



29 January 2018

To: Peel Mining Limited Shareholders

**Subject: Saturn Metals Limited; Initial Public Offering Investor Presentation**

Dear Shareholder,

If you are a Peel Mining Limited (ASX:PEX) (Peel) Shareholder who held your shares at 10 January 2018, you are invited to participate as a priority applicant in Peel's initial public offering of Saturn Metals Limited (Saturn). In accordance with its announcement on 8 September 2017, and the approval of Peel shareholders obtained at the Company's general meeting held on 10 October 2017, Peel has disposed of its 100% interest in the Apollo Hill Gold Project in Western Australia (Apollo Hill Project) to its wholly owned subsidiary, Saturn.

Saturn is in the process of listing on the Australian Securities Exchange (ASX) by way of an initial public offering, and has issued a prospectus dated 10 January 2018 (Prospectus) to raise up to \$7,000,000 (before costs) (Offer). Funds raised under the Offer will be used to progress Saturn's exploration activities at the Apollo Hill Project. The Prospectus can be found on Saturn's website: [www.saturnmetals.com.au](http://www.saturnmetals.com.au).

In this regard, Peel is pleased to make available the Saturn Metals IPO Investor Presentation. This presentation draws solely on information from the Prospectus and should be read in conjunction with the Prospectus. Subsequent to this release, the presentation can also be found on Saturn's website: [www.saturnmetals.com.au](http://www.saturnmetals.com.au).

Eligible Peel shareholders are encouraged to review these materials and in order to participate in the Priority Offer, they can apply at the offer website via [www.saturnmetals.com.au](http://www.saturnmetals.com.au), using their Holder Identification Number (HIN) or Security Holder Reference Number (SRN). The Priority Offer closing date is **5 February 2018**.

Should you have any questions regarding Saturn, or the offer of Shares under the Priority Offer, you may contact either Saturn or the Lead Manager to the Offer, Patersons Securities Limited, using the contact details below. Alternatively, more information can be found on Saturn's website at [www.saturnmetals.com.au](http://www.saturnmetals.com.au) and in the Prospectus.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Rob Tyson", written over a horizontal line.

Rob Tyson  
Managing Director  
Peel Mining Limited

**Peel Mining Limited** ACN 119 343 734

Tel: (08) 9385 3955. Email [info@peelmining.com.au](mailto:info@peelmining.com.au)

PO Box 849, West Perth WA 6872. Unit 1, 34 Kings Park Road, West Perth WA 6005  
[www.peelmining.com.au](http://www.peelmining.com.au)



**Contact details in relation to the Offer:**

- **Saturn Metals Limited**  
Managing Director: Ian Bamborough  
or  
Company Secretary: Ryan Woodhouse  
Telephone: +61 8 9382 3955
- **Patersons Securities Limited**  
Telephone: 1300 582 256

This letter is not intended to be an offer for subscription, invitation, recommendation or sale with respect to any shares in any jurisdiction. The proposed offering of Shares by Saturn is made under the Prospectus prepared in accordance with the Corporations Act 2001 (Cth) and lodged with the Australian Securities and Investments Commission on 10 January 2018.

You should carefully consider the Prospectus before deciding whether to acquire Shares in Saturn. Any person wishing to subscribe for Shares in Saturn will need to complete an application form (for either the Priority Offer or the general offer to the public) that will be in or will accompany the Prospectus.

Recipients of this letter should make their own independent assessment of the information contained in the Prospectus and/or seek their own independent professional advice in relation to the Prospectus and/or any action taken on the basis of this letter or the Prospectus.



## Spin-Out and IPO

*A new Australian gold explorer in a multi million ounce gold province*

**ASX:STN**

Ian Bamborough  
Managing Director  
January 2018

# Investment Highlights

- Saturn Metals Limited (“**Saturn Metals**” or the “**Company**”) is a spin-out of Peel Mining Limited’s (ASX:PEX) 100% owned Apollo Hill Gold Project (“**Apollo Hill**”) located in Western Australia.
- Premium land position in a multi million ounce gold province - Apollo Hill is located 50km south-east of Leonora in Western Australia within close proximity to existing mine infrastructure.
- <sup>1</sup>2012 JORC compliant inferred resource of 17.2Mt at 0.9g/t for 505,000 ounces of gold using a 0.5g/t cut-off to a maximum depth of 180m\*. Potential exists to materially upgrade the resource in the near and medium terms with planned exploration.
- Saturn Metals is seeking to raise a minimum of \$4.5 million (and up to \$7 million) of new equity capital at 20c per share pursuant to the IPO.
- Compelling pre-money valuation of \$4.0m with a market capitalisation of \$8.5m-\$11.0m at listing.
- Clear strategy to add shareholder value via a 3 pronged approach to:
  - grow existing Apollo Hill resources base by targeting along strike potential; hits along strike from the Resource including 5m @ 25.9 g/t Au <sup>1</sup>
  - aim to increase average grade of existing resource base through the targeting of newly identified high grade plunging shoots; intersections including 5.3m @ 10.3g/t Au <sup>1</sup>
  - test regional targets including Bobs Bore (intersections including 9m @ 10.9g/t Au) and Yerilla (intersections including 17m @ 6.04g/t Au) <sup>1</sup>

<sup>1</sup> Results and Resource reported in the Independent Geologist’s Report (IGR) (along with JORC Table 1) in the Company’s Prospectus, and shown in fuller context later in this presentation.

