31 October 2018

QUARTERLY ACTIVITIES REPORT – July-September 2018

Saturn Metals Limited – ASX:STN

Highlights:

- Results returned from Saturn's second phase Apollo Hill resource drilling program. Significant mineralised near-surface intersections include:

  - **11m @ 4.06g/t Au** from 132m within **18m @ 2.58g/t Au** from 126m AHRC0038;
  - **10m @ 2.98g/t Au** from 92m within **28m @ 1.20g/t Au** from 82m AHRC0036;
  - **11m @ 1.98/g/t Au** from 71m within **27m @ 1.19g/t Au** from 60m AHRC0037;
  - **16m @ 2.00g/t Au** from 103m within **36m @ 1.68g/t Au** from 103m AHRC0039;
  - **58m @ 1.06 g/t Au** from 65m including **36m @ 1.39 g/t Au** from 87m AHRC0049;
  - **30m @ 0.99 g/t Au** from surface including **18m @ 1.52g/t Au** from 0m AHRC0050;
  - **36m @ 1.23 g/t Au** from 106m including **20m @ 1.84 g/t Au** from 119m AHRC0051;
  - **23m @ 1.76 g/t Au** from 124m including **17m @ 2.32 g/t Au** from 130m AHRC0061;
  - **46m @ 1.11 g/t Au** from 19m including **10m @ 1.85 g/t Au** from 25m AHRC0041;
  - **24m @ 1.04 g/t Au** from 104m and **18m @ 2.25 g/t Au** from 172m AHRC0058;
  - **31m @ 1.22 g/t Au** from 12m AHRC0052;
  - **17m @ 1.10 g/t Au** from 49m AHRC0062;
  - **12m @ 1.41g/t Au** from 100m AHRC0047;
  - **10m @ 2.39 g/t Au** from 61m AHRC0063;
  - **22m @ 1.02 g/t Au** from 62m AHRC0056;
  - **22m @ 1.08 g/t Au** from 74m including **12m @ 1.72 g/t Au** from 78m and, **32m @ 1.00 g/t Au** from 127m including **20m @ 1.46 g/t Au** from 127m AHRC0064;

- Intersections clearly defined several continuous higher-grade lode and shoot structures within the broader mineralised envelope.
- Strong results on southernmost drill section (58m @ 1.06g/t Au from 65m - AHRC0049) demonstrate that this large mineralised system remains open along strike to the south.
- Exciting results at northern end of Apollo Hill including 10m @ 2.98g/t Au from 92m within 28m @ 1.20g/t Au from 82m (AHRC0036) have left this major gold system wide open for expansion.
- Mineralisation remains open for at least 600m where historic aircore intersections including 5m @ 25.9g/Au from 52m (AA090) are currently undergoing follow-up RC drill testing.
- Intersections continued to be comparable with historic mineralised intervals highlighting the potential to increase the scale of the known mineralised system from the current 0.5Moz JORC 2012 compliant inferred gold resource of 17.2Mt at 0.9g/t Au[1]
- All results are being used in Saturn's current resource upgrade calculation expected to be finalised and published in coming weeks.
- Bottle roll cyanidation assay of a previously reported diamond drill fire assay intercept returned a new assay of 11.2m @ 2.68g/t Au representing a **33% upgrade** in the assayed grade of the intersection and a potentially positive metallurgical factor to further investigate across the Apollo Hill deposit.

[1]The Apollo Hill Gold Project (100% owned) contains a 0.505Moz JORC 2012 compliant inferred gold resource (17.2Mt at 0.9g/t Au) (refer to the Saturn Metals Prospectus and Independent Geologist's Report on the Company's website for details of this Resource including Competent Persons Statement and JORC Table 1).

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EXPLORATION

Saturn Metals Limited (ASX:STN) ("Saturn", "the Company") is pleased to present its quarterly report for the three months ending September 30, 2018. Activities during the quarter focused solely on the Company's 100%-owned Apollo Hill Gold Project, near Leonora in the West Australian Goldfields.

Drilling

During the quarter Saturn completed a 4,001m, 30-hole RC resource drilling campaign at Apollo Hill that was successful in achieving several significant outcomes including opening the deposit up for strike extension and improving the continuity of higher-grade lodes and shoots. Figure 1 shows the latest round of results and RC hole positions in plan view relative to the existing resource outline. All material results are listed in Table 1. Hole details are listed in Tables 2.

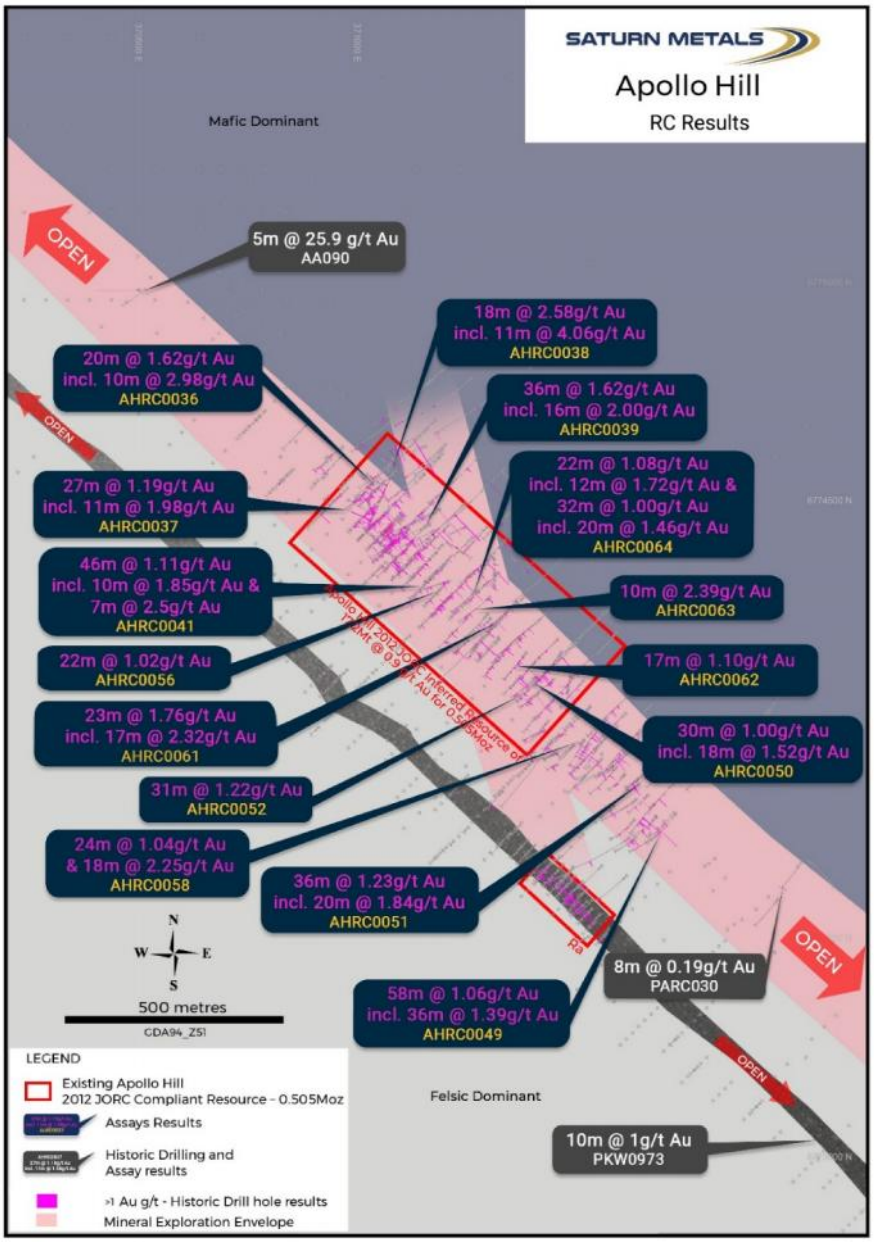

Figure 1 - drill hole results plan – significant intersections during the reporting period

