

31 July 2018

QUARTERLY ACTIVITIES REPORT – April-June 2018

Saturn Metals Limited – ASX:STN

Highlights:

Drilling

- Results returned from Saturn's first 5,593m 44-hole RC and diamond drilling program at Apollo Hill. Significant near-surface drilling intersections include:
 - 11m @ 2.5g/t Au from 1m including 8m @ 3.3 g.t Au from 16m – AHRC0026;
 - 20m @ 2.5g/t Au from 52m and 11m @ 2.28g/t Au from 84m within,
 - 100m @ 1.01g/t Au from 7m – AHRC0019;
 - 16m @ 2.75g/t Au from 8m – AHRC0027;
 - 6m @ 3.05g/t Au from 68m within 68m @ 0.85g/t Au from surface – AHRC0020;
 - 4m @ 4.29g/t Au from 124m – AHRC0030;
 - 22m @ 1.01g/t Au from 52m including 11m @ 1.49g/t Au from 52m – AHRC0029;
 - 10m @ 1.5g/t Au from 49m – AHRC0032;
 - 12m @ 2.8g/t Au from 4m including 3m @ 8.8g/t Au from 13m – AHRC0024;
 - 7.4m @ 2.01g/t Au from 220.5m - AHRC0007;
 - 11.2m @ 1.77g/t Au from 173.8m within 24.2m @ 1.22g/t Au from 173.8m- AHRC0016;
 - 2.5m @ 3.18g/t Au from 76.5m within 10.1m @ 1.26g/t Au from 75.9m – AHRC0002 (Apollo Hill South).
- Assays further defined mineralisation along a 250m southern extension corridor to the main Apollo Hill resource and opened and extended mineralisation to the North.
- Intersections continued to be comparable with historic mineralised intervals highlighting the potential to increase the scale of the known mineralised system from the current 0.5Moz JORC 2012 compliant inferred gold resource of 17.2Mt at 0.9g/t Au¹.
- Drilling improved the geological continuity of higher grade structural zones or shoots (Armstrong and Eagle Shoots) within the existing resource, highlighting the potential to increase the overall grade of the mineralised system.
- Multiple visible gold intercepts corresponding to higher-grade assays were noted in diamond core.
- In addition, a second resource focussed RC drilling campaign was completed on 29 July 2018 with assay results from this 4,001m 30-hole program expected in the coming month.
- All results will be used in Saturn's upcoming resource re-calculation expected to be finalised later in 2018.
- Saturn qualified for grant in the latest round of the West Australian Government's Exploration Incentive Scheme with funds to be used for drilling targeting the higher-grade gold shoots at Apollo Hill.

¹The Apollo Hill Gold Project (100% owned) contains a 0.505Moz JORC 2012 compliant inferred gold resource (17.2Mt at 0.9g/t Au) (refer to the Saturn Metals Prospectus and Independent Geologist's Report on the Company's website for details of this Resource including Competent Persons Statement and JORC Table 1).

EXPLORATION

Drilling

During the quarter Saturn received all remaining results from its inaugural RC program (35 holes for 4,275m) at the Apollo Hill Gold Project near Leonora in the West Australian goldfields, as well as results from a nine hole 1,316m diamond drilling campaign at the project.

Significant near-surface drill results include:

- 20m @ 2.5g/t Au from 52m, and 11m @ 2.28g/t Au from 84m within 100m @ 1.01g/t Au from 7m – AHRC0019;
- 6m @ 3.05g/t Au from 68m within 68m @ 0.85g/t Au from surface – AHRC0020;
- 12m @ 2.8g/t Au from 4m including 3m @ 8.8g/t Au from 13m within 31m @ 1.12g/t Au from 1m – AHRC0024;
- 11m @ 1.1g/t Au from 13m and 7m @ 1.11g/t Au from 49m – AHRC0025;
- 22m @ 1.01g/t Au from 52m including 11m @ 1.49g/t Au from 52m – AHRC0029;
- 11m @ 2.5g/t Au from 1m including 8m @ 3.3 g.t Au from 16m – AHRC0026;
- 16m @ 2.75g/t Au from 8m - AHRC0027;
- 4m @ 4.29g/t Au from 124m – AHRC0030;
- 10m @ 1.5g/t Au from 49m – AHRC0032;
- 6m @ 2.41g/t Au from 53m – AHRC0034;
- 11.2m @ 1.77g/t Au from 173.8m within 24.2m @ 1.22g/t Au from 173.8m – AHRC0016;
- 2.5m @ 3.18g/t Au from 76.5m within 10.1m @ 1.26g/t Au from 75.9m – AHDD0002 (Apollo Hill South).

All material results are listed in Table 1. Hole details are listed in Tables 2 and 3.



Figure 1 Diamond Drilling – Apollo Hill – 30 May 2015

Assays further defined mineralisation along a 250m southern extension corridor to the main Apollo Hill resource which has a current strike length of 1,100m (Figure 2). In addition, results opened and extended mineralisation to the north. Intersections continued to be comparable with historic

mineralised intervals highlighting the potential to increase the scale of the known mineralised system from the current 0.5Moz JORC 2012 compliant inferred gold resource¹.

