ASX Announcement
22 November 2022

NON-RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- **Non-renounceable Rights Issue to eligible shareholders to raise up to $4.68M before costs.**
- **Funds to be used for accelerating development studies and bulk sample pilot plant planning at Apollo Hill and focused exploration activities.**

Saturn Metals Limited ASX:STN ("Saturn" or the "Company") is pleased to announce that it is offering eligible shareholders the opportunity to acquire new shares in the Company through participation in a pro-rata, non-renounceable Rights Issue.

The Company is seeking to raise up to $4.68M before costs through the offer of one (1) new fully paid ordinary share, for every five (5) existing shares held by eligible shareholders, at an issue price of $0.18 per new share ("Rights Issue" or "Offer").

The issue price for the offer represents a 23.4% discount to the closing price of the Company's shares on 21 November 2022, being the last trading day prior to this announcement, and a discount of 14.6% to the 5-day VWAP up to 21 November 2022.

The Directors who will have an entitlement intend to participate in the Rights Issue.

The Company is taking significant steps towards defining the pathway to gold production at its Apollo Hill Gold Deposit. Work during the year has focussed on the completion of a major metallurgical program and complementary process engineering study, which, along with results from resource drilling, led to a new Mineral Resource of 1.47Moz Au[1] constrained within a single, simple pit shell under a bulk tonnage mining and heap leach processing scenario. Further, an aggressive regional drilling campaign of over 50,000 metres was completed across the broader Apollo Hill project area delivered numerous promising results which have led to the development of several new satellite prospects and a larger prospective pattern of gold anomalism. Saturn has also recently completed its first deeper 'Framework' hole under the Apollo Hill deposit itself.

Proceeds of the Offer will be used to support development study work focused on the delivery of a comprehensive preliminary economic assessment (PEA) of Apollo Hill's potential and an associated updated Mineral Resource in the first half of calendar 2023. To this end the Company is currently engaged in programs of work on metallurgical process improvement, resource estimation, mining optimisation, geotechnical investigation, hydrogeological study, and waste rock characterisation.

Beyond this PEA target, Offer proceeds will support the Company with longer lead time items, some of which have commenced, such as environmental studies which are an important step for the delivery of feasibility studies and ultimately production scenarios. As a part of this feasibility process the Company is evaluating the opportunity to develop a pilot scale heap leach project. This would necessarily involve development of a small open pit to extract a

[1] Details of the Mineral Resource which currently stands at 76.6 Mt @ 0.6 g/t Au for 1,469,000 oz Au and a breakdown by category are presented in Table 1a (page 5 of this document) along with the associated Competent Persons statement and details of the ASX announcement that this information was originally published in.

representative bulk sample, construction, and loading, of a pilot scale heap leach pad and installation, at the appropriate scale of the plant required to process the ore, apply leach solution and recover gold. Evaluation has commenced and detailed planning and costing will be completed during 2023. The intent is to allow for a decision to be made to proceed, subject to the receipt of all necessary statutory approvals, with the pilot study commencing in 2024. The company believes that a low capital cost pilot study of this type will provide important data for input into a bankable feasibility study, demonstrate "proof of concept" and allow a "head start" on operational readiness and full-scale commissioning planning. It will also provide an ideal basis for stakeholder engagement and development of a fit for purpose ESG framework. Accelerated study work and permitting planning has commenced.

Importantly, Offer proceeds will also be targeted at both regional and Apollo Hill deposit exploration drilling programs and a second phase of exploration drilling at our Joint Venture in the West Wyalong Goldfield of New South Wales.

Ian Bamborough, Managing Director said:

"*Proceeds from this Offer will allow Saturn to sustain this higher level of development activity and maintain our warranted exploration and resource drilling activities*".

Details of the Offer

The non-renounceable pro-rata Rights Issue for eligible shareholders will be undertaken on the basis of one (1) new fully paid ordinary share for every five (5) existing shares held, at an issue price of $0.18 per share, to raise approximately $4.68M before costs of the Offer.

