30 January 2019

QUARTERLY ACTIVITIES REPORT – September to December 2018

Saturn Metals Limited – ASX:STN

Highlights:

Resource Upgrade

- In early November the Company published an upgraded Mineral Resource for the Apollo Hill Gold Project totalling 20.7Mt at 1.0g/t Au for **685,000oz**.
- This represented:
  - **a 36% increase in contained ounces** from the previously published resource, and;
  - **a 14% increase in deposit grade** to 1.0g/t Au;
- A total of 3.3Mt @ 1.1g/t Au (116,000oz) upgraded to the higher confidence "Indicated" category as an **Indicated Mineral Resource** representing a **conversion of 22%** of the previous Inferred Mineral Resource.

Drilling

- Step-out RC drilling along the Apollo Hill and Ra zones further highlighted the potential to grow the Mineral Resource.
- At the Ra zone, intersections 1km along strike to the south and north included:
  - **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).
- In addition, widely spaced, shallow drill intercepts, approximately 150-300m along strike from the main Apollo Mineral Resource in both northerly and southerly directions outlined a 300m wide corridor of mineralisation requiring infill drilling and the potential for discovery of higher-grade zones.
- Follow-up resource extension RC drilling is due to re-commence in early February 2019 (35-hole, 3,600m program planned).

Apollo Hill Regional Exploration

- Regional field operations during the period focussed on geochemistry and mapping. Significant geochemical anomalies returned include:
  - **A 12.1g/t Au rock chip in newly identified quartz reef at the Hermes Prospect** (southern leases);
  - **A 250m-long +20ppb gold soil anomaly at the Athena Prospect** (central leases), and;
  - **A 0.3g/t Au rock chip and a 0.1g/t Au rock chip collected on the completely unexplored northerly extension of the Apollo Shear at Hades (8km along strike of Apollo Hill).**
- A **5,000m** 125-hole aircore drilling program is due to commence imminently at Saturn's emerging regional targets.

RESOURCE

Resource Upgrade

In early November, the Company published an upgraded Mineral Resource for its flagship Apollo Hill Gold Project near Leonora in the Western Australian goldfields, totalling 20.7Mt at 1.0g/t Au for 685,000oz (Figure 1 and Table 1). This represented a 36% increase in contained ounces from the previously published resource. The upgraded Mineral Resource incorporated the results of a highly successful 72-hole, 9,444m extensional and in-fill drilling campaign completed following the Company's listing on the ASX in March 2018.

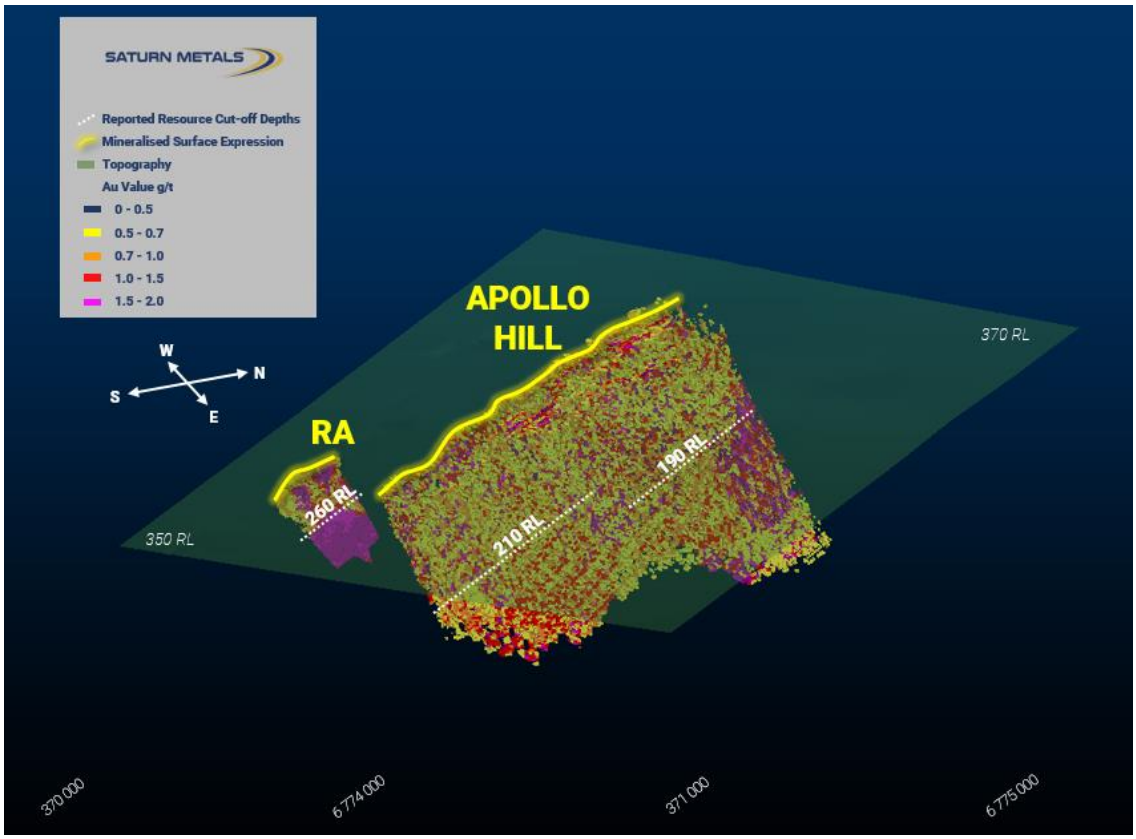

Figure 1 3D Representation of the November 2018 Apollo Hill JORC Mineral Resource model and the various reporting RL's

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. Classification is according to JORC Code Mineral Resource categories. Totals may vary due to rounded figures.