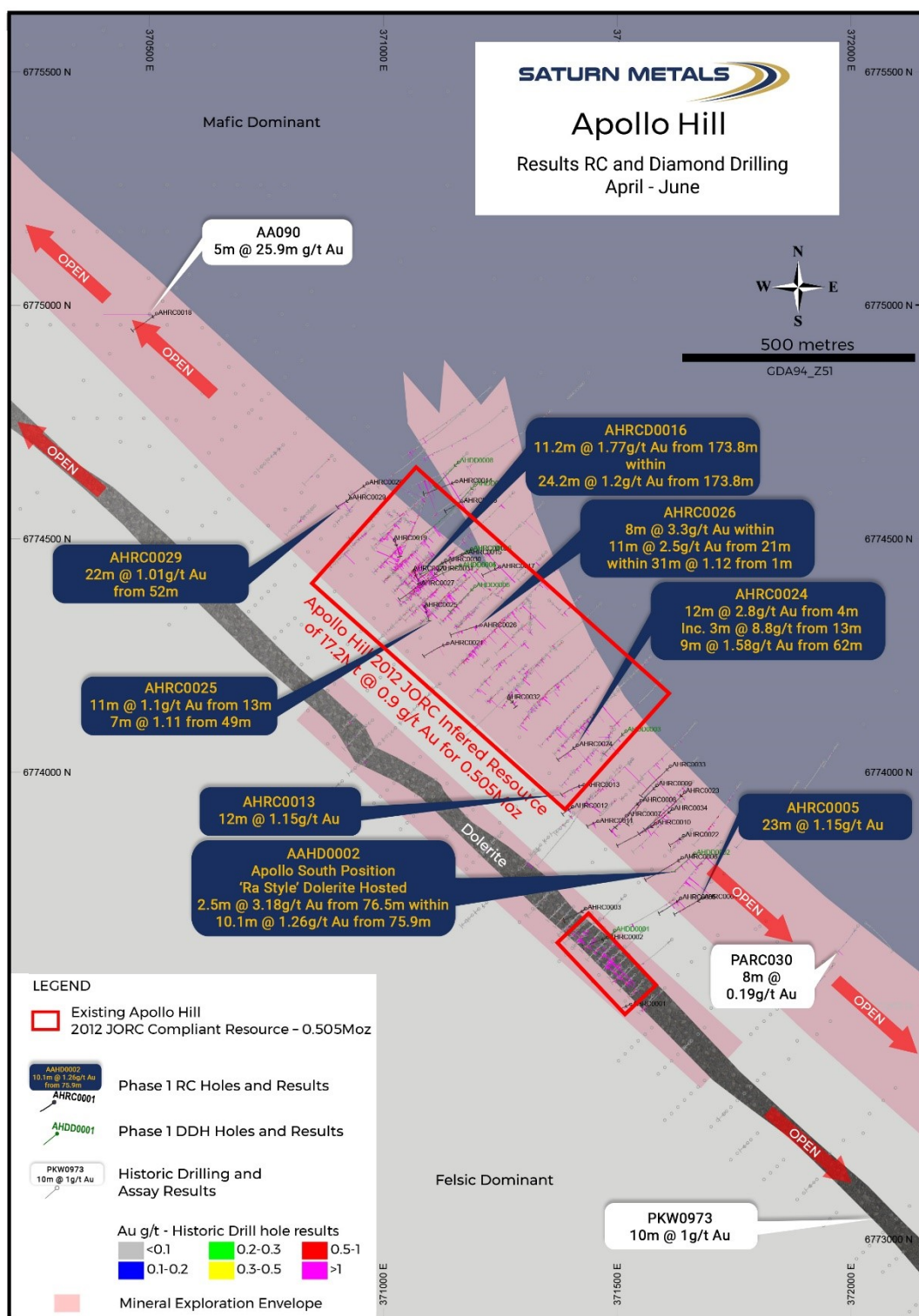


Figure 2 Recent RC and diamond drill holes in plan view showing selected significant assay results and historical drill results, with resource Apollo Hill JORC 2012 compliant resource outline. Many results in reported holes sit significantly outside the Published Resource¹ outline illustrated.

Drilling improved the geological continuity of higher grade structural zones or shoots (Armstrong and Eagle Shoots) within the existing resource, highlighting the potential to increase the overall grade of the mineralised system. Drilling also extended the Armstrong and Eagle Shoots practically to surface (illustrated in Figures 3, 4 and 5).

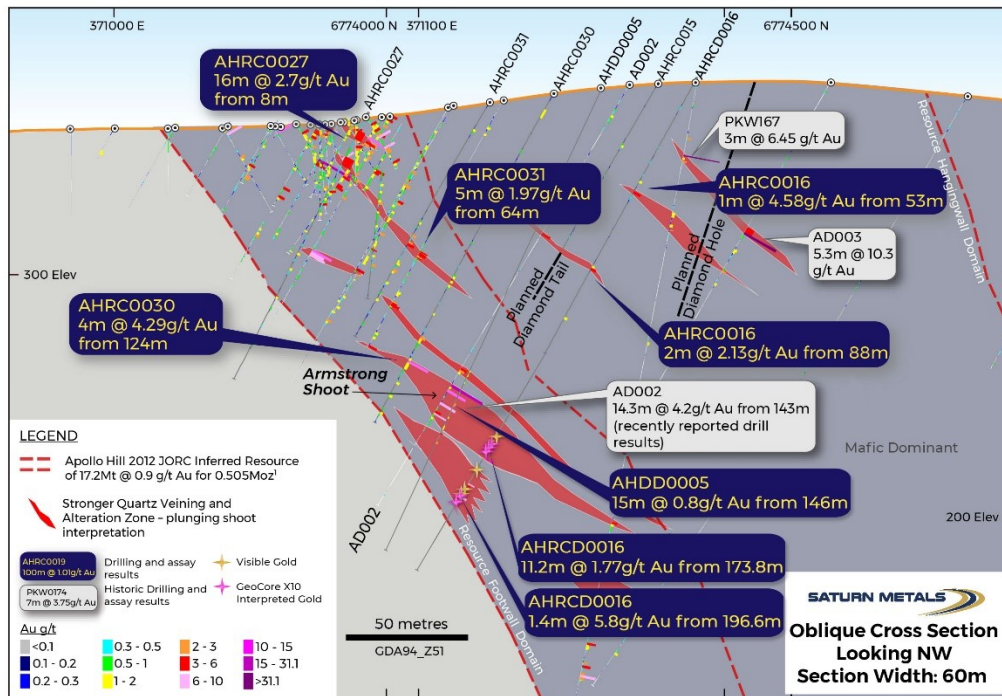


Figure 3 Cross Section showing simple geology, new and historic assay results, visible gold intercepts in AHRCD0016 and planned diamond tails and drill holes.

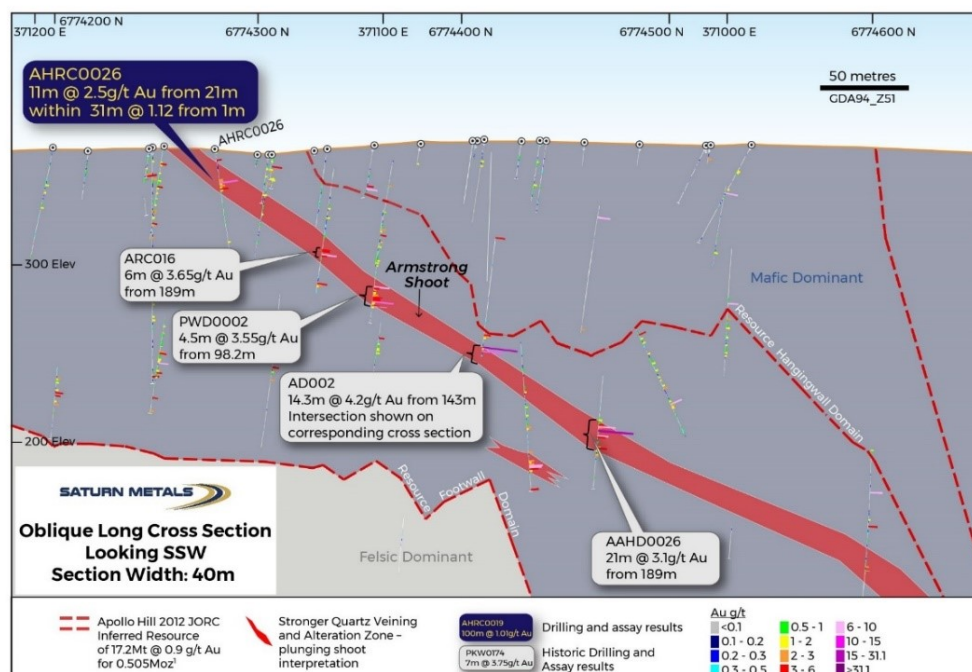


Figure 4 Cross Section showing simple geology and assay results for AHRC0011, AHRC0007 - AHRC0009; and assays pending for AHRC0033.

