6 December 2018

Step Out Gold Intercepts Extend Apollo Hill and Ra Mineralised Zones

Step out RC drilling along the Apollo Hill and Ra zones (JORC compliant Inferred and Indicated Resource of 685koz from 20.7Mt @ 1.0g/t Au[1]) has highlighted the potential to grow the mineral inventory at this major gold system.

Highlights:

- On the Ra zone, significant shallow RC intersections have been returned at the newly named Tefnut and Wadjet Prospects 1km along strike to the south and north respectively of the Ra Mineral Resource. Intercepts include:
  - ✓ **27m @ 1.12g/t Au** from 61m including **11m @ 2.10g/t Au** from 66m – AHRC0083 (Tefnut Prospect);
  - ✓ **7m @ 1.19g/t Au** from 61m – AHRC0078 (Wadjet Prospect).

- At the northern end of the Apollo Hill zone, widely spaced, shallow drill intercepts, approximately 300m along strike from the Mineral Resource include 11m @ 0.33g/t Au from 25m (AHRC0071), 9m @ 0.23g/t Au from 137m (AHRC0073) and 17m @ 0.23g/t Au from 103m (AHRC0076). These intercepts outline a 300m wide corridor of mineralisation requiring infill drilling.
- At the southern end of the Apollo Hill zone, broadly spaced drill intercepts including 12m @ 0.50g/t Au from 72m (AHRC0084) and 12m @ 0.18g/t Au from 30m (AHRC0079) have outlined a 200m wide corridor of mineralisation approximately 150m-300m along strike from the Mineral Resource; once again offering the potential for infill discovery.
- Significant potential exists to find higher grade zones between these newly reported step out intersections and previously reported intersections at the northern and southern ends of the Apollo Hill Resource zone which included; 10m @ 2.98g/t Au from 92m within 28m @ 1.20g/t Au from 82m (AHRC0036) and 58m @ 1.06g/t Au from 65m (AHRC0049).
- Resource extensional and infill drilling is planned to re-commence at Apollo Hill in mid-January 2019.

[1]For full Resource details including JORC compliant Table refer to the reference in the Competent Person Statement and Consent Process at the back of this report.

Saturn Metals Limited (ASX: STN) ("Saturn", "the Company") is pleased to report that resource extension drilling at its 100%-owned Apollo Hill Gold Project, near Leonora in the Western Australian goldfields, has outlined extensional gold potential along strike from both the Apollo Hill and Ra Mineral Resource zones.

Of particular interest are intersections at the newly named Tefnut and Wadjet zones some 1km along strike from the Ra zone (currently 28,712oz in JORC Compliant Indicated Resource). Figure 1 shows significant intersections in long-section at both zones relative to the Ra Mineral Resource. Material exploration potential exists at both prospects and along the mineralised Ra dolerite between the targets.

For geological context, Figure 2 illustrates the broadly spaced mineralised drill hole intercepts at Apollo Hill South. Infill drilling is required to fully explore this wide gold prospective corridor.

All intersections are illustrated in plan view in Figure 3. All significant results from the latest phase of drilling at Apollo Hill and the Ra zone are listed in Table 1. Details of holes reported in this announcement are included in Table 2.

Saturn Managing Director Ian Bamborough said: "The intersections returned from this step-out drilling have given us confidence that the Apollo Hill mineralised system continues for some distance along strike from the Apollo and Ra Mineral Resources. There is gold in the holes over significant corridor width and we know that infill drilling along this system has provided strong results in the past. Planning is in progress towards our next drill program scheduled to commence in mid-January".

