

ASX Announcement
24 November 2021

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Ladies and Gentlemen

I am very pleased to report to you this afternoon on another very active and progressive year for Saturn Metals in which the Company continued to advance its flagship Apollo Hill Gold Project in Western Australia and initiated exploration at the West Wyalong Goldfield in New South Wales.

In the Company's most aggressive drilling campaign since listing on the ASX, Saturn completed over 90,000 metres of drilling during the 2020/21 financial year.

Early in the year, drilling focused on resource definition at the Apollo Hill deposit leading to the release of an updated Mineral Resource estimate in January 2021. The Inferred and Indicated Mineral Resource at Apollo Hill now totals almost one million ounces of contained gold and the proportion of the resource classified at the higher confidence Indicated level has increased to 59%.

For the first time, the Mineral Resource was constrained by a preliminary open pit shell, reflecting the evolution of Apollo Hill and Saturn's emerging vision of how the project may progress to an operating mine. There are many strongly mineralised drill intercepts beneath the resource pit shell that present clear opportunity for future resource growth.

Drilling carried out after release of the January 2021 resource has further enhanced resource growth potential through lateral expansion of the Apollo Hill deposit. This program was particularly successful to the south where drilling demonstrated that mineralisation continues from the Ra Zone at the southern end of the main deposit through to the previously isolated Tefnut zone and beyond, a total strike length of three kilometres and growing. There is also strong potential to extend Apollo Hill to the north and recent drilling in this area has produced some excellent results.

We look forward to releasing an updated Mineral Resource estimate for Apollo Hill in the March quarter of 2022 which will incorporate 12 months of additional drilling and knowledge gathering.

It is important to remember that the Apollo Hill deposit occupies only a small proportion of Saturn's extensive land holding in what is a well-endowed and increasingly active gold mining belt. In 2021 the Company stepped up evaluation of the broader project area with more than 12,000 metres of air-core drilling completed at several early stage regional prospects.

These regional programs have already delivered some promising results. I am particularly encouraged by the aircore drilling results from Bob's Prospect, announced to the market just last week. Although Bob's Prospect is still very sparsely drilled, broad zones of strongly anomalous gold mineralisation have been intersected over a strike length that rivals the main Apollo Hill deposit seven kilometres to the west.

With a well-defined resource of significant scale established, the Company has begun to place greater emphasis on shaping the pathway to gold production at Apollo Hill. An important element of this work will be identifying the optimal processing route for Apollo Hill ore. A significant metallurgical test work program is underway which will provide key data to support evaluation of potential treatment options.

We are seeking to prioritise value by targeting a production route that will deliver the optimal balance between gold recovery, resource utilisation, operating margins and capital intensity. Work completed to date has shown that high gold recoveries are readily achievable without resorting to complex metallurgical processes. This is an important attribute that I believe will allow us to consider a range of mining and processing configurations.

During the year Saturn established a presence at West Wyalong and in June 2021 commenced the first modern diamond drilling program at this historically prolific high-grade goldfield. This achievement was not insignificant given the constraints COVID 19 placed on travelling and working within New South Wales. We are at an early stage in developing our knowledge and understanding of this exciting project, and near-term West Wyalong will continue to represent a small component of the Company's work effort as focus remains on progressing Apollo Hill towards development. However West Wyalong provides potentially valuable optionality for the future growth of the Company.

Yesterday the Company entered a trading halt to enable it to complete an equity capital raising. We believe we are on track to complete the raise prior to the commencement of trading tomorrow. The proceeds of the raise together with cash on hand, which stood at \$5.8 million at the end of the September quarter, is intended to ensure Saturn has the financial capacity to maintain momentum at Apollo Hill through further consolidation of the resource, progression of pre-development studies and ongoing evaluation of regional exploration opportunities within the Company's existing tenure.

We look forward to announcing details of the capital raise tomorrow.

In closing I would like to acknowledge the efforts of our Managing Director, Ian Bamborough, and his team who have worked exceptionally hard under challenging conditions to significantly advance the Company's projects over the past 12 months.

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

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

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