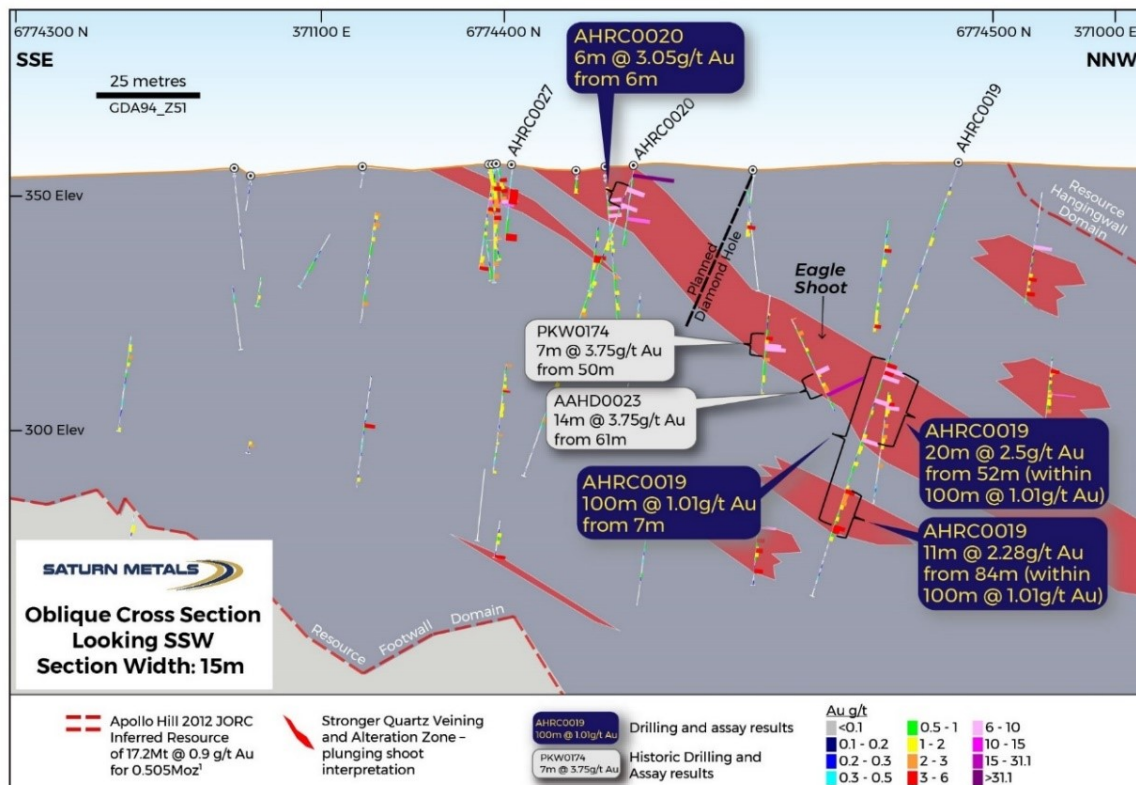


Figure 5 Cross Section showing simple geology, new and historic assay results and a planned diamond hole.

The Armstrong Shoot, in particular, remains open at depth (current drilling only to 180m vertical depth, illustrated in Figure 4). Drilling in alternate directions enabled Saturn to better visualise and target these shoots, which are characterised by zones of increased vein density, alteration and deformation. The Company has identified and modelled several similar shoots that require further drill testing.

Multiple visible gold intercepts corresponding to higher-grade assays were noted in Saturn's inaugural diamond drilling program into the Armstrong position. Samples from a mineralised intercept in one hole (AHRCD0016 – 11.2m @ 1.77g/t Au from 173.8m) have been submitted for a second and third round of assays using larger sample size bottle roll cyanidation and screen fire assay to help assess the effect of the noted nuggety gold (Figure 6) on the reported assay results.

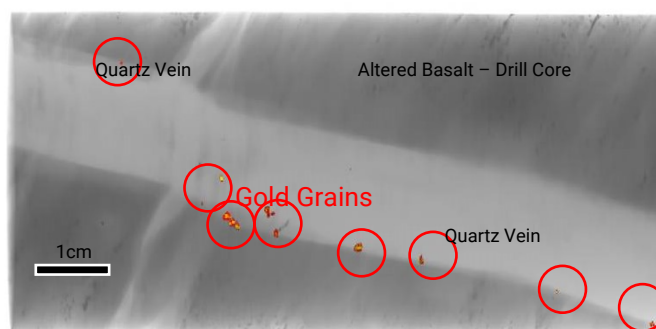


Figure 6 Gold in AHDD0005 Core - (0.5m @ 15.6g/t Au from 92.3m) highlighted using Orexplore GeoCore X10 Core Scanning Technology.

Intersections at Apollo South showed similarities to higher grade dolerite-hosted vein structures noted in the parallel and adjacent Ra deposit (Figure 7). Historical intersections at Ra include 6m @

4.57g/t Au from 44.4m (PKW0877) and results highlight the potential for more of this important, and possibly higher grade 'Ra' style of mineralisation. Drilling remains open along strike and down plunge with the potential for multiple stacked lodes.



Figure 7 Cross Section (+/-100m) showing simple geology, new diamond drilling assay results and historic assay results at Apollo Hill South and Ra. Recent results at Apollo South show more focussed and structurally controlled mineralisation associated with prospective dolerite zones and highlight the potential for a second Ra style zone of mineralisation.

Saturn qualified for a A\$35,000 grant in the latest round of the WA government's Exploration Incentive Scheme with funds to be used for drilling to target higher grade gold shoots at Apollo Hill. The grant will cover 50% of the cost of two planned RC/diamond holes in the June to September quarter. The planned holes will follow up on previous significant intersections including 2m @ 69.9 g/t Au from 146m and 5.3m @ 10.3 g/t Au from 70.7m and recently reported higher grade RC results including 3m at 8.8 g/t Au from 4m and 20m @ 2.5 g/t Au from 52m (See ASX announcements 17 April 2018, 27 April 2018, 22 May 2018 and 31 May 2018).

In addition, a second resource focussed RC drilling campaign was completed on 29 July 2018 with assay results from this 4,001m 30-hole program expected in the coming month. RC drilling further targeting the Armstrong shoot, and other higher-grade positions is in progress. Table 4 shows hole details for this program.

All results will be used in Saturn's upcoming resource re-calculation expected to be finalised later in 2018.

Table 1. Significant Drill Results Reported in the Quarter

Hole #	Down Hole Width (m)	Grade g/t Au	From (m)
AHRC0001	No Significant Results		
AHRC0002	No Significant Results		
AHRC0003	4	0.54	27
AHRC0014	4	1.03	60
AHRC0015	3	0.73	30
AHRC0016	13	0.64	45
	2	2.14	88
AHRC0017	20	0.55	5
AHRC0018	4	0.36	52
AHRC0019	100	1.01	7
Incl.	47	1.88	50
Incl.	20	2.50	52
Incl.	4	6.90	52
	11	2.28	84
AHRC0020	68	0.85	0
Incl.	6	3.05	6
AHRC0021	33	0.66	6
Incl.	10	0.39	62
AHRC0022	66	0.37	31
AHRC0023	29	0.64	129
AHRC0024	12	2.28	4
Incl.	3	8.80	13
Incl.	1	23.90	13
	82	0.42	41
Incl.	9	1.58	62
AHRC0025	4	0.59	4
	8	0.60	20
	14	0.61	56
	13	0.57	76
	8	0.38	100
	1	1.25	116
AHRC0026	31	1.12	1
Incl.	11	2.50	21
	14	0.25	38

Table 2. Continued - Significant Drill Results Reported in the Quarter

AHRC0026	48	0.45	71
Incl.	11	1.08	82
AHRC0027	41	1.43	4
Incl.	16	2.76	8
	18	0.40	56
	10	0.28	81
AHRC028	1	0.96	24
	34	0.45	76
	7	0.87	100
AHRC00029	22	1.01	52
	11	1.49	52
	5	0.86	79
AHRC0030	12	0.51	0
	11	0.63	81
Incl.	7	0.92	85
	43	0.91	110
Incl.	36	1.04	114
Incl.	5	3.76	124
Incl.	4	4.29	124
AHRC0031	2	1.09	14
	39	0.73	56
Incl.	18	1.09	64
Incl.	5	1.97	64
AHRC0032	16	0.37	4
	14	0.30	29
	10	1.50	49
	10	0.46	64
	5	0.73	69
AHRC0033	13	0.44	61
	4	0.64	129
	1	1.60	181
AHRC0034	6	2.41	53
	16	0.62	78
	14	0.29	104
AHRC0034	10	0.44	155
	1	1.26	177
AHRC0035	12	0.34	36
AHDD0001	2.2	2.5	61.7

