

Saturn Metals Limited

2017 Annual Report

ACN 619 488 498

Corporate Directory

Directors

Ian Bamborough Managing Director
Rob Tyson Executive Chairman
Simon Hadfield Non-executive Director
Graham Hardie Non-executive Director
Andrew Venn Non-executive Director

Company Secretary

Ryan Woodhouse

Registered Office

Unit 1, 34 Kings Park Rd
WEST PERTH WA 6005
Telephone: +61 (0) 8 9382 3955
Email: info@peelmining.com.au

ACN: 619 488 498

Share Registry

Link Market Services Limited
Level 4, 152 St Georges Tce
PERTH WA 6000

Telephone +61 1300 554 474
Facsimile: +61 (0)2 9287 0303
Website: www.linkmarketservices.com

Auditors

PricewaterhouseCoopers
Level, 15
125 St Georges Terrace
Perth WA 6000

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Saturn Metals Limited is a company limited by shares, incorporated and domiciled in Australia. The financial statements were authorised for issue by the directors on 18 October 2017. The directors have the power to amend and reissue the financial statements.

Directors Report

Your directors present their report on Saturn Metals Limited ("**Company**" or "**Saturn**") for the period 2nd June 2017 (incorporation date) to 30 June 2017.

Directors

The following persons were directors of Saturn Metals Limited during the financial period and up to the date of this report.

Simon Hadfield – Appointed 2nd June 2017

Graham Hardie – Appointed 2nd June 2017

Robert Tyson – Appointed 2nd June 2017

Andrew Venn – Appointed 29th September 2017

Ian Bamborough – Appointed 12th August 2017

Principal activities

The principal activity of the Company is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on precious metals.

Results

The loss for the Company for the period after providing for income tax amounted to \$nil.

Dividends

No dividends were paid or proposed during the period.

Review of operations/ Significant changes in the state of affairs

The Company was formed on 2 June 2017 and therefore had not been involved in any activities during the period covered.

Events occurring after balance date

On 8 September 2017, the Board of Peel Mining Limited (Saturn Metals Limited's parent company) announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited with the intention to list the Company on the ASX, via an initial public offering (IPO). The Company held a general meeting on 10 October 2017 at which they obtained shareholder approval for the transaction. Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the Company.

The Company employed Mr. Ian Bamborough as its Managing Director on the 12th August 2017. Mr. Bamborough's continued employment is conditional on Saturn Metals Limited listing on the Australian Securities Exchange. Mr. Bamborough was issued 1,000,000 performance rights in the Company in lieu of salary. Each right will convert to an ordinary share, for no consideration, upon the Company listing on the Australian Securities Exchange. This milestone is required to be met within 6 months of Mr Bamborough's employment. Mr Bamborough will be also issued 3,000,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

The Company appointed Mr. Andrew Venn as a non-executive director on the 29th September 2017. Mr. Venn's continued employment is conditional on Saturn Metals Limited listing on the Australian Securities Exchange. Mr Venn will be issued 500,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

The Board of the Company elected Mr Robert Tyson as its Executive Chairman on the 19th September 2017. Mr. Tyson was issued 500,000 performance rights in the Company. Each right will to convert to an ordinary share, for no consideration, upon the Company releasing an updated resource estimate for the Apollo Hill Gold project to the market within 12 months of listing on the Australian Securities Exchange. Mr Tyson will be issued 500,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

On the 11th October 2017 the Company issued 20,000,000 shares to Apollo Mining Pty Ltd's nominee for the purchase of the Apollo Hill Gold project. The nominee company was Peel Mining Limited, the parent company of both entities.

Directors' report

Other than the above, there were no events occurring after balance date requiring separate disclosure.

Likely developments and expected results

It is the Board's current intention that the Company will seek to list on the ASX and start exploration on the Apollo Hill projects. There is a level of uncertainty with any IPO as to whether it successfully lists, however the Board is committed to this process.