Drilling successfully defined a continuous, higher-grade gold lode at the northern end of the deposit. Figure 2 illustrates holes AHRC0036-AHRC0038 in geological cross section, showing a distinct 3g/t Au, 10m downhole width gold structure within a broad (~20m down hole width) resource grade envelope of +1g/t Au. Potential exists to further define this robust lode along strike to the north for at least 600m where historic aircore intersections including 5m @ 25.9g/Au from 52m (AA090) are currently undergoing follow-up RC drill testing.

The RC program was also successful in defining a thick continuous zone of shallow mineralisation along a 250m southern extension corridor to the deposit (Figure 1). Importantly, the mineralisation remains open at the southern end of the deposit with a robust intersection of 58m @ 1.06g/t from 65m (AHRC0049) on the southernmost drill section providing a clear extensional drill target. Figure 3 shows AHRC0049 in cross section for geological context.

Figure 4 illustrates how an intersection of 46m @ 1.11g/t Au from 19m including 10m @ 1.85g/t Au from 25m (AHRC0024) further extended a thick zone of mineralisation towards the surface within the main Apollo Hill resource area.

Drilling also improved the geological continuity of higher-grade structural zones or shoots (Armstrong and Eagle Shoots) within the existing resource. An intersection of 16m @ 2.00g/t Au from 103m within 36m @ 1.68g/t Au from 103m was reported in hole AHRC0039 in the Armstrong Shoot position. This shoot, which is known to outcrop at surface, continues to develop as an important part of the Apollo Hill gold system. Recently reported results in shallower position include AHRC0025, 8m @ 3.3 g/t Au from 16m (see Saturn Metals Limited's ASX Announcement of 22 May 2018).

Resource Update

Drill intersections returned in the quarter continued to compare favourably with historic mineralised intervals, highlighting the potential to increase the scale of the known mineralised system from the current 0.5Moz JORC 2012 compliant inferred gold resource of 17.2Mt at 0.9g/t Au[1].

All results are being used in Saturn's current resource update calculation expected to be finalised and published in the coming weeks.

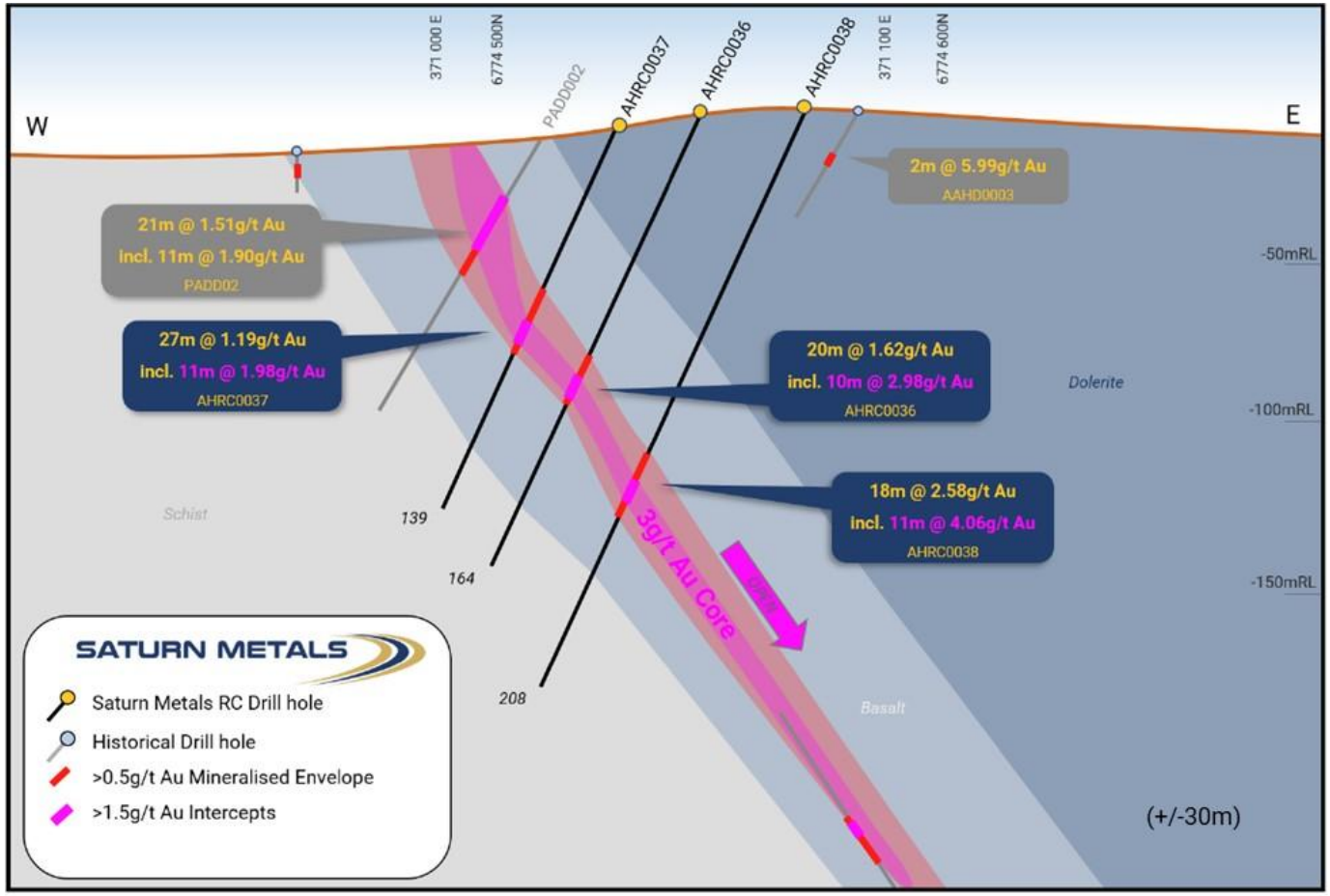

Figure 2. Cross Section (+/-30m) showing simple geology, new assay results and historic assay results at Apollo Hill. Recent results robust continuous, higher-grade lode structure within a broad resource grade envelope. Potential exists to further define this lode along strike to the north and south.