	2.6	3.23	88.7
AHDD0002	10.1	1.26	75.9
Incl.	2.5	3.18	76.5
	0.7	15.25	34.3
	3.7	1.01	46
	7.1	0.58	14
AHDD0003	11	0.44	18.9
	1	3.64	49
	1	1.01	78
Incl.	7.8	1.12	85
	0.5	11.95	91.8
	1	1.55	101
	1	1.93	121.5
	1	4.2	132
AHDD0004	Hole not sampled -	Re-drilled as	AHDD0005
AHDD0005	3.8	2.05	89
Incl.	0.5	14.6	92.3
	3	0.97	98
	6.5	0.72	125
	1	2.54	140
	15	0.8	146
AHDD0006	21	0.44	117
	1	1.72	45
	1	1.1	76
AHDD0007	7.4	2.01	220.5
Incl.	0.4	17.55	223.2
Incl.	0.3	12.5	227.6
AHDD0008	No Significant Results		
AHRCD0016	24.2	1.22	173.8
Incl.	11.2	1.77	173.8
Incl.	0.4	15.8	184
Incl.	1.4	5.8	196.6
AHRCD0016 Incl.	0.4	9.98	196.6
	1	9.8	202.6

Table 2. Hole Details for reported RC results

Hole #	Easting GDA94_Z51	Northing GDA94_Z51	RL (m)	Dip°	Azi°	Depth (m)	Comments
AHRC0001	371534	6773502	350	-60	242	46	
AHRC0002	371485	6773646	350	-60	242	107	
AHRC0003	371435	6773705	350	-60	242	108	
AHRC0014	371157	6774627	350	-65	242	158	
AHRC0015	371179	6774469	350	-60	242	80	
AHRC0016	371192	6774476	350	-60	242	129	
AHRC0017	371252	6774440	350	-60	242	85	
AHRC0018	370516	6774983	350	-65	225	145	
AHRC0019	371027	6774497	350	-70	155	110	
AHRC0020	371056	6774435	350	-75	155	80	
AHRC0021	371140	6774277	350	-60	242	104	
AHRC0022	371647	6773866	350	-75	225	122	
AHRC0023	371650	6773953	350	-60	225	249	
AHRC0024	371393	6774036	350	-65	225	123	
AHRC0025	371092	6774356	350	-70	155	76	
AHRC0026	371213	6774317	350	-60	242	130	
AHRC0027	371092	6774414	350	-60	225	122	
AHRC0028	370969	6774629	350	-70	225	130	
AHRC0029	370930	6774590	350	-70	225	106	
AHRC0030	371136	6774453	350	-60	225	154	
AHRC0031	371111	6774432	350	-60	225	112	
AHRC0032	371280	6774164	350	-70	155	76	
AHRC0033	371618	6774005	350	-60	225	196	
AHRC0034	371617	6773920	350	-60	225	178	
AHRC0035	371169	6774580	350	-70	239	239	

Table 3. Hole details for reported diamond holes and results

Hole #	Easting GDA94_Z51	Northing GDA94_Z51	RL (m)	Dip°	Azi°	Depth (m)	Comments
AHRC0016	371190	6774478	379.32	-60	242	253.5	
AHDD0001	371496	6773660	310	-60	225	121.01	
AHDD0002	371666	6773826	310	-60	225	120.99	
AHDD0003	371519	6774088	364	-60	225	132.97	
AHDD0006	371197	6774398	370	-60	225	151.02	
AHDD0004	371178	6774430	371	-65	245	12.7	Abandoned
AHDD0005	371178	6774430	371	-65	245	204.7	
AHDD0007	371196	6774615	372	-57	223	291.7	
AHDD0008	371161	6774664	364	-60	225	157.1	

Table 4. Hole details for RC program completed in July 2018 for which assays remain pending

Hole #	Easting GDA94_Z51	Northing GDA94_Z51	RL (m)	Dip°	Azi°	Depth (m)	Comments
AHRC0036	371063	6774545	372	-65	223	164	Assays Pending
AHRC0037	371047	6774525	369	-65	223	139	Assays Pending
AHRC0038	371089	6774568	373	-65	223	208	Assays Pending
AHRC0039	371156	6774440	372	-65	223	148	Assays Pending
AHRC0040	371132	6774330	365	-60	223	80	Assays Pending
AHRC0041	371153	6774304	362	-60	223	83	Assays Pending
AHRC0042	371620	6773838	351	-65	223	138	Assays Pending
AHRC0043	371588	6773803	354	-60	223	80	Assays Pending
AHRC0044	371523	6773869	355	-60	223	90	Assays Pending
AHRC0045	371635	6773768	350	-60	223	147	Assays Pending
AHRC0046	371560	6773909	358	-60	223	120	Assays Pending
AHRC0047	371685	6773775	350	-65	223	160	Assays Pending
AHRC0048	371458	6773920	355	-55	250	51	Assays Pending
AHRC0049	371729	6773782	354	-60	223	190	Assays Pending
AHRC0050	371414	6774098	362	-60	223	141	Assays Pending
AHRC0051	371680	6773900	350	-65	223	160	Assays Pending
AHRC0052	371450	6774090	366	-60	223	140	Assays Pending
AHRC0053	371614	6773873	354	-60	223	100	Assays Pending
AHRC0054	371325	6774182	366	-60	223	130	Assays Pending
AHRC0055	371520	6773950	358	-60	223	120	Assays Pending
AHRC0056	371190	6774295	366	-60	223	100	Assays Pending
AHRC0057	371530	6773950	358	-60	223	22	Assays Pending
AHRC0058	371573	6774003	361	-60	223	207	Assays Pending
AHRC0059	371438	6773995	359	-65	223	137	Assays Pending

**Table 4. Continued – Hole details of RC program completed in July 2018
doe which assays remain pending**

AHRC0060	371469	6774153	359	-60	223	200	Assays Pending
AHRC0061	371325	6774222	367	-60	223	187	Assays Pending
AHRC0062	371388	6774150	362	-60	223	157	Assays Pending
AHRC0063	371300	6774239	375	-60	223	150	Assays Pending
AHRC0064	371271	6774292	372	-60	223	160	Assays Pending
AHRC0065	371205	6774358	368	-60	223	92	Assays Pending