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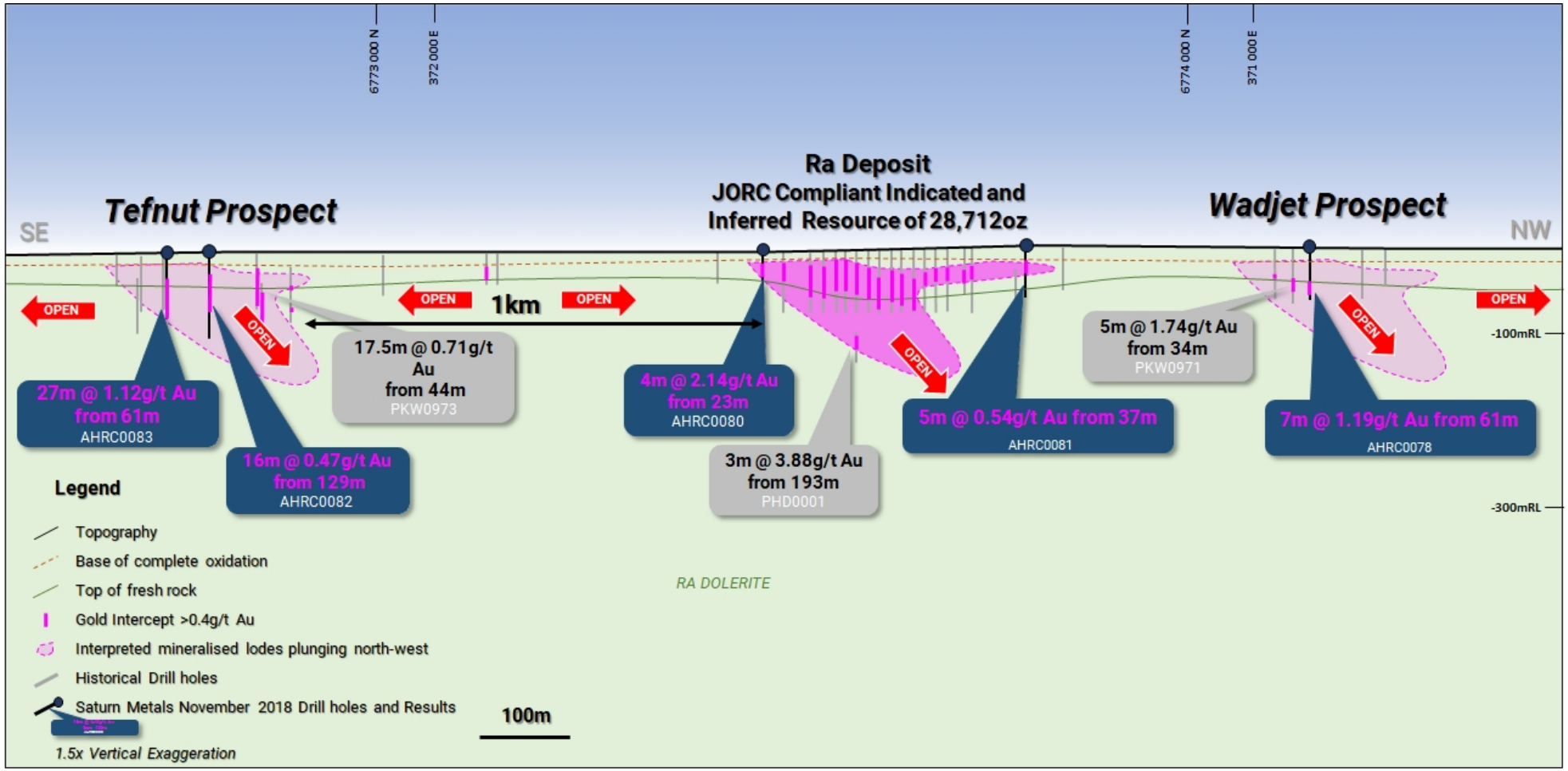

Figure 1. Long Section Ra Dolerite Zone; Tefnut – Ra and Wadjet Prospect – significant intersections now noted over 2km of this gold bearing dolerite. Drilling remains relatively shallow on this large gold system.