# Experienced Board



**IAN BAMBOROUGH (BSc (Hons), MSc, MBA, MAIG, GAICD)**

**Managing Director**

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



**ROBERT TYSON (B App Sc, GDipAppFin, MAusIMM)**

**Executive Chairman**

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



**ANDREW VENN (BBus, GDipAppFin, FFin)**

**Non-Executive Director**

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



**RYAN WOODHOUSE**

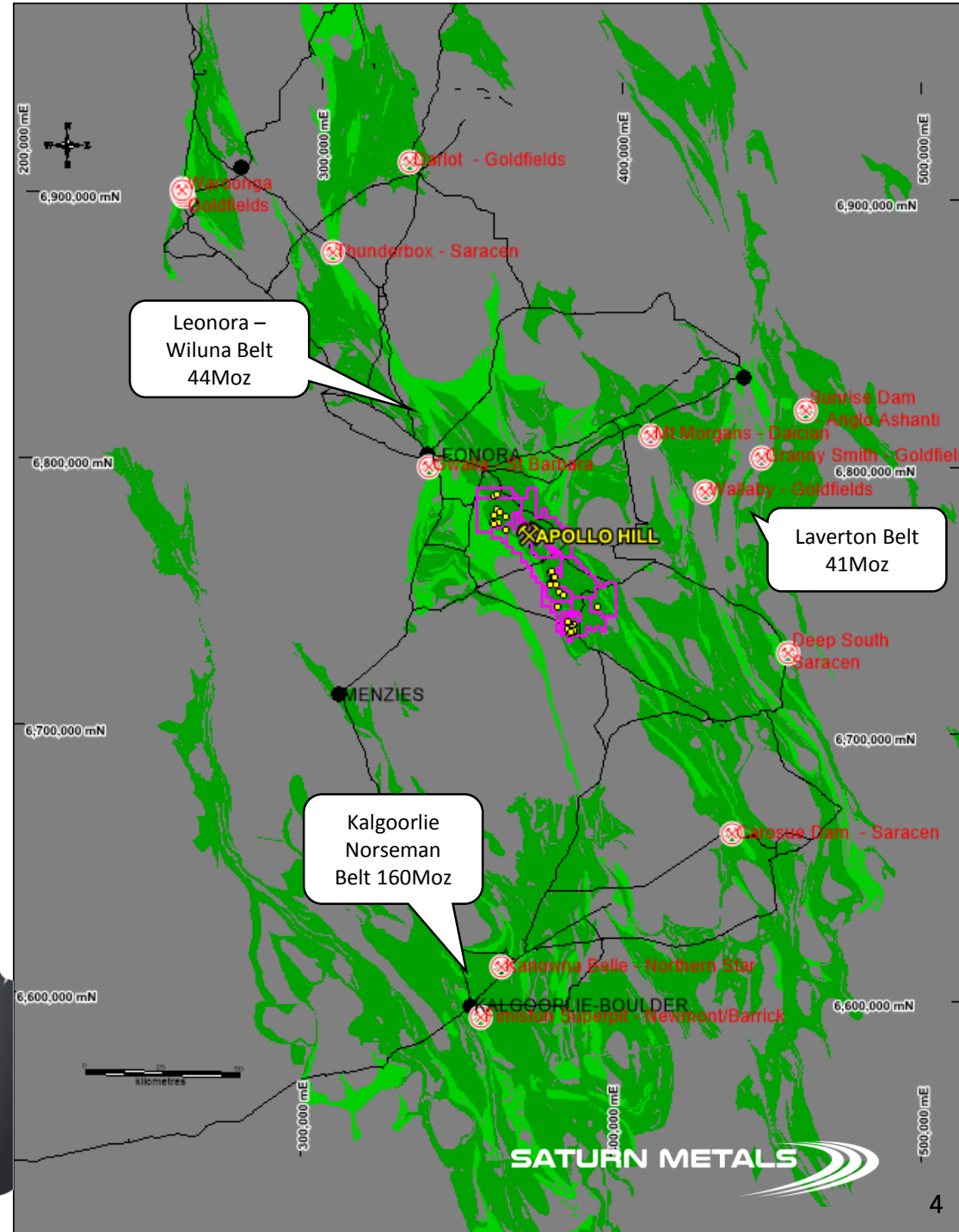
**Company Secretary**

Mr Woodhouse has 10 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants



# Apollo Hill Gold Project

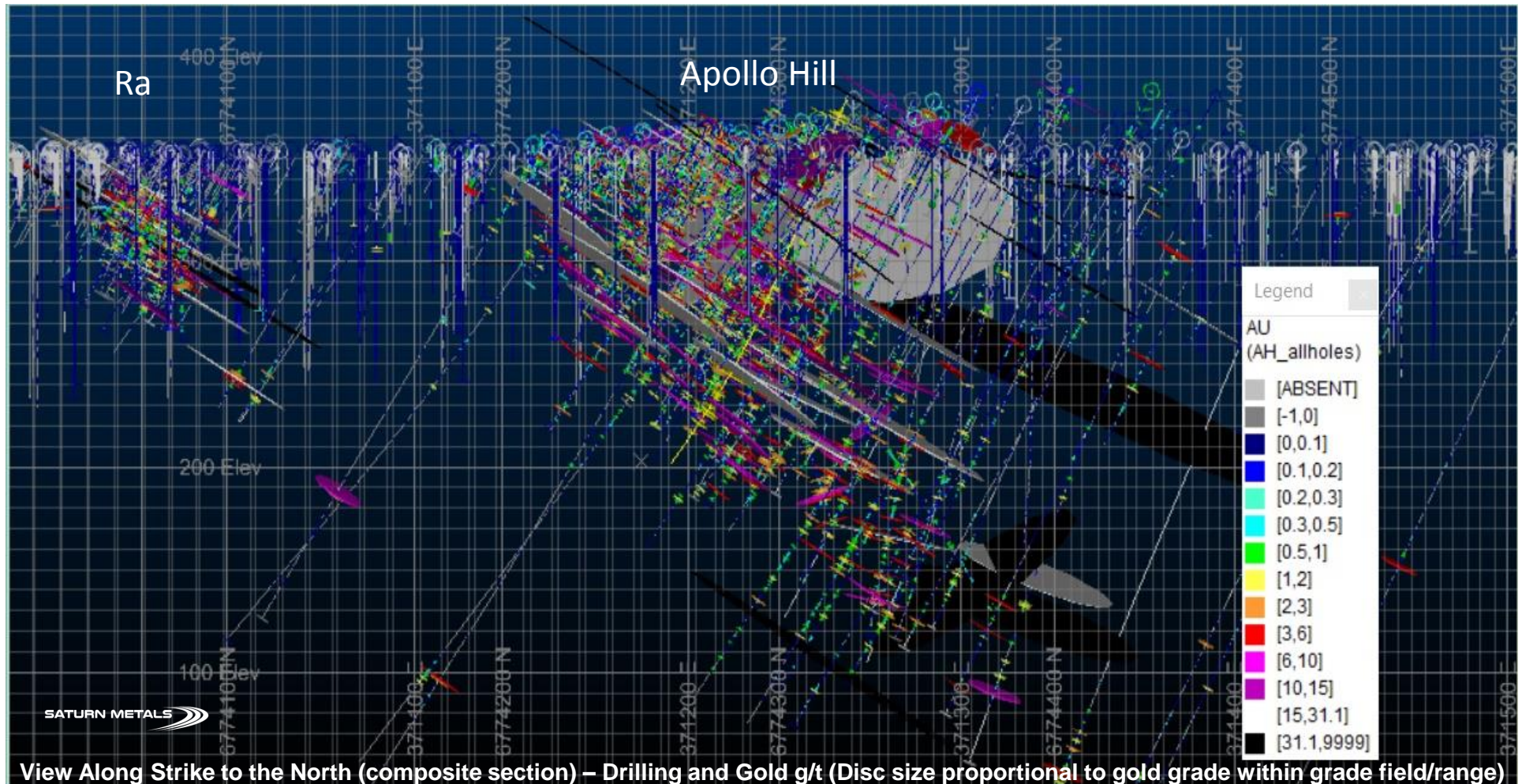
- Excellent location 50km south-east of Leonora in Western Australia in world class multi million ounce gold province close to existing gold infrastructure
- 100% ownership of more than 1,000km<sup>2</sup> of contiguous ground
- Existing 2012 JORC compliant inferred resource of 17.2Mt at 0.9g/t for 505,000 ounces of high grade vein gold opportunities within resource area (refer to the Prospectus and IGR for full report and JORC Table 1)
- Underexplored large scale district gold play
- Key Gold Fertile Structures including the Keith Kilkenny Lineament
- Early production study opportunities with metallurgy suggesting a simple flow sheet (potential for dig, truck and toll)
- Underexplored ground due to a varied ground holding and commodity cycles



