



# Rights Issue Offer Document

## Pursuant to s708AA(2) *Corporations Act 2001* (Cth)

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A non renounceable rights issue to existing shareholders of Saturn Metals Limited ACN 619 488 498 of 1 fully paid ordinary share for every 5 Shares held at an Issue Price of A\$0.18 to raise up to approximately A\$4.68 million before costs of the Offer.

This offer is not underwritten.

### **Important notice**

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

This document may not be released to US wire services or distributed in the United States except by Saturn Metals Limited to Eligible Shareholders.

# Important information

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## Offer statistics

Number of New Shares to be issued: ..... up to 25,979,835

Issue Price: ..... A\$0.18

\*Excludes any New Shares which may be issued in the event that any Existing Options and Existing Performance Rights are exercised prior to the Record Date.

## Key dates for investors

Record Date for determining entitlements under the Issue: ..... 25 November 2022

Offer opens: ..... 30 November 2022

Offer expected to close: ..... 9 December 2022

Issue date of New Shares: ..... 16 December 2022

Commencement of trading of New Shares on ASX: ..... 19 December 2022

Expected date for despatch of New Shareholding statements: ..... 19 December 2022

Further details regarding the timetable for the Offer are set out in section 1.3. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

## Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of chapter 6D of the Corporations Act. The Company is offering the securities under this Offer Document without disclosure to investors under chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 22 November 2022 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the Corporations Act, as they apply to the Company; and
- section 674 of the Corporations Act.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia and New Zealand).

### **No excluded information**

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the Corporations Act.

### **Foreign shareholders**

This Offer Document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

In particular, this Offer Document may be distributed in the United States only by the Company to Eligible Shareholders. The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

See section 1.16 for further information on Offer restrictions with respect to Shareholders who do not have registered addresses in Australia.

### **How to accept Entitlement to New Shares**

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Offer Document or making payment of Acceptance money by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at [www.saturnmetals.com.au](http://www.saturnmetals.com.au) (**Website**). If you wish to obtain a free copy of this Offer Document, please contact the Company on +61 (08) 6234 1114 or via email to [nsanti@saturnmetals.com.au](mailto:nsanti@saturnmetals.com.au).

### **Enquiries**

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please contact the Company on:

- (a) +61 (0)8 6234 1114; or
- (b) [nsanti@saturnmetals.com.au](mailto:nsanti@saturnmetals.com.au).

## **Deciding to accept the Offer**

No person named in this Offer Document, nor any other person, guarantees the performance of Saturn, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's Website.

## **Terms used**

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 6.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

## **Forward looking statements**

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

## **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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## Chairman's letter

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22 November 2022

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Saturn Metals Limited (**Issue**).

The Company is making a non-renounceable rights issue of 1 New Share for every 5 Shares held in Saturn Metals Limited on the Record Date at an Issue Price of A\$0.18 per Share, to raise up to approximately A\$4.68 million before the costs of this Issue. This Issue Price 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 14.6% discount to the 5 day volume-weighted average price of Shares (being A\$0.21) as at 21 November 2022.

It is proposed that the funds raised from the Issue will be applied for the purposes of undertaking development studies and exploration on the Company's projects, to cover the costs of the issue and to provide working capital.

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

Pursuant to the Corporations Act, Saturn is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Issue is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Acceptance money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Company reserves its ability to place any New Shares not subscribed for by Eligible Shareholders (**Shortfall**) to new investors.

Shareholders who apply for their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, to be issued from any Shortfall (at the Company's discretion).

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,

Brett Lambert  
Non-Executive Chair  
Saturn Metals Limited

## 1. Offer details

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### 1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 25.98 million New Shares at an Issue Price of A\$0.18 per New Share, on the basis of 1 New Share for every 5 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Offer is not underwritten.

The Issue Price of A\$0.18 per New Share represents a 14.6% discount to the 5 day volume-weighted average price for Shares (being A\$0.21) as at 21 November 2022.

The Issue may be increased by a total of 240,000 New Shares if holders of Existing Options exercise their Existing Options and an additional 76,300 New Shares if holders of Existing Performance Rights were to have their rights vested and exercise their Existing Performance Rights prior to the Record Date.

On the same date as announcing the Issue, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 19 December 2022.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

### 1.2 Minimum subscription

There is no minimum subscription to the Issue.

