairman

Operations Review

Finland (S2 100%)

S2 holds a large area of the prospective Central Lapland Greenstone Belt of arctic Finland under tenure via a mix of Reservations, Exploration Licence applications and granted Exploration Licences. These areas are not extensively or effectively explored, yet host a number of significant deposits and prospects, including Agnico Eagle's Kittilä gold mine, Anglo American's Sakatti nickel-copper-platinum deposit, and Boliden's Kevitsa copper-nickel mine.

Following the definition of a broad gold-arsenic anomalous corridor in a major ionic leach geochemical survey in the summer of 2018, S2 fast-tracked the granting of the central part of the Paana Exploration Licence application to enable the commencement of a large base of till (BoT) drilling program beneath the ionic leach anomaly.

The Paana Central tenement was granted in late 2018 and BoT drilling started in early 2019. This technique allows direct sampling of bedrock beneath up to 15 metres of glacial cover. Initial wide spaced drilling on a 400 metre by 20 metre grid defined several strong anomalies, and the most extensive of these was infilled at a much tighter spacing of 100 metres by 10 metres. This was named the Aarnivalkea prospect.

Reconnaissance diamond drilling subsequently undertaken at Aarnivalkea on 320 metre by 40 metre centres to a nominal 80 metre depth has yielded encouraging results with broad zones of strong shearing, alteration and gold anomalism, with several intervals of high grade gold mineralisation. The next stage of reconnaissance style drilling and infill will continue into the winter season when all of the prospect area is drill accessible. BoT drilling has, and continues to be, extended to the south and west.

The Aakenusvaara Exploration Licence was granted in late July 2019. It contains a historic gold prospect that was ineffectively drilled by Outokumpu in the 1980's. The known mineralisation was not closed off despite shallow intercepts of up to 11 metres @ 9.6g/t gold. The historic gold intercepts were reported as being associated with sulphide, breccia and albite alteration zones. S2 drilled nine additional holes in August 2019, for which assays are awaited at the time of writing.

At the Ruopas Exploration Licence application area, which is considered prospective for magmatic nickel-copper sulphide deposits like Anglo American's nearby giant Sakatti deposit, several discrete coincident nickel-copper-cobalt-palladium anomalies have been identified in ionic leach geochemical sampling. A large VTEM airborne electromagnetic survey was undertaken during the autumn of 2018 which was then followed up with ground based fixed-loop electromagnetic (FLEM) surveys which defined a discrete EM conductor located on a gravity ridge, along strike from known ultramafic rocks concealed beneath a shallow bog and associated with >4km long copper and nickel anomaly in historic BoT drilling. The part of the Ruopas ELA containing this anomaly has been fast-tracked for grant, which is expected in September or October of 2019.

As a result of these activities, S2's Finnish tenure is and will continue to be intensively tested over the coming 12 months with the aim of discovering significant lode gold or magmatic sulphide mineralisation.

Ecrú, Nevada (S2 earning 70%)

The Ecrú project is located 40 kilometres southeast of Battle Mountain in Lander County, Nevada, in the heart of the highly endowed Battle Mountain-Eureka trend, adjacent to Barrick's Pipeline, Cortez Hills and Goldrush deposits which have a collective endowment of approximately 50 million ounces of gold.

The project is situated in an area covered by a veneer of transported colluvium ("pediment") and is centred on a gravity high that is interpreted to represent an upthrown block of the same carbonate rocks that host the nearby world class deposits.

S2 undertook a two hole deep diamond drilling program at Ecrú during the year, aimed at penetrating the concealing upper plate stratigraphy and testing the concealed lower plate stratigraphy for Carlin-style mineralisation. Unfortunately these holes had to be abandoned prior to reaching target depth, but they did intersect a number of low grade gold-silver intervals associated with zones of brecciation, silicification and overprinting argillic alteration, within broader multi-element haloes. This style of mineralisation is more typical of intrusion related skarn mineralisation, and is similar to that at the 2.7 million ounce Robertson gold deposit, which is located immediately south of the Ecrú project and owned by Nevada Gold Mines (the new joint venture between Barrick and Newmont).

Subsequent to the end of the year, S2 also purchased aeromagnetic data over the project area which appears to support the presence of a buried intrusive body within the Ecrú project and will assist in defining specific drill targets for the next drill campaign at Ecrú.

Polar Bear, Western Australia (S2 100% nickel rights)

S2's holds the nickel rights over an area of 510 square kilometres to the southeast of the Widgiemooltha and Kambalda nickel sulphide trends. S2 retained these rights when it sold the Polar Bear project (comprising the Polar Bear and Norcott projects and the Eundynie Joint Venture) to Westgold (now owned by RNC through its purchase of Westgold's Higginsville gold operations). The nickel rights include the Halls Knoll, Taipan and Gwardar nickel prospects.

S2 completed its first follow-up diamond drilling at the Gwardar prospect toward the end of the year. This was successful, intersecting Kambalda-style nickel sulphide mineralisation at the base of a thick lava channel over a lateral width of at least 160 metres and over 200 metres down plunge.

Although the intercepts returned in this three hole program are not mineable grade and width, the abundance of sulphide, the size of the lava channel, and the fact that it is open down plunge are considered encouraging indications of its potential.

Further drilling is planned to follow this up.

Fraser Range, Western Australia (S2 100%)

During the year, S2 applied for a number of exploration licenses within the Fraser Range nickel province to the northwest of the Nova nickel mine. Due to the competitive nature of the area, the applications were subject to a ballot process by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). The company has been notified by the DMIRS that it was successful in ballots for three exploration licences, covering an area of 173.2 square kilometres.

These applications are expected to be granted early in 2020.



Directors Report

The Directors of S2 Resources Ltd ("Directors") present their report on the consolidated entity consisting of S2 Resources Ltd ("the Company" or "S2") and the entities it controlled at the end of, or during, the year ended 30 June 2019 ("Group").

Directors

The names and details of the Directors in office during the financial year and until the date of this Report are as follows. Directors were in office for the entire year unless otherwise stated.

Jeff Dowling
Mark Bennett
Anna Neuling
Grey Egerton-Warburton

Principal Activities

The principal continuing activity of the Group is mineral exploration.

Dividends

No dividends were paid or proposed to be paid to members during the financial year.

Review of Operations

Operating Result

The loss from continuing operations for the year ended 30 June 2019 after providing for income tax amounted to \$8,288,971.

The loss results from \$5,093,484 of exploration expenditure incurred and expensed, \$60,446 of exploration impairment expense, \$118,994 of share-based payments expenses, \$1,093,981 of administration costs, \$604,429 of business development costs including travel, \$101,376 of depreciation costs, \$356,169 of net income and other net gains, share of our associate's consolidated statement of loss being \$915,715, impairment of our associate's investment of \$586,270 and income tax expense of \$70,445. The exploration expenditure incurred and expensed mainly relates to the Company's projects in Finland and Nevada.

Significant Changes in the State of Affairs

In November 2018, the Group acquired a 19.99% strategic stake in Todd River Resources Ltd (ASX:TRT) at \$0.08987 per share for \$2,720,815.

On 30 November 2018, Dr Mark Bennett, was appointed as Non-Executive Director of TRT as per the Company's Subscription Agreement with TRT.

During the financial year ended 30 June 2019, 1,000,000 GT Gold Corp. shares and 3,000,000 Westgold Resources Ltd shares were disposed of and the Company received net proceeds of \$5,837,940. The Company realised a total gain of \$957,748. For more information in relation to the movement of the gain, please refer to note 8 (page 3) of the financial report.

After Balance Date Events

In September 2019, the Group had entered into the following arrangement with Todd River Resources Ltd (ASX:TRT):

- On 10 September 2019, the Group had participated in Todd River Resources Ltd's (ASX:TRT) placement by purchasing 11,959,700 shares at \$3.1 cents per share increasing its investment by \$370,751.
- The Group has also committed to take up its full entitlement under TRT's 1-for-3 underwritten non-renounceable pro-rata Entitlement Offer which will result in an issue of 14,078,099 shares to the Group at \$3.1 cents per share. The Entitlement Offer will end on 4 October 2019.
- The Group will also participate as a sub-under writer which is capped at a maximum of up to approximately \$854,167 or 27,533,783 new shares.

Other than the after balance date events stated above, there has been no matter or circumstance that has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Directors Report

Likely Developments and Expected Results of Operations

The Group will continue its drilling activities in Finland until the end of 2019 and continue exploration activities in Nevada and Australia for the foreseeable future. The Group will also seek other exploration opportunities that will add value to the Group's portfolio of assets.

Environmental Regulation

The Group's operations are subject to environmental regulation under the laws of Finland, the State of Nevada, the Australian Commonwealth and the State of Western Australia. The Board of Directors ("Board") is of the view that all relevant environmental regulation requirements have been met.

Information on Directors

Mark Bennett – Chief Executive Officer and Managing Director

Experience and Expertise

Dr Bennett was the Managing Director and CEO of Sirius Resources NL ("Sirius") from its inception until its merger with Independence Group NL, and was Non-Executive Director of Independence Group following the merger until June 2016.

He is a geologist with 28 years of experience in gold, nickel and base metal exploration and mining. He holds a BSc in Mining Geology from the University of Leicester and a PhD from the University of Leeds and is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of London, a Fellow of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors.

He has worked in Australia, West Africa, Canada, USA and Europe, initially for LionOre Mining International Limited and WMC Resources Limited at various locations including Kalgoorlie, Kambalda, St.Ives, LionOre's nickel and gold mines throughout Western Australia, the East Kimberley, and Stawell in Victoria. His more recent experience, as Managing Director of Sirius, S2 Resources and as a director of private Canadian company True North Nickel, has been predominantly in Western Australia (the Fraser Range including Nova-Bollinger, and the Polar Bear project in the Eastern Goldfields), Quebec (the Raglan West nickel project), British Columbia, Sweden, Finland, and Nevada.

Positions held include various technical, operational, executive and board positions including Managing Director, Chief Executive Officer, Executive Director, Non-Executive Director, Exploration Manager and Chief Geologist.

Dr Bennett is a two times winner of the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox gold mine, the Waterloo nickel mine and most recently the world class Nova-Bollinger nickel-copper mine.

In addition to his technical expertise, Dr Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and has led Sirius from prior to the discovery of Nova all the way through feasibility, financing, permitting and construction, and latterly through the schemes of arrangement to merge with Independence and to demerge S2.

Other Directorships

Non-Executive Director of Todd River Resources Ltd since 30 November 2018.

Former Directorships in the Last Three Years

Dr Bennett has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in S2 Resources Ltd

Options 19,500,000

Shares 5,635,869

Jeff Dowling – Non-Executive Chairman

Experience and Expertise

Mr Dowling was Sirius' Non-Executive Chairman until 21 September 2015 and is a highly experienced corporate leader with 36 years' experience in professional services with Ernst & Young. Mr Dowling held numerous leadership roles within Ernst & Young which focused on the mining, oil and gas and other industries.

His professional expertise centres around audit, risk and financial management derived from acting as lead partner on large public company audits, capital raisings and corporate transactions. Mr Dowling's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years.

Mr Dowling has a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

Mr Dowling is a member of the Group's Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee which was formed on 19 July 2016.

Other Directorships

Non-Executive Director of NRW Holdings Ltd since 22 August 2013.

Non-Executive Director of Fleetwood Corporation Ltd since 1 July 2017.