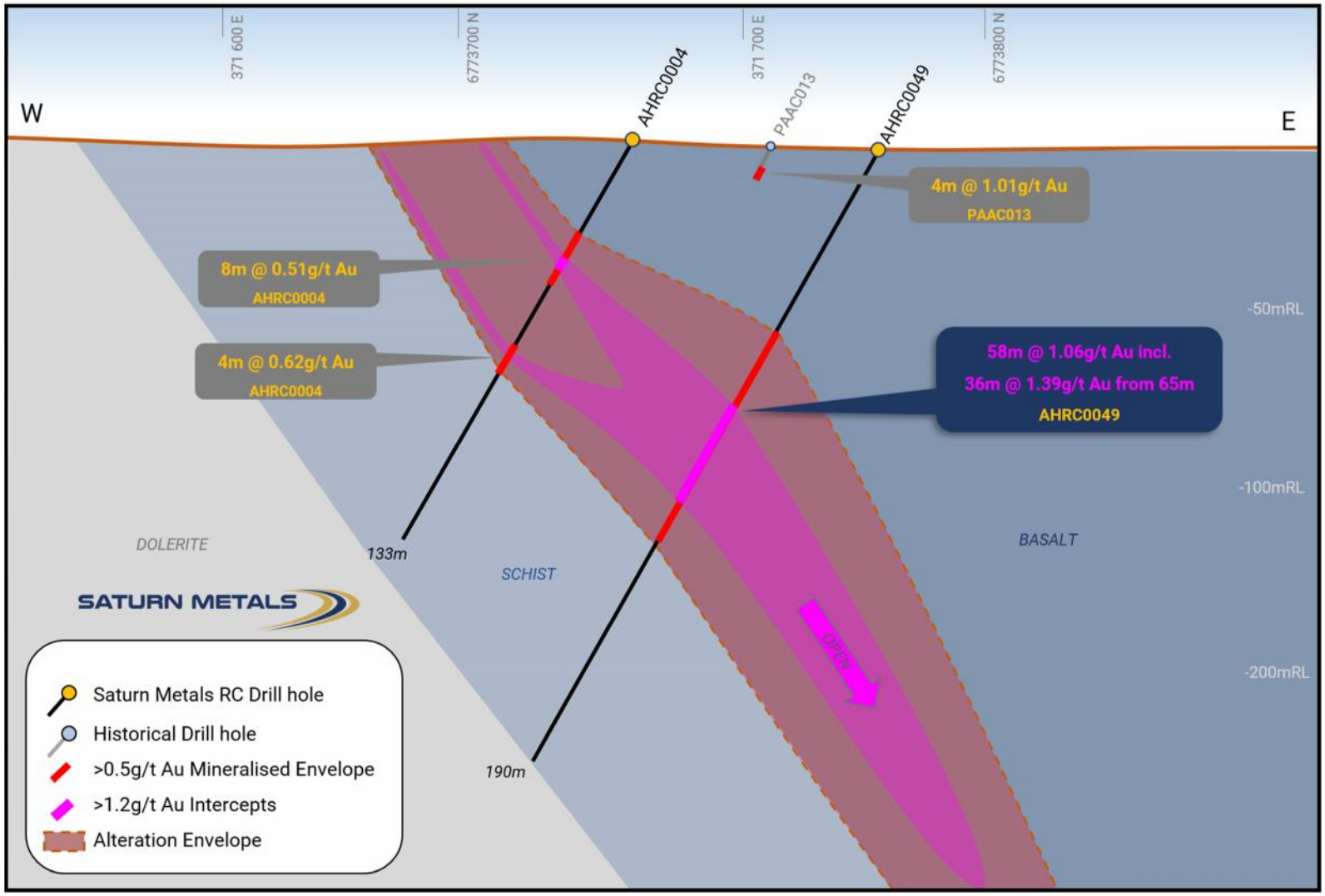

Figure 3. Cross Section (+/-30m) showing simple geology, new assay results and historic and recent assay results at Apollo Hill. New results show thicker zone of mineralisation within a wide lower grade (0.5g/t Au) envelope. Potential exists to further define this mineralisation along strike to the south.