### 1.3 Important dates

<b>Announcement and application for official quotation of New Shares</b>	22 November 2022
<b>Lodgement of Appendix 3B and section 708AA notice with ASX</b>	22 November 2022
<b>Lodge Offer Document with ASX</b>	22 November 2022
<b>Notice provided to Option Holders</b>	22 November 2022
<b>Ex Date</b>	24 November 2022
<b>Record Date for the Offer</b>	25 November 2022 7.00pm (Perth time)
<b>Despatch of Offer Document and Acceptance Form</b>	30 November 2022
<b>Opening Date of Offer</b>	30 November 2022 at 9.00am (Perth time)
<b>Last day to extend the Closing Date</b>	6 December 2022
<b>Closing Date of Offer</b>	9 December 2022 at 5.00pm (Perth time)
<b>Shares quoted on a deferred settlement basis</b>	12 December 2022
<b>Issue of New Shares</b>	16 December 2022

**Commencement of trading of New Shares on ASX**

19 December 2022

**Despatch of New Shares holding statements**

19 December 2022

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.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

#### 1.4 Purpose of the Issue

Throughout 2022, Saturn continued to actively progress both the development, and exploration, of its flagship Apollo Hill Gold Project in the north-eastern Goldfields of Western Australia.

Importantly, the Company is taking significant steps towards defining the pathway to gold production at its Apollo Hill Gold Deposit. Work during the year focussed on the completion of a major metallurgical program and complementary process engineering study, which, along with results from recent resource drilling, led to a new Mineral Resource of 1.47 million ounces<sup>1</sup> constrained within a single, simple pit shell under a bulk tonnage mining and heap leach processing scenario.

The Company also engaged in an aggressive regional drilling campaign, completing over 50,000 metres of drilling across the broader Apollo Hill project area to deliver numerous promising results which have led to the development of several new satellite prospects and a large and prospective pattern of gold anomalism. Regional exploration drilling continues, and the Company has also recently completed a deeper 'Framework' hole under the Apollo Hill deposit itself. In addition, the Company is planning a second phase of exploration drilling at our Joint Venture in the West Wyalong Goldfield of New South Wales.

Current development study work is focused on the delivery of a comprehensive preliminary economic assessment (**PEA**) of Apollo Hill's potential and an associated updated Mineral Resource. These programs are scheduled for completion in the first half of calendar 2023. To this end, the Company is 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, the Company has commenced longer lead time items such as environmental studies which are an important step for the delivery of feasibility studies and ultimately potential 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

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<sup>1</sup> The information for the Mineral Resource included in this document 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.



extract a 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.

To sustain this higher level of development activity, and maintain our exploration and resource drilling activities, Saturn is raising additional capital under this Offer.

## 1.5 Proposed Use of Funds

The Directors intend to apply the proceeds from the Issue to provide funds for the purposes of:

- (a) undertaking development studies and exploration on the Company’s projects;
- (b) the costs of the Issue; and
- (c) working capital.

The proceeds from the Issue (assuming it is fully subscribed) is proposed to be allocated in the following manner:

<b>Proposed use of funds</b>	
Development studies at Apollo Hill Deposit	A\$2,860,000
Exploration – Apollo Hill	A\$1,350,000
Exploration – West Wyalong	A\$310,000
General working capital (admin, overheads etc)	A\$82,436
Expenses of the Offer (including ASIC fees, ASX fees, legal fees, Share Registry fees and other miscellaneous costs associated with the Issue)	A\$73,934
<b>Total (maximum raising)</b>	<b>A\$4,676,370</b>

*\* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 5.3*

However, in the event that circumstances change or other attractive opportunities arise the Directors reserve the right to re-evaluate priorities and vary the proposed use of funds raised accordingly in order to maximise benefit to Shareholders.

## 1.6 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of the principal invested. Investors should carefully read the section on risk factors outlined in section 4. An investment of this kind involves a number of risks, some of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 4, and others not specifically

referred to in section 4, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

#### **1.7 New Share terms**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **1.8 No rights trading**

Entitlements to New Shares pursuant to the Issue are non-renounceable and accordingly will not be traded on the ASX.

#### **1.9 Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

#### **1.10 Application for Additional New Shares and Shortfall**

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall.

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 (at the Company's discretion). Directors of the Company (and any other related parties of the Company) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, as disclosed in this Offer Document.

Additional New Shares will be issued from any Shortfall at the absolute discretion of the Company and its Directors, and as such there is no guarantee that any Additional New Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional New Shares that they applied for in the event that there is a Shortfall. The Company reserves the right to scale back any applications for Additional New Shares in the event that there is a Shortfall. If this occurs, Application Monies will be returned (without interest) to the extent of the scale back.

