



Saturn Metals Limited

ANNUAL REPORT 2018

ABN 43 619 488 498

Corporate Directory

Directors

Robert Tyson	Executive Chairman
Ian Bamborough	Managing Director
Andrew Venn	Non-executive Director

Company Secretary

Ryan Woodhouse

Registered Office

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WEST PERTH WA 6005
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Email: info@saturnmetals.com.au

Stock Exchange Listing

Securities of Saturn Metals Limited are listed on the Australian Securities Exchange (ASX)
ASX Code: STN

ACN: 619 488 498

Share Registry

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St Georges Tce
PERTH WA 6000

Telephone: +61 1300 554 474
Facsimile: +61 (0)2 9287 0303
Website: www.linkmarketservices.com

Auditors

PricewaterhouseCoopers
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Perth WA 6000

Website

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Saturn Metals Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the Directors on 25 September 2018. The Directors have the power to amend and reissue the financial statements.

Chairman's letter

Dear Shareholders.

On 9 March 2018 Saturn Metals listed on the ASX following the successful raising of \$7 million in a heavily oversubscribed IPO. Shortly afterward, Saturn launched into a maiden drilling campaign at our flagship Apollo Hill gold project where a current JORC 2012 Compliant Inferred Resource of 505,000oz (17.2Mt @ 0.9g/t Au) exists. The intent of our drilling is to grow and improve this major gold system.

After completing nearly 10,000m of RC and diamond drilling in multiple phases, we are delighted with the emerging picture at Apollo Hill. Results to date have provided a step-change in our understanding of the deposit's potential. Significant intersections returned in recent drilling include:

- 11m @ 4.06g/t Au from 132m within 18m @ 2.58g/t Au from 126m – AHRC0038;
- 20m @ 2.5g/t Au from 52m – AHRC0019;
- 16m @ 2.76g/t Au from 67m – AHRC0027.

Drill intersections returned clearly define a number of continuous higher-grade lode and shoot structures within a broader mineralised envelope. In general, results compare favorably to historic mineralised intervals, highlighting the potential to increase both the scale and grade of the known mineralised system from the existing 0.5Moz resource. Importantly, mineralisation remains open along strike (NW and SE) and at depth, highlighting the significant future exploration potential of this significant gold system.

We are incorporating all results into an updated resource estimate with a statement due for release later this calendar year. Your board is optimistic about the pending update.

In addition, the Company has also been progressing work on its 1,000km² contiguous land package with the completion of high resolution airborne magnetics (750km²) and ground gravity surveys (250km²) providing a fresh insight into the regional prospectivity and architecture of our tenure. Data compilation and interpretation is continuing, with an aim towards developing new targets for drill testing later in 2018.

Looking forward, the Company will continue to explore and progress Apollo Hill with the next phase of work planned to rapidly demonstrate the larger exploration potential of this extremely robust gold system. Regionally, we plan to drill test a number of targets in the coming year and will continue to look for ways to add value to this highly prospective land package.

On behalf of all shareholders, I would like to thank Ian Bamborough and his first-rate team for their excellent efforts in setting up Saturn for success and for the results already achieved since listing.

Yours Sincerely,



Rob Tyson
Chairman

Review of Operations



Review of Operations

Company Profile

Saturn Metals Limited (Saturn) was incorporated on 2 June 2017 for the purposes of gold exploration and development and listed on the Australian Securities Exchange on 9 March 2018 after a successful spin out from Peel Mining Limited.

Saturn's primary objective is to focus on mineral exploration and resource opportunities that have the potential to deliver growth for shareholders.

Saturn's management strategy is to:

- continue a robust exploration program in respect to the Apollo and Ra deposits towards rapidly growing the Resource;
- conduct further exploration activities within the Apollo and Ra Resource Area towards identifying and growing new higher-grade gold lode/vein exploration targets and;
- commence a cost-effective exploration program in respect to its highly prospective District Tenement Package to seek, identify and develop large new Archaean Lode Gold deposits.

In addition, Saturn also intends to expand its current project portfolio by seeking opportunities to:

- apply for additional tenements to complement the Project; or
 - acquire, either by way of an asset or share purchase, complementary projects.
-
- **Shares on Issue: 56,000,001**
 - **Share Price: A\$0.16 (30/06/2018)**
 - **Market Capitalisation: A\$11M**
 - **Cash: \$4.982M (30/06/2018)**
 - **0.505Moz 2012 JORC Resource**

Review of Operations

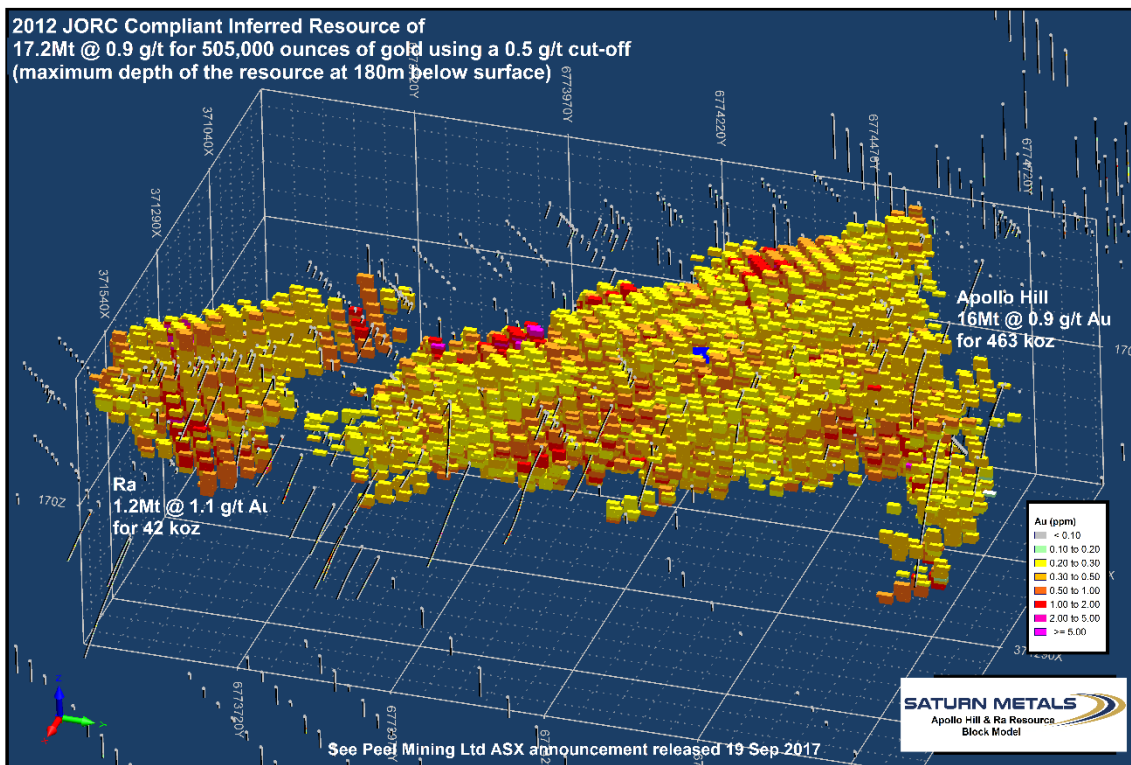
Apollo Hill Project

Our flagship Apollo Hill Project is at the heart of the world-class Eastern Goldfields 650km NE of Perth, Western Australia.

The Project is located approximately 60km by road from the gold mining and processing town of Leonora.

The Apollo Hill deposit itself has a published 2012 JORC Compliant Inferred Resource of 17.2Mt at 0.9 g/t for 505,000 ounces of gold using a 0.5 g/t cut-off (maximum depth of the resource at 180m below surface)¹.

The deposit, is characterised by simple metallurgy (free milling coarse gold with low cyanidation characteristics) and thick zones of mineralisation. Importantly, the deposit has potential for a low stripping ratio and a simple gravity gold focused circuit



During the year ~10,000m of RC and diamond drilling was undertaken in three programs to provide new information for an additional resource estimate. Recent drilling has focused on extension corridors and on targeting higher grade plunging shoots within the known resource. Results are increasing the size and quality of the gold system.



Review of Operations

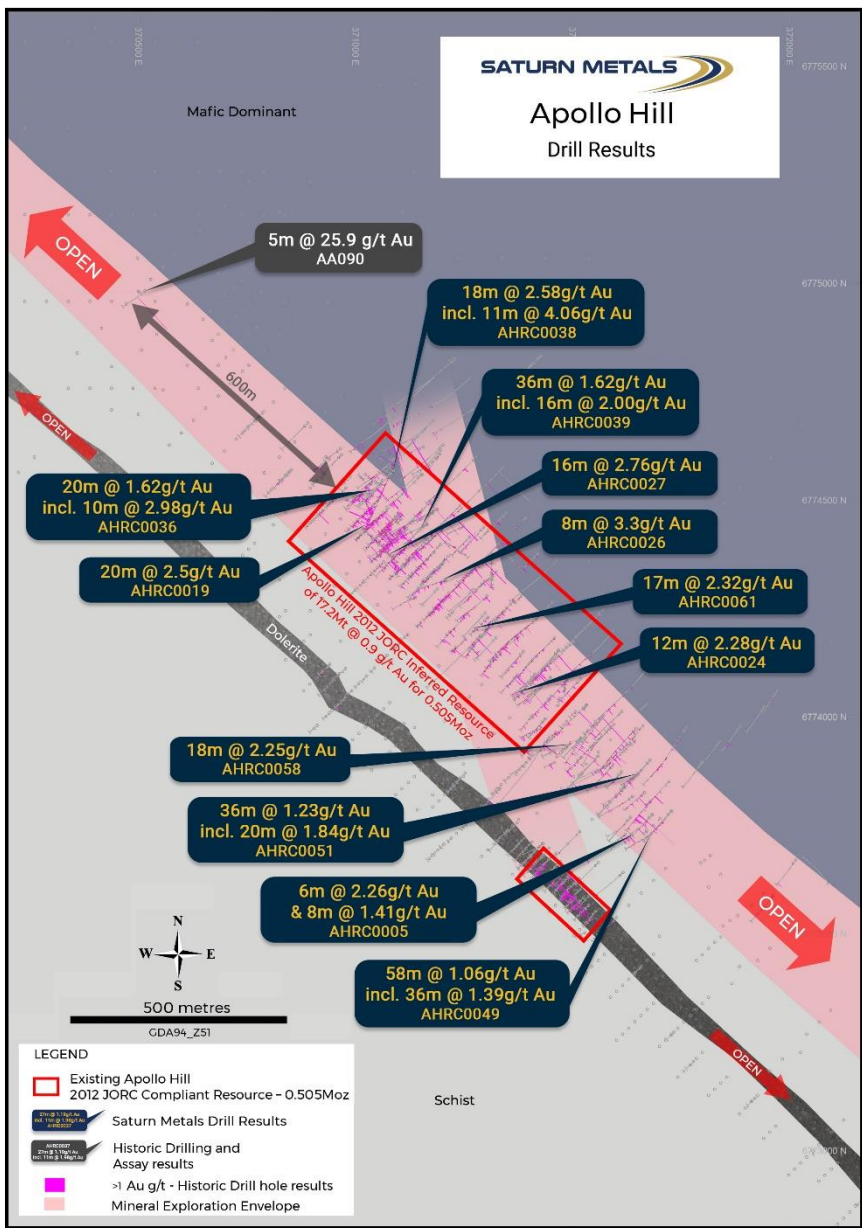
New results grow the Apollo Hill gold system

Significant near surface resource drilling intersections include:

AHRC0038, 11m @ 4.06g/t Au from 132m within 18m @ 2.58g/t Au from 126m;
 AHRC0036, 10m @ 2.98g/t Au from 92m within 28m @ 1.20g/t Au from 82m;
 AHRC0019, 20m @ 2.5g/t Au from 52m;
 AHRC0027, 16m @ 2.76g/t Au from 67m;
 AHRC0026, 8m @ 3.3g/t Au from 21m;
 AHRC0024, 12m @ 2.8g/t Au from 4m;
 AHRC0005 - 6m @ 2.26g/t Au from 11m and 8m @ 1.41g/t Au from 26m within 23m @ 1.15g/t Au from 11m.