Non-Executive Director of Battery Minerals since 21 June 2019.

Former Directorships in the Last Three Years

Non-Executive Chairman of Battery Minerals since 25 January 2018 to 20 June 2019.

Number of interests in shares and options held in S2 Resources Ltd

Options 4,750,000

Shares 700,000

Anna Neuling – Executive Director (Non-Executive Director from 1 July 2017 to 4 December 2017)

Experience and Expertise

Ms Neuling was the Company Secretary and Chief Financial Officer of Sirius Resources NL from the company's inception in 2009 until 22 September 2013 where she was appointed as Executive Director – Corporate and Commercial until its merger with Independence Group that occurred on 21 September 2015.

Ms Neuling worked at Deloitte in London and Perth prior to joining LionOre Mining International Limited in 2005, until its takeover by Norilsk Nickel. She holds a degree in mathematics from the University of Newcastle (UK).

She is a Fellow of the Institute of Chartered Accountants in England and Wales and has held a number of senior executive positions in the resources industry, including CFO and Company Secretarial roles at several listed companies.

Ms Neuling is a member of the Group's Audit & Risk Committee and Remuneration & Nomination Committee which was formed on 19 July 2016.

Other Directorships

Ms Neuling has no directorships of other public listed companies.

Former Directorships in the Last Three Years

Ms Neuling has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in S2 Resources Ltd

Options 11,500,000

Shares 675,000

Directors Report

Information on Directors (continued)

Grey Egerton-Warburton – Non-Executive Director

Experience and Expertise

Mr Egerton-Warburton is an experienced corporate financier, with a strong background in natural resources, having spent 16 years with Hartleys Limited, for many years as head of corporate finance. He has extensive experience in equity capital markets, acquisitions, divestments and domestic and international change of control transactions, having led a substantial number of capital raisings, takeovers and mergers for many ASX listed companies, across many sectors. Prior to a career in corporate finance, Mr Egerton-Warburton practiced at a tier one national law firm.

Mr Egerton-Warburton currently serves as Deputy Chair of the Womens and Infants Research Foundation (WIRF), the charitable arm of King Edward Memorial Hospital in Perth, Western Australia.

While at Hartleys, Mr Egerton-Warburton worked closely with Sirius Resources NL as its corporate advisor from mid-2012 until the completion of the merger between Sirius and Independence Group NL.

Mr Egerton-Warburton is the Chairman of the Group's Audit & Risk Committee and a member of the Remuneration & Nomination Committee which was formed on 19 July 2016.

Other Directorships

Mr Egerton-Warburton has no directorships of other public listed companies.

Former Directorships in the Last Three Years

Mr Egerton-Warburton has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in S2 Resources Ltd

Options 3,250,000

Shares 1,030,400

Meetings of Directors

The number of meetings of the Board and of each Board Committee held during the year ended 30 June 2019 and the number of meetings attended by each Director were:

	Directors' Meetings	Audit & Risk Committee	Remuneration & Nomination Committee
Name			
Mark Bennett*	18	3	1
Anna Neuling	18	3	1
Jeff Dowling	18	3	1
Grey Egerton-Warburton	18	3	1

* Dr Bennett had attended the Audit & Risk and Remuneration & Nomination committee meetings by invitation and is not a member of either committee.

Indemnifying of Officers or Auditor

During the year the Group paid a premium in respect of insuring Directors and Officers of the Group against liabilities incurred as a Director or Officer. The insurer shall pay on behalf of the Group or each Director or Officer all losses for which the Director or Officer is not indemnified by the Group arising from a claim against a Director or Officer individually or collectively.

The Group had not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group against a liability incurred as an auditor.

Options & Rights

Unissued ordinary shares of the Company under options or rights at the date of this Report are as follows:

Options

Number	Grant Date	Expiry Date	Exercise Price \$
28,450,000	14/09/2015	14/09/2019	0.31
50,000	09/10/2015	09/10/2019	0.31
400,000	23/10/2015	23/10/2019	0.31
400,000	28/11/2015	28/11/2019	0.31
200,000	18/04/2016	17/04/2020	0.31
1,000,000	29/04/2016	28/04/2020	0.35
9,050,000	07/10/2016	06/10/2020	0.61
7,750,000	17/10/2017	16/10/2021	0.23
2,650,000	20/10/2017	19/10/2021	0.23
2,700,000	28/11/2018	27/11/2022	0.14
50,000	05/03/2019	04/03/2023	0.11

There were no shares issued since the end of the financial year on the exercise of options. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Directors Report

Remuneration Report (audited)

This Remuneration Report, which has been audited, outlines the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) ("KMP") remuneration arrangements for the Group, in accordance with the requirements of the section 308 (3c) of the Corporations Act 2001 and its Regulations.

The KMP covered in this remuneration report are:

- Mark Bennett – Managing Director and CEO
- Anna Neuling – Executive Director and Company Secretary
- Jeff Dowling – Non-Executive Chairman
- Grey Egerton-Warburton – Non-Executive Director
- Su-Mei Sain – Chief Financial Officer

The principles adopted have been approved by the Board and have been set out in this Remuneration Report. This audited Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, Related Party Disclosures.

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework which has been set out in detail under the remuneration structure in this Remuneration Report aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) aligns shareholders and executive interests;
- (iii) performance based and aligned to the successful achievement of strategic and tactical business objectives; and
- (iv) transparency.

Executive Directors

Remuneration to Executive Directors reflects the demands which are made on, and the responsibilities of, the Executive Directors. Executive Directors' remuneration is reviewed annually to ensure it is appropriate and in line with the market. There are no retirement allowances or other benefits paid to Executive Directors other than superannuation guarantee amounts as required.

The executive remuneration and reward framework has three components:

- (i) base pay;
- (ii) share-based payments; and
- (iii) other remuneration such as superannuation and long service leave.

The combination of these comprises the Executive Director's total remuneration.

Fixed remuneration, consisting of base salary and superannuation will be reviewed annually by the Remuneration & Nomination Committee, based on individual contribution to corporate performance and the overall relative position of the Group to its market peers.

Non - Executive Directors

Remuneration to Non-Executive Directors reflects the demands which are made on, and the responsibilities of, the Non-Executive Directors. Non-Executive Directors' remuneration is reviewed annually. The maximum aggregate for remuneration of Non-Executive Directors is \$300,000 and was approved by shareholders prior to the demerger of the Company from Independence Group NL (formerly Sirius Resources NL) on 21 September 2015. For the year ended 30 June 2019, exclusive of superannuation guarantee the annual cash remuneration for the Non-Executive Director was \$45,000 per annum with the Chairman receiving \$75,000 per annum.

Company Performance

As an exploration company the Board does not consider the operating loss after tax as one of the performance indicators when implementing an incentive based remuneration policy. The Board considers that identification and securing of new business growth opportunities, the success of exploration and, if appropriate, feasibility activities, safety and environmental performance, the securing of funding arrangements and responsible management of cash resources and the Company's other assets are more appropriate performance indicators to assess the performance of management at this stage of the company's development.

Short-term incentives

To align the remuneration of employees with the company aim of responsible management of cash resources, there were no short-term incentives paid or proposed to be paid for the year ended 30 June 2019. The company's approach in regards to the use of short term cash incentives will be assessed by the Remuneration & Nomination Committee on an ongoing basis as the company evolves.

Long-term incentives

To align the board and management with shareholder's interests and with market practices of peer companies and to provide a competitive total remuneration package, the Board introduced a long-term incentive ("LTI") plan to motivate and reward Executives and Non-Executive Directors. The LTI is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan and the Directors Option Plan as approved in September 2015. No LTI's were issued to directors under the plan during the year ended 30 June 2019.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the nature of the Company's operations being a non-producing resources exploration company.

The table below shows the losses and earnings per share of the Company for the last four financial years.

	2019	2018	2017	2016
Net loss	(8,288,971)	(1,673,903)	(10,020,602)	(10,823,222)
Share price at year end (cents)	12	16	16	28.5
Loss per share (cents)	(3.34)	(0.68)	(4.12)	(7.12)

Directors Report

2. DETAILS OF REMUNERATION

Year Ended 30 June 2019

The amount of remuneration paid and entitlements owed to KMP is set out below.

Cash remuneration and entitlements

Cash remuneration				
2019	Salary \$	Post-employment benefits (superannuation) \$	Annual leave entitlement owing \$	Total cash payments and entitlements \$
Directors				
M Bennett	325,000	20,531	23,120	368,651
A Neuling	73,003	6,935	4,856	84,794
J Dowling	75,000	7,125	-	82,125
G Egerton-Warburton	45,000	4,275	-	49,275
Other Key Management Personnel				
S Sain	60,791	5,775	2,365	68,931
	578,794	44,641	30,341	653,776

Year Ended 30 June 2018

Cash remuneration and entitlements

Cash remuneration				
2018	Salary \$	Post-employment benefits (superannuation) \$	Untaken annual leave entitlement owing \$	Total cash payments and entitlements \$
Directors				
M Bennett	325,000	20,049	11,871	356,920
A Neuling	91,443	8,654	1,548	101,645
J Dowling	75,000	7,125	-	82,125
G Egerton-Warburton	45,000	4,275	-	49,275
Other Key Management Personnel				
S Sain	63,638	4,857	862	69,357
T Walsh (1)	31,000	-	-	31,000
	631,081	44,960	14,281	690,322

- 1) Mr Walsh's short term payments are fees incurred as per his consultancy agreement with the Company. The fees disclosed are for the period 1 July 2017 to 5 December 2017 when Mr Walsh resigned as Company Secretary of the Group.

2019 Total remuneration

	Total cash payments \$	Options issued \$	Total \$	LTI % of remuneration
Directors				
M Bennett	345,531	-	345,531	-
A Neuling	79,938	-	79,938	-
J Dowling	82,125	-	82,125	-
G Egerton-Warburton	49,275	-	49,275	-
Other Key Management Personnel				
S Sain	66,566	13,519	80,085	17%
	623,435	13,519	636,954	

2018 Total remuneration

	Total cash payments \$	Options issued \$	Total \$	LTI % of remuneration
Directors				
M Bennett	356,920	331,725	688,645	48%
A Neuling	101,645	103,664	205,309	50%
J Dowling	82,125	103,664	185,789	56%
G Egerton-Warburton	49,275	103,664	152,939	68%
Other Key Management Personnel				
S Sain	69,357	24,879	94,236	26%
T Walsh	31,000	-	31,000	0%
	690,322	667,596	1,357,918	

There were no non-monetary benefits paid to the Directors or KMP for the year ended 30 June 2019.

Other than those disclosed above, there were no transactions with related parties to the KMP for the year ended 30 June 2019.

Directors Report

3. SERVICE AGREEMENTS

For the year ended 30 June 2019, the following service agreements were in place with the Directors and KMP of S2:

On 4 September 2015, an Executive Services Agreement was entered into between the Company and Managing Director and Chief Executive Officer Mark Bennett. Under the terms of the Agreement:

- Dr Bennett was paid a remuneration package of \$325,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Dr Bennett twelve months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Dr Bennett may terminate the Agreement by giving the Company three months' notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 10 September 2015, a letter of appointment was entered into between the Company and Non-Executive Chairman Jeff Dowling. Under the terms of the Agreement:

- Mr Dowling was paid a remuneration package of \$75,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, either party may terminate the Agreement by the giving of written notice.