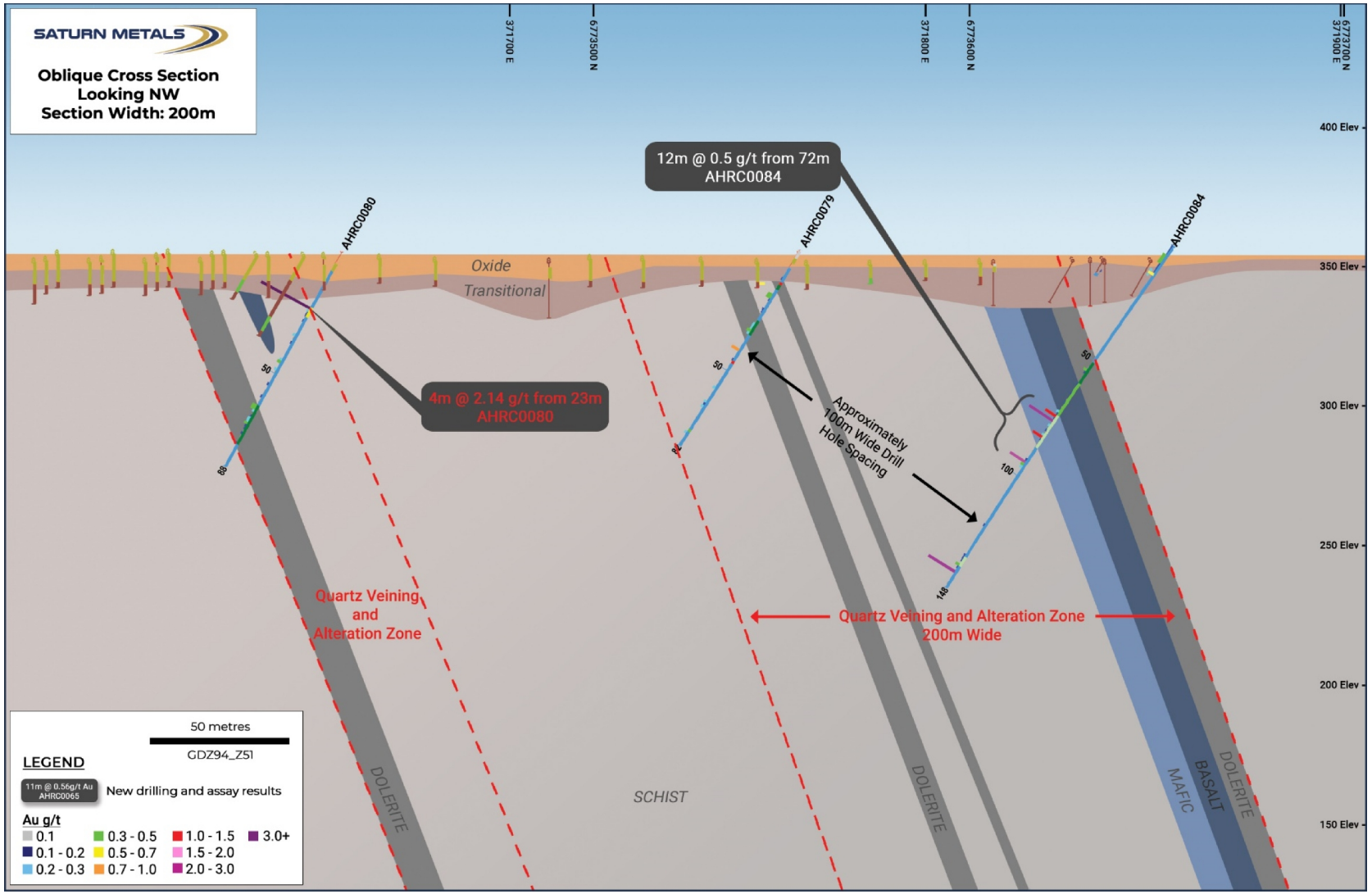

Figure 2. Cross Section (+/-100m) showing simple geology, new assay results and historic assay results at Apollo Hill South. Widely spaced drilling allows much potential for defining additional mineralisation with infill drilling.