Performance Rights & Shares under option

Performance rights granted to key management personnel as per page 2 at the time of this report were as follows:

Grant Date	Date Vested & No. Exercisable	Expiry Date	Exercise Price	Fair value per option at Grant Date
12 th August 2017*	1,000,000 in lieu of salary and vesting upon successful listing of Saturn Metals Limited.	12 th February 2018	Nil consideration	20 Cents
29 th September 2017*	500,000 on release of an updated resource estimate for the Apollo Hill Gold project.	12 months post IPO date	Nil consideration	20 Cents

Shares under option granted to key management personnel as per page 2 at the time of this report were as follows:

Grant Date	Date Vested & No. Exercisable	Expiry Date	Exercise Price	Fair value per option at Grant Date
12 th August 2017*	12 months post IPO date - 1,000,000 24 months post IPO date - 1,000,000 36 months post IPO date - 1,000,000	37 months post IPO date	20 Cents 20 Cents 20 Cents	13 Cents 13 Cents 13 Cents
29 th September 2017*	12 months post IPO date – 1,000,000	37 months post IPO date	20 Cents	13 Cents

* Vesting of performance rights and options contingent upon listing on the Australian Securities Exchange.

No option holder has any right under the options to participate in any other share issue of the Company.

Shares issued on the exercise of options

Date of Exercise	Issue price of shares 2017 cents	Number of shares issued 2017 Number
nil	-	-

Indemnification and Insurance of Directors and Officers

During the period a related entity of the Company paid a premium as part of a company policy to insure the directors and officers of the Company. The policy indemnifies each director and officer of the Company against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

Environmental Regulation

The Company plans to hold exploration licences and mining leases in Australia in the future. These licences specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the respective jurisdiction's guidelines and standards. The Company is not aware of any significant breaches of the licence condition for the licences it is looking to acquire.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included at the end of this financial report.

Directors' report

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

Details of the fees paid to the auditor during the period can be found at note 5 of the notes to the financial statements.

This report is made in accordance with a resolution of the board of directors and signed for on behalf of the board by:



Managing Director
Perth, Western Australia
23rd October 2017

Saturn Metals Limited
Statement of profit or loss and other comprehensive income
for the period ended 30 June 2017

	Note	For the period 2 June to 30 June 2017 \$
Revenue		-
Expenses		-
Loss before income tax		-
Income tax benefit (expense)		-
Loss from continuing operations after income tax		-
Other comprehensive income		-
Total Loss and comprehensive income for the period attributable to the members of Saturn Metals Limited		-
Basic Loss per share for the period attributable to the members of Saturn Metals Ltd		-
Diluted Loss per share for the period attributable to the members of Saturn Metals Ltd		-

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Saturn Metals Limited
Statement of financial position
as at 30 June 2017

	Note	2017 \$
Current Assets		
Loan to Parent		1
Total Current Assets		1
Total Assets		1
Total Liabilities		-
Net Assets		1
Equity		
Contributed equity		1
Accumulated losses		-
Total Equity		1

The above Statement of financial position should be read in conjunction with the accompanying notes.

Saturn Metals Limited
Statement of changes in equity
for the period ended 30 June 2017

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
Balance at 2 June 2017	-	-	-
Loss for the period	-	-	-
Total comprehensive loss for the period	-	-	-
Issue of share capital	1	-	1
Balance at 30 June 2017	1	-	1

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Saturn Metals Limited
Statement of cash flows
for the period ended 30 June 2017

		For the period 2 June 2017 to 30 June 2017
	Note	
Cash flows from operating activities		
Net cash outflow from operating activities		-
Cash flows from investing activities		
Net cash outflow from investing activities		-
Cash flows from financing activities		
Net cash inflow from financing activities		-
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at the start of year		-
Cash and cash equivalents at the end of year		-

The above Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. The financial report includes the financial statements for the Company for the period 2 June to 30 June 2017.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Saturn Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

Going Concern

For the period ended 30 June 2017, the Company incurred a total comprehensive loss of nil. The Company has received a letter of financial support from its parent who will accept responsibility of providing and undertaking to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations up until the point it successfully raises new share capital and lists on the Australian Stock Exchange. For the period ended 30 June 2017 the parent had borne all costs associated with the establishment of Saturn Metals Limited.

Compliance with IFRS

The financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

New and amended standards adopted by the Company

All mandatory new accounting standards and pronouncements effective from financial years commencing 1 July 2016 were adopted in full by the Company.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

(c) Income tax

The income tax expense (or benefit) for the period is the tax payable (or refundable) on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets will be recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. A deferred income tax asset is not recognised where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets will be reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities will be measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity will be recognised in equity and not in profit and loss for the year.

(d) Cash and cash equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions

The company had nil cash balance at for the period ending 30 June 2017.

(e) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any potentially unrecoverable amounts. An allowance for doubtful debts is made when there is objective evidence that the Company may not be able to collect the debts. The allowance for bad debts is recognised in a separate account. Bad debts are written off when identified.