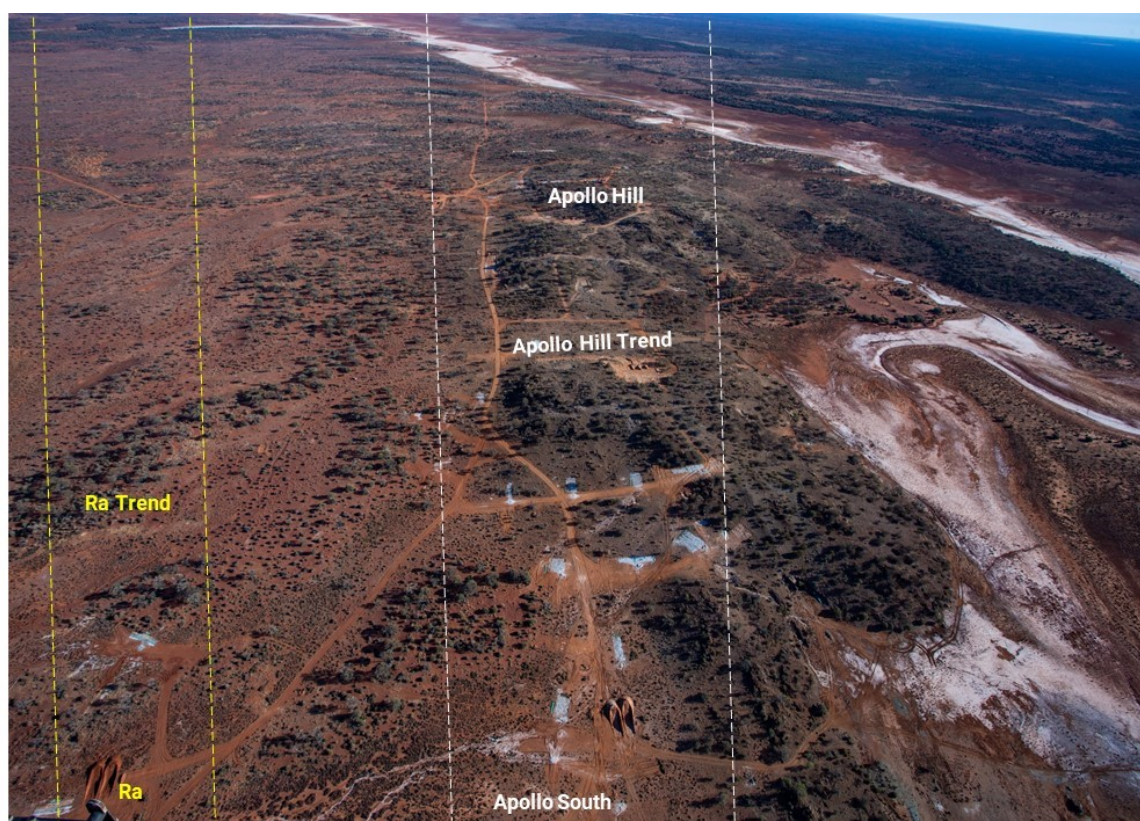


Figure 8 Aerial view of Apollo Hill and Ra trends with recent drilling pads (June 2018); looking north-west

Regional Exploration

La Tosca

Reconnaissance exploration was completed at the La Tosca Prospect on E31/1063, immediately South of Saturn's recently pegged P31/2121 Mud Hut Lease. Significant assays were returned from two samples, of quartz veined structures within historic workings and stopes; 36.4g/t Au and 11.4g/t Au from S1000 and S1001 respectively (Figure 9).

The La Tosca old workings are amongst the most extensive on Saturn's regional tenement holdings and present an excellent gold target with over 500m strike length of stopes and workings noted from the field reconnaissance. Historic data compilation is in process and will be completed and analysed before drilling takes place at the prospect.

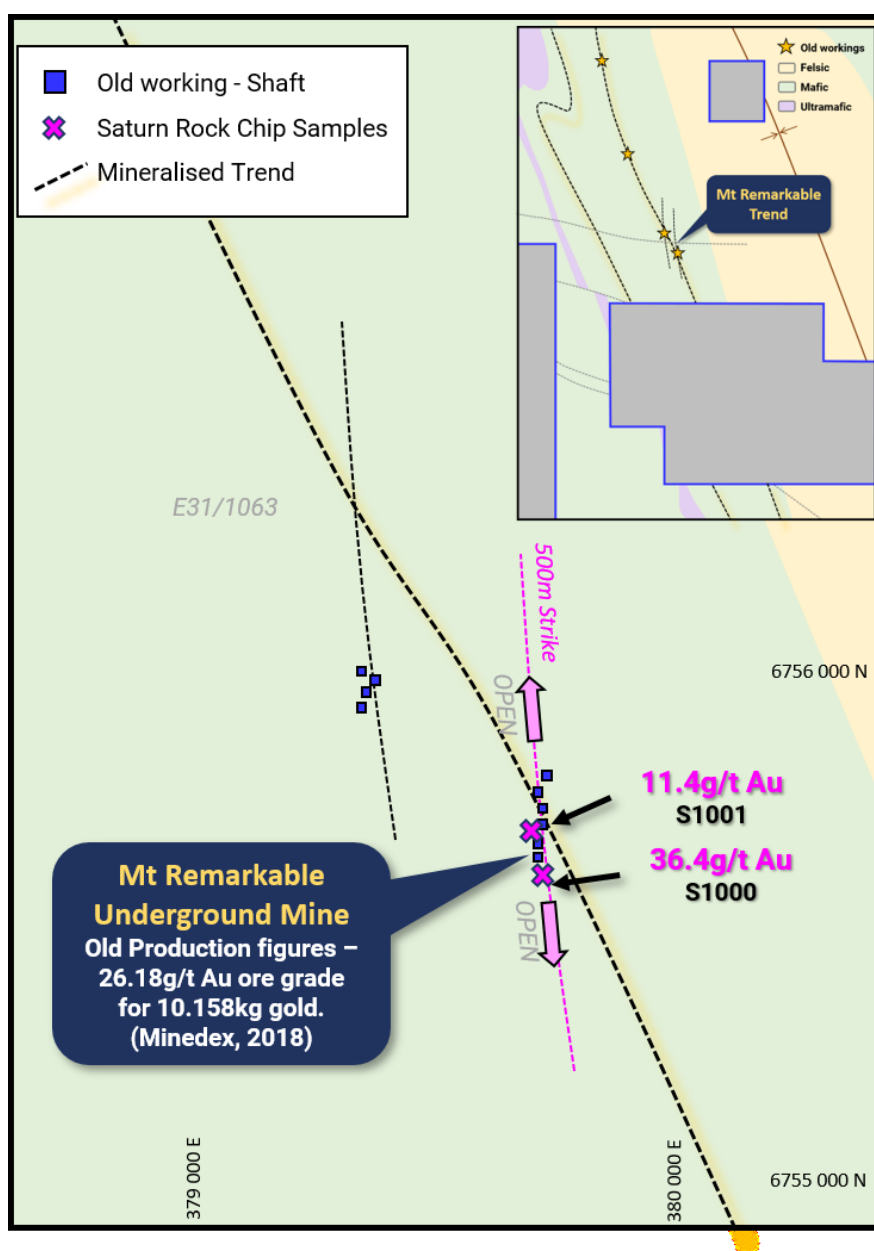


Figure 9 La Tosca – Sampling on geological plan showing old workings and sparse drilling

Hermes – Geochemistry

During the period a 316 sample geochemical program was completed over parts of Saturn's Hermes prospect of the Yerilla tenement holding (~35km SE of Apollo Hill – location illustrated in Figure 11). A total of 274 soil samples were collected on 200m to 400m spaced lines by 50m, and 42 rock chip samples were taken from outcrop/subcrop, along strike and parallel to old gold workings at Bombay Gin and McGregor. Figure 10 shows sampling and results. The best soil anomaly returned was 64 ppb Au within a 700m long coherent anomaly. The best rock chip result of 12.95g/t Au was collected from a parallel structure to the Bombay Gin old workings. Historic data compilation is in process and will be completed before further work including infill and drilling is conducted at the prospect.