Intersections compare favourably with historic mineralised intervals and highlight the potential to increase the scale and grade of the known gold system from the current 0.5Moz JORC 2012 compliant inferred gold resource of 17.2Mt at 0.9g/t Au.

A resource estimation process has begun with a new statement planned for later in 2018.



Apollo Hill recent drill hole results in plan view – new significant results sit significantly outside the Published Resource outline illustrated.

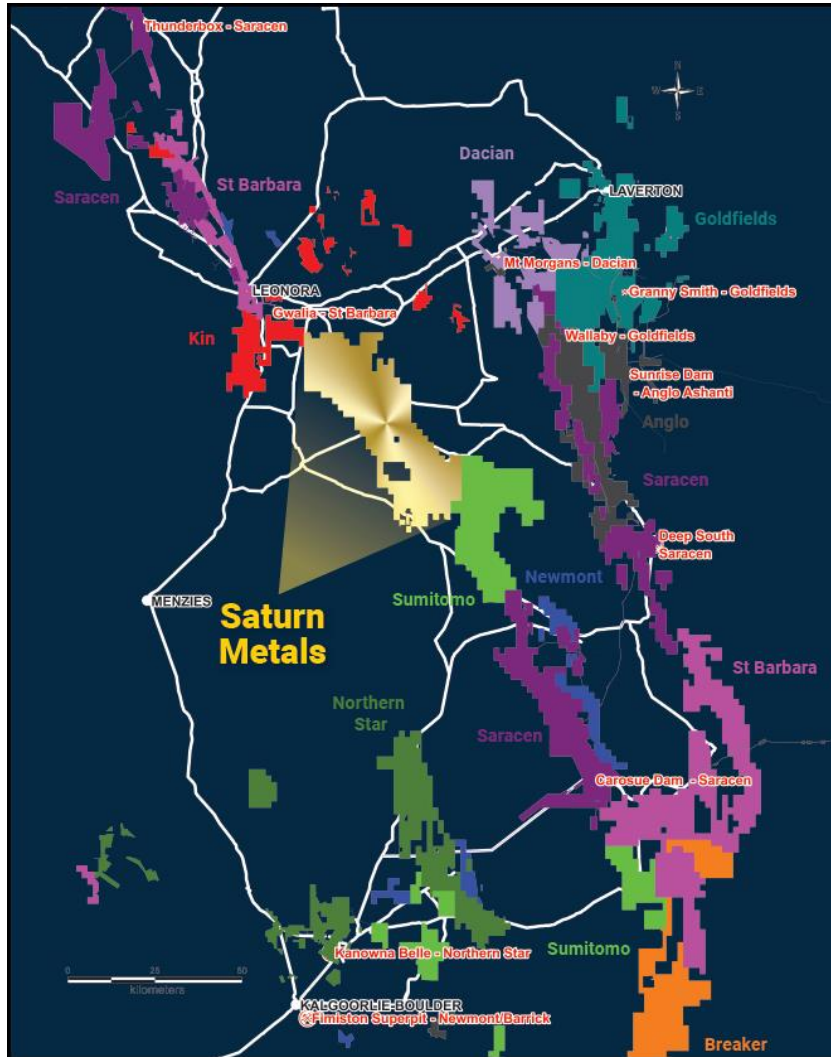
Review of Operations

The Apollo Hill tenements

Excellent Infrastructure, Key Strategic Land Position

The Apollo Hill Project comprises 25 highly prospective gold mining, exploration and prospecting licenses (approximately 1,000km² of contiguous ground)

Saturn Metals tenure holds a central strategic land position amongst major and mid-tier Australian and International gold companies.



Geology and Mineralisation

Located in the Archean aged Norseman-Wiluna Greenstone Belt, the Apollo Hill deposit occurs in a mineralised structure associated with the 5km long and 500m wide Apollo-Ra Shear zone. This shear zone is a parallel component of the district prevalent, gold fertile, and highly prospective Keith-Kilkenny Fault system.

The extensive and intense hydrothermal alteration exhibits all the hallmarks of a major mineralised Archean lode gold system.

The Company has identified several high priority regional prospects for follow up drilling.

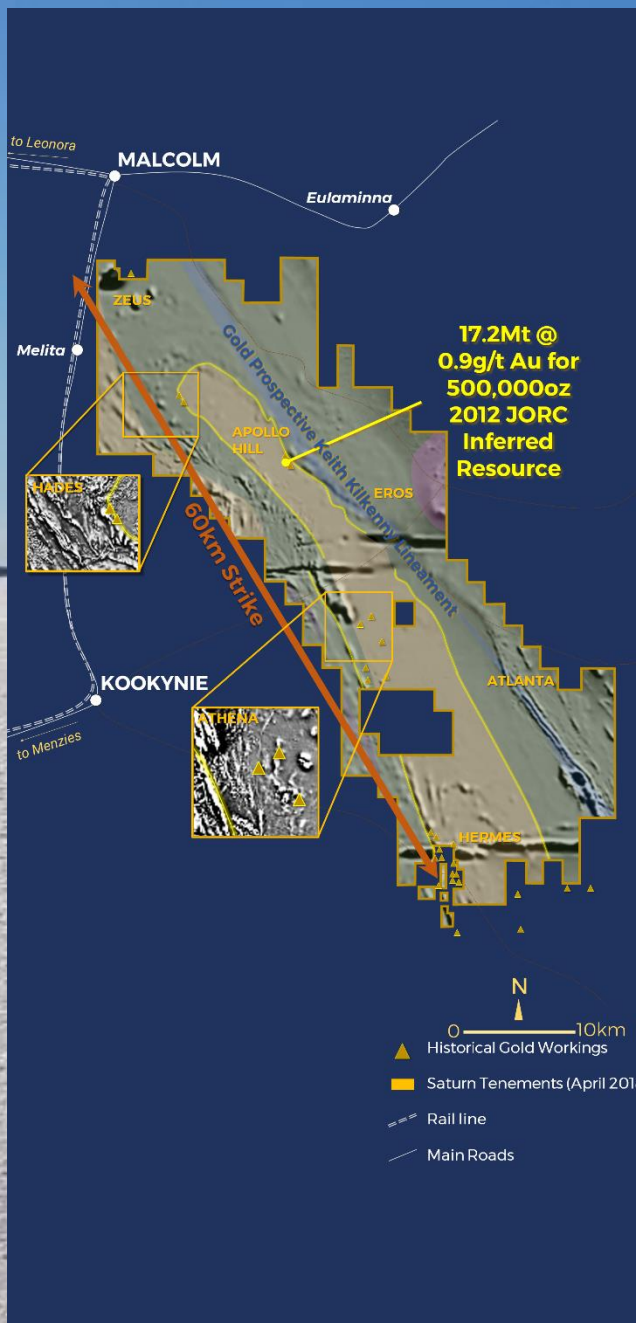
Review of Operations

Exploring new frontiers

Regional Exploration

Potential to re-write the geology, prospectivity & history of the District

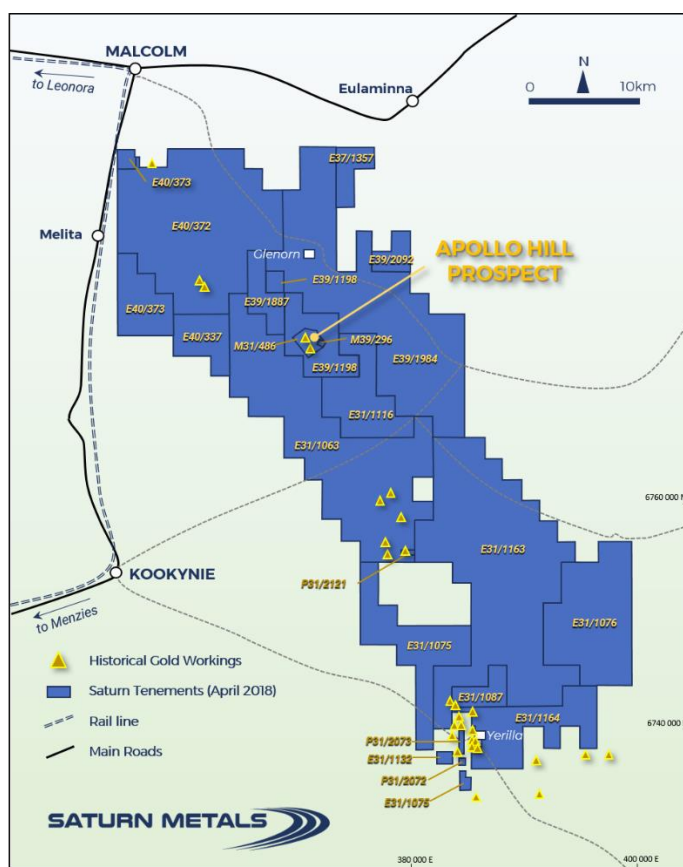
Recently completed high resolution airborne magnetics (750km²) and ground gravity surveys (250km²) are providing a fresh insight on regional prospectivity and gold architecture of our 1,000km² tenure.



High Resolution Ground Gravity in Progress over the Keith Kilkenny Lineament
Lake Raeside – Yerilla Area
April 2018

Review of Operations

The Company's tenement package is illustrated below. All tenements are 100% owned by Saturn Metals Limited. Saturn currently holds 1,092km² of contiguous tenements in 25 mining, exploration and prospecting licenses.



Saturn Metals Limited tenement map and land holdings

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 undertaking 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.