# Apollo Hill

## *A major gold system poised for rapid growth*

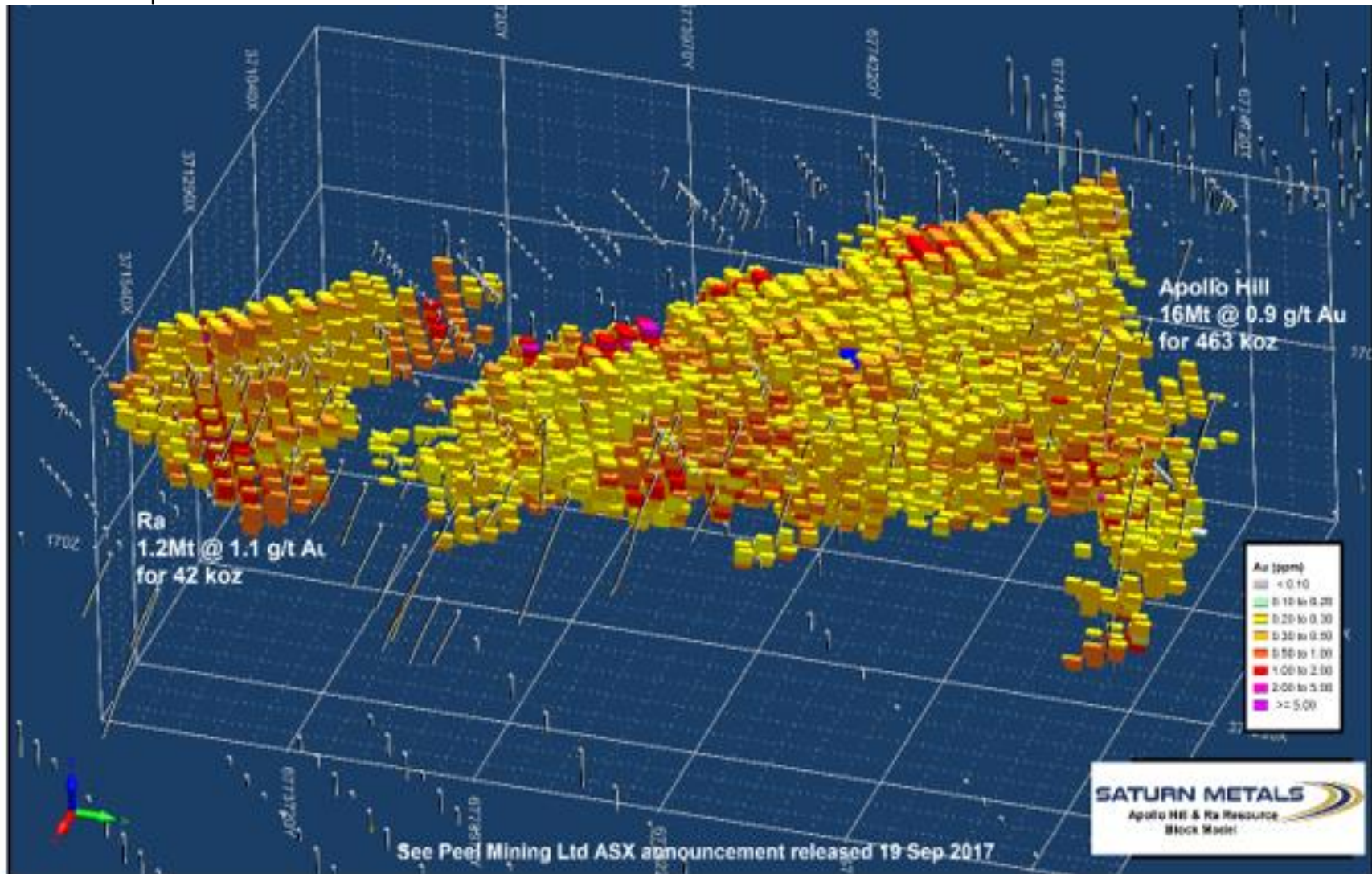
- IPO funds will be used to rapidly test for additional ounces and new higher grade ounces
- Expansive gold mineralised system at 40m-70m wide - Drilling to Only 200m deep - More than 1.2kms long
- The system remains open in all directions
- Favourable proportion of mineralised to non mineralised material is evident in this view





# Apollo Hill – Resource Picture (0.5Moz)

- JORC (2012) compliant inferred resource of 17.2Mt at 0.9g/t for 505,000 ounces of gold using a 0.5g/t cut-off with a maximum depth of 180m<sup>1</sup>



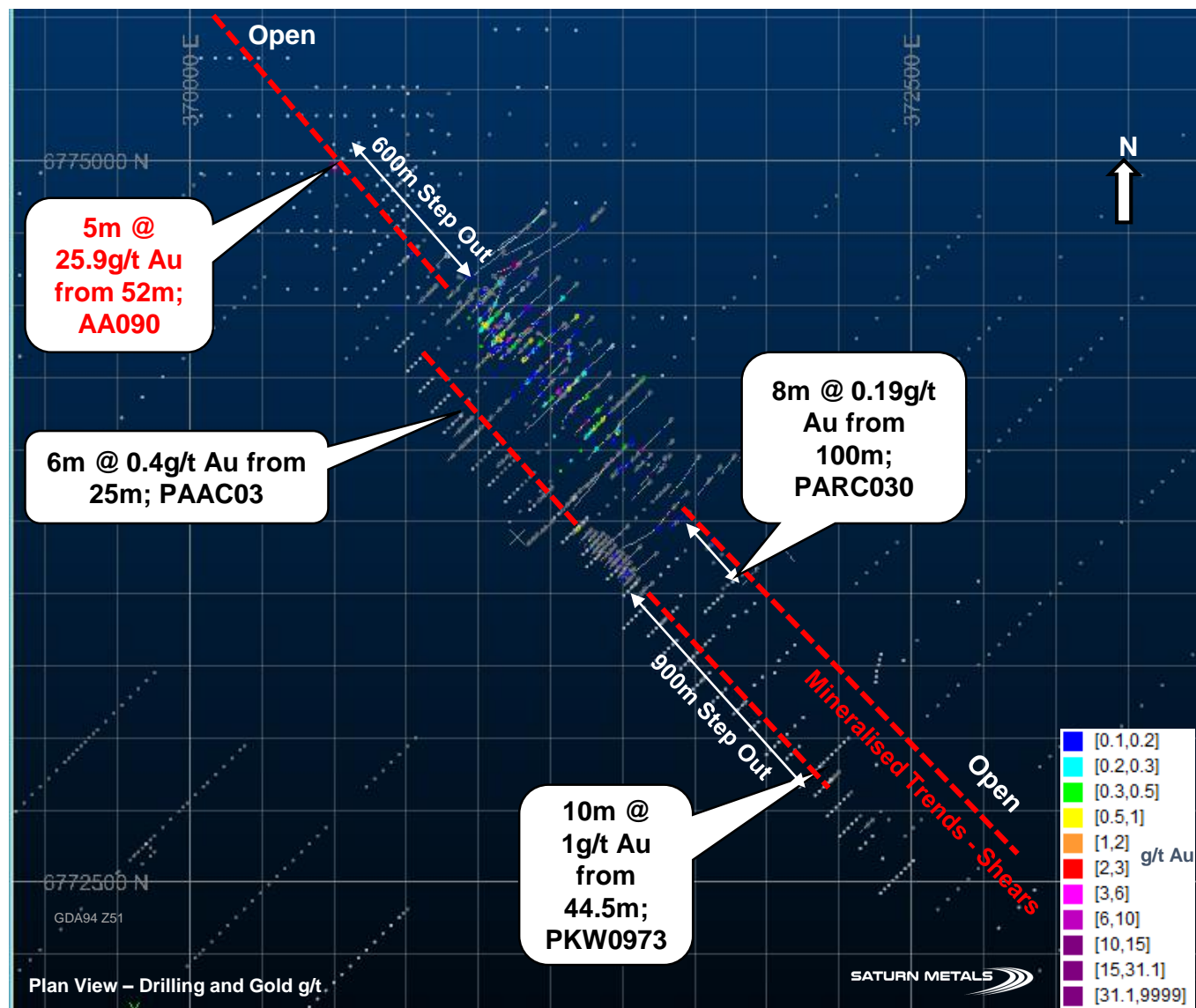
<sup>1</sup> Resource reported in the Independent Geologist's Report (IGR) (along with JORC Table 1) in the Company's Prospectus.