In allocating any New Shares as a result of the Shortfall, the Directors will do so in a manner which will ensure that no Shareholder as a consequence of taking up their Entitlement or being placed with any Additional New Shares, hold a relevant interest in more than 20% of all of the Shares in the Company after the issue of the New Shares.

In the event that there remains a Shortfall following the issuance of the Additional New Shares, the Company and the Directors reserve the right (as contemplated within the ASX Listing Rules), to allocate any of that Shortfall in their absolute discretion so as to ensure a maximum amount of funds is raised. Eligible Shareholders should be aware that to the extent that they do not accept their Entitlements in full a Shortfall will arise, and all or part of that Shortfall may be placed by the Company to third parties or other investors, in which case the interest of relevant Eligible Shareholders in the Company may be diluted (see section 3.3 and 4.2 for further details). Any Shortfall issued to third parties or other investors will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.

Applications for Additional New Shares can be made by completing the Additional New Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the appropriate Application Monies for these Additional New Shares with the payment for your Entitlement.

#### 1.11 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right, as contemplated within the Listing Rules, to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

#### 1.12 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Offer Document to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

#### 1.13 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further

statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

#### 1.14 **Option Holders**

Option Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00pm (Perth time) on the Record Date.

There are currently 4,600,000 Existing Options on issue. The Options have exercise dates which expire during the period from 8 December 2022 to 9 December 2025 and have exercise prices ranging from A\$0.364 to A\$0.80. If all Option Holders who could have vested options during the applicable period elect to exercise their Existing Options prior to the Record Date to participate in the Issue, a further 240,000 New Shares may be issued under this Offer Document.

#### 1.15 **Performance Right Holders**

Performance Right Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Performance Rights under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00pm (Perth time) on the Record Date.

There are currently 2,393,000 Existing Performance Rights on issue. These performance rights are all unvested, have exercise dates which expire during the period from 20 December 2023 to 13 December 2024 and have nil exercise prices. If all Performance Rights became capable of being vested and issued prior to the Record Date to participate in the Issue, a further 63,600 New Shares may be issued under this Offer Document.

#### 1.16 **Overseas Shareholders**

This Offer Document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

##### **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## **United States**

The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

The only persons in the United States who may participate in the Offer are shareholders of the Company who are "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act.

In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an institutional accredited investor.

## **Canada**

This Offer Document constitutes an offering of New Shares only in the Province of Ontario (the "Province"), only to persons to whom New Shares may be lawfully distributed in the Province, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Province. This Offer Document may only be distributed in the Province to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Province has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Province with respect to the offering of New Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Province must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Province may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the Province. A purchaser may refer to any applicable provision of the securities legislation of the Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Province.

*Canadian Investor Certificate.* In order to participate in the Offer, an Ontario shareholder must sign and return a Canadian investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the shareholder is an accredited investor.

## **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

## **Singapore**

This Offer Document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Offer Document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offer Document nor any other offering or marketing material relating to the offering, the Company or the New Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Offer Document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

## **United Kingdom**

Neither this document nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Offer Document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

### **1.17 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document, and may not permit any beneficial Shareholder to participate in the Offer, in any country outside of Australia, New Zealand, Malaysia and Singapore except, with the consent of the Company, to beneficial Shareholders in other countries (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

### **1.18 Electronic Offer Document**

An electronic version of this Offer Document is available on the Company's Website.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

## 2. How to apply

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### 2.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. As an Eligible Shareholder, you may:

- (a) Take up all of your Entitlement and apply for Additional New Shares;
- (b) Take up all of your Entitlement but not apply for Additional New Shares;
- (c) Take up part of your Entitlement and allow the balance to lapse; or
- (d) Take no action and allow all of your Entitlement to lapse.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement, they will have no right to subscribe for the New Shares pursuant to this Offer.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Perth time) on the Closing Date. Payment may be made by BPAY®, cheque or bank draft. The Issue Price of \$0.18 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to Saturn Metals Limited- Rights Issue Account" and crossed "not negotiable".

If you are an eligible New Zealand holder, you may complete your application via Electronic Funds Transfer. Please follow the instructions outlined in the Entitlement and Acceptance Form.

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

<b>Link Market Services Limited</b>
<b>Saturn Metals Limited Offer</b>
Saturn Metals Limited C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

Eligible Shareholders in Canada and the United States who wish to participate in the Offer must also sign and return an investor certificate (relating to local securities law matters) that is available from the Company Secretary of Saturn Metals Limited.