Schedule of tenements

Tenement	Name/Location	Current Area	Area Unit	Measured km ²	Grant Date	Expiry Date
E31/1063	40G	56	Standard Block	167.4	9/03/2015	8/03/2020
E31/1075	Ultrabasic	19	Standard Block	55.8	9/03/2015	8/03/2020
E31/1076	The Eye	28	Standard Block	83.8	10/03/2015	9/03/2020
E31/1087	McGregor	4	Standard Block	12	19/03/2015	18/03/2020
E31/1116	Southerner	14	Standard Block	42	26/07/2016	25/07/2021
E31/1132	Alone	1	Standard Block	2.3	1/02/2017	31/01/2022
E31/1163	Keith	70	Standard Block	209.6	27/04/2018	26/04/2023
E31/1164	Yerilla	17	Standard Block	48.8	27/04/2018	26/04/2023
E39/1198	Surrounds	11	Standard Block	28.6	31/03/2009	30/03/2019
E39/1887	Northerner	5	Standard Block	15	24/02/2016	23/02/2021
E39/1984	Glenorn	61	Standard Block	183	30/03/2017	29/03/2022
E40/0337	The Gap	7	Standard Block	21	3/12/2014	2/12/2019
E40/372	Artemis	55	Standard Block	165.1	3/07/2018	2/07/2023
M31/0486	Apollo Hill	411	Ha	30	12/03/2015	11/03/2036
M39/0296	Eagle Eye	25	Ha	4.1	30/09/1993	29/09/2035
P31/2068	Queen#8	78	Ha	0.2	8/05/2015	7/05/2019
P31/2069	Crossover	141	Ha	0.8	8/05/2015	7/05/2019
P31/2070	Hinge	159	Ha	1.4	8/05/2015	7/05/2019
P31/2071	Hinge	92	Ha	1.6	8/05/2015	7/05/2019
P31/2072	Black Bottle	68	Ha	0.9	8/05/2015	7/05/2019
P31/2073	Longer	166	Ha	0.7	8/05/2015	7/05/2019
E40/373	The Point	14	Standard Block	1.7	E Application	
P31/2121	Mud Hut	41	Ha	0.4	P Application	
E37/1357	The Right	4	Standard Block	6.9	E Application	
E39/2092	Kilkenny	3	Standard Block	9.2	E Application	

Saturn Metals Limited current tenement holdings

Mineral resource estimation governance statement

During the year, the Apollo Hill Mineral Resource estimate was updated from JORC 2004 to be compliant with the JORC Code 2012 Edition.

Saturn Metals Limited has ensured that the Mineral Resource estimates are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken a review of the quality and suitability of the underlying information used to generate the resource estimations. Additionally, Saturn Metals Limited carries out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

The Mineral Resource estimate for Apollo Hill was compiled and reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition.

The table below sets out the Mineral Resource comparatives for 2016 and 2017.

Apollo Hill Inferred Mineral Resource estimate based on a 0.5 g/t Au cut-off grade

Apollo Hill Gold Project	Mineral Resource - as at 30 June 2017			Mineral Resource - as at 30 June 2016		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Ra Zone	1.2	1.1	42	1.2	1.1	42
Apollo Hill	16	0.9	463	16	0.9	463
Total	17.2	0.9	505	17.2	0.9	505

Note: The figures in the above table are rounded to reflect the precision of the estimates and include rounding errors.

Competent Persons Statements

Apollo Hill

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 Ltd. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking 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.

Director's report

Your Directors present their report on the entity Saturn Metals Limited ("**Company**"), for the financial year ended 30 June 2018 and the comparative period.

Directors

The following persons were Directors of Saturn Metals Limited during the financial year and up to the date of this report.

Robert Tyson – Appointed 2nd June 2017

Ian Bamborough – Appointed 12th August 2017

Andrew Venn – Appointed 29th September 2017

Simon Hadfield – Resigned 19th October 2017

Graham Hardie – Resigned 19th October 2017

Directors' interests in shares and options

Directors' interests in shares and options as at the date of this report are set out in the table below.

<i>Director</i>	<i>Shares Directly and Indirectly Held</i>	<i>Options</i>	<i>Performance Rights</i>
Ian Bamborough	1,500,000	3,000,000	-
Robert Tyson	210,000	500,000	500,000
Andrew Venn	250,000	500,000	-

Principal activities

The principal activity of the Company is the exploration for economic deposits of precious metals. For the period of this report, the emphasis has been on gold focused in Western Australia.

Results

The loss for the Company for the financial year after providing for income tax amounted to \$857,320 (2017: Nil). Loss per share \$0.03 (2017: Nil).

Dividends

No dividends were paid or proposed during the year.

Review of operations

A review of the operations of the Company during the financial year and the results of those operations are contained in pages 5 to 13 in this report.

Significant changes in the state of affairs

On 8 September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited (a wholly owned subsidiary) with the intention to list the Company on the ASX, via an initial public offering (IPO). The Company held a general meeting on 10 October 2017 at which they obtained shareholder approval for the transaction. Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the Company.

Director's report

The Company employed Mr Ian Bamborough as its Managing Director on the 12th August 2017. Mr Bamborough's continued employment was conditional on Saturn Metals Limited listing on the Australian Securities Exchange, which occurred on the 9th March 2018. Mr Bamborough was issued 1,000,000 performance rights in the Company in lieu of salary. Each right had converted to an ordinary share, for no consideration, upon the Company listing on the Australian Securities Exchange. Mr Bamborough's performance rights were converted to ordinary shares on 9 March 2018. Mr Bamborough has been issued 3,000,000 options with an exercise price of 20 cents expiring 9 April 2021.

The Company appointed Mr Andrew Venn as a non-executive Director on the 29th September 2017. Mr Venn's continued employment was conditional on Saturn Metals Limited listing on the Australian Securities Exchange, which occurred on the 9th March 2018. Mr Venn has been issued 500,000 options with an exercise price of 20 cents which expire 9 April 2021.

The Board of the Company elected Mr Robert Tyson as its Executive Chairman on the 19th September 2017. Mr Tyson was issued 500,000 performance rights in the Company. Each right will convert to an ordinary share, for no consideration, upon the Company releasing an updated resource estimate for the Apollo Hill Gold project to the market within 12 months of listing on the Australian Securities Exchange. Mr Tyson has been issued 500,000 options with an exercise price of 20 cents expiring 9 April 2021.

On the 11th October 2017 the Company issued 20,000,000 shares to Apollo Mining Pty Ltd's nominee for the purchase of the Apollo Hill Gold project. The nominee company was Peel Mining Limited, the parent company of both entities.

The Company opened its initial public offering on the 10th January 2018 seeking to raise up to \$7,000,000 though the issue of up to 35,000,000 shares at \$0.20 per Share. The offer was announced closed on the 20 February 2018 with the maximum amount of \$7,000,000 raised. The Company was admitted to the Official List of ASX Limited on Wednesday 7 March 2018. Official Quotation of the following securities commenced on Friday, 9 March 2018.

The Directors are not aware of any other significant changes in the state of affairs of the Company occurring during the financial year, other than disclosed in this report.

Events occurring after balance date

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Likely developments and expected results

It is the Board's current intention that the Company will seek to progress exploration on current projects. These activities are inherently risky and there are no certainties that the Company will successfully achieve its objectives.

Information on Directors

Ian Bamborough (BSc(Hons), MSc, MBA, MAIG, GAICD) – Managing Director

Mr Bamborough is a geologist with 20 years leadership experience in the mining industry. Mr Bamborough developed his career with Newmont Mining Corporation and was more recently managing Director of ASX listed Spectrum Rare Earths Limited. Mr Bamborough has previously served as a Director of the Northern Territory Mining Board, and currently holds directorships with private exploration and mining companies Roman Pty Ltd and Reef Mining Pty Ltd.

The Board considers that Mr Bamborough is not an independent Director.

Mr Bamborough holds 1,500,000 shares in Saturn Metals Limited and 3,000,000 share options.

Director's report

Robert MacLaine Tyson (B.App Sc(Geol), GradDip Applied Finance(SIA) MAusIMM) – Executive Chairman

Mr Tyson is a geologist with more than 20 years resources industry experience having worked in exploration and mining-related roles for companies including Cyprus Exploration Pty Ltd, Queensland Metals Corporation NL, Murchison Zinc Pty Ltd, Normandy Mining Ltd and Equigold NL. Mr Tyson is the Managing Director of Peel Mining Limited, a role he has held for 11 years.

The Board considers that Mr Tyson is not an independent Director.

Mr Tyson holds 210,000 shares in Saturn Metals Limited and 500,000 share options and 500,000 performance rights.

Andrew Venn (BBus, GradDip Applied Finance, FFin) – Non-Executive Director

Mr Venn has over 20 years mining industry experience and currently holds a senior executive position with DDH1 Drilling Pty Ltd, a major mining contractor. Mr Venn has previously held senior positions across financing and operations for Argonaut Limited, Orica Mining Services and ICI Explosives and is a Fellow of the Financial Services Institute of Australia.

The Board considers that Mr Venn is an independent Director.

Mr Venn 250,000 shares in Saturn Metals Limited and 500,000 share options.

Simon Hadfield – Non-Executive Director

Mr Hadfield has more than 30 years company management experience and has held directorships in publicly-listed industrial and resource companies. Mr Hadfield is a Director of RIU Conferences Pty Ltd, Peel Mining Limited and of Resource Information Unit. No other directorships were held in the past 3 years.

Resigned 19 October 2017.

Graham Hardie FCA – Non-Executive Director

Mr Hardie is the principal of Hardie Finance Corporation, a private Perth-based property development company, and is also the principal of Entertainment Enterprises, a private Perth-based hospitality company. He is also a Non-Executive Director of Peel Mining Limited. He is a Fellow of the Institute of Chartered Accountants and a former partner in a leading Chartered Accounting firm. He has extensive commercial and financial experience and has held board positions on a number of public companies in the mining, media, transport and retail industries. No other directorships were held in the past 3 years.

Resigned 19 October 2017.

Ryan Woodhouse – Company Secretary

Mr Woodhouse has 11 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants. Mr Woodhouse is currently holds the position of Company Secretary with Peel Mining Limited.

Mr Woodhouse was appointed Company Secretary on 6 June 2017.

Director's report

Meetings of Directors

Director's attendance at Directors meetings are shown in the following table:

<i>Director</i>	<i>Number held whilst in office</i>	<i>Number attended</i>
I Bamborough	3	3
R Tyson	4	4
A Venn	2	2
S Hadfield	2	2
G Hardie	2	2

Remuneration report (audited)

The remuneration report is set out under the following headings:

- a) Principles used to determine the nature and amount of remuneration
- b) Details of remuneration
- c) Service agreements
- d) Share-based compensation
- e) Option holdings of key management personnel
- f) Performance rights holdings of key management personnel
- g) Share holdings of directors and key management personnel, and
- h) Additional information

a) Principles used to determine the nature and amount of remuneration

The objective of the remuneration framework of Saturn Metals Limited is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's remuneration policy.

Board and senior management

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed. Senior management are paid based on applicable market rates.

Remuneration is not linked to past Company performance but rather towards generating future shareholder wealth through share price performance. The Board and management are issued share options in the company on a periodic basis as a means to link executive rewards to shareholder value.