Table 1 November 2018 Apollo Hill Mineral Resource

The rapid growth in the Apollo Hill Mineral Resource reflects important breakthroughs in the understanding of the geological controls at the deposit (Figure 2), and the subsequent improvement

in the resource modelling techniques applied. The 180,000-ounce increase has been driven as much by an increase in the grade of the deposit (up 14% to 1.0g/t Au) as by an increase in the tonnes (up 18% to 20.3Mt).

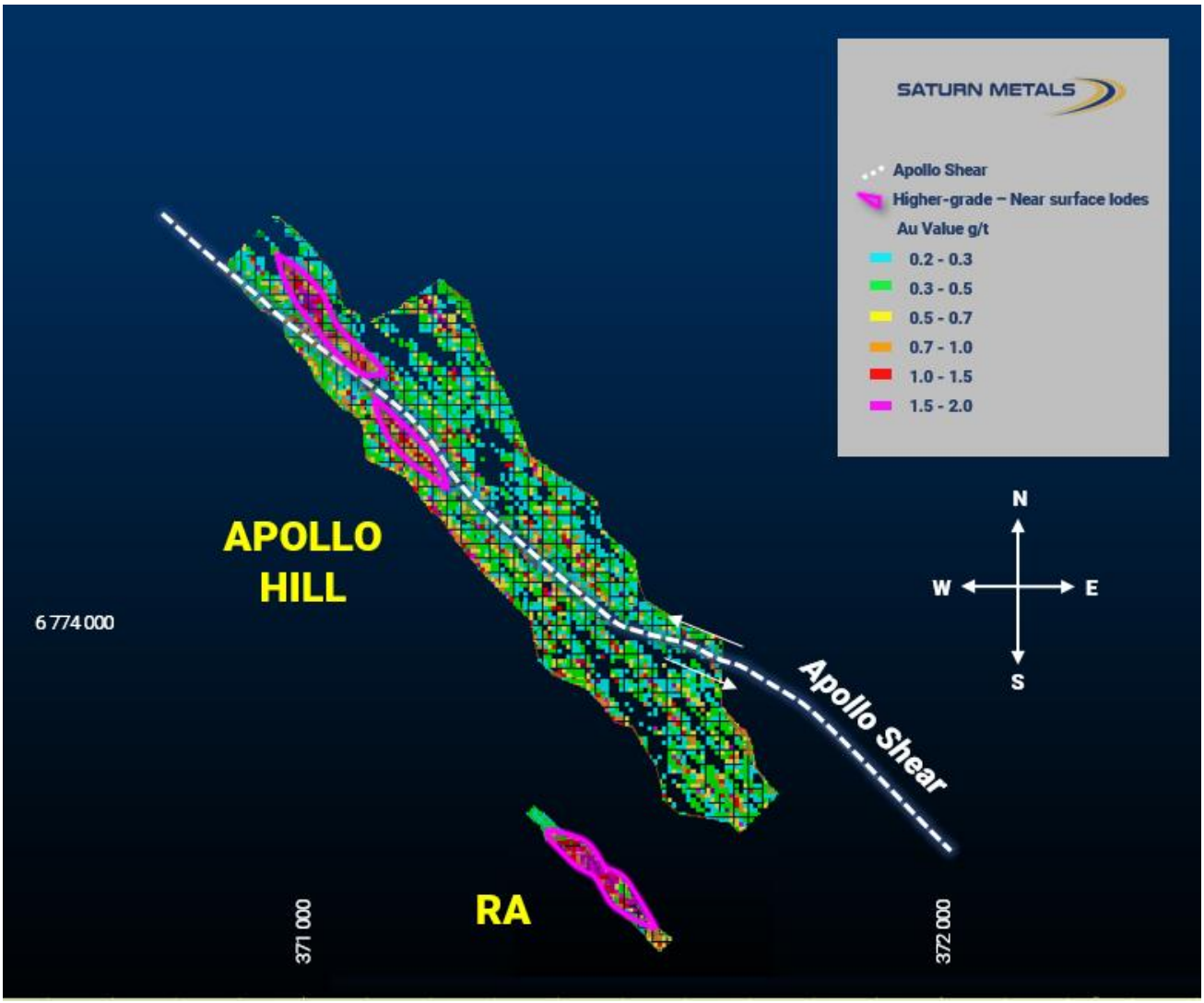

Figure 2 Level plan representation of Apollo Hill deposit Geology and major mineralisation controls with location of higher-grade gold lodes highlighted (330m RL)

Importantly, a portion of the Apollo Hill resource - 3.3Mt @ 1.1g/t Au for 116koz - has been declared in the higher confidence Indicated Mineral Resource category, representing a conversion of 22% of the previously Inferred Mineral Resource. Material in the Indicated Mineral Resource category is mainly located in two distinct shallow/at surface geographical areas at Apollo Hill and Ra (Figure 3), potentially offering excellent starter locations for a scoping study.

Figure 2 shows three distinct higher-grade lodes which cluster proximal to the Indicated Mineral Resource areas illustrated in Figure 3. These near surface mineralised zones are approximately 20m in true thickness.