On 4 September 2015, an Executive Services Agreement was entered into between the Company and Executive Director Anna Neuling. Under the terms of the Agreement as Executive Director:

- Ms Neuling was appointed as Executive Director, including the role of Company Secretary.
- Ms Neuling was paid a remuneration package of \$120,000 per annum comprising a base salary plus statutory superannuation for work on a part time basis (based on \$300,000 full time equivalent).
- Under the general termination of employment provision, the Company may terminate the Agreement by giving Ms Neuling twelve months' notice or payment in lieu of notice.
- Under the general termination of employment provision, Ms Neuling may terminate the Agreement by giving the Company three months' notice or a payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.

On 29 April 2016, a letter of appointment was entered into between the Company and Non-Executive Director Grey Egerton-Warburton. Under the terms of the Agreement:

- Mr Egerton-Warburton was paid a remuneration package of \$45,000 per annum base salary plus statutory superannuation.
- Under the general termination of employment provision, either party may terminate the Agreement by the giving of written notice.

On 8 September 2015, the Company entered into an employment contract with Su-Mei Sain. Under the terms of the Agreement:

- Ms Sain was appointed in the capacity of Chief Financial Officer and paid a remuneration package of \$120,000 per annum base salary plus statutory superannuation for work on a part time basis (based on \$150,000 full time equivalent).
- The Company or Ms Sain may terminate the contract at any time by giving the other party 12 weeks notice or payment in lieu of notice.
- The Company may terminate the Agreement at any time without notice if serious misconduct has occurred. On termination with cause, Ms Sain is not entitled to any payment.

4. SHARE-BASED COMPENSATION

Option holdings

The numbers of options in the Company held during the year ended by each KMP of S2, including their related parties, are set out below:

2019	Balance at the start of the year	Granted during the year	Expired during the year	Other changes	Balance at the year ended
Director					
M Bennett	19,500,000	-	-	-	19,500,000
A Neuling	11,500,000	-	-	-	11,500,000
J Dowling	4,750,000	-	-	-	4,750,000
G Egerton-Warburton	3,250,000	-	-	-	3,250,000
	39,000,000	-	-	-	39,000,000
Other Key Management Personnel					
S Sain	1,400,000	300,000	-	-	1,700,000
	1,400,000	300,000	-	-	1,700,000

As at 30 June 2019, the number of options that have vested and exercisable were 50,450,000 and the number of options yet to vest and un-exercisable were 2,750,000.

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in the year ended or future reporting years are as follows:

Options issued	Grant Date	Expiry date	Exercise price \$	Fair value per option \$	Vested \$
Directors Option Plan	14 Sep 2015	14 Sep 2019	0.31	0.13	100%
	29 Apr 2016	28 Apr 2020	0.35	0.16	100%
	7 Oct 2016	6 Oct 2020	0.61	0.23	100%
	17 Oct 2017	16 Oct 2021	0.23	0.08	100%
Employee Share Option Plan	14 Sep 2015	14 Sep 2019	0.31	0.13	100%
	7 Oct 2016	6 Oct 2020	0.61	0.23	100%
	17 Oct 2017	16 Oct 2021	0.23	0.08	100%
	28 Nov 2018	27 Nov 2022	0.14	0.05	0%*
	5 Mar 2019	4 Mar 2023	0.11	0.04	0%*

*Options vest a year after grant date. Please refer to note 17 for more information.

The options issued to the Chief Financial Officer during the financial year ended 30 June 2019 were valued using a Black-Scholes model and were priced as follows:

	Series 10
Grant date share price	0.09
Exercise price	0.14
Expected volatility	80%
Option life	4 years
Dividend yield	0.00%
Interest rate	2.29%

Directors Report

Shareholdings

The numbers of shares in the Company held during the year ended by each KMP of S2, including their related parties, are set out below:

2019	Balance at the start of the year	Other changes during the year	Balance for the year ended
Directors			
M Bennett	4,695,001	940,868	5,635,869
A Neuling	350,000	325,000	675,000
J Dowling	500,000	200,000	700,000
G Egerton-Warburton	550,400	480,000	1,030,400
Other Key Management Personnel			
S Sain	50,000	-	50,000
	6,145,401	1,945,868	8,091,269

There were no shares granted to KMP's during the reporting year as remuneration.

Use of remuneration consultants

No remuneration consultants were engaged or used for the Group during the year ended 30 June 2019.

Voting and comments made at the Company's Annual General Meeting

At the 2018 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2018 was passed on a poll with 90% of votes cast on the poll voting "For" the resolution to adopt the Remuneration Report. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

Share trading policy

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's employee share trading policy as per the Group's Corporate Governance Policy. Directors and executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee option plan. The Group would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

This concludes the Remuneration Report, which has been audited.

Proceedings on behalf of the Group

No person had applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings had been brought or intervened in on behalf of the Group with leave of the court under section 237 of the Corporations Act 2001.

Auditor

BDO Audit (WA) Pty Ltd was appointed as auditors for the Group in office in accordance with section 327 of the Corporations Act 2001.

Audit Services

During the year ended 30 June 2019, \$37,309 was paid or is payable for audit services provided by the auditors. There were no non-audit services performed during the financial year.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 61 of the financial report.

Corporate Governance

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability.

Signed in accordance with a resolution of the Board of Directors.



Mark Bennett
Director
Perth
10 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

	Notes	30 June 2019 \$	30 June 2018 \$
Other income	4	157,154	213,899
Corporate salaries and wages		(503,769)	(531,168)
Consulting and legal fees		(257,504)	(346,577)
Share and company registry		(102,971)	(125,827)
Office rental and variable outgoings		(99,790)	(141,476)
Insurance		(129,947)	(119,889)
Business development including travel expenditure		(604,429)	(752,561)
Depreciation expense		(101,376)	(168,545)
Share-based payments	17	(118,994)	(876,753)
Gain on disposal of available for sale financial assets	8	-	1,893,669
Gain on disposal of WA Gold Projects	10	-	5,919,557
Other net gains		199,015	209,139
Exploration expenditure expensed as incurred		(5,093,484)	(5,859,587)
Exploration impairment expense		(60,446)	(1,090,320)
Share of associate's loss	9	(915,715)	-
Associate impairment expense	9	(586,270)	-
Loss before income tax		(8,218,526)	(1,776,439)
Income tax benefit/(expense)	5	(70,445)	102,536
Loss after income tax for the year		(8,288,971)	(1,673,903)
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Changes in the fair value of Investments at fair value through other comprehensive income	8	(597,921)	1,722,579
<i>Items that may be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		3,175	102,379
Total comprehensive income/(loss) for the year attributable to the members of S2 Resources Ltd		(8,883,717)	151,055
Loss per share for loss attributable to the members of S2 Resources Ltd			
Basic loss per share (cents)	22	(3.34)	(0.68)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2019

	Notes	30 June 2019 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents	6	11,645,063	15,026,119
Restricted cash	6	365,778	348,889
Trade and other receivables	7	454,872	403,758
Total current assets		12,465,713	15,778,766
Non-current assets			
Investments	8	1,875,000	8,310,859
Investments in associates	9	1,241,255	-
Exploration and evaluation	11	1,028,199	1,083,153
Property, plant and equipment	12	151,878	227,737
Total non-current assets		4,296,332	9,621,749
Total assets		16,762,045	25,400,515
Current liabilities			
Trade and other payables	13	660,511	546,786
Provisions	14	73,049	60,521
Total current liabilities		733,560	607,307
Total liabilities		733,560	607,307
Net assets		16,028,485	24,793,208
Equity			
Share capital	15	52,552,523	52,552,523
Reserves	16	8,539,513	9,973,013
Accumulated losses		(45,063,551)	(37,732,328)
Total equity		16,028,485	24,793,208

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

Attributable to equity holders of the Group in \$ dollars	Share capital	Share based payment Reserves	Other Reserve	Foreign Currency Translation Reserve	Fair Value Other Comprehensive Income ("FVOCI") Reserve	Accumulated losses	Total
Balance at 1 July 2018	52,552,523	7,786,606	144,517	131,223	1,910,667	(37,732,328)	24,793,208
Total comprehensive income for the year	-	-	-	3,175	(597,921)	(8,288,971)	(8,883,717)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Issue of share capital	-	-	-	-	-	-	-
Capital raising costs	-	-	-	-	-	-	-
Share-based payment transactions	-	118,994	-	-	-	-	118,994
Share options exercised	-	-	-	-	-	-	-
Transfer cumulative gain on sale of investments to accumulated losses	-	-	-	-	(957,748)	957,748	-
Total contributions by and distributions to owners	-	118,994	-	3,175	(1,555,669)	(7,331,223)	(8,764,723)
Balance at 30 June 2019	52,552,523	7,905,600	144,517	134,398	354,998	(45,063,551)	16,028,485

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2018

Attributable to equity holders of the Group in \$ dollars	Share capital	Share based payment Reserves	Other Reserve	Acquisition Reserve	Foreign Currency Translation Reserve	Fair Value Other Comprehensive Income Reserve ("FVOCI")	Accumulated losses	Total
Balance at 1 July 2017	52,237,523	6,909,853	144,517	(15,214,601)	28,844	188,088	(20,843,824)	23,450,400
Total comprehensive income for the year					102,379	1,722,579	(1,673,903)	151,055
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Issue of share capital	315,000	-	-	-	-	-	-	315,000
Capital raising costs	-	-	-	-	-	-	-	-
Share-based payment transactions	-	876,753	-	-	-	-	-	876,753
Share options exercised	-	-	-	-	-	-	-	-
Transfer of retained earnings in relation to sale of WA Gold Projects	-	-	-	14,362,583	-	-	(14,362,583)	-
Transfer of acquisition reserve for Sirius Europa to accumulated losses	-	-	-	852,018	-	-	(852,018)	-
Total contributions by and distributions to owners	315,000	876,753	-	15,214,601	102,379	1,722,579	(16,888,504)	1,342,808
Balance at 30 June 2018	52,552,523	7,786,606	144,517	-	131,223	1,910,667	(37,732,328)	24,793,208

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

	Notes	30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities			
Cash paid to suppliers and employees for corporate activities		(1,858,012)	(2,030,871)
Cash paid to suppliers and employees for exploration activities		(4,928,662)	(5,642,437)
Interest received		145,260	234,389
Interest and other finance costs paid		(18,423)	(9,128)
Income taxes paid	5	-	(421,597)
Net cash used in operating activities	20	(6,659,837)	(7,869,644)
Cash flows from investing activities			
Payment of property, plant and equipment		(15,779)	(1,663)
Payment of exploration activities capitalised		-	(872)
Payment for Nevada JV acquisition		-	(173,473)
Investment in Todd River Resources Ltd	9	(2,743,240)	-
Net proceeds from disposal of investments	8	5,837,938	2,574,078
Net proceeds for disposal of WA Gold Projects	10	-	2,829,437
Net cash derived from investing activities		3,078,919	5,227,507
Cash flows from financing activities			
Payments for cash backed guarantees		(15,887)	(41,890)
Cash payments for financing activities		(15,887)	(41,890)
Net increase in cash and cash equivalents		(3,596,805)	(2,684,027)
Effects of exchange rate changes on cash and cash equivalents		215,749	209,139
Cash and cash equivalents at 1 July		15,026,119	17,501,007
Cash and cash equivalents at 30 June	6	11,645,063	15,026,119

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

S2 Resources Ltd (“Company” or “S2”) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Group as at and for the year ended to 30 June 2019 comprise the Company and its subsidiaries (together referred to as the “Group” or “consolidated entity” and individually as a “Group entity”).