Saturn Metals Limited listed on 9 March 2018 at 20c per share and the share price at 30 June 2018 was 16c (2017: Nil). The Company has recorded a loss this financial year to date. No dividends have been declared or paid during the reporting period.

Remuneration report (audited)

b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each of the Directors of Saturn Metals Limited and other key management personnel of the Company during the year ended 30 June 2018 are set out in the following table:

Table 1: Director and Key Management Personnel remuneration

	<i>Short-Term Employment Benefits</i>	<i>Post- Employment</i>	<i>Long-Term Benefits</i>	<i>Share Based Payment</i>			
	<i>Cash salary and fees</i>	<i>Super- annuation</i>	<i>Leave benefits</i>	<i>Options</i>	<i>Performance Rights</i>	<i>Total</i>	<i>Performance Related</i>
2018	\$	\$	\$	\$	\$	\$	%
Directors							
I Bamborough	46,152	21,186	4,540	154,821	200,000	426,699	83%
R Tyson	16,667	1,583	-	34,656	52,091	104,997	83%
A Venn	16,667	1,583	-	34,656	-	52,906	66%
Total	79,486	24,352	4,540	224,133	252,091	584,602	-

2017: Nil

c) Service agreements

Remuneration and other terms of employment for the Directors and key management personnel, except those of non-executive Directors are formalised in Employment Agreements or Letters of Offer. Details of the employment conditions for Directors and key management personnel are set out below:

The Company has entered into an executive services agreement with Mr Ian Bamborough pursuant to which Mr Bamborough is appointed Managing Director of the Company on the following terms:

- The Company will employ the Managing Director for an initial period of 6 months commencing on 12th August 2017 during which time the Company will seek to list on the ASX. Post listing, employment in this capacity will continue on a full time on basis.
- The Company will pay to the Managing Director for services rendered a salary of \$180,000 per annum. During the Initial Period, the portion of the Salary owing to the Managing Director shall be satisfied by way of the issue of the Performance Rights (defined below at Share Based Compensation) for the first six months of employment, in the event the Company obtains a successful Listing. Following expiry of the Initial Period the Salary shall increase to \$200,000 per annum.
- On the commencement date, the Managing Director will be issued 1,000,000 Class A Performance Rights under the Company's Performance Rights Plan.
- The Managing Director is entitled to 1,000,000 Class A Options, 1,000,000 Class B Options and 1,000,000 Class C Options as part of a long-term incentive program to be granted pursuant to the Company's Incentive Option Plan.
- The Company will reimburse the Managing Director for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties.
- The Company may terminate the service agreement on 1 month's written notice during the Initial Period and without reason on 3 months' notice thereafter and immediately without notice in the event of serious misconduct.

Remuneration report (audited)

- (g) The Managing Director may terminate the executive service agreement at any time and without notice if the Company commits a serious breach of the executive service agreement or by giving three (3) months' notice to the Company.

The Executive Service Agreements otherwise contains terms and conditions which are considered standard for agreements of their nature, including those relating to confidentiality, non-disclosure and assignment.

The Company has entered into an executive services agreement with Mr Robert Tyson pursuant to which Mr Tyson is appointed Executive Chairman of the Company on the following terms:

- (a) The service agreement will continue for a period of 6 months from 29th August 2017 unless terminated beforehand by either party. Post listing, employment in this capacity will be on an ongoing basis.
- (b) The Company will pay to the Executive for services rendered a salary of \$50,000 per annum (excluding superannuation) payable in equal monthly instalments in arrears (or as otherwise agreed) and to be reviewed annually.
- (c) In addition to the Salary, on the Commencement Date, the Executive Chairman will be issued 500,000 Class B Performance Rights under the Company's Performance Rights Plan (conditions defined below at Share-based Compensation).
- (d) The Executive Chairman is entitled to 500,000 Class A Options as part of a long-term incentive program to be granted under the Company's Incentive Option Plan.
- (e) The Company will reimburse the Executive Chairman for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties.
- (f) The Company may terminate the service agreement without reason on 3 months' notice to the Executive Chairman, on 1 months' notice in the event of serious breach, incompetence or incapacity or summarily without notice if the Executive Chairman is convicted of a criminal offence.
- (g) The Executive Chairman may terminate the executive service agreement at any time and without notice if the Company commits a serious breach of the executive service agreement or by giving three (3) months' notice to the Company.

The Executive Service Agreements otherwise contains terms and conditions which are considered standard for agreements of their nature, including those relating to confidentiality, non-disclosure and assignment.

The Company has entered into an appointment letter with Andrew Venn pursuant to which Mr Venn is appointed Non-Executive Director of the Company on the following terms:

- (a) Mr Venn's appointment will commence on 21 September 2017 and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution;
- (b) \$50,000 per annum (plus superannuation) payable by the Company fortnightly in arrears. Remuneration shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required);
- (c) Mr Venn is entitled to 500,000 Class A Options as part of a long-term incentive program.
- (d) The Company will reimburse Mr Venn for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties where agreed by the Board.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

Remuneration report (audited)

S Hadfield (non-executive Director)

Mr Hadfield was appointed a Director of the Company at inception. Mr Hadfield had not entered into a formal contract with the Company in respect to his appointment as a non-executive Director. Mr Hadfield had not received any remuneration in his role as a Director of the Company. Mr Hadfield resigned 19 October 2017.

G Hardie (non-executive Director)

Mr Hardie was appointed a Director of the Company at inception. Mr Hardie had not entered into a formal contract with the Company in respect to his appointment as a non-executive Director. Mr Hardie had not received any remuneration in his role as a Director of the Company. Mr Hardie resigned 19 October 2017.

d) Share-based compensation

(i) Options

Options over shares in Saturn Metals Limited may be granted under the Company's Incentive Option Plan which was created in September 2017 and approved by the Board. The Incentive Option Plan is designed to provide long-term incentives for Eligible Participants to deliver long-term shareholder returns. Under the plan, the Board may from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines. An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.

Details of options over ordinary shares in the Company provided as remuneration to each director and key management personnel of Saturn Metals Limited are set out below. When exercisable, each option is convertible into one ordinary share of Saturn Mining Limited. Further information on the options is set out in note 18(a) to the financial statements.

Name	Fair Value at Grant Date		Number of options granted during year		Number of options vested during year	
	2018	2017	2018	2017	2018	2017
Directors	\$	\$				
<i>Ian Bamborough</i>	403,785	-	3,000,000	-	-	-
<i>Robert Tyson</i>	66,529	-	500,000	-	-	-
<i>Andrew Venn</i>	66,529	-	500,000	-	-	-

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date have been determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, impact of dilution, share price at grant date, price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

The classes, terms and conditions of each grant of options existing at reporting date is as follows:

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
9 March 2018	Class A - 9 March 2019 (33%) Class B - 9 March 2020 (33%) Class C - 9 March 2021 (33%)	9 April 2021	20 Cents	13 Cents
9 March 2018	Class A - 9 March 2019	9 April 2021	20 Cents	13 Cents

No options were exercised by Directors of Saturn Metals Limited.

Remuneration report (audited)

(i) Performance Rights

Performance Rights in Saturn Metals Limited may be granted under the Incentive Performance Rights Plan which was created in September 2017 and approved by the Board. The Incentive Performance Rights Plan is designed to provide short-term incentives for Eligible Participants to deliver short and long term shareholder returns. A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right. A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Performance Right;
- (ii) a vesting condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the vesting conditions and vest the Performance Right in the circumstances set out in paragraph
- (iii) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;

Details of performance rights in the Company provided as remuneration to each Director and key management personnel of Saturn Metals Limited are set out below. When conditions are met, each performance right is convertible into one ordinary share of Saturn Mining Limited. Further information on the performance rights is set out in note 18(b) to the financial statements.

Grant Date	Date Vested & No. Exercisable	Expiry Date	Exercise Price	Fair value per option at Grant Date
9 March 2018	Class A - 1,000,000 in lieu of salary and vesting upon successful listing of Saturn Metals Limited.	12 March 2018 (Exercised)	Nil consideration	20 Cents
9 March 2018	Class B - 500,000 on release of an updated resource estimate for the Apollo Hill Gold project.	9 March 2019	Nil consideration	20 Cents

Name	Fair Value at Grant Date		Number of performance rights granted during year		Number of performance rights vested during year	
	2018	2017	2018	2017	2018	2017
Directors	\$	\$				
<i>Ian Bamborough</i>	200,000	-	1,000,000	-	1,000,000	-
<i>Robert Tyson</i>	100,000	-	500,000	-	-	-
<i>Andrew Venn</i>	-	-	-	-	-	-

The fair value of the rights is determined on the market price of the company's shares at grant date, with an adjustment made to take into account the one year vesting period. The maximum value of the performance rights shares yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. For the 2018 grant, the maximum value yet to vest for this grant was estimated based on the share price of the company at grant date. The minimum value of performance rights shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met. The Directors do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period (note 18(b)).

Remuneration report (audited)

e) Option holdings of key management personnel (KMP)

30 June 2018	Balance at the start of the year	Granted as compensation	Expired during year	Exercised	Other Change	Balance at end of the year	Vested and exercisable	Unvested
Directors								
I Bamborough	-	3,000,000	-	-	-	3,000,000	-	3,000,000
R Tyson	-	500,000	-	-	-	500,000	-	500,000
A Venn	-	500,000	-	-	-	500,000	-	500,000
KMP	-	4,000,000	-	-	-	4,000,000	-	4,000,000

No options were exercised by Directors of Saturn Metals Limited.

f) Performance rights holdings of key management personnel (KMP)

30 June 2018	Balance at the start of the year	Granted as compensation	Expired during year	Converted to Shares	Balance at end of the year	Vested and exercisable	Unvested
Directors							
I Bamborough	-	1,000,000	-	1,000,000	-	-	-
R Tyson	-	500,000	-	-	500,000	-	500,000
A Venn	-	-	-	-	-	-	-
KMP	-	1,500,000	-	1,000,000	500,000	-	500,000

g) Share holdings of Directors and key management personnel – Shares in Saturn Metals Limited (number)

30 June 2018	Balance at 1 July 2017	Received during the year conversion of performance rights	Other changes during the year	Balance at 30 June 2018
Directors				
I Bamborough	-	1,000,000	500,000	1,500,000
R Tyson	-	-	210,000	210,000
A Venn	-	-	250,000	250,000
KMP	-	1,000,000	960,000	1,960,000

h) Additional information

Other transactions with key management personnel

The company's Executive Chairman, Mr Robert Tyson is also the Managing Director of Peel Mining Limited, which has a 35.71% holding in the Company and previous owner of the Apollo Hill Gold Project. During the year Saturn Metals Limited paid Peel Mining Limited for costs associated with its Initial Public Offering and Management Services.

The total of transactions with Peel Mining Limited during the year was \$448,522. (2017: Nil). The outstanding balance at year end was \$2,049. A non-executive Director, Mr Andrew Venn is also the COO of DDH1 Drilling Pty Ltd. Saturn Metals Limited purchased drilling services from DDH1 Drilling Pty Ltd during the year. The terms are based on normal commercial terms and conditions.