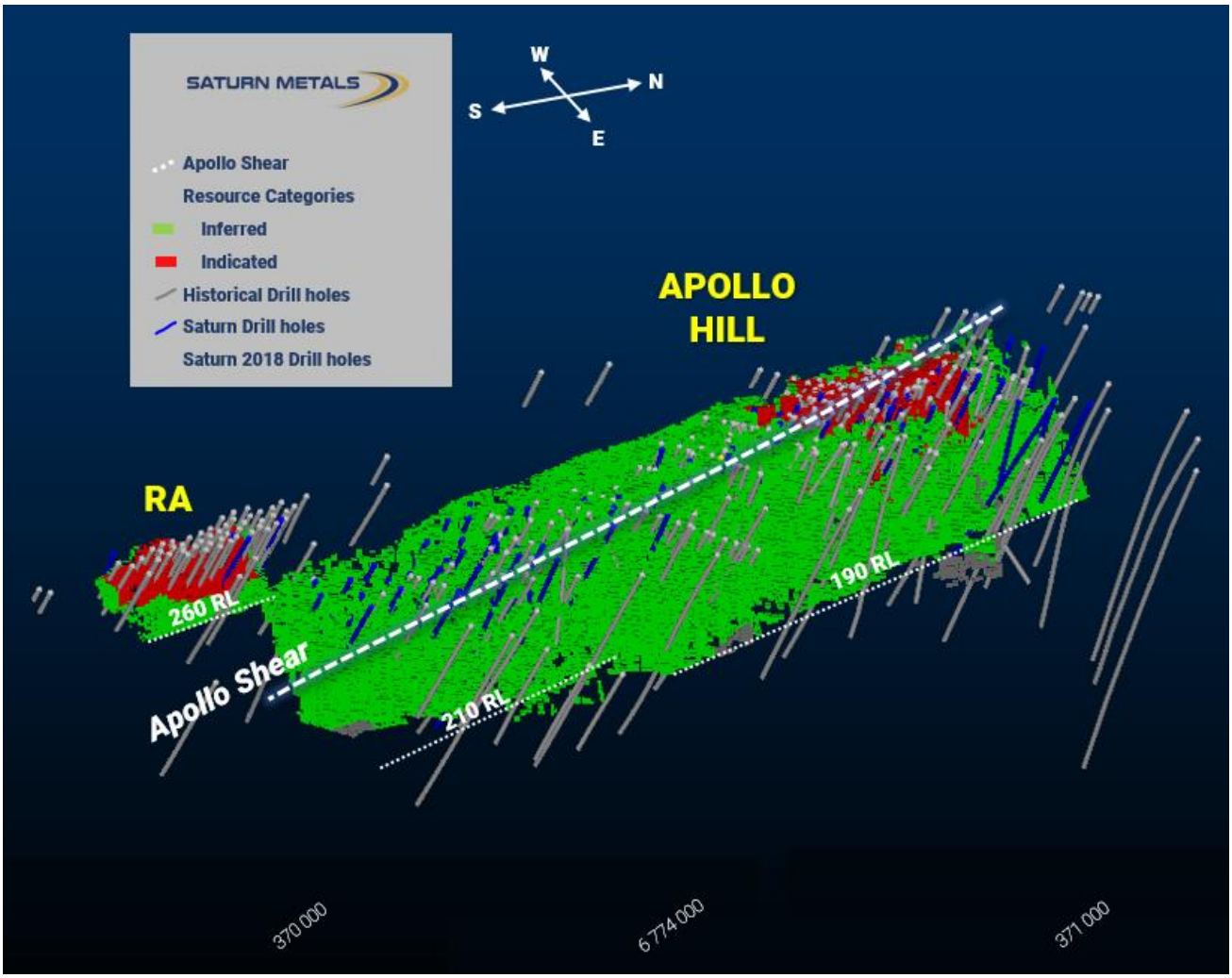

Figure 3 Indicated Mineral Resource clusters in two distinct shallow, well drilled areas at Apollo Hill and Ra. Model blocks for mineralised zones with Au>0.5 g/t.

EXPLORATION

Drilling Results

Step out RC drilling along the Apollo Hill and Ra Mineral Resource has highlighted the potential to grow the mineral inventory at this major gold system.

On the Ra zone, significant shallow RC intersections were returned at the newly named Tefnut and Wadjet Prospects 1km along strike to the south and north respectively of the Ra Mineral Resource. Intercepts included:

- **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).

Figure 4 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.

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.

For geological context, Figure 5 illustrates the broadly spaced mineralised drill hole intercepts at Apollo Hill South. Infill drilling is required to fully explore this wide gold prospective corridor.

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).

All intersections are illustrated in plan view in Figure 3.

Resource extensional and infill drilling is planned to re-commence at Apollo Hill in early February.

All material results are listed in Table 2. Hole details are listed in Table 3.