The separate financial statements of the parent entity, S2 Resources Ltd, have not been presented within this financial report. Summary parent information has been included in note 26.

The financial statements were authorised for issue on 10 September 2019 by the Directors of the Company.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets, financial assets and liabilities at fair value through profit or loss or other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(a)(iii).

(i) Operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(ii) Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the consolidated entity, except for AASB 9 Financial Instruments.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

- **AASB 9 Financial Instruments (“AASB 9”)**

This note explains the changes in the Group’s accounting policies as a result of the adoption of AASB 9 Financial instruments, however the prior year financial statements did not have to be restated as a result.

AASB 9 replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement (“AASB 139”) that relate to the recognition, classification and measurement of financial assets and liabilities, recognition of financial instruments, impairment of financial assets and hedge accounting.

Impact of adoption

(i) Classification and measurement of financial assets

On the date of initial application, 1 July 2018, the financial instruments of the Group were as follows, with any reclassification noted.

	Measurement category		Carrying amount		
	Original (AASB 139)	New (AASB 9)	Original \$	New \$	Difference \$
Current financial assets					
Trade and other receivables	Amortised cost	Amortised cost	403,760	403,760	-
Non - current financial assets					
Equity securities	Available-for-sale assets	Investments	8,310,859	8,310,859	-

The impact of these changes on the Group's equity is as follows:

	Revaluation Reserve \$	Fair Value Other Comprehensive Income Reserve (FVOCI) \$	Effect on retained earnings \$
Opening balance 30 June 2018 - AASB 139	1,910,667	-	-
Reclassify listed available-for-sale financial assets to the Fair Value Other Comprehensive Income Reserve (FVOCI)	(1,910,667)	1,910,667	-
Opening balance 1 July 2018 - AASB 9	-	1,910,667	-

Equity investments previously classified as available-for-sale

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale. As a result, assets with a fair value of \$8,310,859 were reclassified from available-for-sale financial assets, recognised under 'Available-for-sale assets' to 'Investments' and fair value gains or losses of \$1,910,667 was reclassified from the 'Fair Value Reserve' to the 'Fair Value Other Comprehensive Income Reserve' (FVOCI) on 1 July 2018.

(ii) Impairment of financial assets

Prior to the adoption of AASB 9, in accordance with AASB 139, the Group applied an incurred credit loss model. Upon adoption of AASB 9, the Group has elected to apply the simplified approach to measuring expected credit losses, which uses the lifetime expected loss allowance for all trade and other receivables.

Due to the nature of the Group's trade and other receivables, the impact of the expected loss allowance under AASB 9 against the loss incurred under AASB 139 was not material to the Group.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Revised accounting policies

Investments and other financial assets

Investments and other financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); or
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(i) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the

derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(ii) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

(iii) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 17.

Exploration and evaluation costs

Exploration and evaluation costs are capitalised in an identifiable area of interest upon announcement of a JORC 2012 compliant resource and costs will be amortised in proportion to the depletion of the mineral resources at the commencement of production. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Significant judgement – Interest in Associates and Impairment

Through the Subscription Agreement between the Company and its associate, Todd River Resources Ltd (“TRT”), the Company retains a board member on TRT’s board of directors if the shareholding is above 7.5%. For the financial year ended 30 June 2019, the Group’s shareholding in TRT was 19.99%. If TRT issues new shares, the Company has the right but not the obligation to participate in the new issue on the same terms as the other participants up to such additional number of shares in order to maintain its ownership percentage. The Company also has a share services agreement with TRT to share its offices and staff. Therefore the Company in accordance with AASB 128, determined it has significant influence over TRT for the year ended 30 June 2019. At each reporting date, the Company reviews for any impairment triggers that adversely reduces the value of its interest after the asset has been treated under equity accounting (refer to note 1(i)). The Company takes into consideration a number of impairment triggers such as but not limited to, TRT’s net assets as at reporting date, exploration activities announced on the ASX and movement in share price.

(iv) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by S2 at the end of the reporting year. A controlled entity is any entity over which S2 has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity’s activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in note 27 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the Australian dollar (\$), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(c) Revenue Recognition

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Receivables

A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of any provision is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(h) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Investments in Associates

Principles of consolidation and equity accounting

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for by using the equity method of accounting after being initially recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment each reporting period.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Exploration and Evaluation

Exploration and evaluation assets acquired

Exploration and evaluation assets comprise of acquisition of mineral rights (such as joint ventures) and fair value (at acquisition date) of exploration and expenditure assets from other entities. As the assets are not yet ready for use they are not depreciated. Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the assets are demonstrable, exploration and evaluation assets are first tested for impairment and then reclassified to mine properties as development assets.

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development.

Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

The Statement of Profit or Loss and Other Comprehensive Income will recognise expenses arising from excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation rates used for each class of asset are:

- buildings 16.67%
- fixtures and fittings 22.5% - 40%
- leasehold improvements 20%
- plant and equipment 22.5% - 40%
- motor vehicles 20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(m) Interest in Joint Ventures

The Group accounts for 100% of the assets, liabilities and expenses of joint venture activity. These have been incorporated in the financial statements.

(n) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee Benefits

(i) Equity Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(ii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(iii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Issued Capital

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, e.g. as the result of a share buy back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Group, excluding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for year ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased term) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of \$265,688, see note 25. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's loss and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The application of this standard is mandatory on or after 1 January 2019. At this stage the Group does not intend to adopt the standard before its effective date.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 2. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management.

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Australian Dollar current and non-current debt obligations with floating interest rates. The Group is also exposed to interest rate risk on its cash and short term deposits.

2019 Financial Instruments	Floating interest rate \$	Fixed interest rate maturing in 1 year or less \$	Fixed interest rate maturing between 1 and 2 years \$	Non-interest bearing \$	Total \$	Weighted average effective interest rate %
(i) Financial assets						
Available cash on hand	472,860	7,425,923	-	3,746,280	11,645,063	2.17%
Restricted cash	-	195,000	-	170,778	365,778	2.69%
Total financial assets	472,860	7,620,923	-	3,917,058	12,010,841	
(ii) Financial liabilities						
Trade and other payables	-	-	-	660,511	660,511	
Total financial liabilities	-	-	-	660,511	660,511	

2018 Financial Instruments	Floating interest rate \$	Fixed interest rate maturing in 1 year or less \$	Fixed interest rate maturing between 1 and 2 years \$	Non-interest bearing \$	Total \$	Weighted average effective interest rate %
(i) Financial assets						
Available cash on hand	1,912,527	7,014,097	-	6,099,495	15,026,119	2.31%
Restricted cash	195,000	-	-	153,889	348,889	2.51%
Total financial assets	2,107,527	7,014,097	-	6,253,384	15,375,008	
(ii) Financial liabilities						
Trade and other payables	-	-	-	546,786	546,786	
Total financial liabilities	-	-	-	546,786	546,786	

Net Fair Values

The net fair value of financial assets and liabilities approximate carrying values due to their short term nature.

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in interest rates.

	30 June 2019 \$	30 June 2018 \$
Change in loss:		
Increase by 1%	(82,890)	(16,739)
Decrease by 1%	82,890	16,739
Change in equity:		
Increase by 1%	160,285	247,932
Decrease by 1%	(160,285)	(247,932)

Foreign exchange risk

Exposure

The Group holds foreign currency cash in Euro, US Dollar and Swedish Krona to operate in Finland, Sweden and the United States. It also has foreign currency receivables and payables in these countries which are exposed to foreign currency fluctuations. The Group manages its foreign exchange risk and exposure by purchasing foreign currency for the following budget year and reviews forecasted exchange rates by various banks on a monthly basis. The Group's exposure to foreign currency risk at the end of the reporting year, expressed in Australian dollar, was as follows:

Year ended 30 June 2019	EUR \$	USD \$	SEK \$	Total \$
Cash on hand	3,536,863	1,486,187	146,060	5,169,110
Restricted cash	19,174	79,952	-	99,126
Other receivables	210,805	-	896	211,701
Trade and other payables	(300,390)	(41,345)	(4,032)	(345,767)
	3,466,452	1,527,794	142,924	5,134,170

Year ended 30 June 2018	EUR \$	USD \$	SEK \$	Total \$
Cash on hand	2,817,022	3,211,515	70,800	6,099,037
Restricted cash	17,170	41,625	14,861	73,656
Other receivables	4,632	-	4,342	8,974
Trade and other payables	(288,972)	(23,622)	(63,695)	(376,289)
	2,549,852	3,229,518	26,308	5,805,378

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign exchange risk (continued)

Amounts recognised in profit or loss and other comprehensive income

During the year ended, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2019 \$	2018 \$
<i>Amounts recognised in profit or loss</i>		
Net foreign exchange gain/(loss) included in other income/other expenses	199,015	209,139
Total net foreign exchange (losses) recognised in loss before income tax for the year	199,015	209,139
<i>Net gains/(losses) recognised in other comprehensive income</i>		
Translation of foreign operations	3,175	102,379

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in EUR/\$ exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Euro, US dollar and Swedish Krona denominated financial instruments and the impact on other components of equity arises from translation of foreign operations.

	Impact on post tax loss \$	Impact on other components of equity \$
EUR/\$ exchange rate – increase 10%*	(292,582)	341
EUR/\$ exchange rate – decrease (10%)*	292,582	(341)
USD/\$ exchange rate – increase 10%*	(189,012)	5,618
USD/\$ exchange rate – decrease (10%)*	189,012	(5,618)

*Holding all other variables constant

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Management monitors rolling forecasts of the Group's cash reserves on the basis of expected development, exploration and corporate cash flows. This ensures that the Group complies with prudent liquidity risk management by maintaining sufficient cash and marketable securities and the availability of funding through the equity markets to meet obligations when due. For the year ended 30 June 2019, the Group had no contractual financial liabilities.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA-based on Standard and Poor's rating agency.

The credit risk on other receivables is limited as it is comprised of prepayments and GST recoverable from the Australian Taxation Office and tax authorities in Scandinavia. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating. There are no receivable balances which are past due or impaired.

Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statement of financial position as investments (see note 8). The Group's investment is publicly traded on the Australian Stock Exchange ("ASX").

The Group is not currently exposed to commodity price risk.

Sensitivity

The table below summarises the impact of increases/decreases of the investment's share price on the Group's equity and post-tax loss for the year. The analysis is based on the assumption that the investment's share price had increased or decreased by 10% with all other variables held constant, and that the Group's equity instrument moved in line with the indexes.

	Impact on post tax loss	Impact on post tax loss	Impact on other components of equity	Impact on other components of equity
	2019	2018	2019	2018
	\$	\$	\$	\$
TSXV index – increase 10%	-	-	-	91,086
TSXV index – decrease (10%)	-	-	-	(91,086)
ASX index – increase 10%	-	-	187,500	740,000
ASX index – decrease (10%)	-	-	(187,500)	(740,000)

There would be no impact on post tax loss as the Group does not recognise any financial assets at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/(losses) on equity securities classified as investments. As the fair value of investments would still be above cost, no impairment loss would be recognised in profit or loss as a result of the decrease in the index.