# Apollo Hill – Potential for Resource Upgrade

## Potential for rapid growth

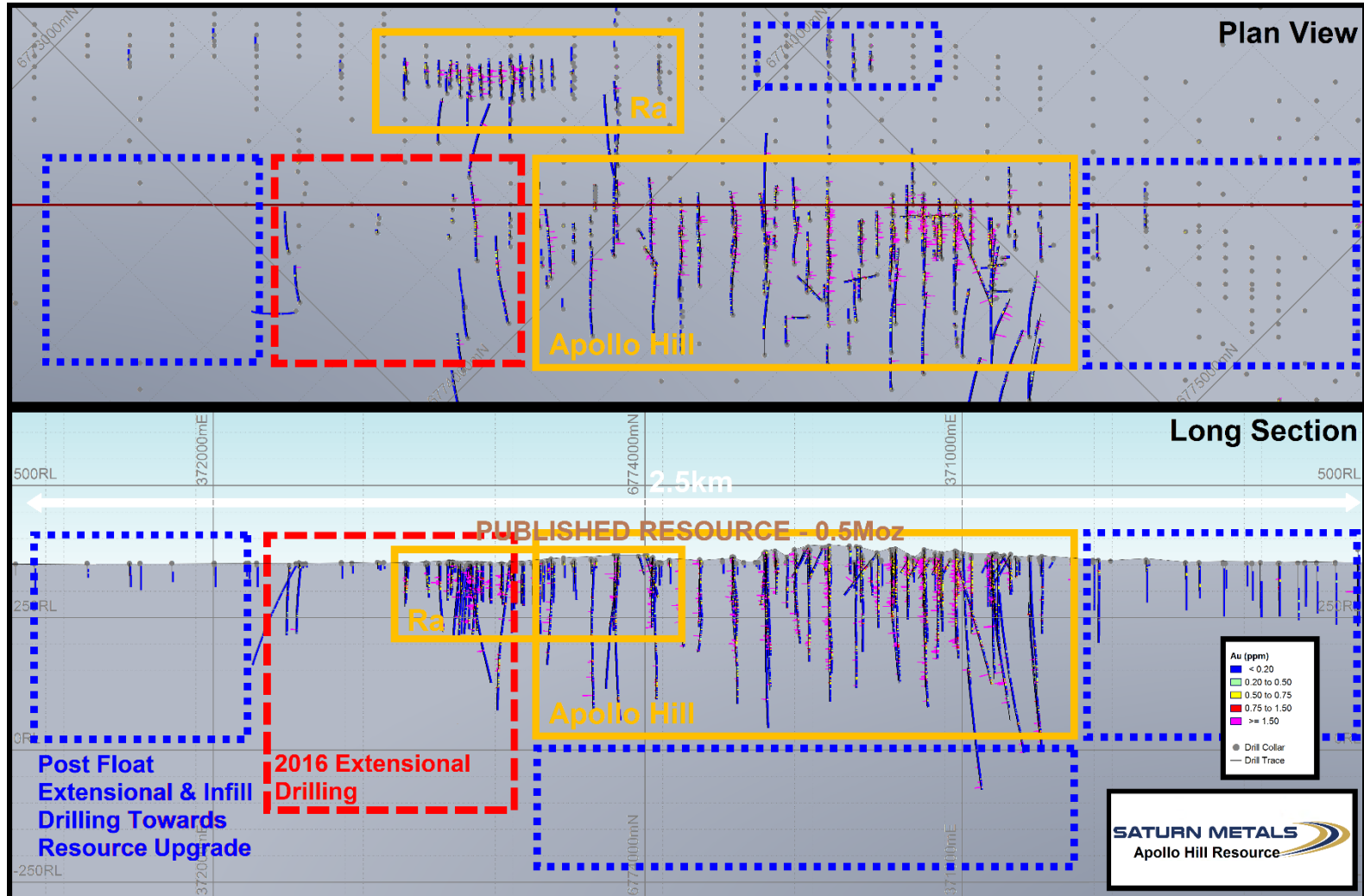
- Extensional drilling has yielded extremely exciting results:
  - 5m @ 26g/t Au - 600m step out - northerly strike extension
- Only shallow sparse historic RAB AC Drilling
- Further drilling through cover required
- RC drilling now required
- Potential for rapid growth



# Apollo Hill - Potential for Resource Upgrade

## Next steps:

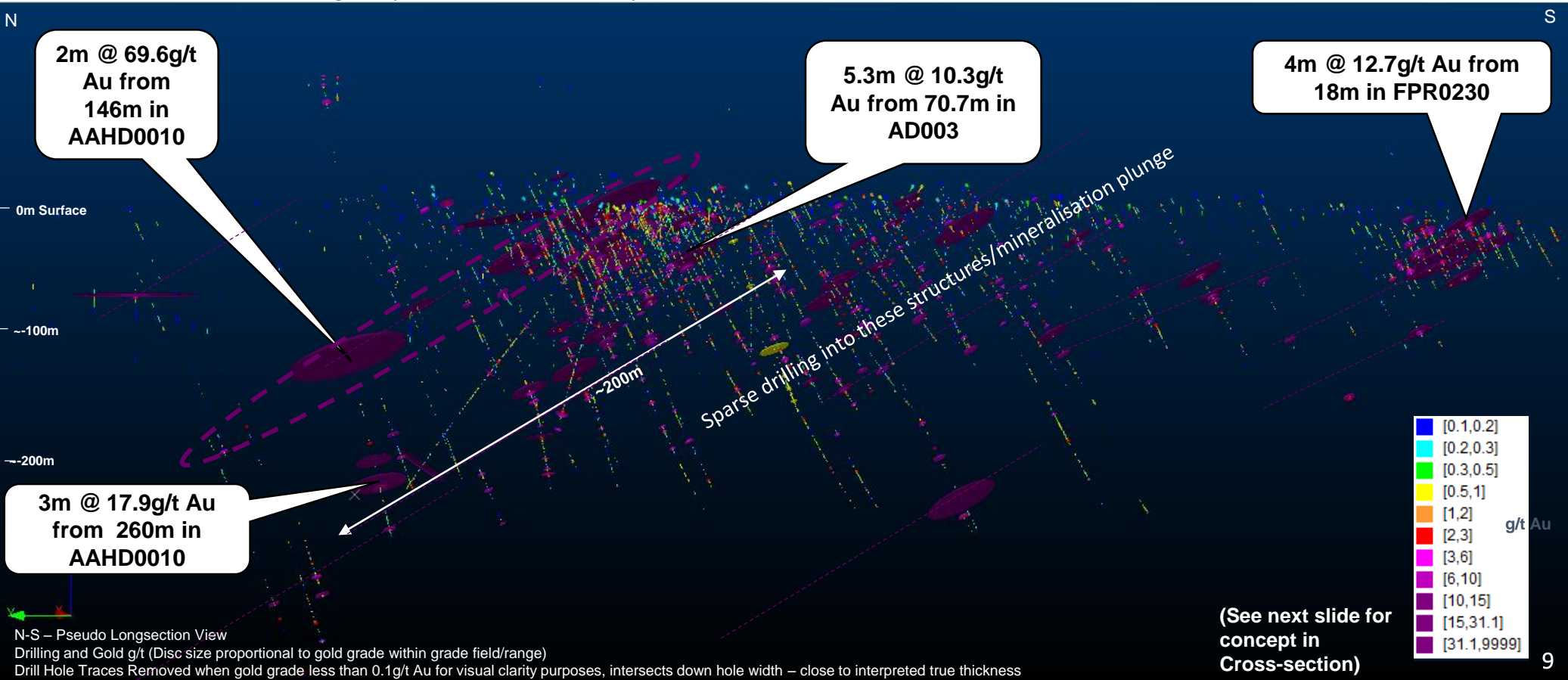
- Infill/extensional drill programs
- Targeting a material resource upgrade to the current >505koz