No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be issued to the Underwriter or placed by the Directors to third parties. See sections 1.10 and 3.3 for further details.

## 2.2 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder;
- (b) if you are a nominee, you are not acting for the account or benefit of a person outside Australia, New Zealand, Malaysia or Singapore;
- (c) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia; and
- (d) you have not and will not send any materials relating to the Offer to any person in the United States or to any person outside Australia, New Zealand, Malaysia and Singapore without the consent of the Company.

### 3. Control issues arising from the Offer on the Company

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#### 3.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The Shareholders who hold more than 5% of the Shares prior to the date of this Offer Document, as set out in the Company's annual report are as follows:

Name	Shares	%
Dundee Corporation & Associates <sup>1</sup>	19,911,200	15.33
Whythenshawe Pty Ltd (J Pitt & Associates)	10,691,969	8.23
Franklin Resources Inc. & affiliates	11,129,938	8.57
Sprott Inc & Sprott Group Entities	8,881,234	6.84

Notes:

1. *Although not included in the holder's latest substantial shareholder notice lodged with ASX, based on the Company's records and knowledge as at the date of this Offer Document this holder holds an interest in 21,744,533 Shares (being 16.74%).*

#### 3.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Issue is fully subscribed will be as follows:

	Shares Number	%
Ordinary Shares on issue at the date of the Offer Document	129,899,177	83
Maximum number of New Shares under the Offer Document <sup>1</sup>	25,979,835	17
<b>Total:</b>	155,879,012	100%

Notes:

1. *If any of the Existing Options or Existing Performance Rights are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 4,600,000 resulting in a further 240,000 New Shares being issued pursuant to this Offer Document. If all Existing Performance Rights on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 2,393,300 resulting in a further 63,600 New Shares being issued pursuant to this Offer Document.*

As at the date of this Offer Document, the Company has a total of 4,600,000 Existing Options on issue as follows:

No of options	Exercise price	Vesting date	Expiry date
1,200,000	A\$0.364	Vested 9 December 2021	8 December 2022

No of options	Exercise price	Vesting date	Expiry date
2,200,000	A\$0.80	50% Vest 24 November 2022 50% Vest 24 November 2023	22 November 2024
1,200,000	A\$0.63	33% Vest 9 December 2022 33% Vest 9 December 2023 34% Vest 9 December 2024	9 December 2025

As at the date of this Offer Document, the Company has a total of 2,393,000 Existing Performance Rights on issue as follows:

No of Performance Rights	Exercise price	Vesting date/performance hurdle	Expiry date
627,800	Nil	Vest on continuous employment as at 20 December 2023	13 December 2024
1,129,200	Nil	Vest on ASX:STN outperforming the XMM by greater than 10% calculated as at 20 December 2023	13 December 2024
636,000	Nil	159,000 vest on publishing of a positive Apollo Hill Scoping Study by 21 December 2022. 159,000 vest on estimation and reporting of a new mineral resource greater than 200,000oz by 21 December 2022. 159,000 vest on ASX:STN outperforming the XMM by greater than 10% as at 21 December 2022. 159,000 vest on continuous employment as at 21 December 2022.	13 December 2023

The Company also notes an intention to issue further convertible securities under its employee incentive plan, including, subject to receipt of shareholder approval incentives to Directors.

### 3.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders nor the Performance Right Holders exercise their Existing Options and Existing Performance Rights, respectively, and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the Corporations Act and the Listing Rules.

## **4. Risk factors**

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### **4.1 Introduction**

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control.

Prior to making any decision to accept the Offer, Eligible Shareholders should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Shareholder is aware, or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares. Eligible Shareholders should read this Offer Document in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

### **4.2 General risks**

The New Shares that are to be issued pursuant to the Offer are speculative because of the nature of the business of the Company, being the exploration and development of gold tenements. The value of shares can go up as well as down and a dividend may or may not be paid in the future, depending on the Company's operating successes. As the holding of the Company's securities can involve certain risks, Eligible Shareholders in doubt as to the course they should follow should consult their stockbroker, accountant or other professional advisor without delay.

A summary of the major general risks are described below:

#### **Nature of investment**

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

#### **Stock market**

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

### **Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

### **Management actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

### **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

### **Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures. In the event the Company fails to obtain sufficient financing when required, the Company may be forced to delay or eliminate its potential future development activities, sell existing assets to reduce its operations.