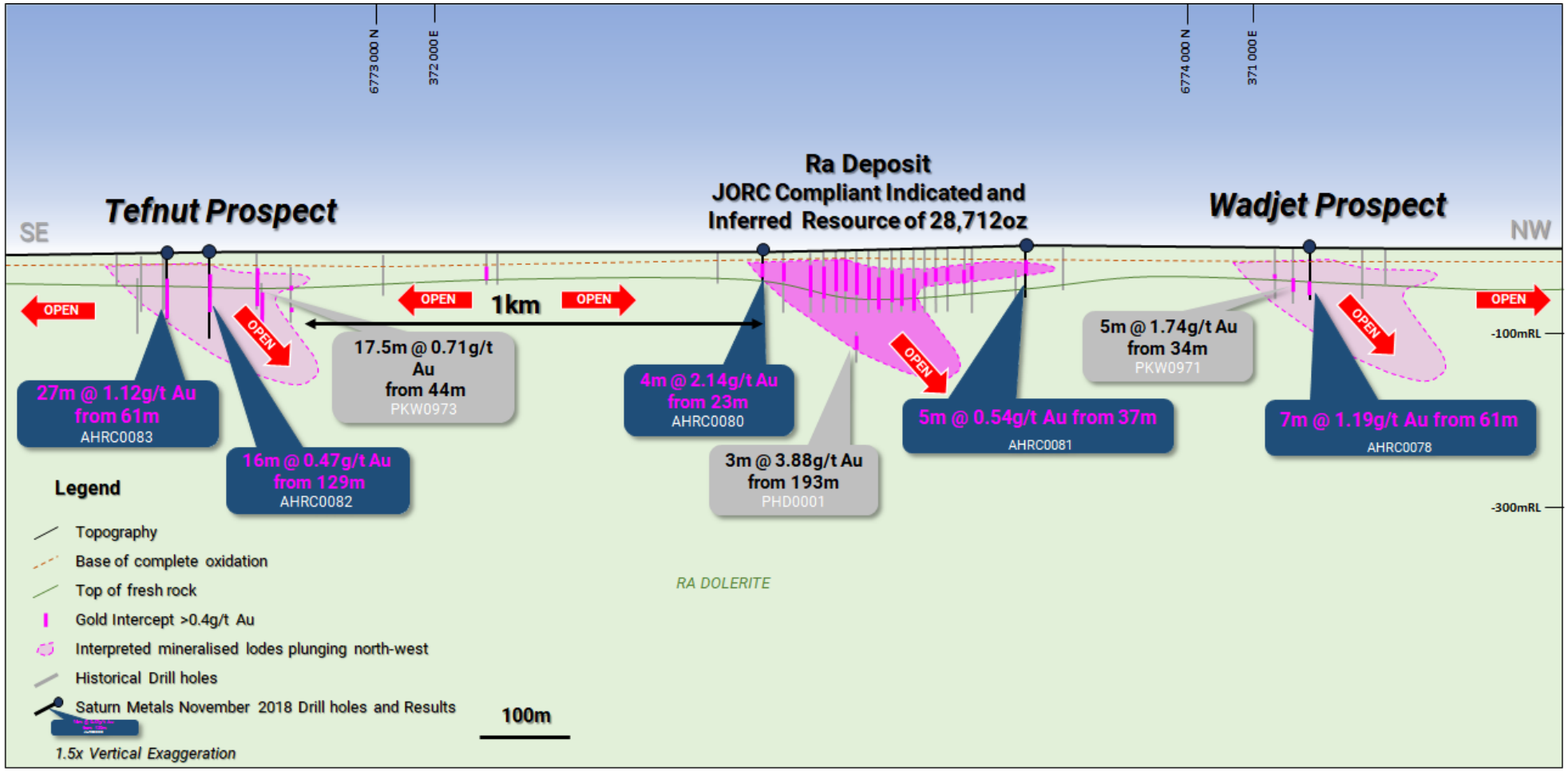

Figure 4. Long Section Ra Dolerite Zone; Tefnut – Ra and Wadjet Prospect – significant intersections now noted over 2km of this gold bearing dolerite. Drilling remains relatively shallow on this large gold system.

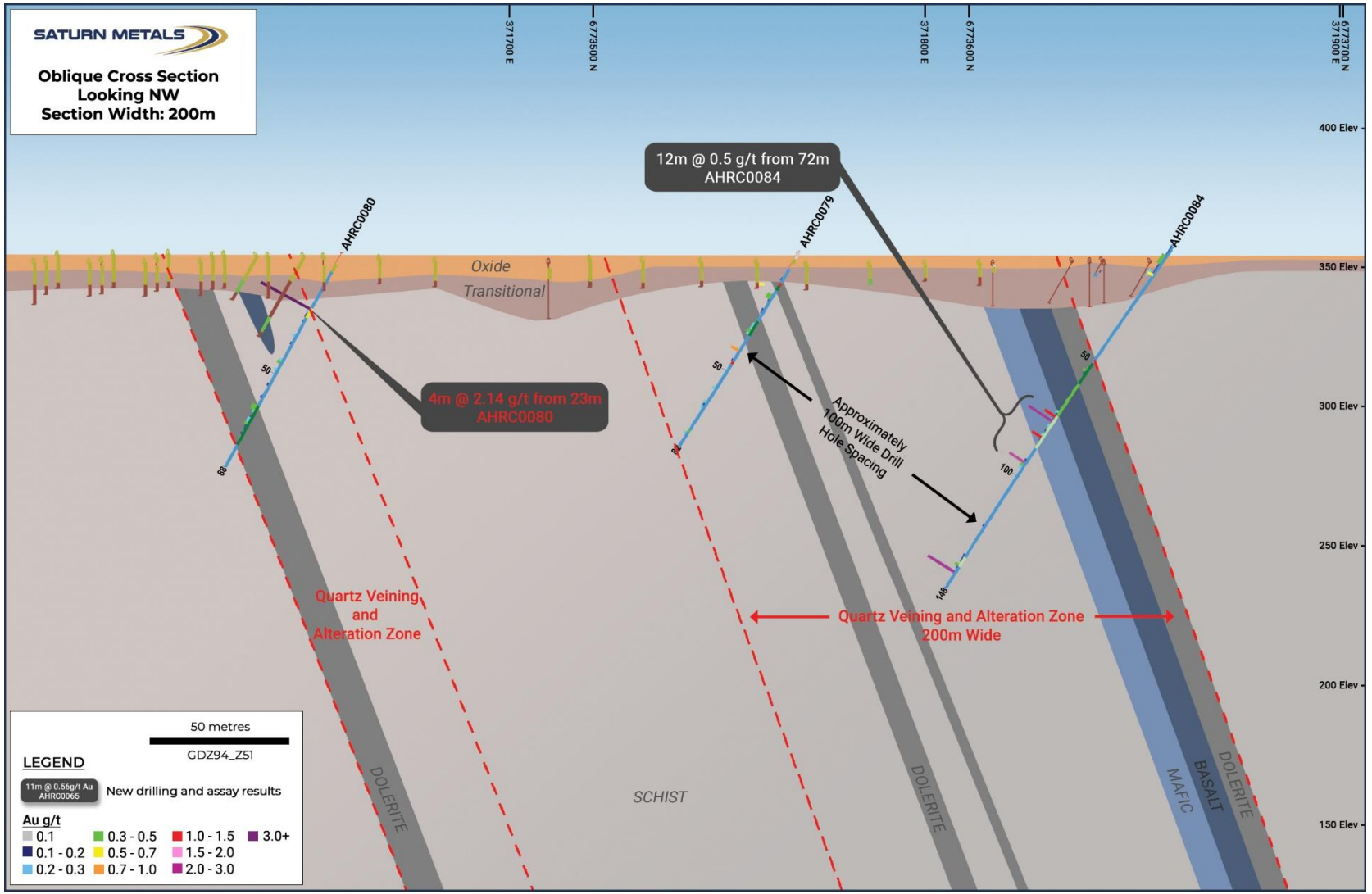

Figure 5. Cross Section (+/-100m) showing simple geology, new assay results and historic assay results at Apollo Hill South. Widely spaced drilling allows much potential for defining additional mineralisation with infill drilling.