The total transaction with DDH1 Drilling Pty Ltd during the year was \$246,571 (2017: Nil). The outstanding balance at year end was \$245,571.

Cash bonuses

No cash bonuses have been paid by the Company during the financial year (2017:Nil).

Remuneration report (audited)

Share-based compensation: options & performance rights

Other than options and performance rights granted under the Incentive Option Plan and the Performance Rights Plan as described in (d) above, there were no options issued to or exercised by Directors of Saturn Metals Limited or other key management personnel during the year.

Use of remuneration consultants

During the year ended 30 June 2018, the Company did not employ the services of a remuneration consultant to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

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

As Saturn Metals Limited was incorporated on 7 June 2017 and listed on the ASX on 9 March 2018, the Company has yet to hold its first Annual General Meeting.

End of Audited Remuneration Report

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
9 March 2018	9 April 2021	20 Cents	4,000,000

No option holder has any right under the options to participate in any other share issue of the Company.

Shares issued on the exercise of options

Date of Exercise	Issue price of shares		Number of shares issued	
	2018 cents	2017 cents	2018 Number	2017 Number
Nil	-	-	-	-

Shares under performance rights

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

Date options granted	Expiry date	Exercise Price	Number under performance rights
9 March 2018	9 March 2019	Nil consideration	500,000

Shares issued on the conversion of performance rights

Date of Exercise	Issue price of shares		Number of shares issued	
	2018 cents	2017 cents	2018 Number	2017 Number
9 March 2018	20 Cents	-	1,000,000	-

Indemnification and Insurance of Directors and Officers

During the financial year the Company paid a premium of \$3,377 (2017: \$0) to insure the Directors and officers of the Company. The policy indemnifies each Director and officer of the Company against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors Report

Environmental Regulation

The Company holds exploration licences and mining leases in Australia. These licences specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the respective jurisdiction's guidelines and standards. The Company is not aware of any significant breaches of the licence condition.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included at the end of this financial report.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in *APEX 110 Code of Ethics for Professional Accountants*.

Details of the fees paid to the auditor during the year can be found at note 19 of the notes to the financial statements.

This report is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Board by:

Ian Bamborough



Managing Director
Perth, Western Australia
25th September 2018

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Interest revenue	10	27,334	-
Revenue and other income		27,334	-
Share-based remuneration to Directors	18	(476,224)	-
Employee and Directors' benefit expenses	11	(157,507)	-
Administration expenses		(250,923)	-
Loss before income tax		(857,320)	-
Income tax benefit (expense)	12	-	-
Loss from continuing operations after income tax		(857,320)	-
Other comprehensive income		-	-
Total Loss and comprehensive income for the year attributable to the members of Saturn Metals Limited		(857,320)	-
Basic Loss per share for the year attributable to the members of Saturn Metals Limited	20	(0.03)	-
Diluted Loss per share for the year attributable to the members of Saturn Metals Limited	20	(0.03)	-

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

Statement of financial position

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	3	4,982,038	-
Trade and other receivables	4	195,080	-
Loan to Parent		-	1
Total Current Assets		5,177,118	1
Non-Current Assets			
Plant & equipment	5	101,379	-
Exploration assets	6	5,086,787	-
Total Non-Current Assets		5,188,166	-
Total Assets		10,365,284	1
Current Liabilities			
Trade and other payables	7	315,379	-
Total Current Liabilities		315,379	-
Total Liabilities		315,379	-
Net Assets		10,049,905	1
Equity			
Contributed equity	8	10,631,001	1
Accumulated losses	9	(857,320)	-
Option reserve	9	276,224	-
Total Equity		10,049,905	1

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

Statement of changes in equity

For the year ended 30 June 2018

		Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2017	Note				
Loss for the year		-	-		-
Total comprehensive profit for the year	9	-	-	-	-
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Issue of share capital	8	1	-	-	1
Share issue expenses	8	-	-	-	-
Share based payments	9	-	-	-	-
Balance at 30 June 2017		1	-	-	1
Loss for the year		-	(857,320)	-	-
Total comprehensive loss for the year	9	-	(857,320)	-	(857,320)
Issue of share capital	8	11,200,001	-	-	11,200,001
Share issue expenses	8	(569,000)	-	-	(569,000)
Share based payments	9	-	-	276,224	276,224
Balance at 30 June 2018		10,631,001	(857,320)	276,224	10,049,905

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

Statement of cash flows

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(562,596)	-
Net cash outflow from operating activities	13	(562,596)	-
Cash flows from investing activities			
Payments for exploration expenditure		(790,296)	-
Payments for purchase of plant and equipment		(106,020)	-
Interest received		9,949	-
Net cash outflow from investing activities		(886,367)	-
Cash flows from financing activities			
Proceeds from issue of shares		7,000,001	-
Transaction costs of issue of shares		(569,000)	-
Net cash inflow from financing activities		6,431,001	-
Net increase/(decrease) in cash and cash equivalents		4,982,038	-
Cash and cash equivalents at the start of year		-	-
Cash and cash equivalents at the end of year	3	4,982,038	-

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

Notes to the financial statements

1. Significant Changes to Accounting Policy

The principal accounting policies adopted in the preparation of the financial report are set out in the notes below including note 22. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for the Company at the end of, or during the financial years ended 30 June 2018 and the comparative period.

2. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the Board of Directors. The Board of Directors have determined that Saturn Metals Limited only has one segment, being exploration for precious metals at the Apollo Hill Gold Project, in Western Australia.

3. Cash & Cash Equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

	2018 \$	2017 \$
Cash at bank and in hand	732,038	-
Term deposits with financial institutions	4,250,000	-
	4,982,038	-
Refer to note 14 for the policy on financial risk management		

4. Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any potentially unrecoverable amounts. An allowance for doubtful debts is made when there is objective evidence that the Company may not be able to collect the debts. The allowance for bad debts is recognised in a separate account. Bad debts are written off when identified.

The Company classifies its financial assets as loans and receivables. Management determines the classification at initial recognition and where applicable re-evaluates this designation at the end of each reporting period. Loans and receivables are carried at amortised cost using the effective interest method. The Company assesses at the end of each financial period whether a financial asset is impaired.

Receivables (Current)	2018 \$	2017 \$
Receivable from parent	-	1
GST recoverable from taxation authority	161,191	-
Accrued income	17,384	-
Prepayments	16,505	-
	195,080	1

Refer to note 14 for the policy on financial risk management

Notes to the financial statements

5. Property, Plant & Equipment

Plant and equipment

All assets acquired, including plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives from the time the asset is held ready for use as follows:

- Plant	3-10 years
- Vehicles	3-8 years
- Office equipment	3-5 years
- Computer software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs of disposal and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Nil impairment losses have been recognised for the year ending 30 June 2018 (2017: \$nil).

	2018	2017
	\$	\$
<i>Plant and equipment</i>		
Depreciating plant and equipment	106,020	-
Less accumulated depreciation	(4,641)	-
Total property, plant and equipment	101,379	-

Reconciliation

Carrying amount at beginning of year	-	-
Additions	106,020	-
Depreciation expense	(4,641)	-
Disposals	-	-
Closing balance	101,379	-

Notes to the financial statements

6. Exploration and evaluation assets

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition costs and exploration and evaluation expenditure incurred is accumulated and capitalised in relation to each identifiable area of interest. These costs are only carried forward to the extent that the Company's right to tenure to that area of interest are current and either the costs are expected to be recouped through successful development and exploitation of the area of interest (alternatively by sale) or where areas of interest have not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active, and significant operations are undertaken in relation to the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the exploration and evaluation phase or development phase until production commences.

On 8 September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited (a wholly owned subsidiary) with the intention to list the Company on the ASX, via an initial public offering (IPO). The Company held a general meeting on 10 October 2017 at which they obtained shareholder approval for the transaction. Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the Company.

On the 11th October 2017 the Company issued 20,000,000 shares to Apollo Mining Pty Ltd's nominee for the purchase of the Apollo Hill Gold project. The nominee company was Peel Mining Limited, the parent company of both entities.

	2018	2017
	\$	\$
At cost	5,086,787	-
Reconciliation		
Opening balance	-	-
Acquisition of Apollo Hill Gold project	4,000,000	-
Exploration expenditure	1,086,787	-
Impairment Expense	-	-
Closing balance	5,086,787	-

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

7. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of invoice. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

	2018	2017
	\$	\$
Trade payables	261,524	-
Accrued expenses & other payables	53,855	-
	315,379	-

Notes to the financial statements

8. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity acquires 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 incremental costs (net of income taxes) are recognised directly in equity.

(a) Share capital

	2018		2017	
	Number of Shares	\$	Number of Shares	\$
Authorised and issued, ordinary shares fully paid	56,000,001	10,631,001	1	1

(b) Movements in ordinary share capital

Opening balance, 1 July	1	1	-	-
Shares issued on incorporation of Company	-	-	1	1
Shares issued for the purchase of Apollo Hill Gold Project	20,000,000	4,000,000	-	-
Shares issued as a result of initial public offering	35,000,000	7,000,000	-	-
Shares issued as a result of conversion of performance rights	1,000,000	200,000	-	-
Transaction costs on share issues	-	(569,000)	-	-
Adjustments to share issue costs and related tax	-	-	-	-
Closing balance, 30 June	56,000,001	10,631,001	1	1

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company 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.

(d) Options & performance rights

Information relating to options and performance rights issued during the year is set out in note 18.

(e) Capital risk management

In employing its capital the Company seeks to ensure that it will be able to continue as a going concern and in time provide value to shareholders by way of increased market capitalisation and/or dividends. In the current stage of its development, the Company has invested its available capital in acquiring and exploring mining tenements. As is appropriate at this stage, the Company is funded entirely by equity. As it moves forward to develop its tenements towards production, the Company will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the Board will consider each step forward in the development of the Company on its merits and in the context of the then capital markets, in deciding how to structure funding arrangements.

Notes to the financial statements

9. Reserves and accumulated losses

	2018 \$	2017 \$
<i>(i) Accumulated losses</i>		
Opening balance	-	-
Loss for the year	857,320	-
Closing balance	857,320	-
<i>(ii) Share-based payments reserve</i>		
Opening balance	-	-
Option expenses (Director options)	224,133	-
Net Performance rights (Directors rights)	52,091	-
Closing balance	276,224	-

Nature and purpose of reserve

The share-based payment reserve represents the fair value of equity benefits provided to Directors and employees as part of their remuneration for services provided to the Company paid for by the issue of equity.

Share options and reserve movements

	2018		2017	
	Options	\$	Options	\$
Opening balance	-	-	-	-
Options issued to Directors	4,000,000	224,133	-	-
Exercised	-	-	-	-
Closing balance	4,000,000	224,133	-	-
Exercisable at 20 cents each on or before 9 March 2019	2,000,000		-	-
Exercisable at 20 cents each on or before 9 March 2020	1,000,000		-	-
Exercisable at 20 cents each on or before 9 March 2021	1,000,000		-	-
	4,000,000		-	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value (note 18(a)).