- All shareholders registered as of 25 November 2022 7.00pm (AWST) ("Record Date") with an address in Australia, New Zealand, Malaysia, Singapore, Switzerland and United Kingdom and certain exempt shareholders in Ontario, Canada and the United States as set out in section 1.16 of the Offer Document will be eligible to participate in the Offer (Eligible Shareholders).
- The maximum number of new shares to be issued under the Offer is 25,979,835 (based on the undiluted share capital of the Company as at the close of trade on 21 November 2022, and without considering any rounding).
- The Offer is not underwritten and there is no minimum subscription.
- The Offer is non-renounceable, meaning that a shareholder's rights to subscribe for new shares under the Offer, is not transferable.
- Any fractional entitlements under the Offer will be rounded up.
- Each new share will rank equally with all existing Shares then on issue on the Record Date.
- Shareholders who apply for their full entitlement may also apply for additional new shares in excess of their entitlement at the issue price, to be issued from any Shortfall. Any shares issued under the Shortfall will be issued at the absolute discretion of the Company.
- The Rights Issue will be conducted without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth).

Full details of the Rights Issue are set out in the Offer Document and Appendix 3B lodged with the ASX today.

Proposed Use of Proceeds

The Company proposes to use the proceeds of the Offer as follows:

Use	Approximate Allocation	
	$M	%
Apollo Hill Development Studies	2.86	61
Exploration – Apollo Hill Project	1.35	29
Exploration – West Wyalong	0.31	7
Working capital & expenses of the Offer	0.16	3
Total	**4.68**	**100**

The above proposed use of proceeds is indicative only and in the event that circumstances change, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

Timetable

The indicative timetable for the Offer is as follows:

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice.

Event	Date
Announcement and application for official quotation of New Shares	22 November 2022
Section 708AA notice given to ASX	22 November 2022
Lodge Offer Document with ASX	22 November 2022
Notice provided to Option Holders	22 November 2022
Ex Date	24 November 2022
Record Date for the Issue	25 November 2022 7.00pm (AWST)
Dispatch of Offer Document and Acceptance Form	30 November 2022
Opening Date of Offer	30 November 2022 at 9.00am AWST
Last day to extend the Closing Date	6 December 2022
Closing Date of Offer	9 December 2022 at 5.00pm AWST
Shares quoted on a deferred settlement basis	12 December 2022
Notification of shortfall (if any) under the Offer	15 December 2022
Issue of New Shares	16 December 2022
Commencement of trading of New Shares on ASX	19 December 2022
Despatch of New Shares holding statements	19 December 2022
Issue and allotment of any Shares under the Shortfall	By 9 March 2023

Enquiries

Any enquiries regarding the Offer should be directed to the Company Secretary:

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This announcement has been approved for release by the Saturn Metals Limited Board of Directors.

IAN BAMBOROUGH
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Not an offer in the United States

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Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Competent Persons Statement – Resource

[1] The information for the Mineral Resource included in this report is extracted from the report entitled (Apollo Hill Gold Resource Upgraded To 1.47Moz) created on 2 May 2022 and is available to view on the Saturn Metals Limited website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Saturn Metals Ltd confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1 (a). May 2022 Mineral Resource Statement; 0.23 g/t Au cut-off by oxidation domain within a 1.2 revenue factor pit shell to represent reasonable prospects for eventual economic extraction.

Lower Cut-off Grade Au g/t	Oxidation state	Measured			Indicated			Inferred			MII Total		
		Tonnes (Mtonnes)	Au (g/t)	Au Metal (KOzs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (KOzs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (KOzs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (KOzs)
0.23	**Oxide**	0	0	0	1.08	0.54	19	0.75	0.61	15	1.8	0.57	34
	Transitional	0	0	0	8.3	0.58	155	3.1	0.61	61	11	0.59	216
	Fresh	0	0	0	31	0.58	586	32	0.62	634	63	0.60	1,220
	Total	**0**	**0**	**0**	**41**	**0.58**	**760**	**35**	**0.62**	**710**	**76**	**0.60**	**1,469**

The model is reported above the 2022 nominal RF1.2 pit optimization shell (AH8A_2 MII HL) for RPEEE and 0.23 g/t Au lower cut-off grade for all material types. There is no known depletion by mining within the model area. Estimation is by LMIK for Apollo Hill ZONECODE=100 and 300 while Ra ZONECODE=200 and Tefnut (ZONECODE=400, 402) were estimated using ROK due to limited data. Grade field AU_FIN1. The model currently assumes a 5mE x 12.5mN x 5mRL SMU for selective open pit mining. Selectivity may vary with changed mining and processing scenarios. The final models are SMU models and incorporate internal dilution to the scale of the SMU. The models do not account for mining related edge dilution and ore loss. These parameters should be considered during the mining study as being dependent on grade control, equipment and mining configurations including drilling and blasting. Classification is according to JORC Code Mineral Resource categories. Totals may vary due to rounded figures.

