

## ASX Announcement

26 November 2020

### Chairman's Address to the Annual General Meeting

Ladies and Gentlemen.

I am very pleased to report to you this afternoon on what has been a productive and rewarding year for Saturn Metals.

As the 2020 financial year began, the drills were turning at the Company's flagship Apollo Hill Gold Project, targeting resource upgrade, resource expansion and discovery of new mineralised positions. In total, a very substantial 77,000 metres of reverse circulation (RC) and aircore drilling has since been completed.

This drilling generated the best gold intersections ever seen at Apollo Hill. Most importantly, step-out drilling extended gold mineralisation well beyond previous resource limits. In addition, in-fill drilling confirmed the continuity of mineralisation, upgrading the quality of the resource estimate.

A key area of exploration focus was the recently discovered zone of mineralisation in the hanging wall of the main Apollo Hill deposit. Drilling has now demonstrated that this mineralisation extends well down dip and along strike of the discovery hole and currently remains open in all directions.

Identification of this relatively high grade, shallow hanging wall mineralisation was an important development. Should mining ultimately proceed at Apollo Hill, this additional zone of mineralisation will provide scope for greater economies of scale. However, as a mining engineer, what struck me most clearly was the potential this presented to significantly improve the ore to waste ratio relative to an open pit mine that was targeting the main deposit alone.

In March this year, high grade drill intersections were reported from the Company's first drilling program at the Calypso Prospect, a satellite target approximately 3.5 kilometres north-east of Apollo Hill. These results highlight the potential of Saturn's 1,000 square kilometre regional ground holding in this well-endowed region of the Goldfields. Further regional exploration programs will follow.

In October 2019 the Company delivered its second Apollo Hill resource upgrade within 12 months. The total Mineral Resource increased by a further 96,000 ounces, or 14%, to 781,000 ounces of contained gold. Importantly, partial infill drilling over sections of the resource led to an increase of more than 150% in the higher category, Indicated Mineral Resource.

Results have been received from an additional 50,000 metres of RC drilling at Apollo Hill since the October 2019 resource estimate was prepared. Work is now underway on the Company's third resource update, which will incorporate all of this data. We expect the new resource estimate to be completed and released by early in the new year.

In April this year, Saturn secured the right to earn up to an 85% joint venture interest in 91 square kilometres of exploration tenure over the historic West Wyalong Goldfield in New South Wales. West Wyalong operated between 1894 and 1915 and in its day was a significant, very high grade gold mining operation. West Wyalong is located in the Lachlan Fold Belt, which also hosts the major current day gold mines, Cadia and Cowal, operated by Newcrest and Evolution respectively.

The historic mines at West Wyalong are shallow by modern standards and we believe there is strong potential to extend the previously worked deposits at depth and identify additional gold occurrences in adjacent areas that appear to have been subject to minimal prior exploration.

While Saturn's primary focus will continue to be on the advancement of the Apollo Hill Gold Project, I am very excited by the opportunity we have at West Wyalong and look forward to us getting exploration underway in the not too distant future.

The Company funded its activities throughout the financial year via three well supported share placements to institutional and sophisticated investors, which raised a total of \$8.2 million, before costs. In September this year the Company raised an additional \$13.7 million of equity capital through a single, oversubscribed placement.

The level of support for the Company's capital raising programs, from existing shareholders and new investors, was very gratifying. Saturn now has a very strong, well credentialed share register that would be the envy of many larger companies.

However, following engagement with some of our new institutional shareholders, it has become evident that they were not comfortable with the way Saturn was proposing to structure non-executive director remuneration. In response the Board has elected to withdraw Resolutions 7, 8 and 9 that were to be put to this afternoon's meeting. We will engage further with our shareholder base and reconsider the structuring of director remuneration.

The Company held cash of \$15.7 million at the end of the September 2020 quarter and has no debt. This solid financial position enables us to sustain a high level of activity in the field and implement far-sighted strategies to progress our projects with the greatest efficiency and effect.

It is pleasing that the market has recognised the progress Saturn has made and rewarded long term shareholders with strong share price growth, from a level of \$0.30 at the commencement of the financial year to \$0.72 at the close – a gain of 140% over twelve months. Today, Saturn's market capitalisation sits at \$75 million, having risen from \$19 million on the 1<sup>st</sup> of July 2019.

I would like to acknowledge the tremendous efforts of Managing Director, Ian Bamborough, Exploration Manager, Kath Cutler and the rest of the small but very effective Saturn team. The Company has been listed little more than two and a half years and this group has achieved a lot that short period of time.

I also wish to thank my fellow non-executive directors, Rob Tyson and Andrew Venn and Company Secretary Ryan Woodhouse, who have overseen the successful establishment of a great Australian gold company.

Finally, on behalf of the whole Board, I thank our shareholders for their on-going support.

**- Ends -**

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

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