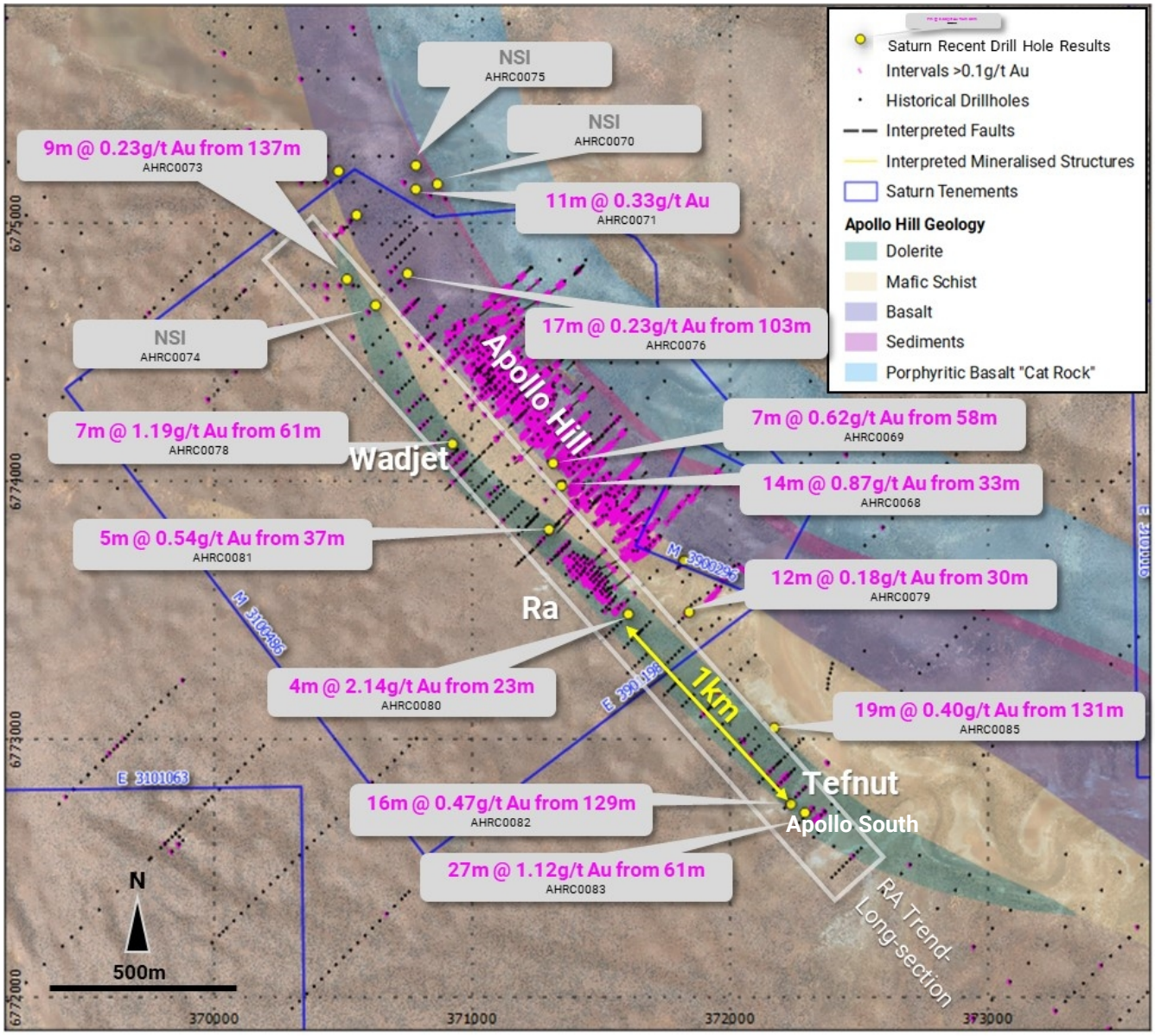

Figure 3. Apollo Hill and Ra Zones extensional RC program in plan view showing recent significant assay results, historical drill results and basic interpretative geology.