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 2. 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 3. Completed RC holes – reported hole details

REGIONAL EXPLORATION

Overview

A program of 43km^2 of field mapping, 133 rock chips and 206 soil samples was undertaken across multiple regional exploration projects during the period.

Hermes – E31/1075

Newly Identified Gold Bearing Quartz Vein

Significant rock chips including 12.1g/t Au and 7.65g/t Au were identified on a newly identified quartz vein at the Hermes prospect. Importantly, work has now outlined an 11km long corridor of old workings, gold prospective rocks, structure and quartz veins which requires follow-up (Figure 6). Initial aircore drilling at Hermes is planned to commence in February.

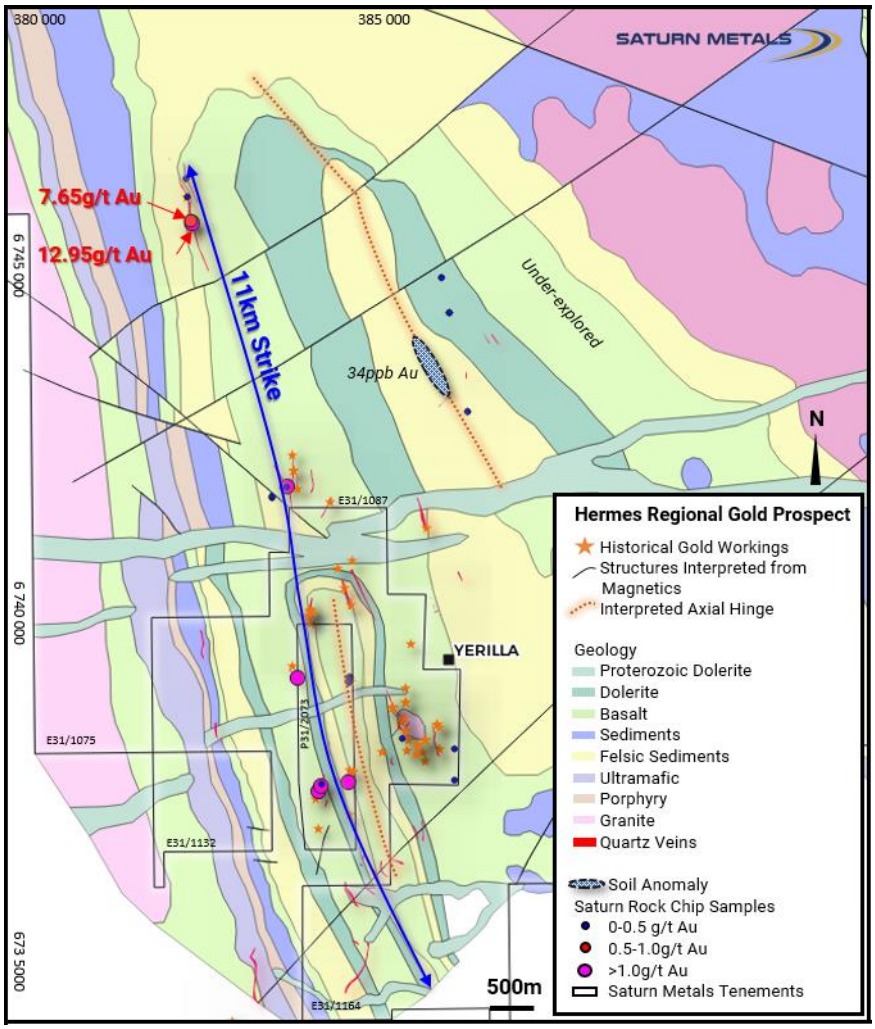

Figure 6 Hermes – Significant rock chips and newly mapped quartz vein extend and expand gold potential

Athena – E31/1063

Coherent Gold Soil Anomaly

A coherent gold soil anomaly (Figure 7) has been outlined at the Athena Prospect. The anomaly is situated over prospective rocks adjacent to a significant ESE fault trend and a number of historic gold workings, diggings and prospector activity. Drill planning is underway for this prospect.