# Stacked, High-Grade Gold Lodes – A New Theory

## *Requires high priority drill testing*

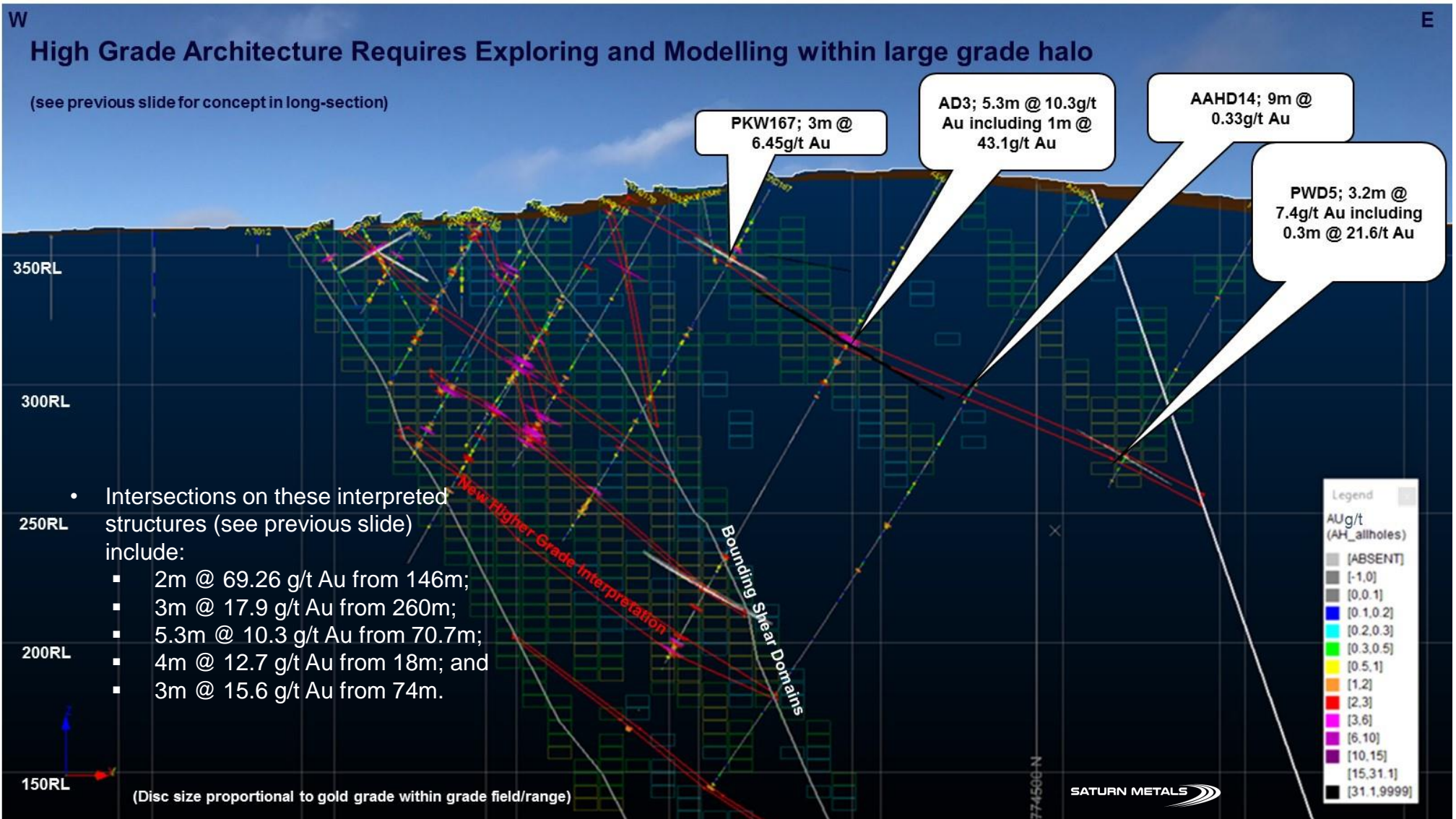
- Drilling could see upgrade to the grade profile with opportunities for narrower vein, high-grade gold
- A stacked system of gold bearing structures is interpreted to dissect the Apollo and Ra gold system from North to South
- ‘Text book’ geological structures known as ‘Riedel’ shears with plunging gold shoots evident
- Historical wide spaced drilling undertaken within the Apollo Hill deposit has not yet assessed this exciting new opportunity
- Focused infill drilling at optimum orientation is planned





# Stacked, High-Grade Gold Lodes – A New Theory

*Proof of concept could see an increase to the overall grade of the Mineral Inventory*



# Apollo Hill - Simple Metallurgy

*Metallurgical test work has shown excellent gold extraction characteristics for easily recoverable gold*

## **Conventional**

- More than 60% recovery by gravity separation alone
- Greater than 92% gold recovery via conventional gravity/cyanidation combination (at only 300  $\mu\text{m}$  grind)

## **Leaching**

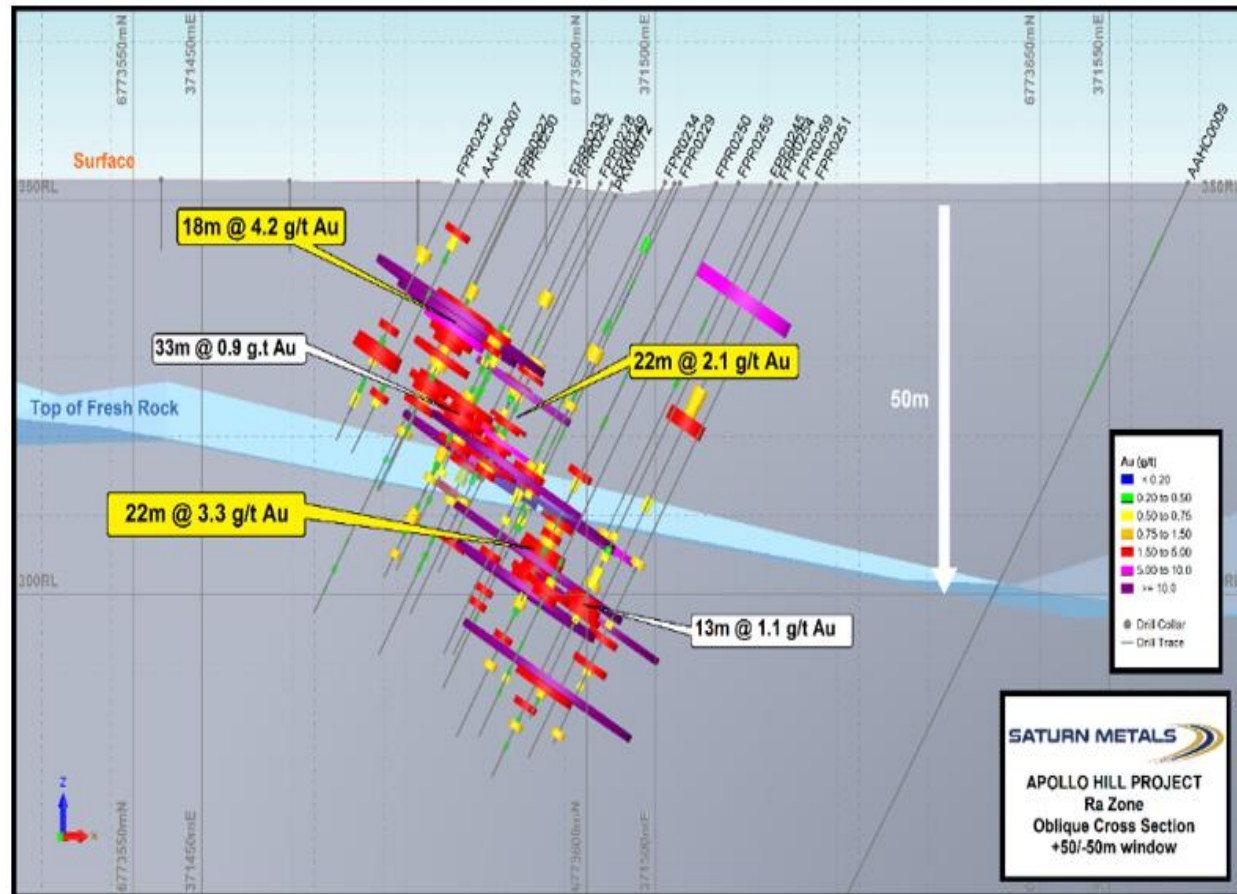
- In column leach tests (representative of Heap Leaching)
- Coarse grind size gold recovery was highly encouraging with high permeability and low agglomeration requirements