### **Regulatory risk, Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. The activities of the Company will be subject to various federal, state and local laws governing prospecting, development, production, environmental remediation of mining activities, taxes, labour standards and occupational health and safety, climate change and other matters.

## **4.3 Risks specific to an investment in the Company**

In addition to the general risks noted in section 4.2, Eligible Shareholders should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

- (a) Exploration and evaluation risks

Potential investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified advanced mineral targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(b) Tenement risks

The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

(c) Title Risk

The exploration and prospecting permits and claims in which the Company has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee that any claims, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

(d) Contractual risks

The Company's interests in many of the tenements described in this Offer are by virtue of contractual arrangements. Accordingly, as in any contractual relationship, the ability for the Company to ultimately be registered as a holder of an interest in the tenements is dependent upon the relevant vendor complying with its contractual obligations to deliver title. To the extent that such third parties default in their obligations under the option contracts, it may be necessary for the Company to approach a Court to seek a legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(e) Environmental risks

The operations and activities of the Company are subject to State and Commonwealth 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 proceeds. Such impacts can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, where there are environmental rehabilitation

conditions attaching to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements.

(f) Tenure and native title risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, the Company could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which the Company has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Company's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the *Aboriginal Heritage Act 1972 (WA)*, or areas subject to the *Native Title Act 1993 (Cth)* in Australia. As a result, land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(g) Financing

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

(h) Sovereign Risk

Any future material adverse changes in government policies or legislation in Australia or any other jurisdiction in which the Company undertakes or may undertake operations that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

(i) Operational risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(j) Sustainability of growth and margins

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in all sectors of the Company's activities are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.



(k) Management actions

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.

(l) Insurance arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to maintain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(m) Land access risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdictions where the Company operates.

(n) Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia or any other jurisdiction in which the Company undertakes or may undertake operations, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

(o) Reliance on Key Personnel

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Offer.

(p) Potential for dilution

Upon implementation of the Offer, (assuming all Entitlements are accepted and no other Shares are issued including on exercise or conversion of Options prior to the Record Date), the number of Shares in the Company will increase from 129,899,177 Shares currently on issue to 155,879,012 Shares. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company, a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Offer Document being lodged of A\$0.235 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(q) COVID-19 risk

The outbreak of the coronavirus disease (COVID-19) is continuing to impact global economic markets. The market price of Shares may be adversely affected by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.

(r) Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging that might be undertaken.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

## **5. Additional information**

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### **5.1 Section 708AA Corporations Act**

Saturn is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the Corporations Act. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
  - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
  - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 22 November 2022.

### **5.2 Rights and liabilities attaching to New Shares**

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### **5.3 Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of A\$73,934 (assuming that the Offer is fully subscribed).

In addition, the Company may if it deems it necessary for the placement of any Shortfall, pay stockbrokers' fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under the Shortfall.

### **5.4 Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

5.5 **Directors' statement**

This Offer Document is issued by Saturn Metals Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Saturn Metals Limited by:



.....

Brett Lambert  
Non-Executive Chair

## 6. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

<b>Acceptance</b>	An acceptance of Entitlements
<b>Additional New Shares</b>	Additional New Shares for which Eligible Shareholders may also apply above their Entitlement
<b>Applicant</b>	A person who submits an Entitlement and Acceptance Form
<b>Application Money</b>	The Issue Price multiplied by the number of New Shares applied for
<b>ASX</b>	ASX Limited ACN 008 624 691
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement Pty Ltd
<b>Board</b>	The board of Directors of the Company
<b>CHESS</b>	Means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
<b>Closing Date</b>	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Perth time) 9 December 2022 or such other date determined by the Board
<b>Company or Saturn</b>	Saturn Metals Limited ACN 619 488 498
<b>Constitution</b>	The Constitution of the Company
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	The Directors of the Company
<b>Eligible Shareholder</b>	<p>A shareholder of the Company who holds shares in the Company on the Record Date and whose registered address is in Australia, New Zealand, Malaysia, Singapore, Switzerland or the United Kingdom or is one of the following types of the investor in another permitted jurisdiction:</p> <ul style="list-style-type: none"><li>- if in Ontario, Canada, the shareholder is an "accredited investor" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators; or</li><li>- if in the United States, the shareholder is an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act.</li></ul>
<b>Entitlement and Acceptance Form or Form</b>	An entitlement and acceptance form in the form attached to this Offer Document (which also includes the ability to apply for Additional New Shares).
<b>Entitlements</b>	The entitlement to accept New Shares under this Offer Document
<b>Existing Options</b>	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document