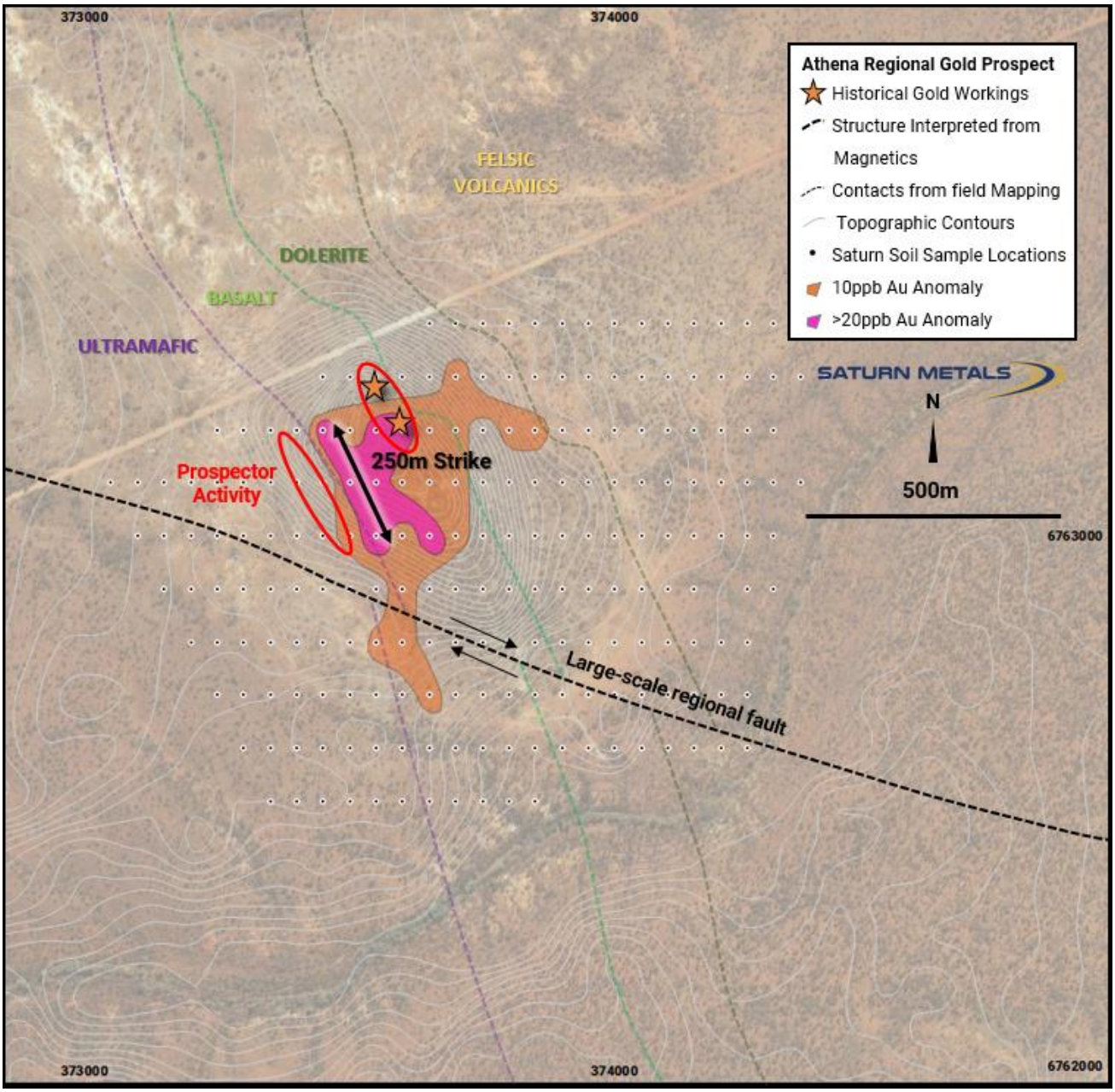

Figure 7 Athena Gold Prospect 250m long 20ppb gold anomaly – Au max 63.1ppb; drill panning in progress

Hades – E40/372

Rock Chip Results and the Apollo Shear Extension

As a result of geological field mapping in the Hades area a 0.3g/t Au rock chip and a 0.1g/t Au rock chip were returned on the completely unexplored northerly extension of the Apollo Shear. The Apollo Shear is the structure that controls the Apollo Hill Mineral Resource 15km to the southeast and these rock chips have significantly extended the prospectivity of this mineralised corridor to the northwest (Figure 8). Further geochemical and ground magnetics are planned at this prospect to further define the target before drill planning.