Amounts recognised in statement of profit or loss and other comprehensive income

The amounts recognised in profit or loss and other comprehensive income in relation to the investments held by the Group are disclosed in note 8.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 3. SEGMENT INFORMATION

For management purposes, the Group has four reportable segments as follows:

- Finland exploration activities, which includes exploration and evaluation of mineral tenements in Central Lapland.
- Sweden exploration activities, which includes exploration and evaluation of mineral tenements in Skellefte. As disclosed in the half year ended 31 December 2018 financial report, the Group had discontinued its exploration activities in Sweden and any costs incurred relate to relinquishment of tenure and closure of the Swedish office based in Malå.
- US exploration activities, which includes exploration and evaluation of mineral tenements in Nevada.
- Australia exploration activities, which includes exploration and evaluation of mineral tenements in Western Australia.
- Unallocated, which includes all other expenses that cannot be directly attributed to either segments above.

Segment information that is evaluated by the CODM is prepared in conformity with the accounting policies adopted for preparing the financial statements of the Group.

Segment results

Statement of profit or loss for the year ended 30 June 2019	\$					
	Finland exploration activities	Sweden exploration activities	US exploration activities	Australia exploration activities	Unallocated	Total
Other income	-	-	-	-	157,154	157,154
Corporate expenses	-	-	-	-	(1,093,981)	(1,093,981)
Business Development	-	-	-	-	(604,429)	(604,429)
Depreciation expense	-	-	-	-	(101,376)	(101,376)
Share-based payments	-	-	-	-	(118,994)	(118,994)
Other gain/(losses) - net	-	-	-	-	199,015	199,015
Exploration expenditure expensed as incurred	(2,925,806)	9,164	(1,890,118)	(286,724)	-	(5,093,484)
Exploration impairment expense	-	-	(60,446)	-	-	(60,446)
Share of associate's loss	-	-	-	-	(915,715)	(915,715)
Associate impairment expense	-	-	-	-	(586,270)	(586,270)
Loss before income tax	(2,925,806)	9,164	(1,950,564)	(286,724)	(3,064,596)	(8,218,526)
Income tax expense	-	-	-	-	(70,445)	(70,445)
Loss after income tax for the year	(2,925,806)	9,164	(1,950,564)	(286,724)	(3,135,041)	(8,288,971)

Statement of profit or loss for the year ended 30 June 2018	\$					
	Finland exploration activities	Sweden exploration activities	US exploration activities	Australia exploration activities	Unallocated	Total
Other income	-	-	-	-	213,899	213,899
Corporate expenses	-	-	-	-	(1,268,537)	(1,268,537)
Business Development	-	-	-	-	(748,961)	(748,961)
Depreciation expense	-	-	-	-	(168,545)	(168,545)
Share-based payments	-	-	-	-	(876,753)	(876,753)
Gain on disposal of available for sale financial assets	-	-	-	-	1,893,669	1,893,669
Gain on disposal of WA Gold Projects	-	-	-	-	5,919,557	5,919,557
Other gain/(losses) - net	-	-	-	-	209,139	209,139
Exploration expenditure expensed as incurred	(1,093,154)	(3,053,031)	(1,282,779)	(430,623)	-	(5,859,587)
Exploration impairment expense	-	(1,033,028)	(57,292)	-	-	(1,090,320)
Loss before income tax	(1,093,154)	(4,086,059)	(1,340,071)	(430,623)	5,173,468	(1,776,439)
Income tax expense	-	-	-	-	102,536	102,536
Loss after income tax for the year	(1,093,154)	(4,086,059)	(1,340,071)	(430,623)	5,276,004	(1,673,903)

Segment assets and liabilities

The Group's assets are mostly attributable to the unallocated segment therefore assets attributable to exploration in Scandinavia, Nevada and Australia is immaterial for disclosure.

NOTE 4. OTHER INCOME

	30 June 2019 \$	30 June 2018 \$
Interest received	157,154	213,899

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 5. INCOME TAX

	30 June 2019 \$	30 June 2018 \$
Recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Current tax		
Deferred tax	-	271,573
Under (over) provided in prior years	-	(169,037)
Total income tax benefit/(expense) per Consolidated Statement of Profit or Loss and Other Comprehensive Income (1)	-	102,536
<i>Numerical reconciliation between tax expense and pre-tax net loss</i>		
Net loss before tax	(8,288,971)	(1,673,903)
Income tax benefit/(expense) at 27.5%	(914,780)	1,025,898
Income tax benefit/(expense) for overseas entities (at various rates)	(1,042,125)	(1,134,933)
<i>Increase in income tax due to:</i>		
Non-deductible expenses	1,423,602	390,355
Current year tax losses not recognised	998,111	1,100,060
<i>Decrease in income tax due to:</i>		
Movement in unrecognised temporary differences	119,975	993,502
Tax losses utilised during the year	(584,783)	(2,374,883)
	-	(102,536)
Unrecognised deferred tax assets		
<i>Deferred tax assets have not been recognised in respect of the following:</i>		
Previous year tax losses brought forward	3,736,617	2,569,081
Tax revenue losses (2)	1,845,105	1,167,536
	5,581,723	3,736,617

(1) For the financial year end 30 June 2018, the Group's Scandinavian entities incurred an income tax benefit for the financial year end 30 June 2018 of \$102,536 and this comprised of:

	\$
Income tax paid during the financial year end 30 June 2018	421,597
Tax credit owing from the Finnish tax authorities*	(249,570)
Exchange differences	(2,990)
Net Tax Payable	169,037
Less Tax Provision 30 June 2017	(271,573)
Income Tax Benefit 30 June 2018	(102,536)

*The tax credit owing from the Finnish tax authorities represents the profit earned in Sweden (ie. the profit earned by the Branch) to avoid double taxation for the Finnish entity.

(2) Net deferred tax assets have not been brought to account as it is not probable that within the immediate future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

NOTE 6. CASH AND CASH EQUIVALENTS

	30 June 2019 \$	30 June 2018 \$
Current		
Cash at bank and in hand	11,645,063	15,026,119
Restricted cash	365,778	348,889
	12,010,841	15,375,008

NOTE 7. OTHER RECEIVABLES

	30 June 2019 \$	30 June 2018 \$
GST refund due	28,635	16,559
Accrued interest	25,403	13,508
Prepayment	134,898	50,612
Income Tax Receivable (1)	186,037	252,560
Other	79,899	70,519
	454,872	403,758

(1) Please refer to note 5 for more information on the Income Tax Receivable.

The Group has no impairments to other receivables or have receivables that are past due but not impaired. Refer to note 2 for detail on the risk exposure and management of the Group's other receivables.

NOTE 8. INVESTMENTS AND OTHER FINANCIAL ASSETS

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

(ii) Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	30 June 2019 \$	30 June 2018 \$
Non-current Investments		
<i>Balance at beginning of the period</i>		
GT Gold	910,859	1,188,689
Westgold Resources Ltd	7,400,000	-

	30 June 2019 \$	30 June 2018 \$
Investments		
<i>Movement during the period</i>		
GT Gold	(910,859)	(277,830)
Westgold Resources Ltd (1)	(5,525,000)	7,400,000
Balance as at 30 June 2019	1,875,000	8,310,859

(1) The balance as at 30 June 2019 of \$1,875,000 represents the investment in Westgold Resources Ltd ("Westgold"). The Group holds 1,000,000 shares in Westgold and the share price as at 30 June 2019 was \$1.875 per share.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 8. INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

(ii) Equity investments at fair value through other comprehensive income (continued)

The table below describes the total gain/(loss) on disposal of the Group's investments from the initial purchase to the financial year ended 30 June 2019:

	GT Gold Corp.			Westgold Resources Ltd			Total		
	Net proceeds \$	Original cost \$	Gain \$	Net proceeds \$	Original cost \$	Gain \$	Net proceeds \$	Original cost \$	Gain/ (loss) \$
Sold 30 June 2018	2,574,078	(680,409)	1,893,669	-	-	-	2,574,078	(680,409)	1,893,669*
Sold 30 June 2019	1,813,925	(320,192)	1,493,733	4,024,015	(4,560,000)	(535,985)	5,837,940	(4,880,192)	957,748**
Total gain/(loss) on disposal	4,388,003	(1,000,601)	3,387,402	4,024,015	(4,560,000)	(535,985)	8,412,018	(5,560,601)	2,851,417

*The gain recognised of \$1,893,669 for the financial year ended 30 June 2018 was disclosed in the profit or loss or other comprehensive income as per AASB 139. AASB 9 became effective from 1 July 2018.

** Please note that due to the change in accounting policies for financial assets, the total gain of \$957,748 during the financial year ended 30 June 2019 was transferred from the fair value other comprehensive income (FVOCI) reserve to accumulated losses.

(iii) Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income.

	30 June 2019 \$	30 June 2018 \$
Gains/(losses) recognised in other comprehensive income	(597,921)	246,976

The table below describes the movement in the FVOCI reserve the financial year ended 30 June 2019:

	GT Gold Corp.	Westgold Resources Ltd	Movement of gain/(loss) in FVOCI
Net proceeds	1,813,923	4,024,015	7,363,923
Less carrying value as at 30 June 2018	(910,859)	(5,550,000)	(8,310,859)
Gain/(loss) on disposal	903,064	(1,525,985)	(622,921)
Revaluation of investment	-	25,000	25,000
Movement of gain/(loss) in OCI	-	-	(597,521)

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. In the prior financial year, the Group had designated equity investments as available-for-sale where management intended to hold them for the medium to long-term.

The change of accounting policy and the reclassification of certain equity investments from available-for-sale to investments at fair value through other comprehensive income is disclosed in the Basis of Preparation under note 1(a).

(iv) Fair values of other financial assets at amortised cost

Financial assets at amortised cost include the following:

	30 June 2019 \$	30 June 2018 \$
Current – Trade and other receivables	454,872	403,758
	454,872	403,758

Due to the short term nature of the trade and other receivables and prepayments, their carrying amount is considered to be the same as their fair value.

NOTE 9. INTERESTS IN ASSOCIATES

The entity listed below have share capital consisting of ordinary shares and options of which 19.99% of the ordinary shares are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporate	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
		2019 \$	2018 \$			2019 \$	2018 \$
Todd River Resources Ltd	Australia	19.99%	-	Associate	Equity method	1,241,255	-

In November 2018, the Group acquired a 19.99% strategic stake in Todd River Resources Ltd (ASX:TRT) at \$0.08987 per share for \$2,720,815.

Dr Mark Bennett, Managing Director and CEO of S2 Resources Ltd became Non-Executive director of TRT.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 9. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information for associates

The tables below provide summarised financial information of Todd River Resources Ltd that are material to the Group. The information disclosed reflects the amounts presented in the financial statement of the relevant associates and not the Group's share of those amounts. A reconciliation has been provided to reflect the adjustments made by the Group when using the equity method, including fair value adjustment and modifications for differences in accounting policy.