Notes to the financial statements

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(g) Functional and presentational Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars (\$), which is Saturn Metals Limited's functional and presentation currency.

(h) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The company had one ordinary share on issue to its parent company, Peel Mining Limited, at the period ending 30 June 2017.

(i) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Leases

Leases will be classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases will be classified as operating leases.

Assets held under finance leases will be initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the Lessor is included in the statement of financial position as a finance lease obligation. Lease payments will be apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the liability. Finance charges will be charged directly to the statement of profit or loss and other comprehensive income.

Operating lease payments will be recognised as an expense when incurred.

(k) Goods and services tax

Revenues, expenses and assets will be recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables will be stated with the amount of GST included. The net amount of GST recoverable is included as a current asset in the statement of financial position.

Cash flows will be included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the taxation authority are classified as operating cash flows.

(l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the board of directors.

(m) Share Based Payments

Share-based compensation benefits to directors, employees and consultants are provided at the discretion of the board.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

Notes to the financial statements

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

(n) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments – (Effective date 1 January 2018)

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.

Management has assessed the assets, liabilities and contracts and believe they that the application of the standard at the operative date is not expected to have a significant impact on the Company's accounting for financial assets and liabilities at the current time.

AASB 15 Revenue from Contracts with Customers – (Effective date 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the impact of the new rules. At this stage, the application of the new rules on the Company's financial statements will not constitute a material change.

AASB 16 Leases – (Effective date 1 January 2019)

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Management has considered significant contracts, such as those for drilling, and believes the Company does not hold any contracts that constitute leases under the standard. The Company has not entered into any operating or financial leases and therefore believes the implementation of the standard will have no impact at the current time.

At this stage the Company does not intend to adopt any of the above standards before their effective date. There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(o) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

The Company makes estimates and judgements in applying the accounting policies. As at 30 June 2017 the Company has no critical accounting estimates and judgements.

2. Financial Risk Management

Overview

The Company has considered the its use of financial instruments and considers it has no exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company has received a letter of financial a support from its parent ensuring it will accept responsibility of providing and undertaking to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations up until the point it successfully raises new share capital and lists on the Australian Stock Exchange. This ensures it will not be subject to liquidity risk until the point at which this arrangement ceases.

Notes to the financial statements

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has a loan payable by its parent, Peel Mining Limited, of \$1 for share capital on incorporation. The loan will be paid once the Company has set up a bank account or offset in the future against loans payable to the Parent from Saturn.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of managing market risk is to manage and control market risk exposures to within acceptable limits, while optimising returns. The Company does not have any risks associated with foreign exchange rates or equity prices.

3. Trade and other receivables

Receivable from Parent	1
	1

Receivable relates to loan to parent of \$1, which was consideration for the share issued on incorporation of the company. However due to Saturn Metals Limited not having a bank account the share consideration could not be paid.

4. Contributed Equity

(a) Share capital

	2017	
	Number of Shares	\$
Ordinary shares fully paid	1	1

(b) Movements in ordinary share capital

Opening balance, 2 June 2017	-	-
Shares issued as a result of company incorporation	1	1
Closing balance, 30 June 2017	1	1

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

The immediate and ultimate parent entity of the Company is Peel Mining Limited who owns 100% of the shares on issue for Saturn Metals Limited hence the board of Peel Mining Limited makes decisions on behalf of the company.

5. Remuneration of Auditors

The auditor for Saturn Metals Limited is PricewaterhouseCoopers. The remuneration for the auditor, PricewaterhouseCoopers, is borne by a related party. The auditors received no other benefits.

6. Contingencies

The Company had no contingent assets or liabilities as at 30 June 2017.

7. Commitments and contingencies

	2017 \$
Operating lease commitments	
Within one year	-
Later than a year but not later than five years	-
Later than five years	-

Exploration commitments

Under the terms of mineral tenement licences that may be acquired by the Company in the future, minimum annual expenditure obligations are required to be expended during the forthcoming financial year in order for the tenements to maintain a status of good standing. This expenditure may be subject to variation from time to time in accordance with the relevant state department's regulations. The Company may at any time relinquish tenements and as such avoid the requirement to meet applicable expenditure requirement, or may seek exemptions from the relevant authority.