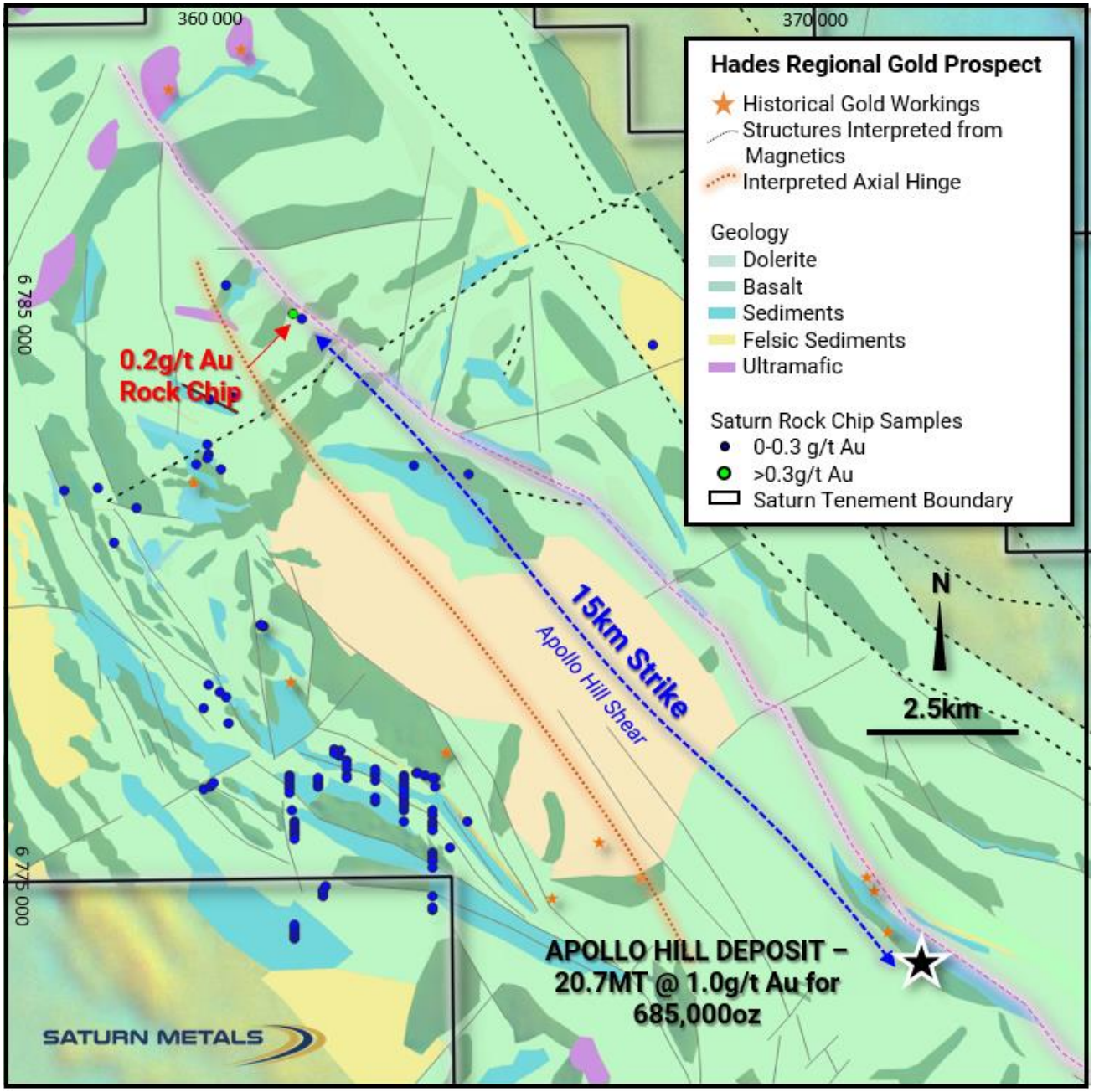

Figure 8 Hades – significant gold anomalism in rock chips on the northern extension of the Apollo Shear – the rock chips suggest further prospectivity on this 15km long corridor

PLANNED WORK - NEXT (January to March 2019) QUARTER

- A 3,600m, 35-hole resource extension RC program at Apollo Hill.
- A 5,000m aircore program targeting five new exploration targets across Saturn's regional exploration package.
- A detailed ground magnetics survey over the northerly extensions of the Apollo Hill Shear in E39/1887 and the Bobs Bore Carslake Shears in E39/1984 to help define future drill targets.
- The drilling of two RC/diamond holes targeting higher grade gold shoots at Apollo Hill co-funded by the West Australian Government's Exploration Incentive Scheme.

TENEMENTS – LAND POSITION

The Company's tenement package is illustrated in Figure 9. Table 4 lists the Company's tenement holdings which are all 100% owned. Saturn Metals Limited currently holds 1,064km^2 of contiguous tenements in 26 mining, exploration and prospecting licenses. This includes one exploration license which was applied for in late December 2018; E31/1202.

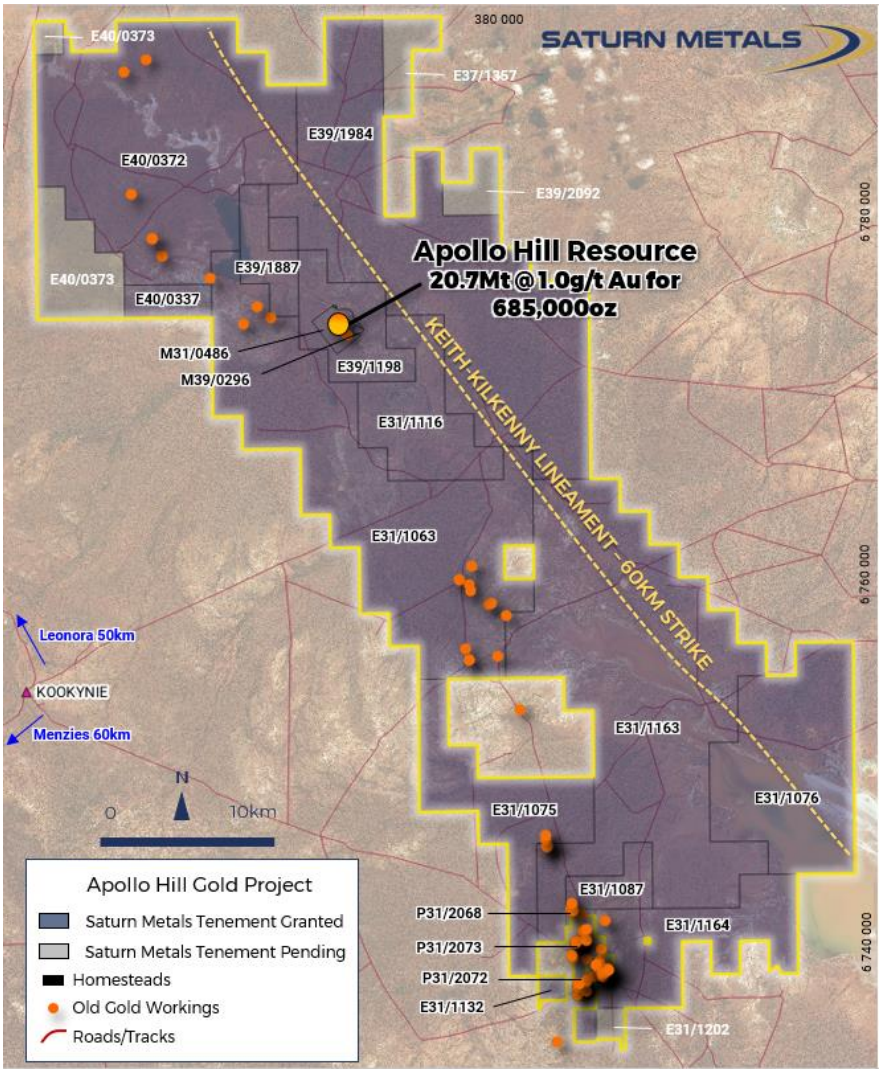

Figure 9 Saturn Metals Limited tenement map and land holdings

CORPORATE

The Company currently has 56,500,001 shares on issue.