Hole #	Down Hole Width (m)	Grade g/t Au	From (m)
AHRC0068	46	0.39	1
Inc.	24	0.57	23
AHRC0069	7	0.62	58
AHRC0070	NSI		
AHRC0071	11	0.33	25
Inc.	3	0.82	33
AHRC0072	2	0.27	126
AHRC0073	1	0.58	115
	9	0.23	137
AHRC0074	NSI		
AHRC0075	NSI		
AHRC0076	17	0.23	103
AHRC0077	NSI		
AHRC0078	**7**	**1.19**	**35**
Inc.	**5**	**1.54**	**35**
AHRC0079	12	0.18	30
AHRC0080	**4**	**2.14**	**23**
	12	0.24	63
AHRC0081	4	0.23	20
	5	0.54	37
AHRC0082	16	0.47	129
Inc.	7	0.82	129
AHRC0083	**27**	**1.12**	**61**
Inc.	**16**	**1.58**	**61**
Inc.	**11**	**2.10**	**66**
AHRC0084	12	0.5	72
	4	0.61	93
	7	0.53	135
AHRC0085	5	0.51	50
	2	0.51	82
	19	0.40	131
Inc.	9	0.79	131

Table 1. Significant drill results

Hole #	Easting GDA94_Z51	Northing GDA94_Z51	RL (m)	Dip°	Azi°	Depth (m)	Comments
AHRC0068	371,344	6,773,980	357	-60	225	198	
AHRC0069	371,312	6,774,068	365	-60	225	186	
AHRC0070	370,888	6,775,155	352	-60	225	149	
AHRC0071	370,780	6775,130	352	-55	225	167	
AHRC0072	370,550	6,775,030	352	-60	225	233	
AHRC0073	370,513	6,774,781	354	-65	225	191	
AHRC0074	370,624	6,774,680	352	-65	225	124	
AHRC0075	370,780	6,775,222	352	-65	225	154	
AHRC0076	370,748	6,774,803	353	-60	225	136	
AHRC0077	370,480	6,775,200	353	-65	225	154	
AHRC0078	370,922	6,774,143	355	-60	225	130	
AHRC0079	371,840	6,773,491	352	-60	225	82	
AHRC0080	371,604	6,773,483	355	-60	225	88	
AHRC0081	371,296	6,773,811	353	-60	225	76	
AHRC0082	372,235	6,772,746	351	-50	55	148	
AHRC0083	372,289	6,772,713	348	-55	45	100	
AHRC0084	371,820	6,773,690	344	-55	225	148	
AHRC0085	372,191	6,773,042	357	-55	225	166	

Table 2. Completed RC holes – reported hole details

Apollo Hill is located ~60km south-east of Leonora in the heart of WA's goldfields regions (Figure 4). The project is 100% owned by Saturn Metals and is surrounded by good infrastructure and a number of significant gold deposits.