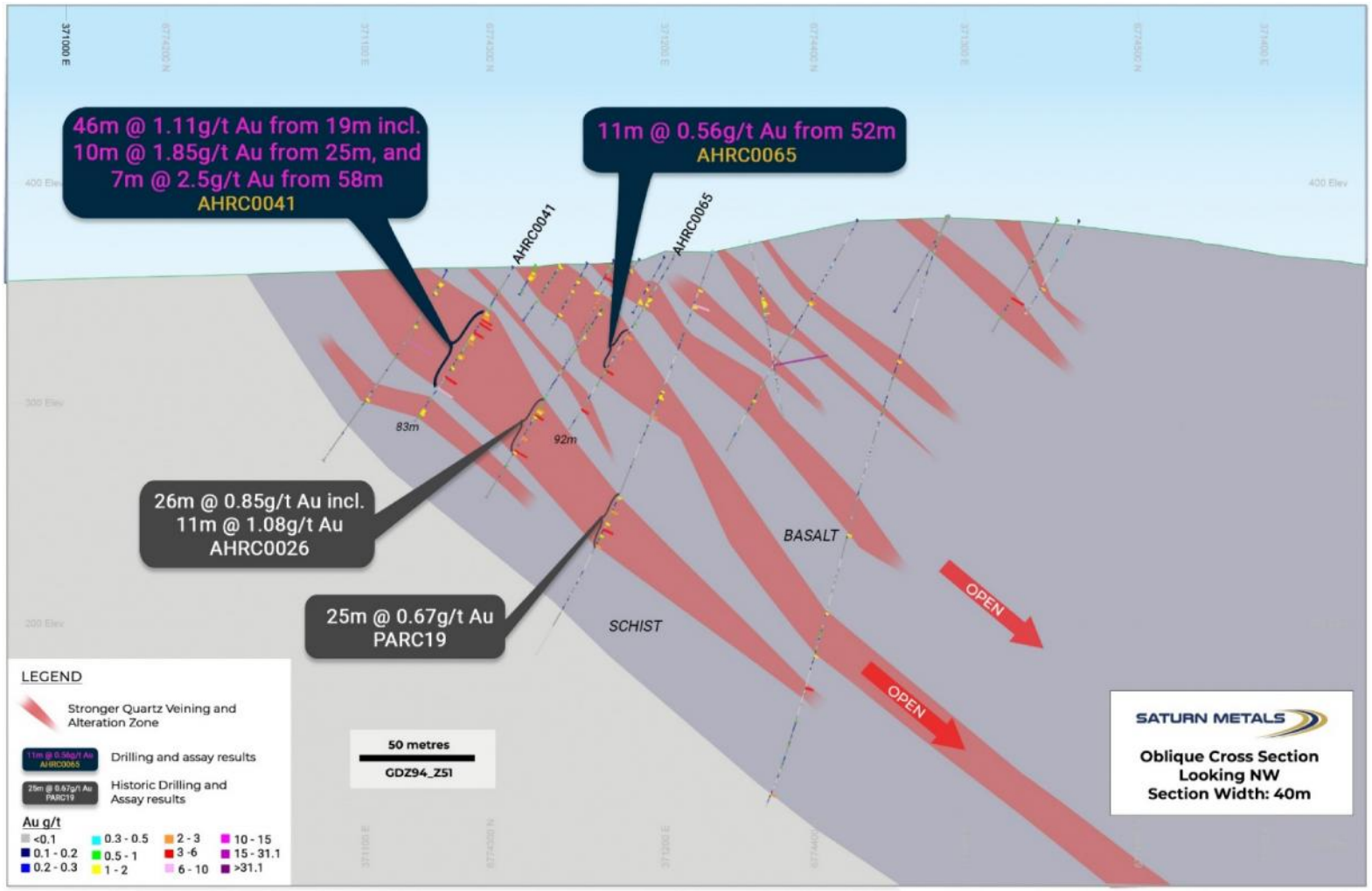

Figure 4. Cross Section (+/-40m) showing simple geology, new assay results and historic and recent assay results at Apollo Hill. New results show strong zones of higher grade mineralisation within a wide lower grade (1g/t Au) envelope.

Table 1. Significant Drill Results Reported in the Quarter

Hole #	Down Hole Width (m)	Grade g/t Au	From (m)
AHRC0036	**28**	**1.2**	82
Incl.	**20**	**1.62**	82
Incl.	**10**	**2.98**	92
	2	2.53	67
	9	0.48	48
AHRC0037	**27**	**1.19**	60
Incl.	**11**	**1.98**	71
	17	0.27	24
AHRC0038	**18**	**2.58**	126
	11	**4.06**	132
	13	0.34	158
AHRC0039	**36**	**1.62**	103
AHRC0040	9	0.5	9
	5	0.43	27
	7	1.14	38
	20	0.66	58
AHRC0041	**46**	**1.11**	19
Inc.	**10**	**1.85**	25
	7	**2.5**	58
	4	1.27	76
AHRC0042	8	0.51	0
	16	0.7	40
	12	0.79	63
	3	0.5	106
	1	1.64	133
AHRC0043	16	0.29	4
Incl	**10**	**1.2**	21
Incl	2	6.49	29
	2	0.52	76
AHRC0044	18	0.68	46
Incl	**10**	**1.07**	54
AHRC0045	11	0.5	42
	4	0.38	60
	19	0.47	96
Incl	4	1.31	96
	3	1.91	137
AHRC0046	**16**	**0.89**	20
Incl	**10**	**1.35**	26
	3	0.56	54
	3	0.93	80
	1	1.24	113
AHRC0047	4	1.87	0
	22	0.55	46
Incl	12	0.66	49
	12	**1.41**	100
AHRC0048	1	0.61	17
AHRC0049	8	0.94	40
	58	**1.06**	65
Incl	**36**	**1.39**	87
AHRC0050	58	0.67	0
Incl	**30**	**0.99**	0
Incl	**18**	**1.52**	0
	8	0.76	71
	11	0.3	84
	31	0.64	110
Incl	15	1.12	117
AHRC0051	14	0.51	69
	8	0.5	91
	36	**1.23**	106
Incl	**20**	**1.84**	119
	1	2.34	158

AHRC0052	**31**	**1.22**	12
	13	0.57	62
	22	0.47	106
AHRC0053	8	0.58	8
	15	0.76	55
	9	0.97	55
AHRC0054	4	0.9	0
	3	0.45	33
	10	0.37	40
	4	0.46	56
AHRC0055	4	1.38	21
	11	0.76	34
	5	0.52	54
	7	1.68	69
	21	0.63	98
AHRC0056	8	0.37	12
	10	0.78	32
	31	**0.84**	58
Inc.	**22**	**1.02**	62
	5	0.7	95
AHRC0057	Hole Abandoned @ 22m		No Assays
AHRC0058	18	0.49	25
	11	0.61	52
	24	**1.04**	93
	17	0.57	144
	18	**2.25**	172
AHRC0059	8	0.98	12
	4	0.73	28
	4	2.51	59
	14	0.41	103
AHRC0060	13	0.33	67
	22	0.38	98
	22	0.61	130
Incl	**8**	**1.08**	144
	15	0.34	176
AHRC0061	9	0.32	28
	3	0.5	41
	11	0.47	107
	23	1.76	124
Inc.	17	2.32	130
	9	0.41	157
AHRC0062	41	0.65	25
	17	1.1	49
	6	1.78	83
	10	0.43	108
	3	0.49	150
AHRC0063	**10**	**2.39**	61
	9	0.97	97
	7	0.7	142
AHRC0064	2	1.78	58
	22	**1.08**	74
Inc.	**12**	**1.72**	78
	8	0.9	103
	32	**1**	127
Inc.	**20**	**1.46**	127
	9	0.5	9
AHRC0065	11	0.56	52
	7	0.55	75

Table 2. Hole details for reported RC results

Hole #	Easting GDA94_Z51	Northing GDA94_Z51	RL (m)	Dip°	Azi°	Depth (m)	Comments
AHRC0036	371063	6774545	372	-65	223	164	
AHRC0037	371047	6774525	369	-65	223	139	
AHRC0038	371089	6774568	373	-65	223	208	
AHRC0039	371156	6774440	372	-65	223	148	
AHRC0040	371132	6774330	365	-60	223	80	
AHRC0041	371153	6774304	362	-60	223	83	
AHRC0042	371620	6773838	351	-65	223	138	
AHRC0043	371588	6773803	354	-60	223	80	
AHRC0044	371523	6773869	355	-60	223	90	
AHRC0045	371635	6773768	350	-60	223	147	
AHRC0046	371560	6773909	358	-60	223	120	
AHRC0047	371685	6773775	350	-65	223	160	
AHRC0048	371458	6773920	355	-55	250	51	
AHRC0049	371729	6773782	354	-60	223	190	
AHRC0050	371414	6774098	362	-60	223	141	
AHRC0051	371680	6773900	350	-65	223	160	
AHRC0052	371450	6774090	366	-60	223	140	
AHRC0053	371614	6773873	354	-60	223	100	
AHRC0054	371325	6774182	366	-60	223	130	
AHRC0055	371520	6773950	358	-60	223	120	
AHRC0056	371190	6774295	366	-60	223	100	
AHRC0057	371530	6773950	358	-60	223	22	
AHRC0058	371573	6774003	361	-60	223	207	
AHRC0059	371438	6773995	359	-65	223	137	
AHRC0060	371469	6774153	359	-60	223	200	
AHRC0061	371325	6774222	367	-60	223	187	
AHRC0062	371388	6774150	362	-60	223	157	
AHRC0063	371300	6774239	375	-60	223	150	
AHRC0064	371271	6774292	372	-60	223	160	
AHRC0065	371205	6774358	368	-60	223	92	

Metallurgy

Assay by Bottle Roll Cyanidation

A recently reported Armstrong shoot diamond drill hole intersection (assay by standard fire assay technique) containing visible gold (AHRCD0016 - 11.2m @ 2.00g/t Au from 173.8m) was re-submitted for assay by larger sample size bottle roll cyanidation.