Performance rights and reserve movements

	2018		2017	
	Performance Rights	\$	Performance Rights	\$
Opening balance	-	-	-	-
Performance Rights issued to Directors	1,500,000	300,000	-	-
Performance Rights converted to ordinary shares	(1,000,000)	(200,000)	-	-
Closing balance	500,000	100,000	-	-
Exercisable on or before 9 March 2019	500,000	-	-	-

Notes to the financial statements

The fair value of the rights is determined on the market price of the company's shares at grant date, with an adjustment made to take into account the one year vesting period. The maximum value of the performance rights shares yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. For the 2018 grant, the maximum value yet to vest for this grant was estimated based on the share price of the company at grant date. The minimum value of performance rights shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met. The Directors do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period. (note 18(b)).

10. Other Income

Income recognition

Income is recognised to the extent that it is probable that the economic benefit will flow to the Company and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised.

Interest income

Income is recognised as the interest accrues using the nominal interest rate.

	2018	2017
	\$	\$
Interest Income	27,334	-
Total	27,334	-

11. Expenses

Loss before income taxes includes the following specific expenses:

	2018	2017
	\$	\$
Employees and Director's benefit expenses		
Employee costs	42,784	-
Directors fees	34,917	-
Recruitment costs	65,858	-
Employment on costs	13,948	-
	157,507	-

12. Income tax

The income tax expense (or benefit) for the period is the tax payable (or refundable) on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Notes to the financial statements

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss for the year.

	2018 \$	2017 \$
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Numerical reconciliation of income tax to prima facie tax payable:		
Loss from continuing operations before income tax	857,320	-
At the statutory income tax rate of 30% (2017: 30%)	(257,196)	-
Expenditure not allowed for income tax purposes:		
- Current year 30 June 2018 permanent adjustments	108,727	-
Benefit of temporary differences	(535)	-
Tax losses not brought to account	149,004	-
Income tax benefit/(expense) reported in the statement of profit and loss and other comprehensive income	-	-

Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

Deferred tax: share issue costs recognised through equity	(136,560)	-
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The Company has total carried forward tax losses arising in Australia of \$417,945 (2017: Nil) available for offset against future assessable income of the Company. The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax asset attributable to the residual tax losses of \$149,004 has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

Deferred taxes: the balance comprises temporary differences attributable to:

DTA – Deferred income	-	-
DTA – Other	137,095	-
DTL – Exploration & Evaluation	(406,036)	-
	268,941	-
DTA – Tax Losses	268,941	-
Net deferred tax liability/ (asset)	-	-

Notes to the financial statements

13. Reconciliation of cash flows from operating activities to loss after income tax

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

	2018 \$	2017 \$
Net cash outflow from operating activities	(562,597)	-
Adjustments for		
Share-based payments	(476,224)	-
Depreciation	(4,641)	-
Interest received and receivable	27,334	-
Change in operating assets and liabilities		
Increase in receivables	177,696	-
Increase in payables	(18,888)	-
Loss after income tax	(857,320)	-

14. Financial Risk Management

Overview

The Company is exposed to financial risks through the normal course of its business operations. The key risks impacting the Company's financial instruments are considered to be, interest rate risk, liquidity risk, and credit risk. The Company's financial instruments exposed to these risks are cash and cash equivalents, trade receivables, trade payables and other payables.

Credit risk

The Company's maximum exposures to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position. Credit risk arises from the non-performance by counterparties of contractual financial obligations. Credit risk arises from cash and cash equivalents, deposits with banks, any outstanding receivables and committed transactions. Management assesses the credit quality of the counterparties by taking into account its financial position, past experience and other factors. For banks and financial institutions, management considers independent ratings and only dealing with banks licensed to operate in Australia.

Trade and other receivables

The Company operates in the mining exploration sector and does not have trade receivables from customers. It does however have credit risk arising from other receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

		2018 \$	2017 \$
Cash and cash equivalents AA- rated banks	3	4,982,038	-
External receivables with taxation authority	4	161,191	-
External receivables from AA- rated banks	4	17,384	-
Prepayments with unrated counterparties	4	16,505	-

Impairment losses

At 30 June 2018 the Company has not recognised any impairment losses.

Notes to the financial statements

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity by maintaining adequate reserves by continuously monitoring forecast and actual cash flows ensuring there are appropriate plans in place to finance these future cash flows.

Typically the Company ensures it has sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Financial Obligations \$
30 June 2018	
Trade and other payables less than 6 months	315,379
30 June 2017	
Trade and other payables less than 6 months	-

Interest rate risk

Interest rate risk is the risk that the Company's financial position will be adversely affected by movements in interest rates, cash and cash equivalents at variable rates exposes the Company to cash flow interest rate risk. The Company is not exposed to fair value interest rate risk as all of its financial assets and liabilities are carried at amortised amount.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

		Carrying Amount	
		2018 \$	2017 \$
Short term cash deposits	2.59%	4,250,000	-

Cash flow sensitivity analysis for variable rate instruments of the Company

At 30 June 2018 if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax loss would have been \$42,500 lower/higher (2017: Nil lower/higher).

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the statement of financial position, approximate their fair values.

15. Contingencies & Commitments

The Company had no contingent assets or liabilities as at 30 June 2018 (2017: \$Nil).

Operating lease commitments

Saturn Metals Limited as lessee has entered into a commercial property lease agreement for its Perth office. The lease has 9 months remaining with an option to extend for an additional 12 months. The remaining commitment is \$13,500. The lease includes a clause to enable revision of the rental charge on an annual basis.

The Company had no operating lease commitments within 12, before 60 or later than 60 months as at 30 June 2018.

Notes to the financial statements

Exploration commitments

Under the terms of mineral tenement licences held by the Company, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Company may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement, or may seek exemptions from the relevant authority.

Expenditure commitments within one year at the reporting date but not recognised as liabilities were \$622,860 (2017: Nil). Due to the uncertain nature of exploration and the fact that the Company may at any time relinquish tenements it does not believe it to be appropriate to recognise these commitments post 12 months. The Company had no other expenditure commitments greater than 12 months.

16. Events after the reporting period

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17. Related Parties

Peel Mining Limited (PEX) holds 35.71% of Saturn Metals Limited. During the year the company purchased the Apollo Hill Gold Project from Peel Mining Limited for \$4,000,000 in shares. The Company engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative services and facilities through a service agreement. Throughout the year the Company made reimbursements for costs associated with the initial public offering and management services, to Peel Mining Limited.

The Company also purchased drilling services from DDH1 Drilling Pty Ltd, which the Company's non-executive Director, Andrew Venn, is the Chief Operations Officer.

	2018 \$	2017 \$
(a) Compensation of key management personnel		
Short-term employee benefits	79,486	-
Post-employment benefits	24,352	-
Long-term benefits	4,540	-
Share-based payments	476,224	-
	584,602	-
(b) Transactions with related parties		
Purchase of Mining and Exploration Leases from associate	4,000,000	-
Purchases of management service from associate	448,522	-
Purchases of goods and services from entities controlled by key management personnel	246,571	-
	4,695,093	-
(c) Outstanding balances arising from purchases of services with related parties		
<i>Current payables</i>		
Peel Mining Limited	(2,049)	-
Entities controlled by key management personnel	(246,571)	-
	(248,620)	-

Other than the above, the Company had no other transactions with related parties.

Notes to the financial statements

18. Share-based payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the Board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

During the year the Company has granted options and performance rights to Directors through its Incentive Option Plan and Performance Rights Plan respectively.

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

(a) Options

				2018 Number	2018 \$	2017 Number	2017 \$
Options granted to Directors				4,000,000	224,133	-	-

Grant date	Expiry date	Exercise price	Bal. at start of the year	Granted during the year	Expired during the year	Exercised during the year	Balance at end of the year	Vested and exercisable at end of the year
		\$	Number	Number	Number	Number	Number	Number
9 Mar 18	9 Apr 21	20 cents	-	3,000,000	-	-	3,000,000	-
9 Mar 18	9 Apr 21	20 cents	-	1,000,000	-	-	1,000,000	-
			-	4,000,000	-	-	4,000,000	-

Fair value of options granted

The assessed fair value at grant date of options granted to Directors during the period ended 30 June 2018 was 13 cents per option (2017: Nil). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the years ended 30 June 2018 included:

	2018	2018	2018
Recipient	Executive & Non-exec Director Options	Executive & Non-exec Director Options	Executive & Non-exec Director Options
Options are granted for no consideration and vest accordingly	2,000,000 vest 9 Mar 2019	1,000,000 vest 9 Mar 2020	1,000,000 vest 9 Mar 2021
Exercise Price	20 cents	20 cents	20 cents
Grant Date	1,000,000 at 9-Mar-18 1,000,000 at 9-Mar-18	9-Mar-18	9-Mar-18
Expiry Date	9-Apr-21	9-Apr-21	9-Apr-21
Share Price at Grant Date	20 cents	20 cents	20 cents
Expected Price Volatility	100%	100%	100%
Expected Dividend Yield	0.00%	0.00%	0.00%
Risk-free interest rate	1.91%	1.91%	1.91%

Notes to the financial statements

(b) Performance Rights

During the year the Company has granted performance rights to Directors through the Performance Rights Plan.

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

		2018 Number	2018 \$	2017 Number	2017 \$
Performance rights granted to Directors		1,500,000	252,091	-	-

Grant date	Expiry date	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Converted to ordinary shares during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
9 Mar 18	9 Apr 21	-	1,000,000	-	(1,000,000)	-	-
9 Mar 18	9 Apr 21	-	500,000	-	-	500,000	500,000
			1,500,000	-	(1,000,000)	500,000	500,000

Fair value of performance rights granted

The fair value of the rights is determined on the market price of the company's shares at grant date, with an adjustment made to take into account the one year vesting period. The maximum value of the performance rights shares yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed. For the 2018 grant, the maximum value yet to vest for this grant was estimated based on the share price of the company at grant date. The minimum value of performance rights shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met. The Directors do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period.

(c) Acquisition – Share based payment

During the year the company purchased the Apollo Hill Gold Project south of Leonora, Western Australia from Peel Mining Limited for consideration of 20,000,000 in Saturn Metals Limited shares, at a value of 20 cents per share.

(d) Weighted averages – Options

The weighted average exercise price \$0.20 (2017: Nil).

The weighted average fair value of options is \$0.13 (2017: Nil).

The weighted average remaining contractual life is 1.82 years (2017: Nil).

19. Remuneration of Auditors

	2018 \$	2017 \$
Amounts paid or due and payable to the PricewaterhouseCoopers Auditing and reviewing financial reports	33,000	-
	33,000	-
Taxation services	-	-
Indirect taxation services	15,200	-
Valuation services	38,474	-
Total	53,674	-

Notes to the financial statements

20. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

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.