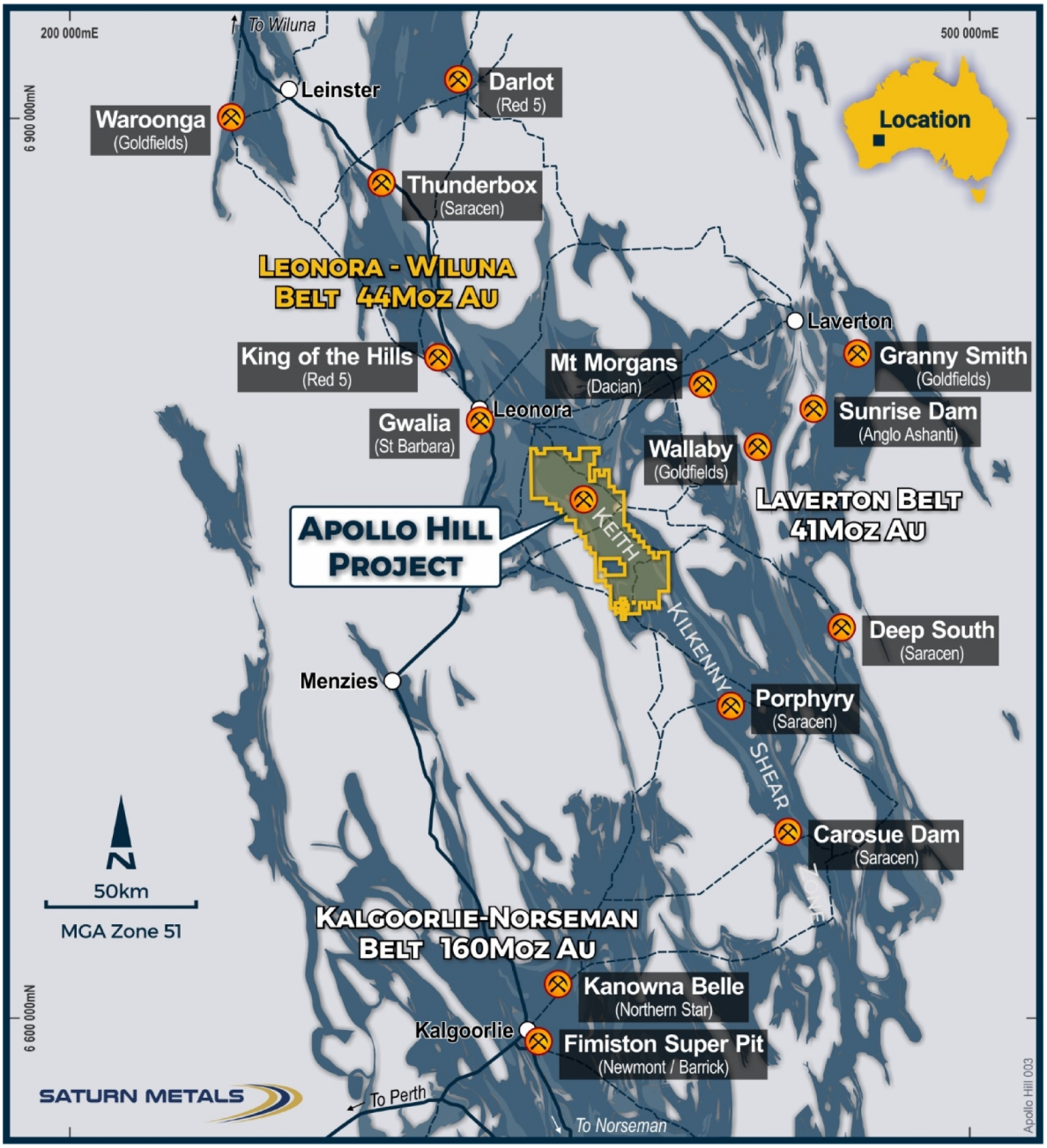

Figure 4 Apollo Hill location, Saturn Metals' tenements and surrounding gold deposits, gold endowment and infrastructure.