The Company chose to investigate the theory that standard fire assay may be under-calling the grade of the intercept due to the nuggety nature of the mineralisation.

Bottle roll cyanidation, particularly when completed with larger sample size, has the potential to more accurately recover all the nuggety gold in a sample. In some respects, this assay procedure more accurately reflects the process that the gold would undergo in any eventual commercial recovery operation.

Bottle roll cyanidation on bulk 1kg samples crushed to 75 microns across the entire intersection returned 11.2m @ 2.68g/t Au from 173.8m. Importantly, this represents a 33% upgrade in the assayed grade of the intersection.

Saturn is planning a more expansive geo-metallurgical investigation of this improved grade correlation to see if this positive result can be seen at a larger scale across the deposit. With enough data, such a factor may allow Saturn to consider the relationship in future planning scenarios.

In addition, test work reported 95% recovery of the gold after 24 hours. A 93% recovery was achieved in four hours. This indicates the potential for rapid cost-effective extraction and strong gold recovery dynamics.

Regional Exploration

Historic Data Compilation

Compilation of historic government tenement reports containing drill data and geochemical data for Saturn's greater 1000km^2 land package (Figure 7) was completed in to digital format during the quarter. The Company believes the compiled data set shows excellent potential within a largely under explored land package. Planning of regional exploration has commenced.

PLANNED WORK - NEXT QUARTER

- Saturn anticipates announcing an update to the Apollo Hill resource in the coming weeks. Drilling results since listing on the ASX in March 2018 have clearly highlighted the potential to materially increase the scale of the known mineralised system from the current 0.5Moz JORC 2012 compliant inferred gold resource of 17.2Mt at 0.9g/t Au[1].

- Completion of a step-out exploration program at Apollo Hill comprising an initial 20 RC drill holes for 2,500m. Drilling will step out along a 6km long anomalous Apollo Hill gold corridor and provide an initial test the area between the Apollo and Ra zones (Figure 5).

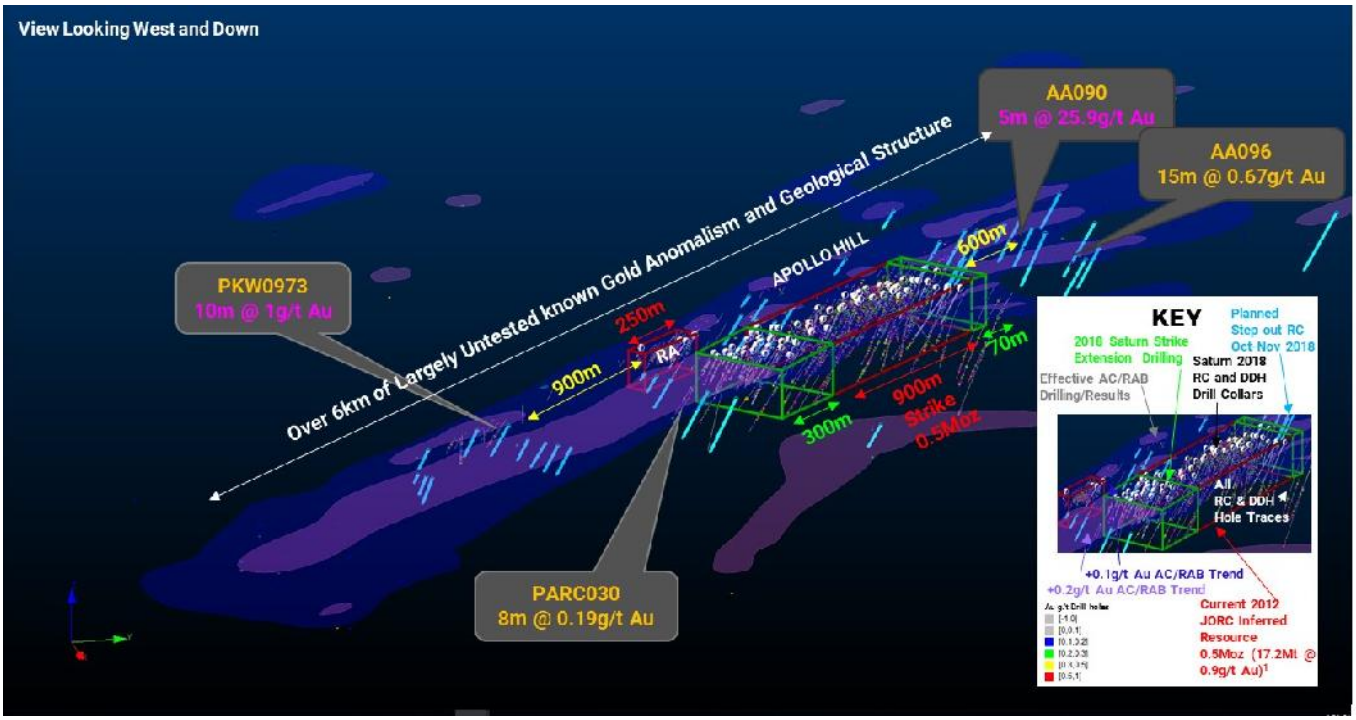

Figure 5. Planned step out exploration (light blue) at Apollo Hill

- A six-hole 600m RC program is planned on the Bob's Bore/Keith Kilkenny trend 3.5km east of Apollo Hill. Planned drilling will target along strike of significant intersections including 9m @ 10.9g/t Au (Figure 6).