	2018	2017
Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.03)	-
Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.03)	-
Reconciliation of loss used in calculation of loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the company per share	(857,230)	-
	Number of Shares	Number of Shares
	2018	2017
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic loss per share	25,501,371	-

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive.

21. Non-cash investing and financing activities

On 8 September 2017, the Board of Peel Mining Limited announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited (a wholly owned subsidiary) with the intention to list the Company on the ASX, via an initial public offering (IPO). The Company held a general meeting on 10 October 2017 at which they obtained shareholder approval for the transaction. Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the Company.

On the 11th October 2017 the Company issued 20,000,000 shares to Apollo Mining Pty Ltd's nominee for the purchase of the Apollo Hill Gold project. The nominee company was Peel Mining Limited, the parent company of both entities. (2017: Nil).

The Company employed Mr Ian Bamborough as its Managing Director on the 12th August 2017. Mr Bamborough's continued employment was conditional on Saturn Metals Limited listing on the Australian Securities Exchange, which occurred on the 9th March 2018. Mr Bamborough was issued 1,000,000 performance rights in the Company in lieu of salary. Each right had converted to an ordinary share, for no consideration, upon the Company listing on the Australian Securities Exchange. Mr Bamborough's performance rights were converted to ordinary shares on 9 March 2018. For further information please refer note 18(b).

Notes to the financial statements

22. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for the Company during the financial years ended 30 June 2018 and the comparative period.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Saturn Metals Limited is a for-profit entity for the purpose of preparing the financial statements. The presentation currency of these accounts is Australian Dollars (AUD).

Compliance with IFRS

The financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

New and amended standards adopted by the Company

There was no new significant accounting standards or amendments adopted by the Company for the period commencing 1 July 2018.

(b) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(c) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the Lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the liability. Finance charges are charged directly to the statement of profit or loss and other comprehensive income.

Operating lease payments are recognised as an expense when incurred.

Notes to the financial statements

(d) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements that are expected to be settled wholly 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 balance date and are measured at the amounts expected to be paid when the liabilities are settled.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable is included as a current asset in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the taxation authority are classified as operating cash flows.

(f) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.

Management has assessed the assets, liabilities and contracts and believe they currently do not constitute financial instruments. The classification of assets and liabilities is not likely to change under the new standard, therefore the application of the standard will not have an impact on the Company's accounting for financial assets and liabilities during the period.

AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management has assessed the impact of the new standard, and at this stage, its application to the Company's financial statements will have nil effect as the Company is not currently a revenue generating business.

AASB 16 Leases – (Effective date 1 July 2019)

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 item) 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.

Management has considered significant contracts, such as those for drilling, and believes the Company does not hold any contracts that constitute leases under the standard. The Company has not entered into any financial leases however has entered into an operating lease for the rental of office space, however this is considered short term and therefore the implementation of the standard will have no impact at the current time.

At this stage the Company does not intend to adopt any of the above standard before its effective date.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements

(g) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

The Company makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration assets, where exploration expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Share-based payment transactions

The Company measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a Black-Scholes model. 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 expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

It is the Company's policy to capitalise costs relating to exploration and evaluation activities. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

(h) Income tax related judgements

The Company is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company estimates its tax liabilities based on the Company's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Company has recognised deferred tax assets relating to carried forward tax losses. Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. Refer to note 12 for the current recognition of tax losses.

Director's declaration

The Board of Directors of Saturn Metals Limited declares that:

- (a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and
 - (ii) give a true and fair view of the financial position as at 30 June 2018 and performance for the financial year ended on that date of the entity.
- (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (c) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (d) the Board of Directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Ian Bamborough

Managing Director
Perth, Western Australia
25th September 2018



Auditor's Independence Declaration

As lead auditor for the audit of Saturn Metals Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Ben Gargett', written in a cursive style.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
25 September 2018

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent auditor's report

To the members of Saturn Metals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Saturn Metals Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of 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.

PricewaterhouseCoopers, ABN 52 780 433 757

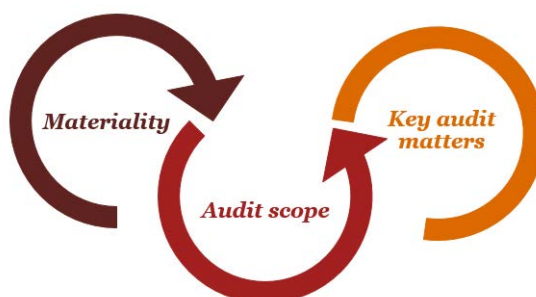
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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$103,000, which represents approximately 1% of the Company's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose the Company's total assets, in our view, it is the benchmark against which the performance of the Company is most commonly measured whilst in the exploration phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable asset related thresholds.

Audit Scope

- Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company's operational and financial processes are managed by a corporate function in Perth, where substantially all of our audit procedures are performed.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

Key audit matter

How our audit addressed the key audit matter

Carrying value of exploration and evaluation assets

(Refer to note 6)

The Company holds mining, exploration and prospecting licenses across Western Australia and recognised exploration and evaluation assets of \$5,086,787 at 30 June 2018 in respect of carry forward expenditure on these tenements.

The Company performed an assessment as to whether impairment indicators existed at 30 June 2018 in respect of exploration and evaluation assets and concluded that there were no indicators of impairment.

The carrying value of exploration and evaluation assets was a key audit matter due to the size of the exploration and evaluation assets on the consolidated statement of financial position as at 30 June 2018 and the risk of impairment of exploration and evaluation assets should the result of exploration activities not be positive or the Company relinquish certain exploration licenses as it continues to assess future viability.

We performed the following procedures, amongst others:

- Tested whether the Company retained right of tenure for its exploration licence areas by obtaining licence status records from relevant government databases.
- For a sample of additions to exploration and evaluation assets during the year inspected relevant supporting documentation, such as invoices, and compared the amounts to accounting records.
- Obtained management's exploration expenditure forecasts supporting their assessment of indicators of impairment and compared these to the approved budgets and future cash flow forecasts of the Company.
- Inquired of management and directors as to the future planned expenditure on capitalised exploration and evaluation assets and assessed plans for future expenditure to meet minimum licence requirements.

Share-based payments

(Refer to note 18)

The Company provides benefits to directors in the form of share-based payments, whereby directors render services and receive rights over shares (performance rights and share options). These share-based payment transactions are classified by the Company as equity-settled share-based payment transactions.

We performed the following procedures, amongst others:

- Compared the terms and conditions in the signed agreements for all options and performance rights issued to directors during the financial year to those included in the share-based payment expense calculations.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
The accounting for share-based payments was a key audit matter due to the magnitude of the share-based payments expense and the judgement involved in determining the value of the performance rights and options using Black Scholes models, primarily in relation to the discount rates and share price volatility used in the models.	• Compared the options and performance rights grant dates used in the share-based payment expense calculations to signed agreements. • Ascertained whether key inputs used in the calculations were appropriate for the performance rights and share option valuation models, by agreeing to supporting documentation. • Tested that the share based payment expense was recognised over the appropriate vesting period in accordance with contractual terms. • Assessed the reasonableness of the fair value calculation through re-performing the calculation and performing sensitivity analysis of the assumed share price volatility used in the Company's calculation. • Evaluated the adequacy of disclosures made by the Company in the financial report in light of the requirements of Australian Accounting Standards.

Basis of preparation of the financial report

The financial statements have been prepared by the Company on a going concern basis, which contemplates that the Company will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business.

The Company is in the exploration and evaluation phase and therefore does not generate revenue from its operations and relies on funding from its shareholders or other sources to continue as a going concern. These funds are used to meet expenditure requirements to maintain the good standing of the Company's tenements, progress project feasibility studies, and to cover corporate overheads.

In determining the appropriateness of their going concern basis of preparation of the financial report, the Company made a number of judgements, including expenditure required to progress the Company's projects and the minimum corporate overhead expenditure required to continue operations.

In assessing the appropriateness of the Company's going concern basis of preparation for the financial report, we performed the following procedures, amongst others:

- Evaluated the appropriateness of the Company's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware as a result of the audit has been included.
- Inquired of management and the directors whether they were aware of any events or conditions, including beyond the period of assessment that may cast significant doubt on the Company's ability to continue as a going concern.
- Evaluated the Company's plans for future actions, whether the outcome is likely to improve the situation and whether they are feasible in the circumstances.



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Assessing the appropriateness of the Company's basis of preparation for the financial report was a key audit matter due to its importance to the financial report and the judgement involved in forecasting future cash flows for a period of at least 12 months from the date of the financial report.	• Compared the key underlying data and assumptions in the Company's cash flow forecast to approved budgets, internal reporting and historical cash outflows, including an assessment of the reasonableness of exploration and evaluation expenditure for the forecast period by comparing forecast expenditure to minimum annual expenditure commitments for each tenement as listed on the Western Australian Department of Mines, Industry Regulation and Safety's Mineral Titles Online database. • Developed an understanding of what forecast expenditure in the cash flow forecast is committed and what could be considered discretionary.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, including the Corporate Directory, Chairman's Letter, Review of Operations, Mineral Resource Estimation Governance Statement, Directors' Report, Schedule of Tenements as at 30 June 2018, Additional ASX Information and Shareholder Information, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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, 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.

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 Company 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 Company or to cease operations, or have 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 the 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 24 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Saturn Metals Limited for the year ended 30 June 2018 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.

The PricewaterhouseCoopers logo, written in a cursive, handwritten style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Ben Gargett'.

Ben Gargett
Partner

Perth
25 September 2018

Additional ASX information

ASX BEST PRACTICE RECOMMENDATIONS

This statement outlines the main corporate governance practices that were formally in place from 21 September 2017 onwards. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS

The Board operates in accordance with the broad principles set out in its plan, which is available from the corporate governance information section of the Company website at www.saturnmetals.com.au.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** - Driving strategic direction of the Company, including contributing to the development of and approving the corporate strategy and ensuring appropriate resources are available to meet objectives;
2. **Financial performance** - Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** - Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** - Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** – Approval and management of the Company's remuneration framework for executive management and staff;
6. **Risk management** - Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters; and
7. **Relationships with the exchanges, regulators and continuous disclosure** - Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary.

The Board has delegated to management responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive Directors.

The roles of Chairman and Managing Director are not combined. The Managing Director is accountable to the Board for all authority delegated to the position.

Additional ASX information

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval and monitoring of a strategic plan;
- approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- procedures are in place to incorporate presentations to each Board meeting by financial and operations management.