Grind Size	Au Recovery	Recovery after two weeks
-8mm	77%	67%
-4mm	69%	54%

## Early production study

- Higher-grade oxide/transitional open pit potential
- At a 1.2g/t Au cut-off, approximately 2.4Mt of material at 1.6g/t Au for 126Koz of gold is available within the 2012 JORC Inferred Resource estimate
- This material is localised in a limited number of distinct geographical areas within the top 50-60m of both the Ra and Apollo Hill deposits
- This shallow higher-grade component could offer exciting potential for start-up options and nearer term production scenarios
- A favourable proportion of mineralised to non mineralised material is evident in this cross section
- Further modelling and studies are planned and required on this concept
- Studies will also consider truck and toll treatment options through existing mills in the district

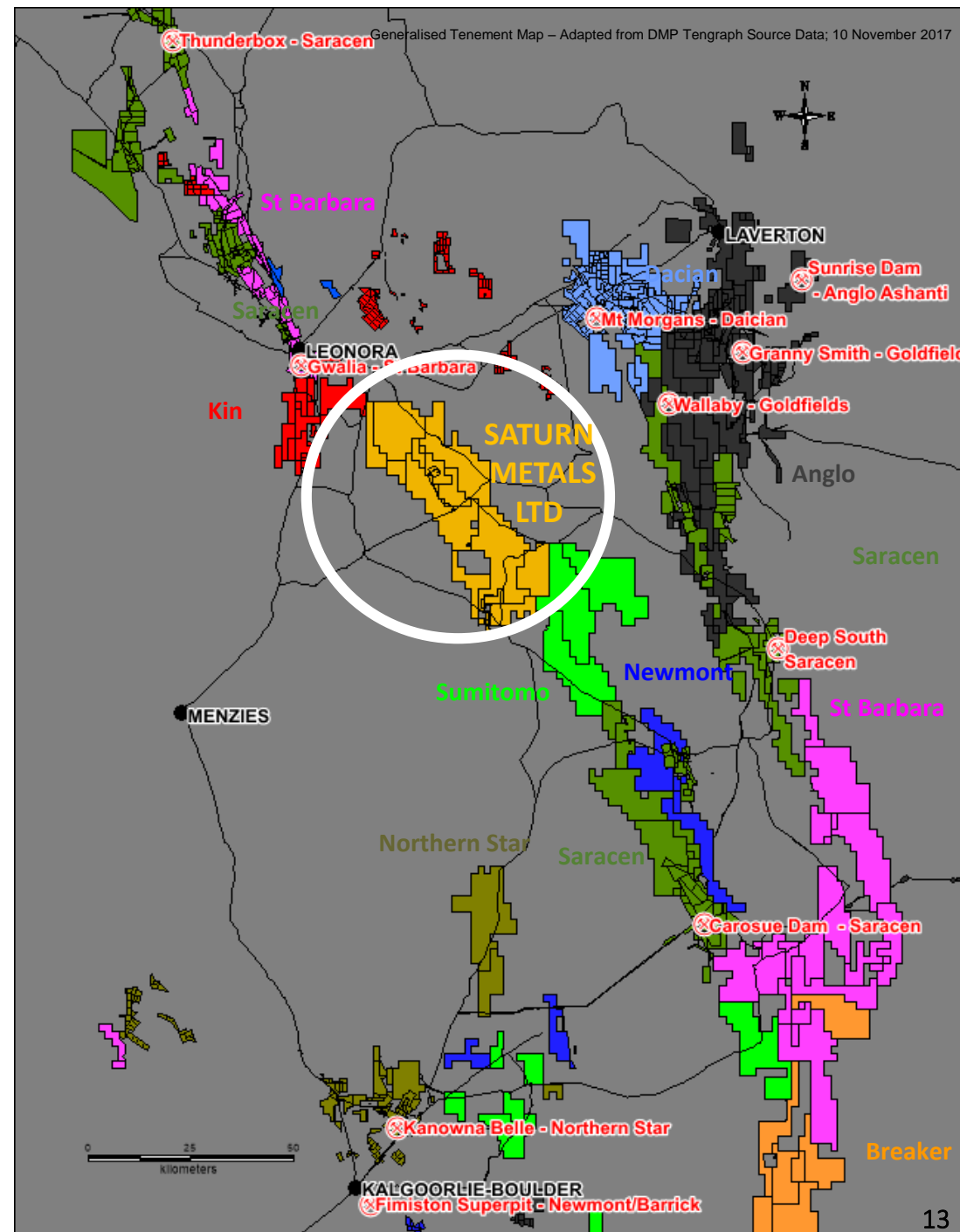




# Key Strategic Location

## *First class neighbours*

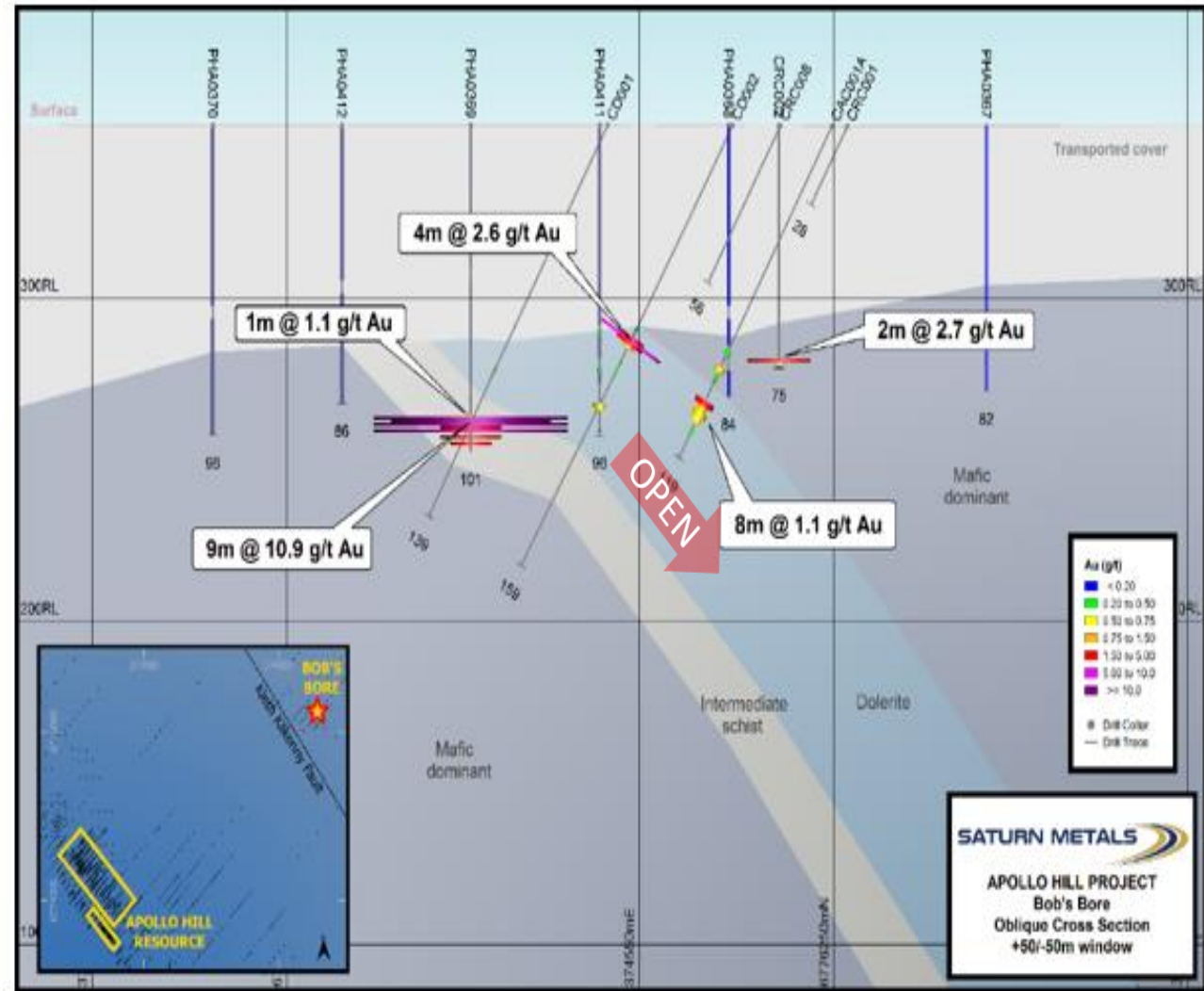
- Central position in Eastern Goldfields
- Surrounded by gold majors and successful mid-tier gold producers
- Multiple regional targets in addition to the Apollo Hill resource area: Bobs Bore, Yerilla, 40G area
- Ground encompasses much of the gold fertile and highly prospective and sought after Keith Kilkenny Lineament