Summarised balance sheet	30 June 2019
	\$
Current assets	1,674,154
Non current assets	11,544,769
Total assets	13,218,923
Current liabilities	642,361
Non-current liabilities	-
Total liabilities	642,361
Net Assets	12,576,562
Share capital	18,846,172
Reserves	2,521,731
Accumulated losses	(8,791,341)
Total equity	12,576,562
	30 June 2019
Reconciliation to carrying amounts	
S2R's initial investment 20 November 2018(1) \$	2,743,240
Loss for the period - Todd River Resources (2) \$	4,580,869
Group's share %	19.99%
Less Group's share \$	(915,715)
Less impairment expense (3) \$	(586,270)
Carrying amount \$	1,241,255

(1) This includes \$22,425 of transaction costs.

(2) The loss for the period has been modified to align TRT's accounting policies with the Group's accounting policies. TRT's accounting policy is to capitalise all exploration and evaluation expenditure where as the Group expense all ongoing exploration and evaluation expenditure until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest.

(3) The Group's view was to impair their investment in TRT to the market price of the TRT shares as at 30 June 2019.

NOTE 10. DISPOSAL OF WA GOLD PROJECTS

On 13th February 2018, the Group entered into a Heads of Agreement (“HOA”) with Westgold to sell its interest in the Polar Bear Project (100%), Eundynie Joint Venture (80%) and the Norcott Project (100%) (together, the “WA Gold Projects”) via the sale of all of the shares in S2’s wholly owned subsidiary Polar Metals Pty Ltd (“Sale”) for A\$3 million cash and 4 million Westgold shares. The sale completed on 23rd February 2018.

Details of the sale of the subsidiary are as follows:

Consideration received	\$
Cash*	3,000,000
Westgold shares 4,000,000 at \$1.52per share	6,080,000
Total disposal consideration	9,080,000
Less:	
Transaction costs	(508,479)
Carrying amount of net assets sold**	(2,651,964)
Gain on disposal of WA Gold Projects	5,919,557

*The cash received for this transaction less cost of sale of \$170,563 was \$2,829,437.

**The carrying amount of assets and liabilities for Polar Metals Pty Ltd as at the date of sale 13 February 2018 of \$2,651,964 only consisted of the exploration asset.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 11. EXPLORATION AND EVALUATION

	30 June 2019 \$	30 June 2018 \$
Exploration costs	1,028,199	1,083,153
Movement during the year		
Balance at beginning of the year	1,083,153	4,650,820
Exploration expenditure incurred during the year	5,093,484	5,860,731
Exploration expenditure incurred during the year and expensed (i)	(5,093,484)	(5,859,587)
Exploration expenditure relating to acquisitions (ii)	-	173,473
Exploration impairment expense (iii)	(60,446)	(1,090,320)
Disposal of WA Gold Projects (see note 9)	-	(2,651,964)
Foreign currency translation differences	5,492	-
Balance at end of the year	1,028,199	1,083,153

(i) During the year ended 30 June 2019 the exploration expenditure incurred pertains to the following:

Australian Projects

The total exploration expenditure expensed for Polar Bear and Fraser Range projects was \$286,724. The Polar Bear project was owned by the Group's subsidiary Polar Metals Pty Ltd which was sold to Westgold Resources Limited on 13 February 2018 as described in note 10. The Group still holds nickel rights to the Polar Bear project.

Finland Projects

Exploration expenditure incurred and expensed for Finland was \$2,916,642.

US Projects

Exploration expenditure incurred and expensed for the following projects in the US were:

- E cru \$1,850,856
- South Roberts - \$39,262

(ii) During the year ended 30 June 2018, the Group entered into a joint venture with Renaissance Gold Inc ("Rengold"), a TSXV listed company to earn in to three of RenGold's properties located on some of the major known gold mineralised trends in Nevada, USA. The properties were South Roberts, Pluto and E cru and each property had an initial investment of US\$25,000. The total cost of acquiring these projects including transaction costs was \$173,473.

(iii) During the year ended 30 June 2019, the Group made a decision to withdraw from the South Roberts Project and therefore made an impairment expense of \$60,446. This decision would result in the Group not earning into the South Roberts joint venture with Rengold.

During the year ended 30 June 2018, the Group had made a decision to impair the Swedish exploration asset of \$1,033,028 due to its change in focus and resources from Sweden to other opportunities available to the Company. The Company still retains tenure in Sweden. Also the Group also made a decision to withdraw from the Pluto Project and therefore made an impairment expense of \$60,446. This decision would result in the Group not earning into the Pluto joint venture with Rengold.



Notes to the Consolidated Financial Statements

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

2019	Property, Plant and Equipment \$	Motor Vehicles \$	Computer Software \$	Fixtures and fittings \$	Total \$
Cost or deemed cost					
Balance at 1 July 2018	417,539	37,263	104,339	93,189	652,330
Additions	14,391	-	-	8,878	23,269
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	(2,698)	-	296	-	(2,402)
Balance at 30 June 2019	429,232	37,263	104,635	102,067	673,197
Depreciation					
Balance at 1 July 2018	258,144	19,874	84,009	62,569	424,596
Depreciation for the year - expensed	67,182	7,453	11,748	14,994	101,376
Exchange differences	(4,793)	-	139	-	(4,654)
Disposals	-	-	-	-	-
Balance at 30 June 2019	320,533	27,327	95,896	77,563	521,319
Carrying amounts					
at 1 July 2018	159,395	17,389	20,330	30,620	227,734
at 30 June 2019	108,699	9,936	8,739	24,504	151,878

Notes to the Consolidated Financial Statements
NOTE 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2018	Property, Plant and Equipment \$	Motor Vehicles \$	Computer Software \$	Fixtures and fittings \$	Total \$
Cost or deemed cost					
Balance at 1 July 2017	412,902	37,263	103,734	92,386	646,285
Additions	1,663	-	-	1,308	2,971
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	2,977	-	606	(506)	3,077
Balance at 30 June 2018	417,542	37,263	104,340	93,188	652,333
Depreciation					
Balance at 1 July 2017	150,755	12,421	52,752	38,767	254,695
Depreciation for the year - expensed	106,033	7,453	31,257	23,802	168,545
Exchange differences	1,356	-	-	-	1,356
Disposals	-	-	-	-	-
Balance at 30 June 2018	258,144	19,874	84,009	62,569	424,596
Carrying amounts					
at 1 July 2017	262,147	24,842	50,982	53,619	391,590
at 30 June 2018	159,398	17,389	20,331	30,619	227,737

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 13. TRADE AND OTHER PAYABLES

	30 June 2019 \$	30 June 2018 \$
Trade and other payables (i)	660,511	546,786

- (i) These amounts generally arise from the usual operating activities of the Group and are expected to be settled within 12 months. Collateral is not normally obtained.

NOTE 14. PROVISIONS

	30 June 2019 \$	30 June 2018 \$
Current		
Employee benefits (1)	73,049	60,521
Income Tax Payable (2)	-	-
	73,049	60,521
Carrying amount at start of the year	60,521	338,413
Provisions made during the year	12,528	(277,892)
Carrying amount at end of the year	73,049	60,521

- (1) Employee benefits are provided for all employees of the Group in line with their employment contracts and the balance for the year ended 30 June 2019 is expected to be settled within 12 months. The measurement and recognition criteria relating to employee benefits have been included in note 1 to this financial report.
- (2) During the financial year ended 30 June 2018, the Group paid an income tax payable for its subsidiary, Sakumpu Exploration Oy, however a tax refund was due as at 30 June 2019 from the Finnish Tax authorities. The tax refund has been disclosed as a receivable in note 7 and the refund has been received post 30 June 2019.

NOTE 15. SHARE CAPITAL

	30 June 2019 No. of Shares	30 June 2019 \$	30 June 2018 No. of Shares	30 June 2018 \$
Ordinary shares fully paid	247,915,179	52,552,523	246,052,451	52,237,523
Movement in Share Capital				
Ordinary shares fully paid				
Balance at beginning of year	247,915,179	52,552,523	246,052,452	52,237,523
Shares issued at \$0.17 per share*	-	-	1,862,727	315,000
Cost of issues of shares	-	-	-	-
Balance at year end	247,915,179	52,552,523	247,915,179	52,552,523
Cost of issues of shares	-	-	-	(587,135)
Balance at year end	247,915,179	52,552,523	246,052,452	52,237,523

*The share price of \$0.16910691 has been rounded to two decimal points.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 16. RESERVES

	30 June 2019 \$	30 June 2018 \$
Share-based payments reserve (i)	7,905,600	7,786,606
Other reserve (ii)	144,517	144,517
Foreign currency translation reserve (iii)	134,398	131,223
Revaluation reserve (iv)	354,998	1,910,667
	8,539,513	9,973,013

(i) The share-based payments reserve recognises the fair value of the options issued to Directors, employees and service providers.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

(ii) The other reserve recognises the remaining non-controlling interest (33%) that was purchased from the Sakumpu vendors on 30 November 2015. Sakumpu Exploration Oy is a registered entity in Finland.

(iii) Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iv) The revaluation reserve recognises the change in fair value of investments. Please refer to note 8 of these financials.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 17. SHARE-BASED PAYMENTS

The following share-based payments arrangements were in existence during the current reporting year:

Options Series	Number	Grant Date	Expiry Date	Exercise Price \$	Fair value at Grant Date \$
(1) Issued at 14 September 2015	29,250,000	14/09/2015	14/09/2019	0.31	0.13
(2) Issued at 9 October 2015	50,000	09/10/2015	09/10/2019	0.31	0.13
(3) Issued at 23 October 2015	400,000	23/10/2015	23/10/2019	0.31	0.12
(4) Issued at 29 November 2015	400,000	29/11/2015	28/11/2019	0.31	0.08
(5) Issued at 18 April 2016	800,000	18/04/2016	17/04/2020	0.31	0.14
(6) Issued at 28 April 2016	1,000,000	29/04/2016	28/04/2020	0.35	0.16
(7) Issued at 7 October 2016	11,950,000	07/10/2016	06/10/2020	0.61	0.23
(8) Issued 17 October 2017	7,750,000	17/10/2017	16/10/2021	0.23	0.08
(9) Issued 17 October 2017	3,400,000	17/10/2017	16/10/2021	0.23	0.08
(10) Issued 28 November 2018	2,900,000	28/11/2018	27/11/2022	0.14	0.05
(11) Issued 5 March 2019	50,000	05/03/2019	04/03/2023	0.11	0.04

- (1) The 29,250,000 options in series 1 comprised 23,750,000 options issued to the Directors of the Group which vested immediately, 3,600,000 options issued to employees under the Employee Share Option Plan which vest one year from grant date and 1,900,000 options issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (2) The 50,000 options in series 2 which vests one year from grant date was issued to employees under the Employee Share Option Plan.
- (3) The 400,000 options in series 3 which vests one year from grant date was issued to employees under the Employee Share Option Plan.
- (4) The 400,000 options in series 4 which vests one year from grant date was issued to employees under the Employee Share Option Plan.
- (5) The 800,000 options in series 5 comprised of 400,000 options were issued to employees under the Employee Share Option Plan which vests one year from grant date, and 400,000 options issued to service providers which vests one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (6) The 1,000,000 options in series 6 which vested immediately were issued to a Director of the Group.
- (7) The 11,950,000 options in series 7 comprised 6,500,000 options issued to the Directors of the Group which vested immediately, 2,700,000 options were issued to employees under the Employee Share Option Plan which vest one year from grant date and 2,750,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (8) The 7,750,000 options in series 8 which vested immediately were issued to the Directors of the Group which vested immediately.
- (9) The 3,400,000 options in series 9 comprised 2,950,000 options issued to employees under the Employee Share Option Plan which vest one year from grant date and 450,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (10) The 2,900,000 options in series 10 comprised 2,500,000 were issued to employees under the Employee Share Option Plan which vest one year from grant date and 400,000 options were issued to service providers which vest one year from grant date. For the service provider options, the value of services received was unable to be measured reliably and therefore the value of services received was measured by reference to the fair value of options issued.
- (11) The 50,000 options in series 11 which vests one year from grant date was issued to an employee under the Employee Share Option Plan.