Competent Persons Statements and Resource Tables

[1]The information in this announcement that relates to the Apollo Hill Mineral Resource estimate (gold) is based on information compiled and generated by Ingvar Kirchner, an employee of AMC Consultants. Mr Kirchner consents to the inclusion, form and context of the relevant information herein as derived from the original resource reports. Mr Kirchner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

A summary of the updated 2018 Apollo Hill Mineral Resource is provided in Table 3 below:

Lower cut-off grade (Au g/t)	Oxidation State	Measured			Indicated			Inferred			MII Total		
		Tonnes (Mtonnes)	Au (g/t)	Au metal (K ozs)	Tonnes (Mtonnes)	Au (g/t)	Au metal (K ozs)	Tonnes (Mtonnes)	Au (g/t)	Au metal (K ozs)	Tonnes (Mtonnes)	Au (g/t)	Au metal (K ozs)
0.5	Oxide	0	0	0	0.1	0.9	4	0.4	0.9	12	0.6	0.9	17
	Transitional	0	0	0	1.1	1.0	37	1.2	0.9	36	2.3	1.0	73
	Fresh	0	0	0	2.1	1.1	75	15.8	1.0	520	17.9	1.0	595
	Total	**0**	**0**	**0**	**3.3**	**1.1**	**116**	**17.4**	**1.0**	**569**	**20.7**	**1.0**	**685**

The models are reported above nominal RLs (190 mRL – approximately 180 metres below surface (mbs) for Apollo Hill northwest, 210 mRL approximately 150mbs for Apollo Hill southeast and 260 mRL 90mbs for Ra deposit) and nominal 0.5 g/t Au lower cut-off grade for all material types.

Saturn Metals advise that there is no material depletion by mining within the model area.

Estimation is by localised multiple indicator kriging for Apollo Hill zone; estimation of Ra zone used restricted ordinary kriging due to limited data.

The model assumes a 7.5 mE by 7.5 mN by 5 mRL Selective Mining Unit (SMU) for selective open pit mining.

The final models are SMU models and incorporate internal dilution to the scale of the SMU. Technically the models do not account for mining related edge dilution and ore loss. These parameters should be considered during the mining study as being dependent on grade control, equipment and mining configurations including drilling and blasting.

Classification is according to JORC Code Mineral Resource categories.

Totals may vary due to rounded figures.

Table 3. November 2018 Mineral Resource Statement; 0.5g/t Au Cut-off above various RL's by oxidation domain

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 Exploration Area

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 cone-splitting. RC samples were analysed by NAGROM in Kelmscott. At Kelmscott samples were oven dried and crushed to 90% passing 2mm, and pulverised to 95% passing 106 microns, with analysis by 50g fire assay.
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) • RC drilling used generally 5.5 " face- sampling bits.
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.

Criteria	JORC Code explanation	Commentary
		• The cone splitter was regularly cleaned with compressed air at the completion of each rod.
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 lithology, alteration, mineralisation and weathering. • RC Chip trays were photographed. • The logging is qualitative in nature and of sufficient detail to support the current interpretation.
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. • 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 and blank samples were collected every 20 samples. • Certified reference material samples were submitted to the laboratory every 100 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*	• 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 Laboratories in Kalgoorlie, where they were prepared, processed and analysed via fire assay.

Criteria	JORC Code explanation	Commentary
	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.*	
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.
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. • All RC holes were down-hole surveyed, by Gyro. • A topographic triangulation was generated from drill hole collar surveys.
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 and 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. All hole details for reported results are noted in Table 2 of this announcement.

Criteria	JORC Code explanation	Commentary
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 plastic 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 results are from the Saturn Metals Limited's Apollo Hill Project which 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.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Aircore, RC and diamond drilling by previous tenement holders provides around 82% of the estimation dataset. The data is primarily from RC and diamond drilling by Battle Mountain (33%), Apex Minerals (18%), Fimiston Mining (13%), Hampton Hill (12%). Homestake and MPI holes provide 5% and 1%, respectively.
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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the 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.*
		• 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.

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*	• No top-cuts have been applied. • No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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').*	• True widths are generally estimated to be about 60% of the down-hole width.
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.*	• See diagrams included.
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.
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.*	• See release details.
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, step out and twin-hole drilling. This work will be designed to improve confidence in, and test potential extensions to the current resource estimates.