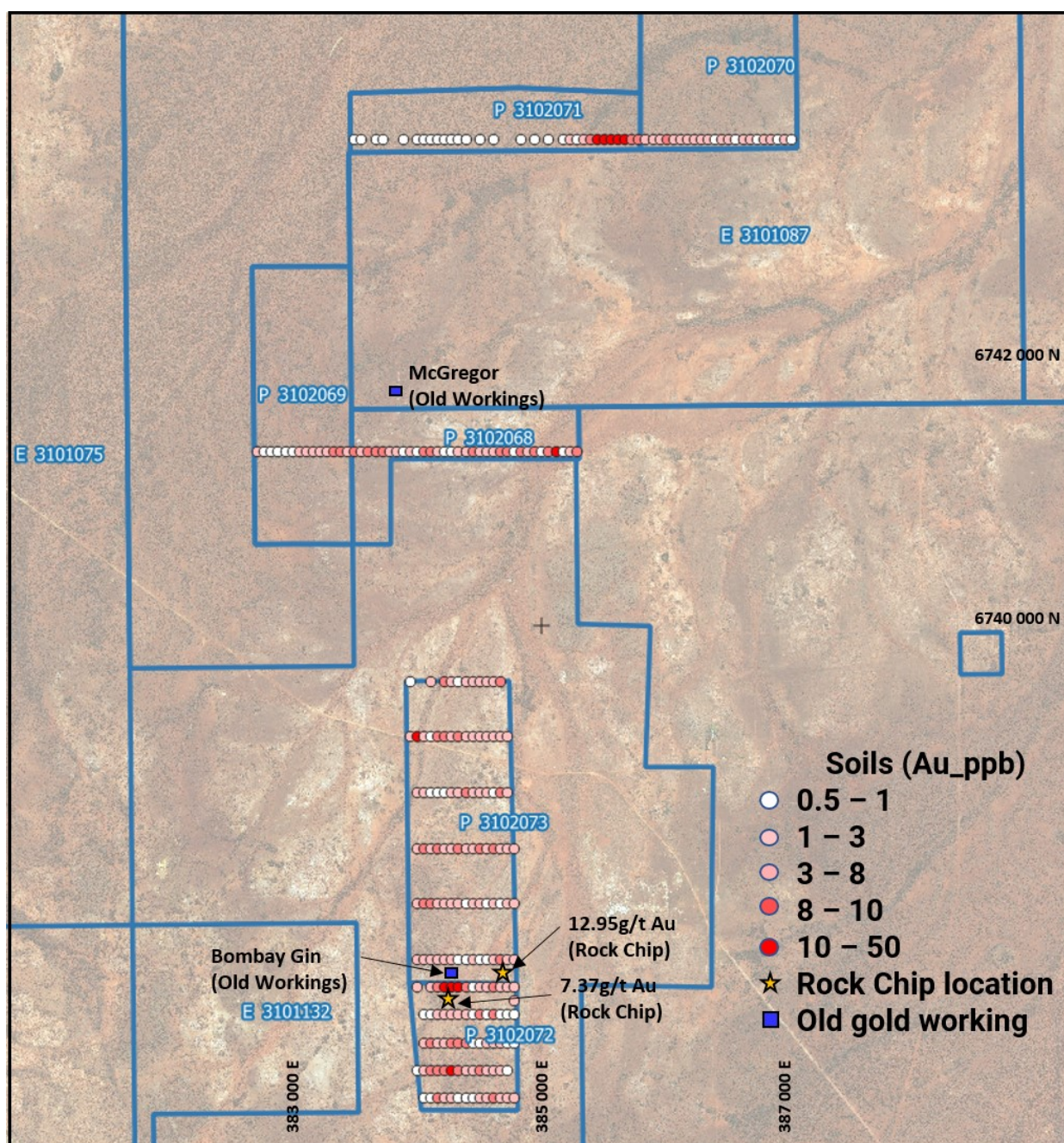


Figure 10 Geochemical Results- recent Hermes soil and rock chip geochemical program

PLANNED WORK - NEXT QUARTER

- Geological modelling and resource re-estimation of the Apollo Hill deposit after the recent completion of Saturn's 77-hole 9,594m three phase drilling program. A new resource statement is planned for release later in 2018.
- The drilling of two planned RC/diamond holes drilling targeting higher grade gold shoots at Apollo Hill with funding from the West Australian Government's Exploration Incentive Scheme.
- Soil geochemical program planned for the Athena Prospect on the E31/1063 tenement to target a high priority geophysical target and an area of small-scale gold prospector activity (~200 samples planned).
- Processing and interpretation of recently collected geophysical data, geological map compilation and regional scale targeting exercise.

TENEMENTS – LAND POSITION

The Company's tenement package is illustrated in Figure 11. Table 5 lists the Company's tenement holdings which are all 100% owned. Saturn Metals Limited currently holds 1,092km² of contiguous tenements in 25 mining, exploration and prospecting licenses. This includes two exploration licenses which were applied for after 30 June 2018; E39-2092 and E31-1337.

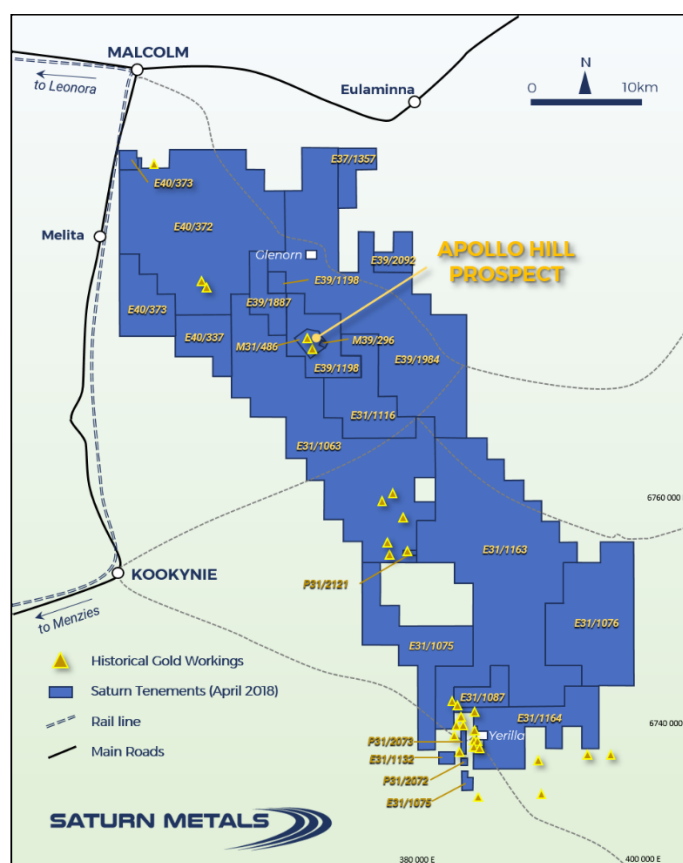


Figure 11 Saturn Metals Limited tenement map and land Holdings

CORPORATE

The Company currently has 56,000,001 shares on issue.

FINANCE

The Company's cash position at 30 June 2018 was A\$4.982M.

The Company has also been awarded a A\$35,000 grant in the latest round of the West Australian Government's Exploration Incentive Scheme.