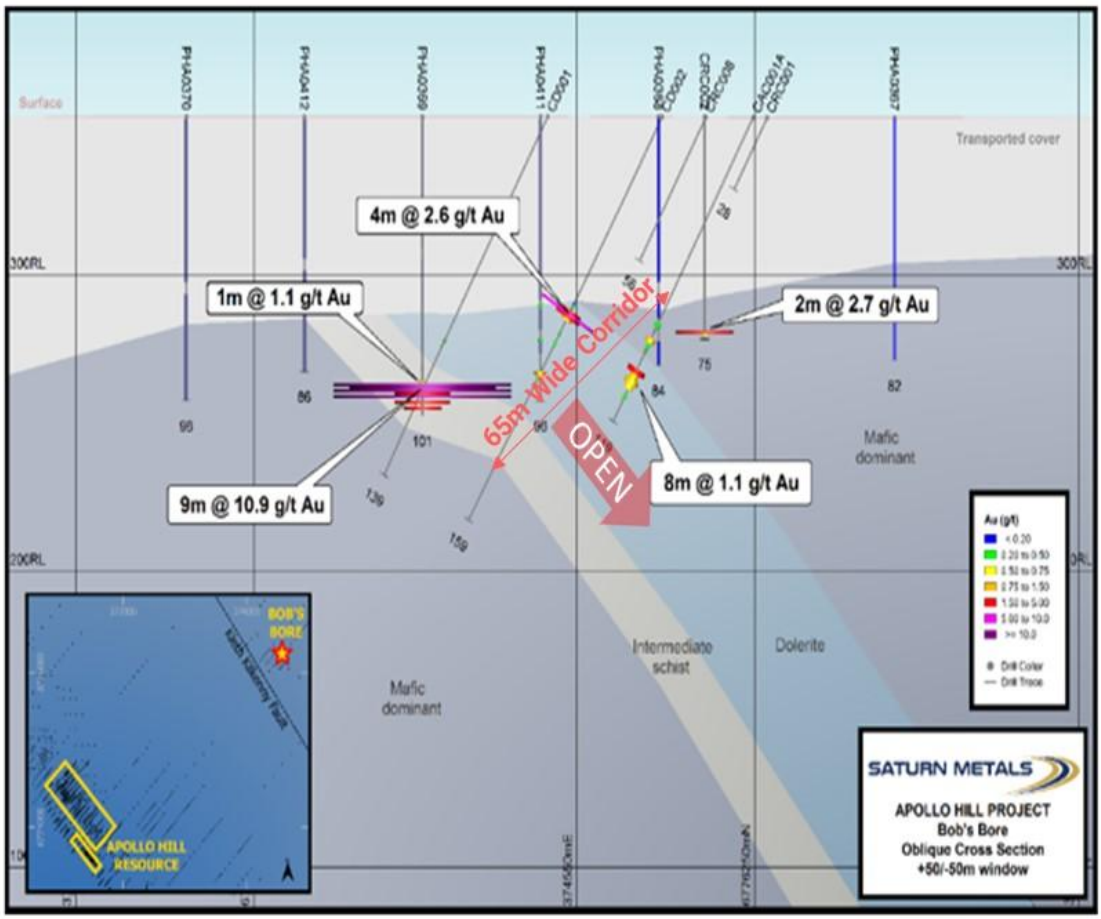

Figure 6. Bob's Bore – significant intersections and location

- A soil geochemical program is planned for the Athena Prospect on the E31/1063 tenement (Figure 7) to target a high priority geophysical target and an area of small-scale gold prospector activity (~200 samples planned).

- A six-day heritage clearance survey is planned over several regional aircore targets across Saturn's greater land package (Figures 7 and 8). This work will pave the way for drilling in early 2019.

TENEMENTS - LAND POSITION

The Company's tenement package is illustrated in Figure 7. Table 3 lists the Company's tenement holdings which are all 100% owned. Saturn Metals Limited currently holds 1,092km^2 of contiguous tenements in 25 mining, exploration and prospecting licenses. During the quarter one exploration license (E39/372) was granted.

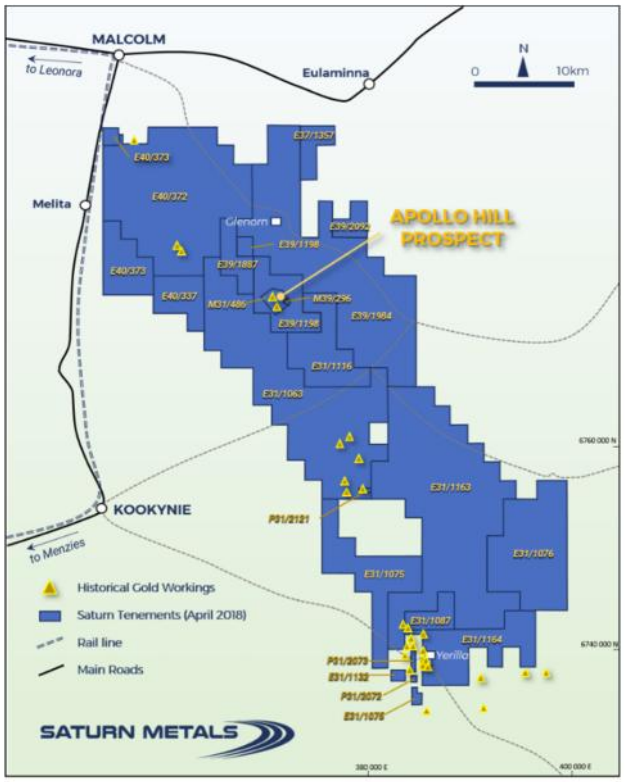

Figure 7 Saturn Metals Limited tenement map and land holdings

CORPORATE

The Company currently has 56,000,001 shares on issue.

FINANCE

The Company's cash position at 30 September 2018 was A$4.046M.

The Company also has access to a A$35,000 grant awarded in the latest round of the West Australian Government's Exploration Incentive Scheme.

IAN BAMBOROUGH
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LUKE FORRESTAL
Senior Account Director
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Tenement	Name/Location	Current Area	Area Unit	Measured km^2	Grant Date	Expiry Date
E31/1063	APOLLO HILL	56	Standard Block	167.4	9/03/2015	8/03/2020
E31/1075	APOLLO	19	Standard Block	55.8	9/03/2015	8/03/2020
E31/1076	APOLLO	28	Standard Block	83.8	10/03/2015	9/03/2020
E31/1087	YERILA	4	Standard Block	12.0	19/03/2015	18/03/2020
E31/1116	APOLLO HILL	14	Standard Block	42.0	26/07/2016	25/07/2021
E31/1132	YERILLA	1	Standard Block	2.3	1/02/2017	31/01/2022
E31/1163	APOLLO HILL	70	Standard Block	209.6	27/04/2018	26/04/2023
E31/1164	APOLLO HILL	17	Standard Block	48.8	27/04/2018	26/04/2023
E39/1198	APOLLO HILL	11	Standard Block	28.6	31/03/2009	30/03/2019
E39/1887	APOLLO HILL	5	Standard Block	15.0	24/02/2016	23/02/2021
E39/1984	GLENORN	61	Standard Block	183.0	30/03/2017	29/03/2022
E40/0337	APOLLO	7	Standard Block	21.0	3/12/2014	2/12/2019
E40/372	APOLLO HILL	55	Standard Block	165.1	3/07/2018	2/07/2023
E40/373	APOLLO HILL	14	Standard Block	30.0	E Application	
M31/0486	APOLLO HILL	411	Ha	4.1	12/03/2015	11/03/2036
M39/0296	APOLLO HIILL	25	Ha	0.2	30/09/1993	29/09/2035
P31/2068	YERILLA	78	Ha	0.8	8/05/2015	7/05/2019
P31/2069	YERILLA	141	Ha	1.4	8/05/2015	7/05/2019
P31/2070	YERILLA	159	Ha	1.6	8/05/2015	7/05/2019
P31/2071	YERILLA	92	Ha	0.9	8/05/2015	7/05/2019
P31/2072	YERILLA	68	Ha	0.7	8/05/2015	7/05/2019
P31/2073	YERILLA	166	Ha	1.7	8/05/2015	7/05/2019
P31/2121	YERILLA	41	Ha	0.4	P Application	
E39/2092	GLENORN	3	Standard Block	6.9	E Application	
E37/1337	GLENORN	4	Standard Block	9.2	E Application	

Table 5 Saturn Metals Limited current tenement holdings

Apollo Hill is located ~60km south-east of Leonora in the heart of WA's goldfields regions (Figure 8). The project is surrounded by good infrastructure and several significant gold deposits.