# Bobs Bore

## Highly prospective regional targets

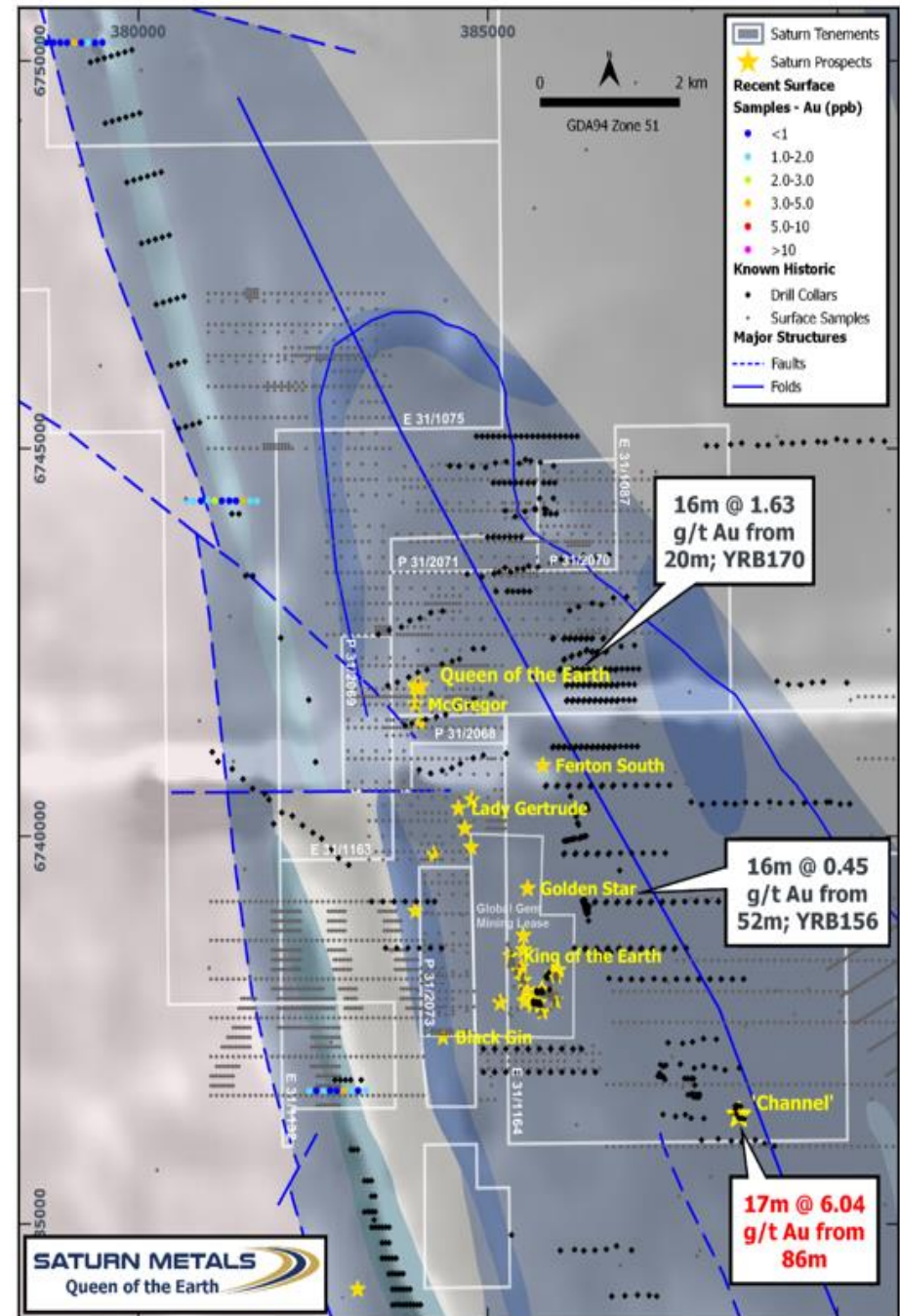
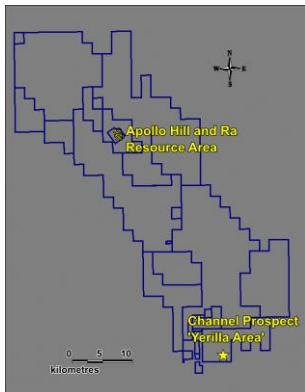
- Bobs Bore – 9m @ 10.9g/t Au near bottom of hole
- Located 3.5km NE of Apollo-Ra deposits on the Keith Kilkenny Structure
- Located directly on the gold prospective Keith Kilkenny Lineament
- Sparse Drilling – only one section of three AC/RC holes
- Under cover – no known effective drilling along strike
- Drilling open at depth



# Yerilla Shear

## Highly prospective regional targets

- 17m @ 6.04g/t Au from 86m; fence line RC intersection with only limited follow up work
- 5km Long Trend of Significant Intersections on the Yerilla Shear and folded rocks
- Historic production from the greater area over 17,700 oz
- Strong geophysical targets along strike of old workings