IAN BAMBOROUGH
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Tenement	Name/Location	Current Area	Area Unit	Measured km ²	Grant Date	Expiry Date
E31/1063	APOLLO HILL	56	Standard Block	167.4	9/03/2015	8/03/2020
E31/1075	APOLLO	19	Standard Block	55.8	9/03/2015	8/03/2020
E31/1076	APOLLO	28	Standard Block	83.8	10/03/2015	9/03/2020
E31/1087	YERILA	4	Standard Block	12.0	19/03/2015	18/03/2020
E31/1116	APOLLO HILL	14	Standard Block	42.0	26/07/2016	25/07/2021
E31/1132	YERILLA	1	Standard Block	2.3	1/02/2017	31/01/2022
E31/1163	APOLLO HILL	70	Standard Block	209.6	E Application	
E31/1164	APOLLO HILL	17	Standard Block	48.8	E Application	
E39/1198	APOLLO HILL	11	Standard Block	28.6	31/03/2009	30/03/2019
E39/1887	APOLLO HILL	5	Standard Block	15.0	24/02/2016	23/02/2021
E39/1984	GLENORN	61	Standard Block	183.0	30/03/2017	29/03/2022
E40/0337	APOLLO	7	Standard Block	21.0	3/12/2014	2/12/2019
E40/372	APOLLO HILL	55	Standard Block	165.1	E Application	
E40/373	APOLLO HILL	14	Standard Block	30.0	E Application	
M31/0486	APOLLO HILL	411	Ha	4.1	12/03/2015	11/03/2036
M39/0296	APOLLO HILL	25	Ha	0.2	30/09/1993	29/09/2035
P31/2068	YERILLA	78	Ha	0.8	8/05/2015	7/05/2019
P31/2069	YERILLA	141	Ha	1.4	8/05/2015	7/05/2019
P31/2070	YERILLA	159	Ha	1.6	8/05/2015	7/05/2019
P31/2071	YERILLA	92	Ha	0.9	8/05/2015	7/05/2019
P31/2072	YERILLA	68	Ha	0.7	8/05/2015	7/05/2019
P31/2073	YERILLA	166	Ha	1.7	8/05/2015	7/05/2019
P31/2121	YERILLA	41	Ha	0.4	P Application	
E39/2092	GLENORN	3	Standard Block	6.9	E Application	
E37/1337	GLENORN	4	Standard Block	9.2	E Application	

Table 5 Saturn Metals Limited current tenement holdings

Apollo Hill is located ~60km south-east of Leonora in the heart of WA's goldfields regions (Figure 12). The project is surrounded by good infrastructure and several significant gold deposits.

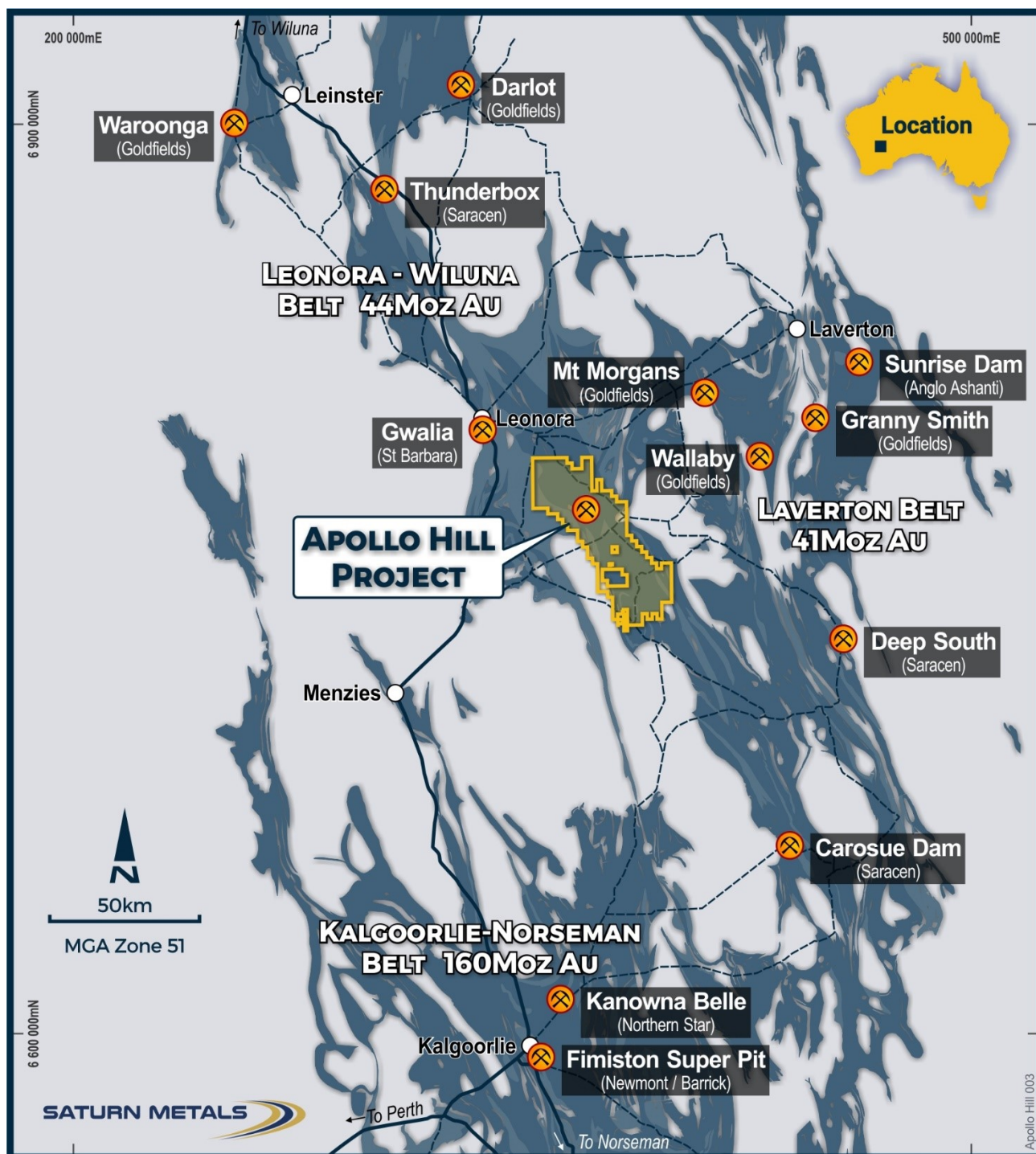


Figure 12 Apollo Hill location, Saturn Metals' tenements and surrounding gold deposits, gold endowment and infrastructure.

Competent Persons Statements

The information in this report that relates to the Apollo Hill Mineral Resource estimates, and reported by the Company in compliance with JORC 2012 is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Saturn Metals Limited. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". At the time of construction of the Apollo Hill estimates Mr Abbott was an employee of Hellman & Schofield Pty Ltd. Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration targets and exploration results is based on information compiled by Ian Bamborough, a Competent Person who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee and Director of the Company, in addition to being a shareholder in the Company. Ian Bamborough has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 - Apollo Hill Exploration Area

Section 1 Sampling Techniques and Data

(Criteria in this section apply to the Apollo Hill and Ra exploration area and all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	- Measures taken to ensure the representivity RC sampling include close supervision by geologists, use of appropriate sub-sampling methods, routine cleaning of splitters and cyclones, and RC rigs with sufficient capacity to provide generally dry, reasonable recovery samples. Information available to demonstrate sample representivity includes RC sample weights, sample recovery, sample consistency, field duplicates, standards and blanks. - RC holes were sampled over 1m intervals by cone-splitting. RC samples were analysed by NAGROM in Kelmscott. At Kelmscott samples were oven dried and crushed to 90% passing 2mm, and pulverised to 95% passing 106 microns, with analysis by 50g fire assay. - Measures taken to ensure the representivity of diamond core sampling include close supervision by geologists and sampling to pertinent geological, alteration, structural and mineralised boundaries after geological logging. - Sampling of whole core has been scheduled to ensure the maximum sample size possible given the visible nuggety gold noted in logging. - Diamond holes were sampled over generally 1m intervals in NQ with no samples greater than 1.4m and less than 0.3m. Diamond samples are being analysed by ALS Laboratories in Kalgoorlie WA. Samples will be oven dried and crushed to 90% passing 2mm, and pulverised to 95% passing 106 microns, with analysis finish by 50g fire assay.

Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- Reverse Circulation (RC) - RC drilling used generally 5.5 " face- sampling bits. - Diamond Drilling. - NQ Core.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Sample recovery was visually estimated by volume for each 1m bulk sample bag, and recorded digitally in the sample database. Very little variation was observed. - Measures taken to maximise recovery for RC drilling included use of face sampling bits and drilling rigs of sufficient capacity to provide generally dry, high recovery samples. RC sample weights indicate an average recovery of 85-95% and were dry. - The cone splitter was regularly cleaned with compressed air at the completion of each rod. - Sample recovery was recorded from pieced together core using a tape measure and by comparison to drill depths and core blocks. Areas of core loss were noted using core blocks. All core recoveries were recorded digitally in the database. Very little core loss was observed. - No theories can yet be formulated on sample recovery and grade; although given a relatively low level of core loss and the observed sample quality no issues are expected.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Drill holes were geologically logged by industry standard methods, including lithology, alteration, veining, structure, mineralisation and weathering. - RC Chip trays were photographed. - All core trays were photographed wet and dry. - The logging is qualitative in nature and of sufficient detail to support the current interpretation.
Sub-sampling techniques	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether	RC holes were sampled over 1m intervals by cone-splitting. RC sampling was closely supervised by field geologists and included

Criteria	JORC Code explanation	Commentary
and sample preparation	sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	appropriate sampling methods, routine cleaning of splitters and cyclones, and rigs with sufficient capacity to provide generally dry, high recovery RC samples. Sample representivity monitoring included weighing RC samples and field duplicates. - Assay samples were crushed to 90% passing 2mm, and pulverised to 95% passing 75 microns, with fire assay of 50g sub-samples. Assay quality monitoring included reference standards and inter-laboratory checks assays. - Duplicate and blank samples were collected every 20 samples. - Certified reference material samples were submitted to the laboratory every 100 samples. - Whole core sent for assay in logged mineralised zones. Half core submitted in surrounding country rock. - The project is at an early stage of evaluation and the suitability of sub-sampling methods and sub-sample sizes for all sampling groups has not been comprehensively established. The available data suggests that sampling procedures provide sufficiently representative sub-samples for the current interpretation.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- Sampling included field duplicates, blind reference standards, field blanks and inter-laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results. - RC samples were submitted to Nagrom Laboratories in Kelmscott, where they were prepared, processed and analysed via fire assay. - Diamond core samples were submitted to ALS Laboratories in Kalgoorlie, where they were prepared, processed and analysed via fire assay.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- No independent geologists were engaged to verify results. Saturn Metals project geologists were supervised by the company's Exploration Manager. No adjustments were made to any assays of data. - Logs were recorded by field geologists on hard copy sampling sheets which were entered into spreadsheets for merging into a central SQL database. - Laboratory assay files were merged directly into the database. The project geologists routinely validate data when loading into the database.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Collars are surveyed by hand held GPS, utilising GDA94, Zone 51. - All RC and diamond core holes were down-hole surveyed, by Gyro. - A topographic triangulation was generated from drill hole collar surveys.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Apollo Hill mineralisation has been tested by generally 30m spaced traverses of south- westerly inclined drill holes towards 225°. Across strike spacing is variable. The upper approximately 50m has been generally tested by 20-30m spaced holes, with deeper drilling ranging from locally 20m to commonly greater than 60m spacing. - The data spacing is sufficient to establish geological and grade and continuity.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Mineralised zones dip at an average of around 50° to the northeast. Detailed orientations of all short-scale mineralised features have not yet been confidently established. The majority of the drill holes were inclined at around 60° to the southwest.
Sample security	The measures taken to ensure sample security.	Apollo Hill is in an isolated area, with little access by general public. Saturn's field sampling was supervised by Saturn geologists. Sub-samples selected for assaying were collected in heavy- duty polywoven plastic bags which were immediately sealed. These bags were delivered to the assay laboratory by independent couriers,

Criteria	JORC Code explanation	Commentary
		Saturn employees or contractors. Results of field duplicates, blanks and reference material, and the general consistency of results between sampling phases provide confidence in the general reliability of the drilling data.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	The competent person independently reviewed Saturn's sample quality information and database validity. These reviews included consistency checks within and between database tables and comparison of assay entries with original source records for Saturn's drilling. These reviews showed no material discrepancies. The competent person considers that the Apollo Hill drilling data has been sufficiently verified to provide an adequate basis for the current reporting of exploration results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The results are from the Saturn Metals Limited's Apollo Hill Project which lies within Exploration Licence E39/1198, M31/486 and M39/296. These tenements are wholly-owned by Saturn Metals Limited. These tenements, along with certain other tenure, are the subject of a 5% gross over-riding royalty (payable to HHM) on Apollo Hill gold production exceeding 1 million ounces. M39/296 is the subject of a \$1/t royalty (payable to a group of parties) on any production. - The tenements are in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Aircore, RC and diamond drilling by previous tenement holders provides around 82% of the estimation dataset. The data is primarily from RC and diamond drilling by Battle Mountain (33%), Apex Minerals (18%), Fimiston Mining (13%), Hampton Hill (12%). Homestake and MPI holes provide 5% and 1%, respectively.

Criteria	JORC Code explanation	Commentary
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	• The Apollo Hill project comprises two deposits: The main Apollo Hill deposit in the north-west of the project area, and the smaller Ra Deposit in the south. Gold mineralisation is associated with quartz veins and carbonate-pyrite alteration along a steeply north-east dipping contact between felsic rocks to the west, and mafic dominated rocks to the east. The combined mineralised zones extend over a strike length of approximately 1.4km and have been intersected by drilling to approximately 350m depth. • The depth of complete oxidation averages around 4m with depth to fresh rock averaging around 21m.
Drill hole Information	• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	• All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. • No information has been excluded.
Data aggregation methods	• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	• No top-cuts have been applied. • No metal equivalent values are used for reporting exploration results.
Relationship between	• <i>These relationships are particularly important in the reporting of Exploration Results.</i>	• True widths are generally estimated to be about 60% of the down-hole width.

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	- If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See diagrams included.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results are reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	See release and quarterly report details.
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Although not yet planned in detail, it is anticipated that further work will include infill, step out and twin-hole drilling. This work will be designed to improve confidence in, and test potential extensions to the current resource estimates.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Saturn Metals Limited

ABN

43 619 488 498

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(711)	(790)
(b) development	-	-
(c) production	-	-
(d) staff costs	(55)	(55)
(e) administration and corporate costs	(561)	(565)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – GST Received/(Paid)	(112)	(159)
1.9 Net cash from / (used in) operating activities	(1,429)	(1,559)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(80)	(106)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(80)	(106)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	7,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(353)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	6,647

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,491	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,429)	(1,559)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(80)	(106)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,647
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,982	4,982

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	732	6,491
5.2 Call deposits	4,250	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,982	6,491

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
Nil

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,093
9.2 Development	-
9.3 Production	-
9.4 Staff costs	55
9.5 Administration and corporate costs *	112
9.6 Other (Exploration & evaluation funded under farm-in)	-
9.7 Total estimated cash outflows	1,260

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	For all other changes to interests in mining tenements lapsed, relinquished, reduced, acquired or increased please see page 17 in the Quarterly Activities Report.			
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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

Sign here:



(Company secretary)

Date: 31/07/2018

Print name: Ryan Woodhouse

Notes

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