<b>Existing Performance Rights</b>	All existing performance rights to subscribe for Shares currently on issue as at the date of this Offer Document
<b>Ineligible Shareholder</b>	A Shareholder who is not an Eligible Shareholder
<b>Issue or Offer</b>	The offer and issue of New Shares in accordance with this Offer Document
<b>Issue Price</b>	A\$0.18 for each New Share applied for
<b>Listing Rules</b>	The official listing rules of the ASX
<b>New Shares</b>	Shares proposed to be issued under the Offer
<b>Opening Date</b>	The date of commencement of the Offer, expected to be 30 November 2022
<b>Option Holders</b>	The holders of the Existing Options
<b>Options</b>	Options on issue in the Company from time to time
<b>Offer Document</b>	This Offer Document dated 22 November 2022 as modified or varied by the Company
<b>Performance Rights</b>	Performance Rights on issue in the Company from time to time
<b>Performance Right Holders</b>	The holder of the Existing Performance Rights
<b>Record Date</b>	25 November 2022
<b>Register</b>	The company register of the Company
<b>Relevant Interest</b>	Has the meaning given to that term in the Corporations Act
<b>securities</b>	Has the same meaning as in section 92 of the Corporations Act
<b>Share Registry</b>	Link Market Services Limited
<b>Shares</b>	The ordinary shares on issue in the Company from time to time
<b>Shareholder or Shareholders</b>	The holders of Shares from time to time
<b>Shortfall</b>	Those New Shares for which the Entitlement lapses
<b>US Securities Act</b>	The US Securities Act of 1933, as amended.

## Corporate directory

<b>Directors</b>	<b>Solicitors to the Offer</b>
Ian Bamborough Brett Lambert Andrew Venn Rob Tyson Adrian Goldstone	Hopgood Ganim Lawyers Allendale Square Level 27 / 77 St Georges Terrace Perth WA 6000
<b>Administration and Registered Office</b>	<b>Share Registry</b>
9 Havelock Street West Perth WA 6005 Tel: (08) 6234 1114 Website: <a href="http://www.saturnmetals.com.au">www.saturnmetals.com.au</a>	Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia Tel: +61 1300 554 474 Website: <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>

**ID:**  
**SRN/HIN:**  
**Entitlement Number:**  
**Number of Shares held as at the Record Date, 7:00pm (AEDT) on 25 November 2022:**  
**Entitlement to Offer Shares (on a 1 Offer Share for 5 basis):**  
**Amount payable on full acceptance at A\$0.18 per Share:**

<b>Offer Closes 5:00pm (AEDT):</b>	<b>9 December 2022</b>
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## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 Offer Share for every 5 existing Share that you hold on the Record Date, at an Offer Price of A\$0.18 per Offer Share. You may also apply for new Shares in excess of your Entitlement at the Offer Price.

**IMPORTANT:** The Offer is being made under the Offer Booklet dated 22 November 2022. The Offer Booklet contains information about investing in the Offer Shares. Before applying for Offer Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

## HOW TO ACCEPT THE OFFER

### STEP 1. Decide the number of New Shares you wish to apply for.

<b>A</b> Entitlement (all or part of your Entitlement shown above)	<b>B</b> Additional Shares applied for above your Entitlement	<b>C</b> Total number of New Shares applied for
<input type="text"/>	<input type="text"/>	<input type="text"/>
	+	=
<input type="text"/>	<input type="text"/>	<input type="text"/>

### STEP 2. Calculate your Application Amount.

<b>D</b> Total number of Shares applied for (see <b>C</b> above)	<b>E</b> Issue Price	<b>F</b> Application Amount
<input type="text"/>	<input type="text" value="A\$0.18"/>	<input type="text" value="A\$"/>
	x	=
<input type="text"/>	<input type="text" value="A\$0.18"/>	<input type="text" value="A\$"/>

For example: 25,000 Shares x A\$0.18 = A\$4500.00

### STEP 3. Pay your Application Amount **F** by BPAY®

When paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 9 December 2022. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Offer Shares the subject of your application payment.



**Billers Code:** 395087  
**Ref:**

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
© Registered to BPAY Pty Ltd ABN 69 079 137 518

If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding. To make payment using BPAY® you must contact your bank or financial institution to make payment from your Australian bank account.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact Link Market Services on +61 1300 554 474 between 8:30am and 5:30pm (AEDT) Monday to Friday

**STN EAC001**