Appendix 1:

Saturn Metals Project Areas

Apollo Hill (29.15°S and 121.68°E) is located approximately 60km south-east of Leonora in the heart of WA's goldfields region (Figure 1). The deposit and the Apollo Hill project are 100% owned by Saturn and are surrounded by good infrastructure and several significant gold deposits. The Apollo Hill Project has the potential to become a large tonnage, simple metallurgy, low strip open pit mining operation.

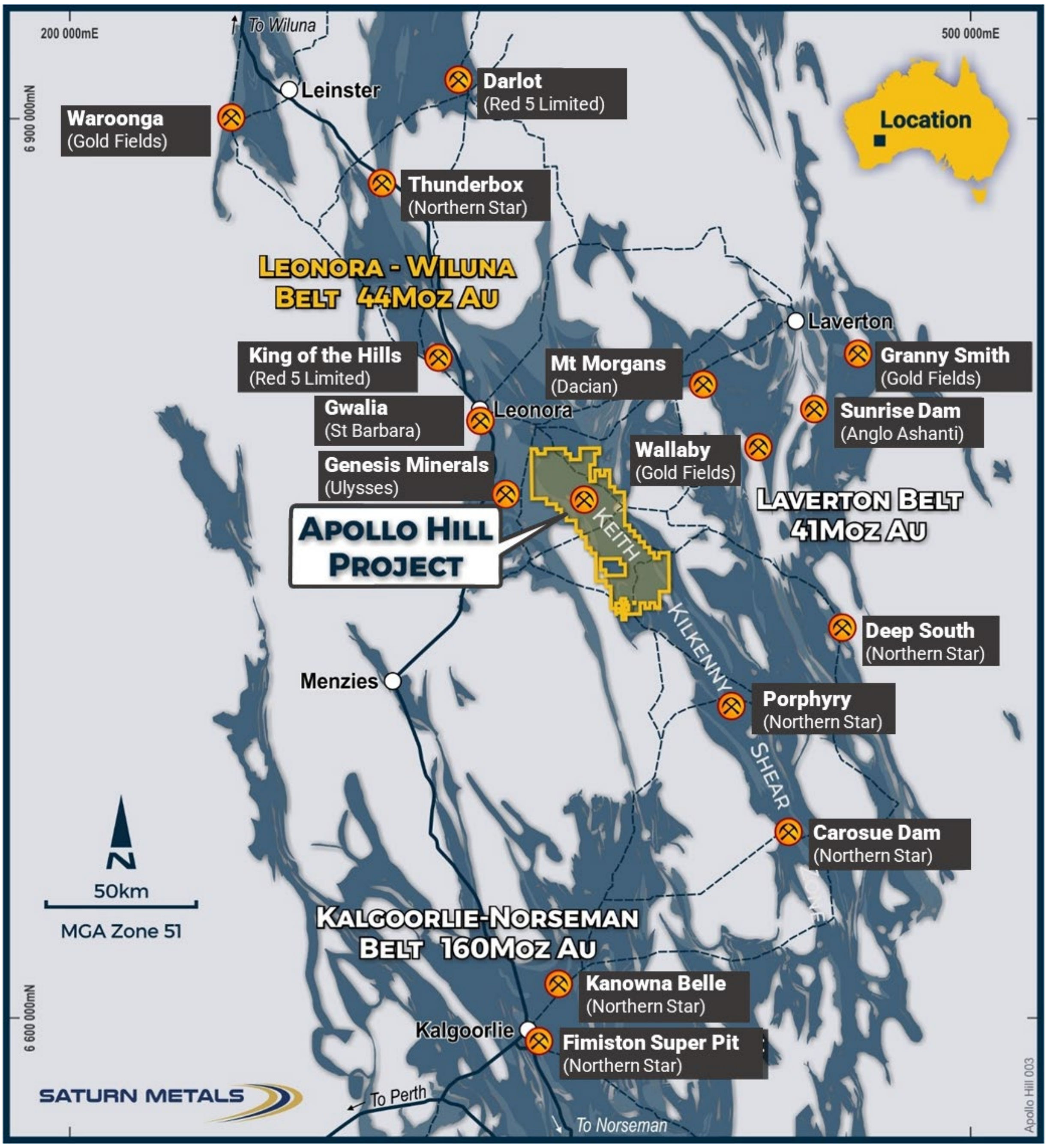

Figure 1 – Apollo Hill location, Saturn Metals' tenements and surrounding gold deposits, gold endowment and infrastructure.