COMPOSITION OF THE BOARD

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report. A summary of these skills and experiences are provided in table 1.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.
- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, with only Mr Venn as independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- does not hold more than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- is not, or has not been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is not, or has not within the last three years been, a partner, director or senior employee of a provider of material professional services or a material consultant to the Company or any of its child entities;

Additional ASX information

- is not, or has not been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is not a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- does not have a material contractual relationship with the Company or its child entities other than as a Director;
- does not have close family ties with any person who falls within any of the categories described above; or
- has not been a Director of the Company for such a period that his or her independence may have been compromised.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Table 1: Skills and Experience Matrix of Saturn Metals Limited's Directors

Area	Competence
Business and Finance	Accounting, Business Strategy, Corporate Financing, Financial Literacy, Agreements/Fiscal Terms and Risk Management
Leadership	Business Leadership, Executive Management and Mentoring, Public Listed Company Experience
Sustainability & Stakeholder	Community Relations, Corporate Governance, Environmental Issues, Government Affairs, Health & Safety, Human Resources, Industrial Relations and Remuneration
Industry Specific (Australia)	Geology (Technical), Precious Metals – Exploration & Production, Base Metals – Exploration & Production, Mining & Resources

The Directors on the Board collectively have a combination of skills and experience in the competencies set out in the table above. These competencies are set out in the skills matrix that the Board uses to assess the skills and experience of each Director and the combined capabilities of the Board. Where an existing or projected competency gap is identified, the Board will address those gaps. The Board does not currently consider that there are any existing or projected competency gaps.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right to seek independent external professional advice as they considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

NOMINATION COMMITTEE / APPOINTMENT OF NEW DIRECTORS

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

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The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Each Director and senior executive is a party to a written agreement with the Company which sets out the key terms and conditions of that Director's appointment.

The Board undertakes appropriate checks before appointing a candidate, or putting forward to security holders candidate for election, as a Director, including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate). Shareholders are provided with all material information in its possession concerning a Director standing for election or re-election in the relevant notice of meeting.

An informal induction is provided to all new Directors, which includes meeting with technical and financial personnel to understand Saturn Metals Limited's business, including strategies, risks, company policies and health and safety.

All Directors are required to maintain professional development necessary to maintain their skills and knowledge needed to perform their duties. In addition to training provided by relevant professional affiliations of the Directors, additional development is provided through attendance at seminars and provision of technical papers on industry related matters and developments offered by various professional organisations, such as accounting firms and legal advisors.

TERM OF OFFICE

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election. Where standing for re-election as a Director, the term of office served by the Director and a statement whether the Board considers the candidate to be independent and if the Board supports the re-election of the candidate will be provided to shareholders.

PERFORMANCE OF DIRECTORS AND MANAGING DIRECTOR

The performance of all Directors, the Board as a whole and the Managing Director and Company Secretary is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- comparison of the performance of the Board against the requirements of the plan;
- review the Board's interaction with management;
- review the nature of information provided to the Directors;
- identification of any particular goals and objectives of the Board for the next year; and

Additional ASX information

- identification of any necessary or desirable improvements to Board or committee plans.

As the company was officially listed on 9 March 2018, no review was undertaken during the reporting period. The Board plans to undertake a review around the time of the anniversary of listing each year.

PERFORMANCE OF SENIOR EXECUTIVES

The Managing Director is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving a formal meeting with each senior executive on an annual basis. The basis of evaluation of senior executives will be on agreed performance measures.

As the company was officially listed on 9 March 2018 and a review of risks was outlined in the company's prospectus, no additional review has been undertaken post listing. The Board plans to undertake a review around the time of the annual anniversary of listing.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company are set out in the related parties note in the financial statements.

DIVERSITY

Saturn Metals Limited recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Diversity Policy defines the initiatives which assist Saturn Metals Limited with maintaining and improving the diversity of its workforce. A copy of the Diversity Policy can be found in the company's Corporate Governance Framework on the Company's website. The company currently has a naturally diverse workplace in terms of gender, age, ethnicity and cultural background, and believes that currently meets the objectives of its policy. As such no formal measurable objectives have been required or set for achieving diversity. This will be monitored by the Board on an annual basis and as the company grows.

The policy was formally adopted by the company on the 21 September 2017.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation are set out in the table below:

Proportion of Women

	Proportion of women
Organisation as a whole	4 out of 11 (36%)
Executive Management Team	0 out of 2 (0%)
Board	0 out of 3 (0%)

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REMUNERATION

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high quality Executives;
- Design executive remuneration to attract, retain and motivate high quality senior executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current year is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

BOARD REMUNERATION COMMITTEE

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web.

AUDIT AND RISK COMMITTEE

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate. The Board assures integrity of the financial statements by:

- a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;
- b) monitoring compliance of the accounting records and procedures in conjunctions with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, ASX and Australian Taxation Office;
- c) ensuring that management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Company's business;
- d) reviewing audit reports and management letters to ensure prompt action is taken;
- e) when required, nominating the external auditor and at least annually review the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

RISK OVERSIGHT AND MANAGEMENT

The Board determines the Company's 'risk profile' and is responsible overseeing and approving risk management strategy and policies, internal compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Additional ASX information

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle which impact on the price and demand for minerals which affects the sentiment for investment in exploration companies.

There will a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be effected by these economic risks.

Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate.

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk.

The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees when dealing with stakeholders.

As the company was officially listed on 9 March 2018, the Board has not yet reviewed the Risk Management Framework for year. The Board plans to undertake a review around the time of the annual anniversary of listing.

A summary of Saturn Metals Limited's Risk Management review procedures can be found in the corporate governance information section of the Company website at www.saturnmetals.com.au.

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity. Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

No internal audit function is currently in place due to the size of the Company, however Board regularly assess the need for an internal audit function. The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Half yearly, the Financial Controller (or equivalent) and the Managing Director are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001 -

- the financial records of the Company for the financial period have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional ASX information

Additional declaration required as part of corporate governance -

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the June 2018 financial year.

CODE OF CONDUCT

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity & Objectivity
- Excellence
- Commercial Discipline

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

TRADING IN SATURN METALS LIMITED SECURITIES BY DIRECTORS, OFFICERS AND EMPLOYEES

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

CONTINUOUS DISCLOSURE

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

The Company is committed to:

- a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;
- b) preventing the selective or inadvertent disclosure of material price sensitive information;
- c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and
- d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

Additional ASX information

SHAREHOLDER COMMUNICATIONS STRATEGY

The Company recognises the value of providing current and relevant information to its shareholders. The Company has adopted a Shareholder Communications Strategy which can be accessed from Saturn Metals Limited's website at <http://www.saturnmetals.com.au>

Information is communicated to shareholders through the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting. After the Annual General Meeting, the Managing Director provides shareholders with a presentation. Afterwards all Directors are available to meet with any shareholders and answer questions.

Shareholders are encouraged to contact the Company through the "Contact Us" section on Saturn Metals Limited's website, to submit any questions via email, or call.

The Company's website provides communication details for its Share Registry, including an email address for shareholder enquiries direct to the Share Registry.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company ensures that its external auditor is present at all Annual General Meetings to enable shareholders to ask questions relevant to the audit directly to the auditor.

COMPANY WEBSITE

Saturn Metals Limited has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.saturnmetals.com.au.

Shareholder information

Information relating to shareholders at 21 September 2018

<i>Distribution of shareholders</i>			
Range	No. of Holders	No. Ord Shares	%
1 - 1,000	3	603	0.01
1,001 - 5,000	17	56,522	0.10
5,001 - 10,000	74	722,356	1.29
10,001 - 100,000	268	12,359,731	22.07
100,001 and over	72	42,860,789	76.54
Total	434	56,000,001	400

<i>Substantial shareholders</i>		No. Ord Shares	%
1	PEEL MINING LIMITED	20,000,001	35.71
2	WHYTHENSHAW PTY LTD AND ASSOCIATES	1,250,000	7.59

<i>Twenty largest shareholders</i>		No. Ord Shares	%
1	PEEL MINING LIMITED	20,000,001	35.71%
2	ROMAN ROAD HOLDINGS PTY LTD ATF ROMAN ROAD TRUST	1,400,000	2.50%
3	WYTHENSHAW PTY LTD	1,375,000	2.46%
4	HAMPTON HILL MINING NL	1,250,000	2.23%
5	WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	1,100,000	1.96%
6	WARRAMBOO HOLDINGS PTY LTD	1,000,000	1.79%
6	MR ANDREW LENOX HEWITT	1,000,000	1.79%
6	REDCLIFF PTY LTD	1,000,000	1.79%
7	WYTHENSHAW PTY LTD	625,000	1.12%
7	PERTH CAPITAL PTY LTD	625,000	1.12%
7	PERTH CAPITAL PTY LTD	625,000	1.12%
8	HOWARD TRADING CO PTY LTD	600,000	1.07%
9	DENKEY PTY LTD	545,000	0.97%
10	NAVIGATOR AUSTRALIA LTD	500,000	0.89%
11	PARKRANGE NOMINEES PTY LTD	375,000	0.67%
11	PATINA RESOURCES PTY LTD	375,000	0.67%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	365,000	0.65%
13	PROSPER WA PTY LTD	300,000	0.54%
13	JASPER HILL RESOURCES PTY LTD	300,000	0.54%
13	MR SIMON LEE & DR ERIC TAN	300,000	0.54%
14	MR KEIRAN HAYNES	290,000	0.52%
15	G & N LORD SUPERANNUATION PTY LTD	285,000	0.51%
16	JOJO ENTERPRISES PTY LTD	250,930	0.45%
17	MR KENNETH BIDDICK & MRS CATHERINE BIDDICK	250,000	0.45%
17	ADVANCE PUBLICITY PTY LTD	250,000	0.45%
17	JOST SUPERANNUATION PTY LTD	250,000	0.45%
17	MR CHRISTOPHER MARK ROVIRA	250,000	0.45%
17	MRS PETREA KRISTINE MCGHEE	250,000	0.45%
17	TRAYBURN PTY LTD	250,000	0.45%
17	APPOLO PTY LTD	250,000	0.45%
18	1215 CAPITAL PTY LTD	231,000	0.41%
19	MR PATRICK JAMES DYMOCK ELLIOTT	200,000	0.36%
19	ASTROGEM PTY LTD	200,000	0.36%
19	ARINYA INVESTMENTS PTY LTD	200,000	0.36%
19	MS BIANCA POPE	200,000	0.36%
19	MR ANTHONY PAUL ROVIRA	200,000	0.36%
19	MR ANDREW LENOX HEWITT	200,000	0.36%
19	MRS LEANNE MAY HOSIE & MR CRAIG COLIN HOSIE	200,000	0.36%
19	MR SIMON HADFIELD & MRS FIONA HADFIELD	200,000	0.36%
19	RUSSELL HOWARD PTY LTD	200,000	0.36%
19	WALSEC PTY LTD	200,000	0.36%
19	SOMNUS PTY LTD	200,000	0.36%
19	MULCASTER SUPER FUND PTY LTD	200,000	0.36%
20	WALSEC PTY LTD	191,182	0.34%
		39,058,113	69.75

Shareholder information

At the prevailing market price of \$0.21 per share there were 5 shareholders with less than a marketable parcel of shares at 20 September 2018.

At 20 September 2018 there were 434 holders of ordinary shares in the Company.

At the date of this report, 20,000,001 shares held by Peel Mining Limited was held under escrow. There were no shares or options restricted by the ASX.

Unquoted securities

At the date of this report the Company had 4,000,000 unlisted share options on issue.

Voting Rights

"Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

- a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- c) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited)."