FINANCE

The Company's cash position at 31 December 2018 was A$3.38M.

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

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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	21.4	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	
E31/1202	YERILLA	2	Standard Block	2.9	E Application	

Table 4 Saturn Metals Limited current tenement holdings

Apollo Hill is located ~60km south-east of Leonora in the heart of WA's goldfields region (Figure 10). The project is surrounded by good infrastructure and several significant gold deposits.

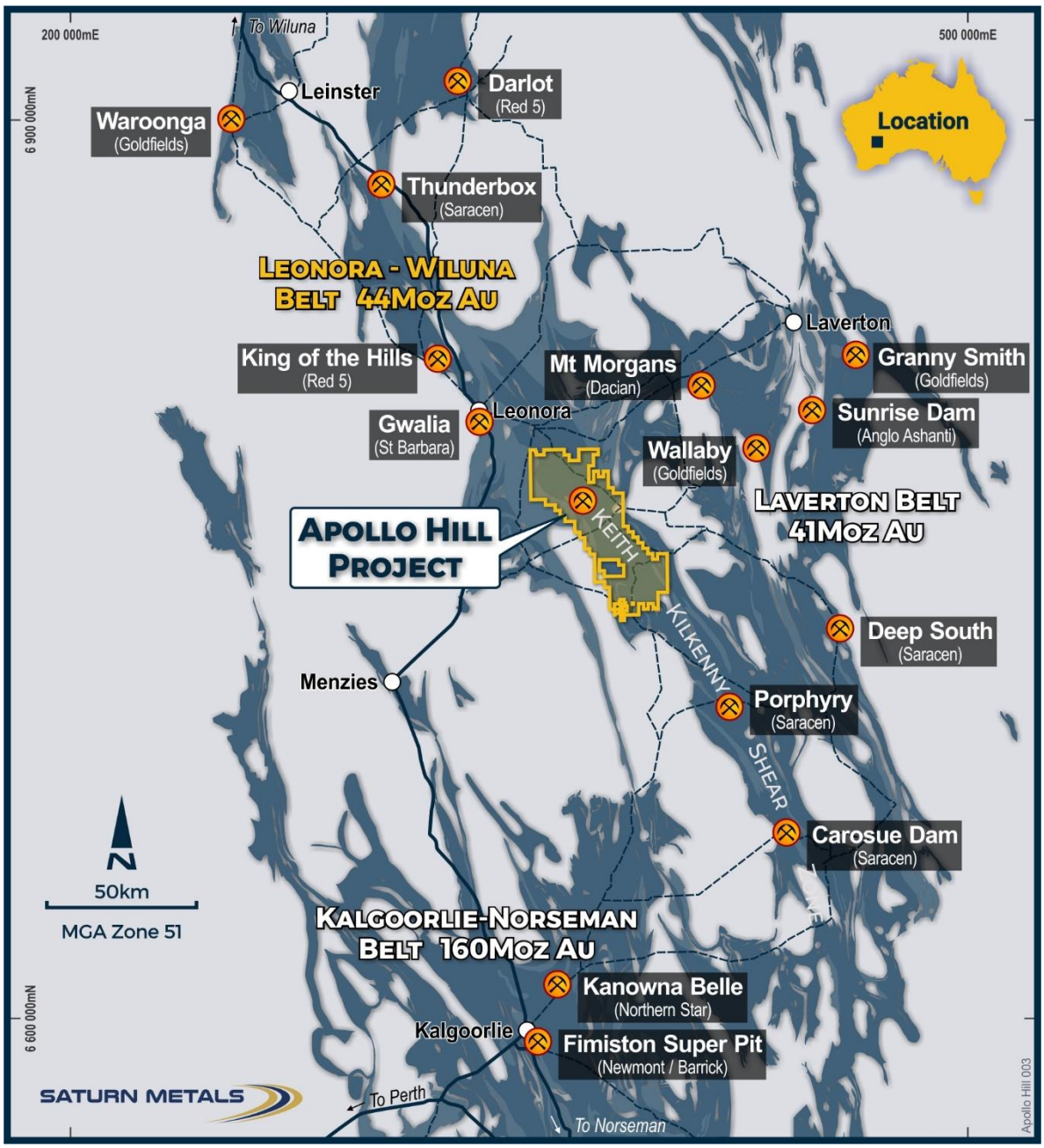

Figure 10 Apollo Hill location, Saturn Metals' tenements and surrounding gold deposits, gold endowment and infrastructure.

Competent Persons Statements

The information for the Mineral Resource included in this report is extracted from the report entitled (Apollo Hill Gold Resource Jumps 36% to 685,000oz) created on 19 November 2018 and is available to view on the Saturn Metals Limited website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Saturn Metals Ltd confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.

+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	31 December 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(519)	(1,370)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(69)	(144)
	(e) administration and corporate costs	(101)	(202)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	23	51
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)	12	82
1.9	**Net cash from / (used in) operating activities**	**(654)**	**(1,583)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(11)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 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**	**(4)**	**(11)**

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	4,046	4,982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(654)	(1,583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(11)
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**	**3,388**	**3,388**

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	188	546
5.2	Call deposits	3,200	3,500
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)**	**3,388**	**4,046**

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	27
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 and associated superannuation.

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	23
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	702
9.2	Development	-
9.3	Production	-
9.4	Staff costs	72
9.5	Administration and corporate costs *	131
9.6	Other (Exploration & evaluation funded under farm-in)	-
9.7	**Total estimated cash outflows**	**905**

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 13 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: 30/01/2019

(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.