The weighted average fair value of the share options granted during the year is \$0.14.

The total expense of the share based payments for the year was:

	30 June 2019 \$	30 June 2018 \$
Options issued under Directors Option Plan	-	642,717
Options issued under Employee Share Plan	108,426	196,717
Options issued under Service Provider Plan	10,568	37,319
	118,994	876,753

The weighted average contractual life for options outstanding at the end of the year was 1.4 years.

Options were priced using a Black-Scholes option pricing model using the inputs below:

	Series 1	Series 2	Series 3	Series 4	Series 5
Grant date share price	0.21	0.19	0.19	0.14	0.22
Exercise price	0.31	0.31	0.31	0.31	0.31
Expected volatility	100.00%	100.00%	100.00%	100.00%	100.00%
Option life	4 years	4 years	4 years	4 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	3.10%	3.10%	3.10%	3.35%	3.26%

	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11
Grant date share price	0.25	0.44	0.16	0.23	0.09	0.07
Exercise price	0.35	0.61	0.23	0.23	0.14	0.11
Expected volatility	100%	80%	80%	80%	80%	80%
Option life	4 years	4 years	4 years	4 years	4 years	4 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	3.35%	2.87%	2.34%	2.34%	2.29%	1.75%

The following reconciles the outstanding share options granted in the year ended 30 June 2019:

	30 June 2019 No. of Options	30 June 2019 Weighted average exercise price \$	30 June 2018 No. of Options	30 June 2018 Weighted average exercise price \$
Balance at the beginning of the year	50,750,000	0.36	40,350,000	0.36
Granted during the year	2,950,000	0.14	11,150,000	0.23
Exercised during the year	-	-	-	-
Expired during the year (i)	(500,000)	0.19	(750,000)	0.40
Balance at the end of the year	53,200,000	0.34	50,750,000	0.35
Un-exercisable at the end of the year	2,750,000	0.14	3,150,000	0.23
Exercisable at end of the year	50,450,000	0.35	47,600,000	0.36

i) Options expired or cancelled during the year

For the year ended 30 June 2019, due to employee redundancies and resignations during the financial year, 500,000 employee share options were cancelled.

No amounts are unpaid on any of the shares. No person entitled to exercise an option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

Notes to the Consolidated Financial Statements

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NOTE 18. DIVIDENDS

There were no dividends recommended or paid during the year ended 30 June 2019.

NOTE 19. KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2019 \$	30 June 2018 \$
Short term employee benefits	578,794	631,081
Post-employment benefits	44,641	44,960
Long-term benefits	30,341	14,281
Share-based payment	13,519	667,596
	667,295	1,357,918

Detailed remuneration disclosures are provided in the Remuneration Report.

NOTE 20. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	30 June 2019 \$	30 June 2018 \$
Loss for the year	(8,288,971)	(1,673,903)
Depreciation	101,376	168,545
Equity Settled share-based payment transaction	118,994	876,753
Exploration expenditure written off	60,446	1,090,320
Income tax benefit/(expense)	70,445	(102,536)
Other (gain)/losses - net	(199,015)	(209,139)
Gain on disposal of available for sale financial assets	-	(1,893,669)
Gain on disposal of WA Gold Projects	-	(5,919,557)
Share of associate's loss	915,715	-
Associate impairment expense	586,270	-
Increase/(Decrease) in trade and other payables	13,486	69,967
Increase/(Decrease) in provisions	12,529	(421,597)
(Increase)/Decrease in receivables	(51,112)	145,172
Net cash outflow from operating activities	(6,659,837)	(7,869,644)

NOTE 21. NON-CASH INVESTING AND FINANCING ACTIVITIES

During the financial year ended 30 June 2018, the Group acquired available for sale assets with a fair value of \$6,080,000 as consideration for the sale of the WA Gold Projects as per note 10. In relation to the transaction costs of the sale, shares were issued at a value of \$315,000 in exchange for services provided. The share consideration and transaction costs are not reflected in the statement of cashflows.

	30 June 2018 \$
Consideration of shares from Westgold as per the sale of WA Gold Projects	6,080,000
Transaction costs in relation to the sale of WA Gold Projects - shares issued	(315,000)

NOTE 22. BASIC LOSS PER SHARE

	30 June 2019 \$	30 June 2018 \$
(a) Reconciliation of loss used in calculating loss per share		
<i>Basic loss per share</i>		
Loss attributable to the ordinary equity holders used in calculating basic loss per share	(8,288,971)	(1,673,903)
(b) Weighted average number of shares used as the Denominator	Number	Number
Ordinary shares used as the denominator in calculating basic loss per share	247,915,179	247,915,179
(c) Basic loss per share	Cents	Cents
Basic loss per share	(3.34)	(0.68)

Where loss per share is non-dilutive, it is not disclosed.

NOTE 23. COMMITMENTS

The Group must meet the following operating lease and tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

	30 June 2019 \$	30 June 2018 \$
Not later than one year	361,920	43,007
After one year but less than two years	287,382	202,397
After two years but less than five years	702,546	368,044
After five years*	227,232	122,681
	1,579,080	736,129

* Per annum

The increase of commitments for the year ended 30 June 2019 is due to granting of exploration licences in Finland.

NOTE 24. RELATED PARTY TRANSACTIONS

On 5 March 2019, the Company entered into a Shared Services Agreement with Todd Resources Ltd ("TRT"). The fees and costs associated with the agreement include 40% of the Company's budgeted administrative expenditure per month in lieu of the office facilities provided by the Company to TRT. The Company also provide personnel on a consulting basis for geological, GIS, financial and office administration services to TRT as part of the agreement. A total of \$123,193 for administrative expenditure and consulting services had been incurred for the financial year ended 30 June 2019. As at 30 June 2019, the Group has a receivable outstanding from TRT of \$49,896.

Other than the Directors and key management personnel salaries and options described in the Remuneration Report, there were no related party transactions for the year ended 30 June 2019.

NOTE 25. JOINT VENTURES

The Group has interests in the following joint venture operations:

Tenement Area	Activities	2019	2018
Eundynie	All metals excluding nickel	-	-
Eundynie	Nickel	80%	80%

Due to the sale of Polar Metals Pty Ltd to Westgold Resources Limited as announced on 13 February 2018, the Group had sold all metals rights (excluding nickel) for the Eundynie JV.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

NOTE 26. PARENT ENTITY DISCLOSURES

Financial position

	30 June 2019 \$	30 June 2018 \$
Assets		
Current assets	11,693,967	14,902,074
Non-current assets	4,667,728	10,003,974
Total assets	16,361,695	24,906,048
Liabilities		
Current liabilities	333,211	189,819
Non-current liabilities	-	-
Total liabilities	333,211	189,819
Net assets	16,028,484	24,716,229
Equity		
Issued capital	52,552,523	52,552,523
Share-based payments reserve	7,905,600	7,786,606
Fair value and other comprehensive income reserve	354,998	1,910,667
Accumulated losses	(44,784,639)	(37,533,567)
Total equity	16,028,484	24,716,229

Financial performance

	30 June 2019 \$	30 June 2018 \$
Loss for the year	(8,208,819)	(1,366,154)
Other comprehensive income	(597,921)	1,722,578
Total comprehensive income	(8,806,740)	356,424

The parent entity has entered into an office lease agreement where the following commitments must be met:

	30 June 2019 \$	30 June 2018 \$
Not later than one year	87,188	33,341
After one year but less than two years	52,650	202,397
	139,838	235,738

NOTE 27. SUBSIDIARIES

Name of entity	Country of incorporation	Class of Shares	Equity Holding	
			2018	2019
Sirius Europa Pty Ltd	Australia	Ordinary	100%	100%
Norse Exploration Pty Ltd	Australia	Ordinary	100%	100%
Sakumpu Exploration Oy	Finland	Ordinary	100%	100%
S2 Exploration Quebec Inc.	Canada	Ordinary	100%	100%
S2 Sverige AB	Sweden	Ordinary	100%	100%
S2RUS Pty Ltd	Australia	Ordinary	100%	100%
S2RUS LLC	United States	Ordinary	100%	100%
Nevada Star Exploration LLC	United States	Ordinary	100%	100%

NOTE 28. EVENTS OCCURRING AFTER THE REPORTING YEAR

In September 2019, the Group had entered into the following arrangement with Todd River Resources Ltd (ASX:TRT):

- On 10 September 2019, the Group had participated in Todd River Resources Ltd's (ASX:TRT) placement by purchasing 11,959,700 shares at \$3.1 cents per share increasing its investment by \$370,751.
- The Group has also committed to take up its full entitlement under TRT's 1-for-3 underwritten non-renounceable pro-rata Entitlement Offer which will result in an issue of 14,078,099 shares to the Group at \$3.1 cents per share. The Entitlement Offer will end on 4 October 2019.
- The Group will also participate as a sub-under writer which is capped at a maximum of up to approximately \$854,167 or 27,533,783 new shares.

Other than the after balance date events stated above, there has been no matter or circumstance that has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

NOTE 29. REMUNERATION OF AUDITORS

	30 June 2019 \$	30 June 2018 \$
During the year the following fees were paid or payable for services provided by the auditor of the Group:		
Audit services	37,309	38,482
Total remuneration for audit services	37,309	38,482

Directors Declaration

The Directors of the Group declare that:

1. The financial statements and notes as set out on pages 17 to 58 are in accordance with the Corporations Act 2001, and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position of the Group as at 30 June 2019 and of its performance for the year ended on that date.
2. The financial report also complies with International Financial Reporting Standards as disclosed in note 1 to the financial statements.
3. The Director acting in the capacity of Chief Executive Officer has declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the accounting standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
4. In the opinion of the Directors there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
5. The remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Mark Bennett
Director
Perth
10 September 2019

Auditor's Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF S2 RESOURCES LIMITED

As lead auditor of S2 Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of S2 Resources Limited and the entities it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 10 September 2019

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the members of S2 Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of S2 Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Carrying value of exploration and evaluation assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2019, the carrying value of the capitalised exploration and evaluation asset is disclosed in Note 11.</p> <p>As the carrying value of the capitalised exploration and evaluation asset represents a significant asset of the Group, and judgement is applied by management in considering whether facts and circumstances indicate that the exploration and evaluation asset should be tested for impairment. As a result, the asset requires assessment for impairment indicators in accordance with <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> (“AASB 6”).</p>	<p>We have evaluated management’s assessment of impairment indicators in accordance with AASB 6 including but not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 11 and 1(a) to the Financial Statements.