In addition, Saturn has a second quality gold exploration project in Australia. The Company has an option to earn an 85% joint venture interest in the West Wyalong Project (Figure 2), which represents a high-grade vein opportunity on the highly gold prospective Gilmore suture within the famous Lachlan Fold belt of NSW.

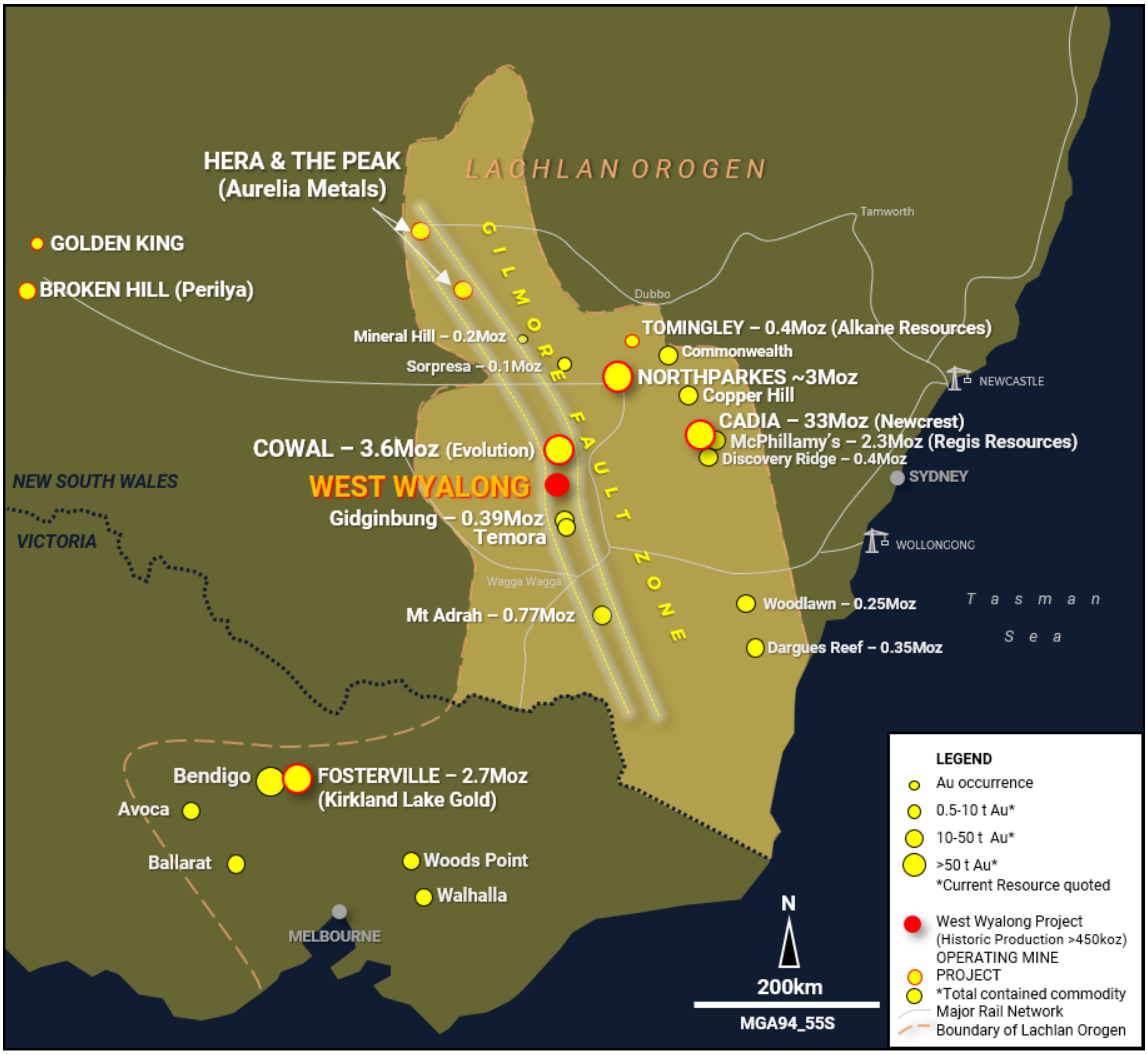

Figure 2 – Regional setting and location of the West Wyalong Gold Project in relation to other gold projects in New South Wales and Victoria (map taken from Saturn ASX announcement on 28 April 2020 where full references are provided)