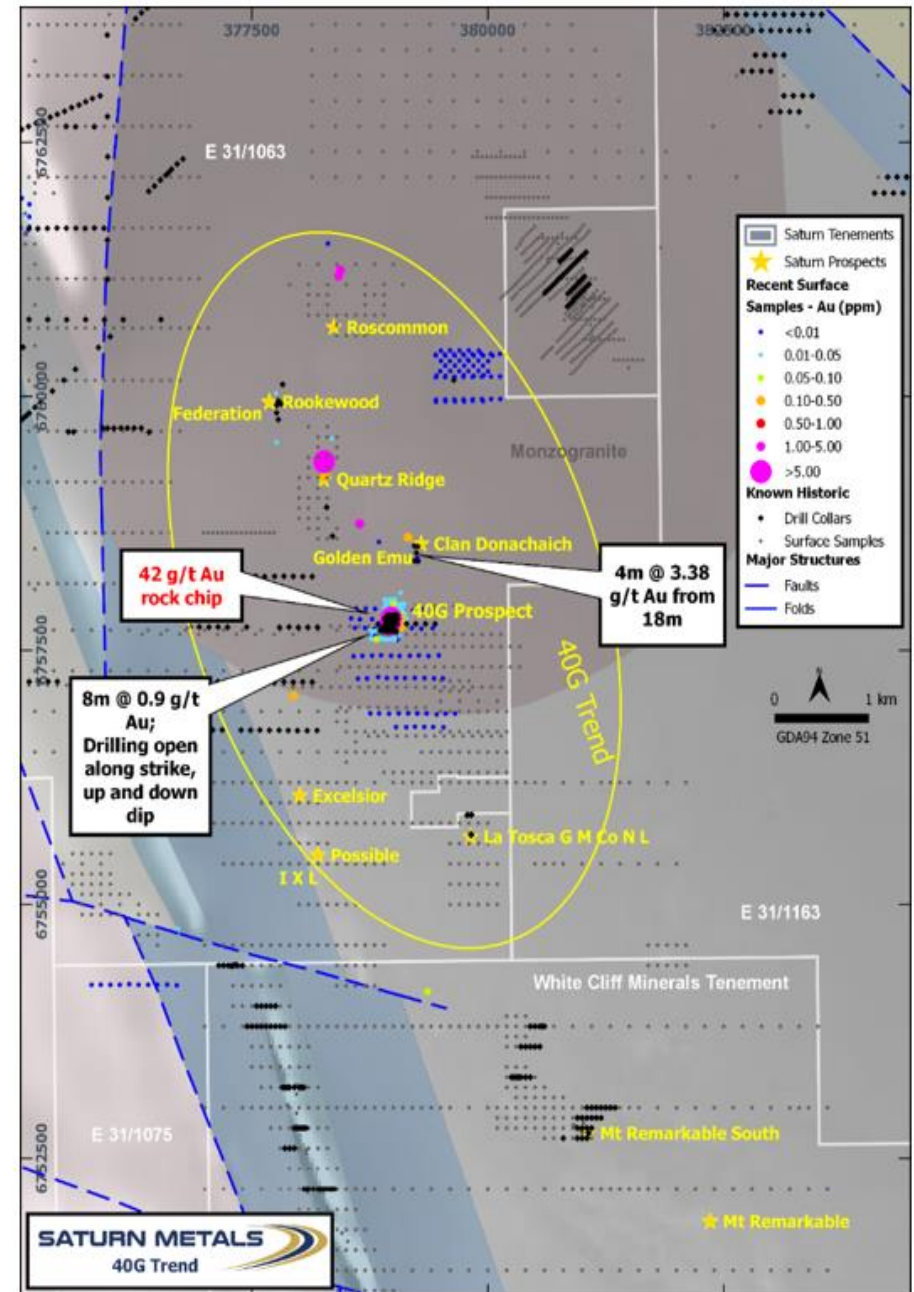
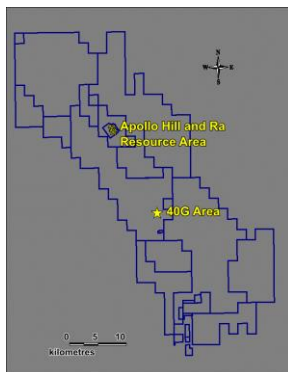




# 40G Trend

## *Highly prospective regional target*

- ~4km Trend with limited historic drilling
- Peak gold values in rock chips include:
  - 42.9 g/t Au (over 1.3oz Au)
  - 10.9 g/t Au
  - and 7.39 g/t Au
- 40G RAB Intersection of 8m @ 0.9g/t Au from bottom of hole (mineralisation open to the south)
- Two percussion holes at Golden Emu:
  - 4m @ 3.38g/t Au
  - 4m @ 2.53g/t Au
- Historic production (Roscommon - Old Emu 192 tonnes at 10.9g/t Au for 2.1Kg of gold)
- Mineralisation in granitoid bodies - Geological parallels to Sunrise Dam



# Capital Structure and Raising

- Saturn Metals is seeking to raise a minimum of A\$4.5 million (and up to a maximum of A\$7 million) through the issue of at least 22.5 million ordinary fully paid shares at an issue price of 20c per share (and up to a maximum of 35 million shares at an issue price of 20c per share).
- PEX shareholders will have the opportunity to participate in the IPO on a priority basis.
- The indicative capital structure of the Company based on the minimum subscription of A\$4.5 million could be as follows:

	Shares	Options	Performance Rights	Amount Raised	Market Cap	% Ownership
Existing Shares on Issue *	20,000,001	4,000,000	1,500,000	-	\$4,000,000	47%
IPO Offered Shares (min)	22,500,000	-	-	\$4,500,000	\$4,500,000	53%
<b>TOTAL</b>	<b>42,500,001</b>	<b>4,000,000</b>	<b>1,500,000</b>	<b>\$4,500,000</b>	<b>\$8,500,000</b>	<b>100%</b>

\*Please see the Saturn Metals Limited Prospectus for ownership details.

# Planned Exploration Schedule 2018

- Targeting ~20,000m of drilling
- Multiple drilling phases – scheduled results flow
- Clear strategy to add shareholder value - 3 pronged approach will aim to:
  - grow existing Apollo Hill resources base by targeting along strike potential; hits along strike from the Resource including 5m @ 25.9 g/t Au<sup>1</sup>
  - increase average grade of existing resource base through the targeting of newly identified high grade plunging shoots; intersections including 5.3m @ 10.3g/t Au<sup>1</sup>
  - test regional targets including Bobs Bore (intersections including 9m @ 10.9g/t Au<sup>1</sup>) and Yerilla (intersections including 17m @ 6.4g/t Au<sup>1</sup>)



Planned Exploration Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Physicals
Airborne Magnetics	■												~600km <sup>2</sup>
Ground Gravity		■	■										~200km <sup>2</sup>
Apollo & Ra RC Resource Drilling			■	■			■				■		~4,000m
Apollo & Ra Extensional Drilling				■		■		■					~2,500m
Apollo Plunging Shoot Drilling (RC DDH)			■		■			■		■			~2,500m
Regional Aircore Drilling									■	■			~9,000m
Regional RC Drilling											■	■	~1,800m

General Offer Opens  
Priority Offer Opens  
Predicted Listing Date

<sup>1</sup> Results and Resource reported in the Independent Geologist's Report (IGR) (along with JORC Table 1), in the Company's Prospectus, and shown in fuller context earlier in this presentation.



# Use of IPO Funds

Allocation of funds	\$4.5m	\$7m
Mineral Exploration	2,692,500	4,433,500
Expenses of the IPO	562,000	712,000
Administration costs	950,000	1,050,000
Working capital	295,500	804,500
<b>Total Proceeds</b>	<b>4,500,000</b>	<b>7,000,000</b>

# Indicative Timetable

Event	2018
Lodgment of Prospectus with ASIC & ASX	10 January
Exposure Period begins	10 January
Priority Offer Record Date	9 January
Opening Date (Priority Offer)	18 January
Closing Date (Priority Offer)	5 February
Opening Date (Public Offer)	6 February
Closing Date (Public Offer)	23 February
Dispatch of Holding Statements	2 March
Expected date for Shares to commence trading on the ASX	15 March

# ASX Peer Comparison

Company	ASX Code	Market Cap	EV	EV/Resources
Gold Road Resources	GOR	\$600m	\$345.7m	\$102.28/oz
Echo Resources	EAR	\$153m	\$152.9m	\$88.9/oz
Capricorn Metals	CMM	\$60m	\$54.2m	\$111.83/oz
<b>Saturn Metals</b>	<b>STN</b>	<b>\$8.5m</b>	<b>\$4m</b>	<b>\$8/oz</b>

Source: Bloomberg, ASX Announcements



# Disclaimer

The Company has prepared this presentation. Whilst the information contained in this presentation has been prepared with all reasonable care from information provided by the Company and from sources, which the Company believes are reliable, no responsibility or liability is accepted by the Company for any errors or omissions or misstatements, however caused.

To the maximum extent permitted by law, the Company, its directors officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person thought the use or reliance on anything contained in or omitted in this presentation. Certain information in this presentation refers to the intentions of the Company, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law.

The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, the Company, its directors officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this presentation will actually occur as contemplated.

The Company recommends investors obtain their own independent financial and accounting advice before making any financial investment in reliance upon information contained in this publication.

**Competent Person** The information in this report that relates to exploration targets and exploration results is based on information compiled by Ian Bamborough, a Competent Person who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee and Director of the Company, in addition to being a potential shareholder in the Company. Ian Bamborough has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.