Independent Auditor's Report (Continued)



Carrying value of investment in associate

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2019, the carrying value of the equity accounted investment in associate Todd River Resources Limited ("TRT") is disclosed in Note 9.</p> <p>At each reporting period, the value of the equity accounted investment in TRT needs to be assessed for indicators of impairment in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i> ("AASB 128"). If indicators of impairment exist, the recoverable amount needs to be estimated.</p> <p>The assessment of the carrying value of the equity accounted investment in TRT was a key audit matter due to the judgment involved in determining the recoverable amount.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • verifying the profit or loss and net assets of the associate and checking the calculations for the recognition of associate loss for the period; • Considering the existence of any indicators of impairment of the investment in accordance with AASB 128; • Reviewing ASX announcements, Board of Directors meetings minutes to assess for potential indicators of impairment; • Evaluating and assessing the accuracy of Group's calculation of the impairment charge; and • Assessing the adequacy of the related disclosures in Notes 9 and 1(a) to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Financial Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.



Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of S2 Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 10 September 2019

Additional ASX Information

The shareholder information set out below was applicable as at the dates specified.

Unlisted Securities

Options (Current as at 9 September 2019)

	Number on issue	Number of holders
Options expiring 14 September 2019 at an exercise price of \$0.31	28,500,000	15
Options expiring 23 October 2019 at an exercise price of \$0.31	400,000	1
Options expiring 28 November 2019 at an exercise price of \$0.31	400,000	1
Options expiring 17 April 2020 at an exercise price of \$0.31	200,000	1
Options expiring 6 October 2020 at an exercise price of \$0.61	10,050,000	16
Options expiring 17 October 2021	7,750,000	4
Options expiring 20 October 2021	2,650,000	7
Options expiring 27 October 2022	2,700,000	6
Options expiring 4 March 2023	50,000	1

Holders of over 20% of unlisted securities

There are the following holders of more than 20% of unlisted securities as at 9 September 2019:

	Number held
Mark Bennett	19,500,000
Anna Neuling	11,500,000

Distribution of Equity Securities (Current as at 9 September 2019)

Analysis of numbers of ordinary shareholders by size of holding:

			Number of Shareholders
1	-	1,000	1,996
1,001	-	5,000	1,164
5,001	-	10,000	454
10,001	-	100,000	841
100,001	and over		255
			4,710

There are 2,326 holders holding less than a marketable parcel of ordinary shares based on the closing market price as at 9 September 2019.

Ordinary Shares subject to escrow (Current as at 9 September 2019)

There are zero ordinary shares subject to either regulatory or voluntary escrow.

On-Market Buy-Back

There is no current on-market buy-back.

Voting Rights

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options: These securities have no voting rights.

Substantial Holders (Current as at 9 September 2019)

Substantial holders of equity securities in the Company are set out below:

Ordinary Shares

Name	Number held	Percentage of issued shares
Mark Gareth Creasy, Yandal Investments Pty Ltd, Ponton Minerals Pty Ltd, Lake Rivers Gold Pty Ltd and Free CI Pty Ltd	73,175,881	29.75%
Merian Global Investors (UK) Limited	23,16,574	9.38%

Additional ASX Information (Continued)

Equity Security Holders (Current as at 9 September 2019)

The names of the twenty largest holders of quoted equity securities (ordinary shares) are listed below:

Rank	Name	Units	% of Units
1	YANDAL INVESTMENTS PTY LTD	47,482,707	19.15
2	CITICORP NOMINEES PTY LIMITED	25,194,880	10.16
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,580,993	5.07
4	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	9,045,809	3.65
5	PONTON MINERALS PTY LTD	8,312,410	3.35
6	FREE CI PTY LTD	8,312,409	3.35
6	LAKE RIVERS GOLD PTY LTD	8,312,409	3.35
8	GURRAVEMBI INVESTMENTS PTY LTD <THE GURRAVEMBI S/FUND A/C>	5,000,000	2.02
9	DR MARK ANTHONY BENNETT	4,095,000	1.65
10	SOUTHERN CROSS CAPITAL PTY LTD	3,720,101	1.50
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,747,454	1.11
12	MR ALAIN CHEVALIER	2,100,000	0.85
13	REDLAND PLAINS PTY LTD <MAJESTIC INVESTMENT FUND A/C>	2,065,150	0.83
14	ROXTRUS PTY LTD	2,005,946	0.81
15	ZENIX NOMINEES PTY LTD	1,862,727	0.75
16	MR HUGH WALLACE-SMITH	1,600,000	0.65
17	JOLEE CORPORATION PTY LTD <JOLEE INVESTMENT A/C>	1,432,719	0.58
18	MR ROBERT MACFADYEN PTY LTD <MACFADYEN S/F A/C>	1,200,000	0.48
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,070,302	0.43
20	LAWLEY BAY EQUITIES PTY LTD <HEATHER DISCRETIONARY A/C>	1,051,754	0.42
	Total of Top 20	149,192,770	60.18
	Total Remaining Holders Balance	98,722,409	39.82

Tenement Schedule at 30 June 2019

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
FINLAND					
Reservations					
Central Lapland	Pahasvuoma	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Rova	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Exploration Licenses					
Central Lapland	Kerjonen	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Keulakkopää	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Paana Central	Sakumpu Exploration Oy	Central Lapland	100%	Granted
Central Lapland	Palvanen	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Putaanperä	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Sikavaara	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana East	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana West	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Selkä	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Mesi	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Ruopas	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Nuttio	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Home	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Hanhijarvi	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Pikkulaki	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Ruopas 1	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Paana W2	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Home 1	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Palvanen 1	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Palvanen 2	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application
Central Lapland	Aakenusvaara	Sakumpu Exploration Oy	Central Lapland	100% when granted	Application

Additional ASX Information (Continued)

Tenement Schedule at 30 June 2019

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
NEVADA					
Ecru	Ecru 1 NMC1098847	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 2 NMC1098848	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 3 NMC1098849	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 4 NMC1098850	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 5 NMC1098851	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 6 NMC1098852	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 7 NMC1098853	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 8 NMC1098854	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 9 NMC1098855	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 10 NMC1098856	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 11 NMC1098857	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 12 NMC1098858	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 13 NMC1098859	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 14 NMC1098860	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 15 NMC1098861	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 16 NMC1098862	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 17 NMC1098863	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 18 NMC1098864	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 19 NMC1098865	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 20 NMC1098866	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 21 NMC1098867	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 22 NMC1098868	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 23 NMC1098869	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 24 NMC1098870	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 25 NMC1098871	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 26 NMC1098872	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 27 NMC1098873	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 28 NMC1098874	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 29 NMC1098875	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 30 NMC1098876	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
NEVADA (CONTINUED)					
Ecru	Ecru 31 NMC1098877	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 32 NMC1098878	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 33 NMC1098879	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 34 NMC1098880	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 35 NMC1098881	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 36 NMC1098882	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 37 NMC1098883	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 38 NMC1098884	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 39 NMC1098885	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 40 NMC1098886	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 41 NMC1098887	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 42 NMC1098888	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 43 NMC1098889	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 44 NMC1098890	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 45 NMC1098891	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 46 NMC1098892	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 47 NMC1098893	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 48 NMC1098894	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 49 NMC1098895	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 50 NMC1098896	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 51 NMC1098897	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 52 NMC1098898	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 53 NMC1098899	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 54 NMC1098900	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 55 NMC1098901	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 56 NMC1098902	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 57 NMC1098903	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 58 NMC1098904	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 59 NMC1098905	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 60 NMC1098906	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted

Additional ASX Information (Continued)

Tenement Schedule at 30 June 2019

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
NEVADA (CONTINUED)					
Ecru	Ecru 61 NMC1098907	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 62 NMC1098908	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 63 NMC1098909	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 64 NMC1098910	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 65 NMC1098911	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 66 NMC1098912	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 67 NMC1098913	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 68 NMC1098914	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 69 NMC1098915	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 70 NMC1098916	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 71 NMC1098917	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 72 NMC1098918	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 73 NMC1098919	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 74 NMC1098920	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 75 NMC1098921	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 76 NMC1098922	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 77 NMC1098923	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 78 NMC1098924	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 79 NMC1098925	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 80 NMC1098926	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 81 NMC1098927	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 82 NMC1098928	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 83 NMC1098929	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 84 NMC1098930	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 85 NMC1098931	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 86 NMC1098932	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 87 NMC1098933	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 88 NMC1098934	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 89 NMC1098935	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 90 NMC1098936	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
NEVADA (CONTINUED)					
Ecru	Ecru 91 NMC1098937	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 92 NMC1098938	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 93 NMC1098939	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 94 NMC1098940	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 95 NMC1098941	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 96 NMC1098942	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 97 NMC1098943	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 98 NMC1098944	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 99 NMC1098945	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 100 NMC1098946	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 101 NMC1098947	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 102 NMC1098948	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 103 NMC1098949	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 104 NMC1098950	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 105 NMC1098951	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 106 NMC1098952	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 107 NMC1098953	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 108 NMC1098954	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 113 NMC1098955	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 114 NMC1098956	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 115 NMC1098957	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	Ecru 116 NMC1098958	Kinetic Gold (US) Inc.	Lander C.	earning 70%	Granted
Ecru	T29N R47E Section 27 (All)	Newmont USA Ltd	Lander C.	earning 70%	Granted Private Mineral Rights
Ecru	T29N R47E Section 33 (N1/2, N1/2S1/2)	Newmont USA Ltd	Lander C.	earning 70%	Granted Private Mineral Rights

Additional ASX Information (Continued)

Tenement Schedule at 30 June 2019

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
WESTERN AUSTRALIA					
Polar Bear	E15/1298	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1461	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E15/1541	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1142	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1712	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1725	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1756	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	E63/1757	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/651	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/710	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M15/1814	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/230	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/255	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/269	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/279	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	M63/662	Polar Metals Pty Ltd	Lake Cowan	100% nickel when granted	Application
Polar Bear	P15/5638	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5639	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5640	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5958	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P15/5959	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1587	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1588	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1589	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1590	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1591	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1592	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1593	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted
Polar Bear	P63/1594	Polar Metals Pty Ltd	Lake Cowan	100% nickel	Granted

Project	Tenement ID	Registered Holder	Location	Ownership %	Status
WESTERN AUSTRALIA (CONTINUED)					
Eundynie JV	E15/1458	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E15/1459	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E15/1464	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1726	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1727	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Eundynie JV	E63/1738	Polar Metals Pty Ltd / Shumwari Pty Ltd	Lake Cowan	80% nickel	Granted
Norcott	E15/1487	Polar Metals Pty Ltd	Mt Norcott	100% nickel	Granted
Norcott	E63/1728	Polar Metals Pty Ltd	Mt Norcott	100% nickel	Granted
Fraser Range	E28/2791	Southern Star Pty Ltd	Fraser Range	100% when granted - subject to ballot	Application
Fraser Range	E28/2792	Southern Star Pty Ltd	Fraser Range	100% when granted - subject to ballot	Application
Fraser Range	E28/2793	Southern Star Pty Ltd	Fraser Range	100% when granted - subject to ballot	Application
Fraser Range	E28/2794	Southern Star Pty Ltd	Fraser Range	100% when granted - subject to ballot	Application

Competent Persons Statement

The information in this report that relates to exploration results from Australia and Nevada is based on information compiled by John Bartlett who is an employee of the company. Mr Bartlett is a member of the Australasian Institute of Mining and Metallurgy. Mr Bartlett has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons 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 information in this report that relates to exploration results Finland is based on information compiled by Andy Thompson who is an employee of the company. Mr Thompson is a member of the Australasian Institute of Mining and Metallurgy. Mr Thompson has sufficient experience of relevance to the style of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons 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 Thompson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.



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