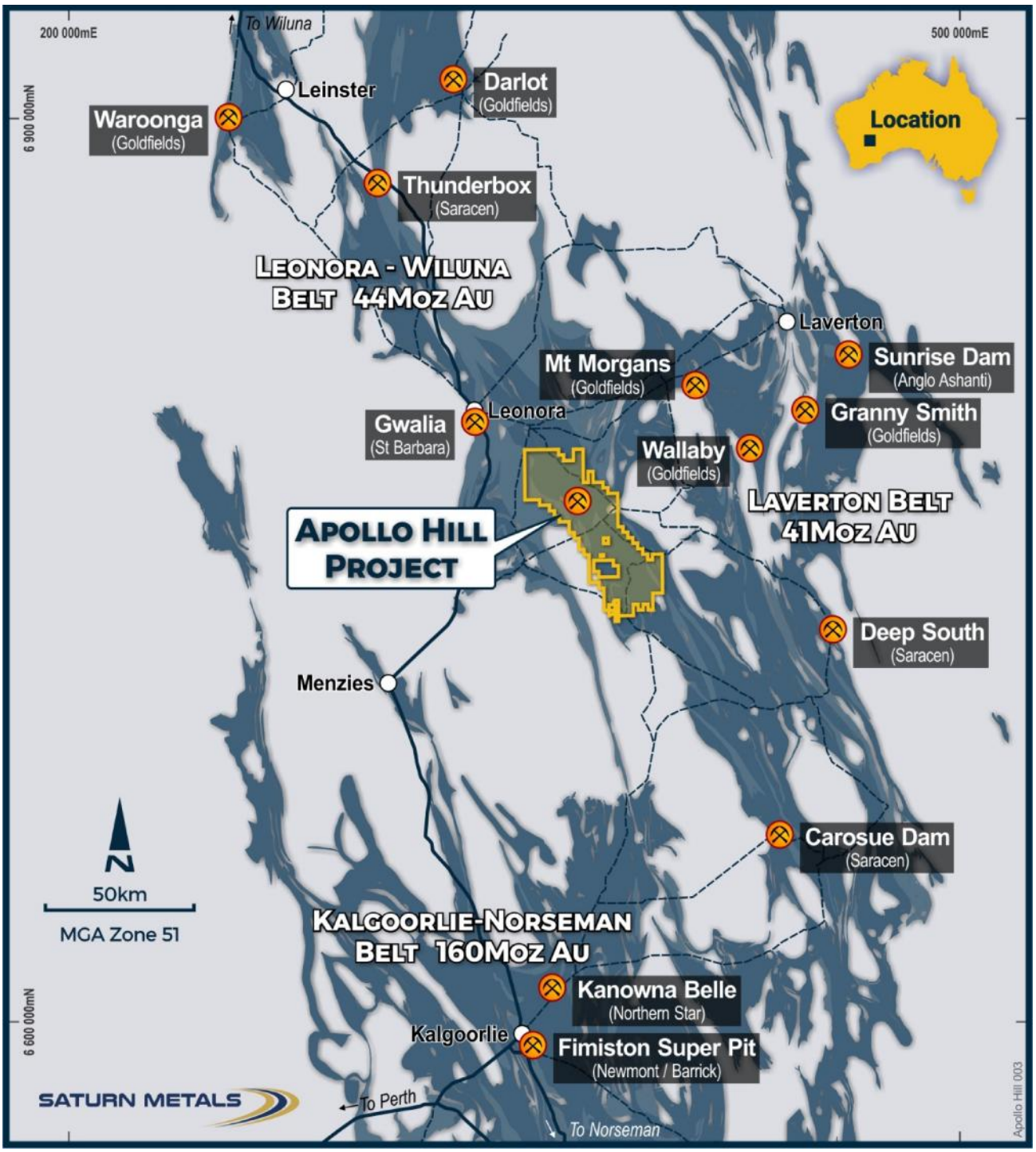

Figure 8 Apollo Hill location, Saturn Metals' tenements and surrounding gold deposits, gold endowment and infrastructure.

Competent Persons Statements

The information in this report that relates to the Apollo Hill Mineral Resource estimates, and reported by the Company in compliance with JORC 2012 is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Saturn Metals Limited. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". At the time of construction of the Apollo Hill estimates Mr Abbott was an employee of Hellman & Schofield Pty Ltd. Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 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.

JORC Code, 2012 Edition – Table 1 - Apollo Hill

Section 1 Sampling Techniques and Data

(Criteria in this section apply to the Apollo Hill and Ra exploration area and all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Measures taken to ensure the representivity RC sampling include close supervision by geologists, use of appropriate sub-sampling methods, routine cleaning of splitters and cyclones, and RC rigs with sufficient capacity to provide generally dry, reasonable recovery samples. Information available to demonstrate sample representivity includes RC sample weights, sample recovery, sample consistency, field duplicates, standards and blanks. • RC holes were sampled over 1m intervals by a cone-splitter mounted to the RC drill rig. RC samples were analysed by NAGROM in Kelmscott, and ALS in Kalgoorlie and Perth. At the laboratories the samples were oven dried and crushed to 90% passing 2mm, and pulverised to 95% passing 106 microns, with analysis by 50g fire assay. • RC samples were composited to 4m to produce a 3kg representative sample to be submitted to the laboratory. • Diamond core was drilled HQ3 and NQ2 dependant on weathering profile and ground conditions. The core was cut in half by a Corewise diamond saw at the ALS laboratory in Perth, where half and full core were submitted for analysis. • Half and full core samples were taken with a diamond saw generally on ranging in size from 1m intervals dependant on geological boundaries where appropriate (minimum 0.3m to maximum 1.2m). Whole core samples were taken within the zones of mineralisation to account for course grained nature of the gold. • Sampling was undertaken using Saturn Metals sampling and QAQC procedures in line with industry best practice, which includes the submission of standards, blanks and duplicates at regular intervals within each submission, for RC and Diamond samples. •