The Company has commitments in respect of the assets acquired from Apollo Mining Pty Ltd post balance date. The commitments include minimum expenditure commitments prescribed in license conditions and legislation. To keep the tenement licences in good standing, work programs should meet minimum expenditure requirements. The Directors believe that the Company will have the ability to meet expenditure requirements through the planned equity raising as outlined in the

Notes to the financial statements

Prospectus issued as part of the initial public offering. Based on the current tenements acquired by the Company post balance date, an annual minimum commitment of \$635,220 currently exists.

8. Events after the reporting period

On the 8th September 2017, the Board of Peel Mining Limited (Saturn Metals Limited's parent company) announced plans to vend its Apollo Hill Gold project into Saturn Metals Limited with the intention to list the new company on the ASX, via an initial public offering (IPO). Peel held a general meeting on the 10th October 2017 at which they obtained shareholder approval for the transaction (see ASX Announcements 8th September 2017 for more information). Post successful IPO/Listing of Saturn, Peel would hold a significant interest in the new venture.

The Company employed Mr. Ian Bamborough as its Managing Director on the 12th August 2017, Mr. Bamborough's continued employment is conditional on Saturn Metals Limited listing on the Australian Securities Exchange. Mr. Bamborough was issued 1,000,000 performance rights in the Company in lieu of salary. Each right will convert to an ordinary share, for no consideration, upon the Company listing on the Australian Securities Exchange. This milestone is required to be met within 6 months of Mr Bamborough's employment. Mr Bamborough will be also issued 3,000,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

The Company employed Mr. Andrew Venn as a non-executive director on the 29th September 2017. Mr. Venn's continued employment is conditional on Saturn Metals Limited listing on the Australian Securities Exchange. Mr Venn will be issued 500,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

The Board of the Company elected Mr Robert Tyson as its Executive Chairman on the 19th September 2017. Mr. Tyson was issued 500,000 performance rights in the Company. Each right will to convert to an ordinary share, for no consideration, upon the Company releasing an updated resource estimate for the Apollo Hill Gold project to the market within 12 months of listing on the Australian Securities Exchange. Mr Tyson will be issued 500,000 options with an exercise price of 20 cents and an expiry of 3 years 1 month from the listing date of the Company.

On the 11th October 2017 the Company issued 20,000,000 shares to Apollo Mining Pty Ltd's nominee for the purchase of the Apollo Hill Gold project. The nominee company was Peel Mining Limited, the parent company of both entities.

Other than above no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

9. Non-cash investing and financing activities

Saturn has a loan to its parent of \$1, which was consideration for the share issued on incorporation of the company. However due to Saturn Metals Limited not having a bank account the share consideration could not be paid and is therefore a non-cash financing transaction.

10. Share-based payments

(a) Share-based payment expenses

Post period end the company established an employee share option plan (ESOP) and issued options to directors as mentioned in Events after the reporting period (see Note 8). No options were issued during the period.

11. Related Parties

(a) Parent Entities

Peel Mining Limited is the immediate and ultimate parent entity owning 100% of Saturn Metals Limited since inception (2nd June 2017).

(b) Compensation of key management personnel

There was no compensation paid to key management personnel during the period.

(c) Loans to related parties

Saturn Metals Limited has provided Peel Mining Limited with a loan for the share capital owed to it of \$1, as at the time of this report Saturn Metals Limited did not have a bank account for this to be paid into.

(d) Other transactions with key management personnel

There were no other transactions with key management personnel during the period.

Directors' declaration

The board of directors of Saturn Metals Limited declares that:

- (a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2017 and performance for the financial year ended on that date of the entity.
- (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (c) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (d) the board of directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Rob Tyson

Managing Director
Perth, Western Australia
23rd October 2017



Auditor's Independence Declaration

As lead auditor for the audit of Saturn Metals Limited for the period 2 June 2017 to 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'B. Gargett', written in a cursive style.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
23 October 2017



Independent auditor's report

To the members of Saturn Metals Limited

Our opinion

In our opinion:

The accompanying financial report of Saturn Metals Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the period 2 June 2017 to 30 June 2017
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of changes in equity for the period 2 June 2017 to 30 June 2017
- the statement of cash flows for the period 2 June 2017 to 30 June 2017
- the statement of profit or loss and other comprehensive income for the period 2 June 2017 to 30 June 2017
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' Report included in the Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized, handwritten signature of PricewaterhouseCoopers in dark ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Ben Gargett in dark ink.

Ben Gargett
Partner

Perth
23 October 2017