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation (RC) drilling was conducted, which used either a 4.5" or 5.5" face-sampling bit. • Diamond core was HQ3 of NQ2. All core was oriented using a Reflex orientation tool, which was recorded at the drill site, and all core pieced back together and orientated at the Saturn Core yard at Apollo Hill.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was visually estimated by volume for each 1m bulk sample bag and recorded digitally in the sample database. Very little variation was observed. • Measures taken to maximise recovery for RC drilling included use of face sampling bits and drilling rigs of sufficient capacity to provide generally dry, high recovery samples. RC sample weights indicate an average recovery of 85-95% and were dry. • The cone splitter was regularly cleaned with compressed air at the completion of each rod. • The RC Drilling was completed using auxillary compressors and boosters to keep the hole dry and ensure the sample was lifted to the sampling equipment as efficiently as possible. The cyclone and cone splitter were kept dry and clean, with the cyclone cleaned after each drill hole and the splitter cleaned after each rod, to minimise down-hole or cross-hole contamination. • Diamond core recovery was likewise measured and recorded for each drill run. The core was physically measured by tape and recorded for each run. Core recovery was recorded as percentage recovered. All data was loaded into the Saturn Database. • Diamond drilling utilised drilling additives and muds to ensure the hole was conditioned to maximise recoveries and sample quality. • There was no observable relationship between recovery and grade, or preferential bias in the RC drilling at this stage. • There was no significant loss of material reported in the mineralised parts of the core to date.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill holes were geologically logged by industry standard methods, including depth, colour, lithology, alteration, mineralisation and weathering. • RC Chip trays and Diamond Core trays were photographed. • The logging is qualitative in nature and of sufficient detail to support the current interpretation.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC holes were sampled over 1m intervals by cone-splitting. RC sampling was closely supervised by field geologists and included appropriate sampling methods, routine cleaning of splitters and cyclones, and rigs with sufficient capacity to provide generally dry, high recovery RC samples. Sample representivity monitoring included weighing RC samples and field duplicates. • Whole core sent for assay in logged mineralised zones. Half core submitted in surrounding country rock. • Assay samples were crushed to 90% passing 2mm, and pulverised to 95% passing 75 microns, with fire assay of 50g sub-samples. Assay quality monitoring included reference standards and inter-laboratory checks assays. • Duplicate samples were collected every 20 samples, and certified reference material and blank material was inserted every 40 samples. • The project is at an early stage of evaluation and the suitability of sub-sampling methods and sub- sample sizes for all sampling groups has not been comprehensively established. The available data suggests that sampling procedures provide sufficiently representative sub-samples for the current interpretation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Sampling included field duplicates, blind reference standards, field blanks and inter-laboratory checks confirm assay precision and accuracy with sufficient confidence for the current results. • Samples were submitted to ALS in Kalgoorlie and Perth and Nagrom in Perth, where they were prepared, processed and analysed via 50g charge fire assay.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent geologists were engaged to verify results. Saturn Metals project geologists were supervised by the company's Exploration Manager. No adjustments were made to any assays of data. • Logs were recorded by field geologists on hard copy sampling sheets which were entered into spreadsheets for merging into a central SQL database. • Laboratory assay files were merged directly into the database. The project geologists routinely validate data when loading into the database.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collars are surveyed by hand held GPS, utilising GDA94, Zone 51. • Drill hole collars are all surveyed by DGPS, by ABIMS. • All RC and diamond holes were down-hole surveyed, by Gyro. • A topographic triangulation was generated from drill hole collar surveys and the close-spaced (50m) aeromagnetics data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Apollo Hill mineralisation has been tested by generally 30m spaced traverses of south- westerly inclined drill holes towards 225°. Across strike spacing is variable. The upper approximately 50m has been generally tested by 20-30m spaced holes, with deeper drilling ranging from locally 20m to commonly greater than 60m spacing. • The data spacing is sufficient to establish geological and grade continuity.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralised zones dip at an average of around 50° to the northeast. Detailed orientations of all short-scale mineralised features have not yet been confidently established. The majority of the drill holes were inclined at around 60° to the southwest.
Sample security	• *The measures taken to ensure sample security.*	• Apollo Hill is in an isolated area, with little access by general public. Saturn's field sampling was supervised by Saturn geologists. Sub-samples selected for assaying were collected in heavy- duty polywoven bags which were immediately sealed. These bags were delivered to the assay laboratory by independent couriers, Saturn employees or contractors. • Results of field duplicates, blanks and reference material, and the general consistency of results between sampling phases provide confidence in the general reliability of the drilling data.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The competent person independently reviewed Saturn's sample quality information and database validity. These reviews included consistency checks within and between database tables and comparison of assay entries with original source records for Saturn's drilling. These reviews showed no material discrepancies. The competent person considers that the Apollo Hill drilling data has been sufficiently verified to provide an adequate basis for the current reporting of exploration results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Apollo Hill Project lies within Exploration Licence E39/1198, M31/486 and M39/296. These tenements are wholly-owned by Saturn Metals Limited. These tenements, along with certain other tenure, are the subject of a 5% gross over-riding royalty (payable to HHM) on Apollo Hill gold production exceeding 1 million ounces. M39/296 is the subject of a $1/t royalty (payable to a group of parties) on any production. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Aircore, RC and diamond drilling by previous tenement holders provides around 79% of the estimation dataset. The data is primarily from RC and diamond drilling by Battle Mountain, Apex Minerals, Fimiston Mining, Hampton Hill, Homestake, MPI and Peel Mining.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Apollo Hill project comprises two deposits: The main Apollo Hill deposit in the north-west of the project area, and the smaller Ra Deposit in the south. Gold mineralisation is associated with quartz veins and carbonate-pyrite alteration along a steeply north-east dipping contact between felsic rocks to the west, and mafic dominated rocks to the east. The combined mineralised zones extend over a strike length of approximately 1.4km and have been intersected by drilling to approximately 350m depth. • The depth of complete oxidation averages around 4m with depth to fresh rock averaging around 21m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the*	• All relevant information material to the understanding of exploration results has been included within the body of the announcement or as appendices. • No information has been excluded.

Criteria	JORC Code explanation	Commentary
	information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No top-cuts have been applied. • All reported RC and diamond drill assay results have been length weighted (arithmetic length weighting). • No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All drill hole intercepts are measured in downhole metres, with true widths estimated to be about 60% of the down-hole width. • The orientation of the drilling may introduce some sampling bias (positive of negative).
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures and Tables within the body of the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results are reported, no lower cut-off or top-cuts have been applied.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other substantive exploration data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Although not yet planned in detail, it is anticipated that further work will include infill and step out drilling. This work will be designed to improve confidence in, and test potential extensions to the current resource estimates.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Saturn Metals Limited

ABN	**Quarter ended ("current quarter")**
43 619 488 498	30 September 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(851)	(851)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(75)	(75)
	(e) administration and corporate costs	(101)	(101)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	28	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other – GST Received/(Paid)	70	70
1.9	**Net cash from / (used in) operating activities**	**(929)**	**(929)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(7)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(7)**	**(7)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,982	4,982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(929)	(929)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,046**	**4,046**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	546	732
5.2	Call deposits	3,500	4,250
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,046**	**4,982**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	275
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payments in 6.1 include directors fees, associated superannuation and a payment to DDH1 Drilling for drilling services for the amount of $246,571. Andrew Venn, a non-executive director of Saturn Metals Limited, and is also the Chief Operations Officers of DDH1 Drilling.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	25
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Payments in 7.1 are to Peel Mining Limited who has a shared services agreement with Saturn Metals Limited in relation to costs arising from the Company's administration and West Perth office.

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	626
9.2	Development	-
9.3	Production	-
9.4	Staff costs	71
9.5	Administration and corporate costs *	76
9.6	Other (Exploration & evaluation funded under farm-in)	-
9.7	**Total estimated cash outflows**	**773**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	For all other changes to interests in mining tenements lapsed, relinquished, reduced, acquired or increased please see page 14 in the Quarterly Activities Report.			
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 31/10/2018

(Company secretary)

Print name: Ryan Woodhouse

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.