



Annual Report

for the year ended 30 June 2021

Saturn Metals Limited

ABN: 43 619 488 498

CORPORATE DIRECTORY

Directors

Brett Lambert	Non-Executive Chairman
Ian Bamborough	Managing Director
Andrew Venn	Non-Executive Director
Robert Tyson	Non-Executive Director
Adrian Goldstone	Non-Executive Director

Registered Office & Principal Place of Business

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Email: info@saturnmetals.com.au
Website: www.saturnmetals.com.au

Company Secretary

Natasha Santi

ABN: 43 619 488 498
ACN: 619 488 498

Share Registry

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Website: www.linkmarketservices.com

Auditors

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Level, 15
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Perth WA 6000

Stock Exchange Listing

Securities of Saturn Metals Limited are listed on the Australian Securities Exchange (ASX)
ASX Code: STN

Saturn Metals Limited is a Company registered under the *Corporations Act 2001* in the State of Western Australia on 2nd June 2017.

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CHAIRMAN'S LETTER

Dear Shareholders,

I am very pleased to present to you the 2021 Annual report for Saturn Metals Limited (the "Company").

2021 was a very active year for the Company in which it continued to progress its flagship Apollo Hill Gold Project in the north-eastern Goldfields of Western Australia and initiated exploration at the West Wyalong Goldfield in New South Wales.

In the Company's most aggressive drilling campaign since listing on the ASX, Saturn completed over 90,000 metres of drilling during the year.

At Apollo Hill, almost 80,000 metres of reverse circulation (RC) drilling was carried out, generating many high value intercepts, including some of the best results achieved at the project to date. In the first half of the year drilling focused on resource definition, leading to the release of an updated Mineral Resource estimate in January 2021. The Inferred and Indicated Mineral Resource at Apollo Hill now totals almost one million ounces of contained gold. Importantly, the proportion of the Mineral Resource classified at the higher confidence Indicated level has grown to 59%.

It is also significant to note that for the first time, the reported Mineral Resource has been constrained by a preliminary open pit shell. This will lead to a high resource to reserve conversion, subject of course to the satisfactory completion of mining studies. However there are many strongly mineralised drill intercepts which have been excluded from the current resource and these are considered to present clear opportunity for future resource growth.

In the second half of the year, RC drilling targeted lateral extensions to the Apollo Hill deposit. This program was particularly successful to the south where drilling now indicates that mineralisation continues from the Ra zone at the southern end of the main deposit through to the previously isolated Tefnut zone and beyond, a total strike length of three kilometres and growing. Potential to extend Apollo Hill to the north also appears strong and this area has become the focus of recent drilling.

In 2021 the Company stepped up evaluation of the broader Apollo Hill project area with more than 12,000 metres of air-core drilling completed at several regional prospects. This work is at an early stage but has already delivered some encouraging results and remains ongoing.

With a well-defined resource of significant scale established, the Company has begun to place greater emphasis on shaping the pathway to gold production at Apollo Hill. An important element of this work will be identifying the optimal processing route for Apollo Hill ore. A major metallurgical test work program is underway utilising 27 tonnes of composite drill samples which will provide key data to support evaluation of potential treatment options.

Work completed to date has shown that high gold recoveries are readily achievable. However the Company is seeking to prioritise value by targeting a production route that will deliver the optimal balance between gold recovery, resource utilisation, operating margins and capital intensity.

Another significant undertaking in 2021 was the drilling of two large scale trial grade control grids within the Apollo Hill resource. This exercise provided solid confirmation of resource continuity and generated valuable data on gold grade distribution.

Results of the metallurgical program, trial grade control drilling and of course resource definition drilling, will be important inputs for the next update of the Apollo Hill Mineral Resource estimate, which the Company expects to complete and release in the March 2022 quarter.

During the year Saturn established a presence at West Wyalong and in June 2021 commenced the first modern drilling program at this historically prolific high-grade goldfield. This achievement was not insignificant given the constraints COVID 19 placed on travelling and working within New South Wales.

CHAIRMAN'S LETTER *(Cont.)*

We are at an early stage in developing our knowledge and understanding of this exciting project, and near-term West Wyalong will continue to represent a small component of the Company's work effort as focus remains on progressing Apollo Hill towards development.

To sustain the high level of field activity and progress pre-development studies, Saturn raised additional capital of \$12.6 million (net of costs) through a placement of shares to institutional and sophisticated investors. At year end the Company retained a healthy cash balance of \$8.2 million.

In May 2021 we welcomed Adrian Goldstone to the Board as a Non-executive Director. Adrian has extensive and diverse international minerals industry experience with a strong focus on environmental and social sustainability and corporate governance. His appointment broadens the skillset of the Saturn Board better equipping the Company to transition through development and into production.

In closing I would like to acknowledge the steadfast efforts of our Managing Director, Ian Bamborough, and his team who have worked exceptionally hard under challenging conditions to significantly advance the Company's projects.

I also wish to thank Saturn's shareholders for their continued support of the Company through this exciting period in its development.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Brett Lambert', with a stylized flourish at the end.

Brett Lambert

Chairman

REVIEW OF OPERATIONS

Company Profile

Saturn Metals Limited (“Saturn”) was incorporated on 2 June 2017 for the purposes of gold exploration and development. Saturn listed on the Australian Securities Exchange on 9 March 2018.

Saturn’s primary objective is to focus on mineral exploration and resource opportunities that have the potential to deliver growth for shareholders.

Saturn’s vision is to create superior value for its shareholders by discovering, developing and monetising world-class gold deposits.

Saturn’s management strategy is to:

- continue a successful exploration program in respect to the Apollo Hill camp towards rapidly growing the Resource base;
- conduct further exploration activities across the Apollo Hill strategic land package towards identifying and growing new higher-grade gold lode/vein exploration targets; and
- continue a cost-effective exploration program in respect to its other Australian opportunities and ventures.

In addition, Saturn looks to expand its current project portfolio by seeking opportunities to:

- apply for additional tenements to complement the Project; or
- acquire, either by way of an asset or share purchase, complementary projects.

As at 30 June 2021:

- **Shares on Issue: 112,464,510**
- **Share Price: \$0.41**
- **Market Capitalisation: \$46M**
- **Cash: \$8.16M**
- **0.944Moz 2021 Mineral Resource¹**



Drilling at Apollo Hill

¹ This document contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements - as published on the Company’s website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted. 1 Details of the Mineral Resource breakdown by category are presented in Table 1a* (on page 59 of this document) along with the associated Competent Persons statement (page 60) and details of the original ASX report that this information was originally published in.

Growth at Apollo Hill

Our flagship Apollo Hill Project which covers approximately 1000km² of contiguous exploration and mining tenements is situated in the heart of the world-class Eastern Goldfields 650km NE of Perth, Western Australia. The Project is located approximately 60km by road from the gold mining and processing town of Leonora and sits in a central strategic position to established gold mining infrastructure (Figure 1).

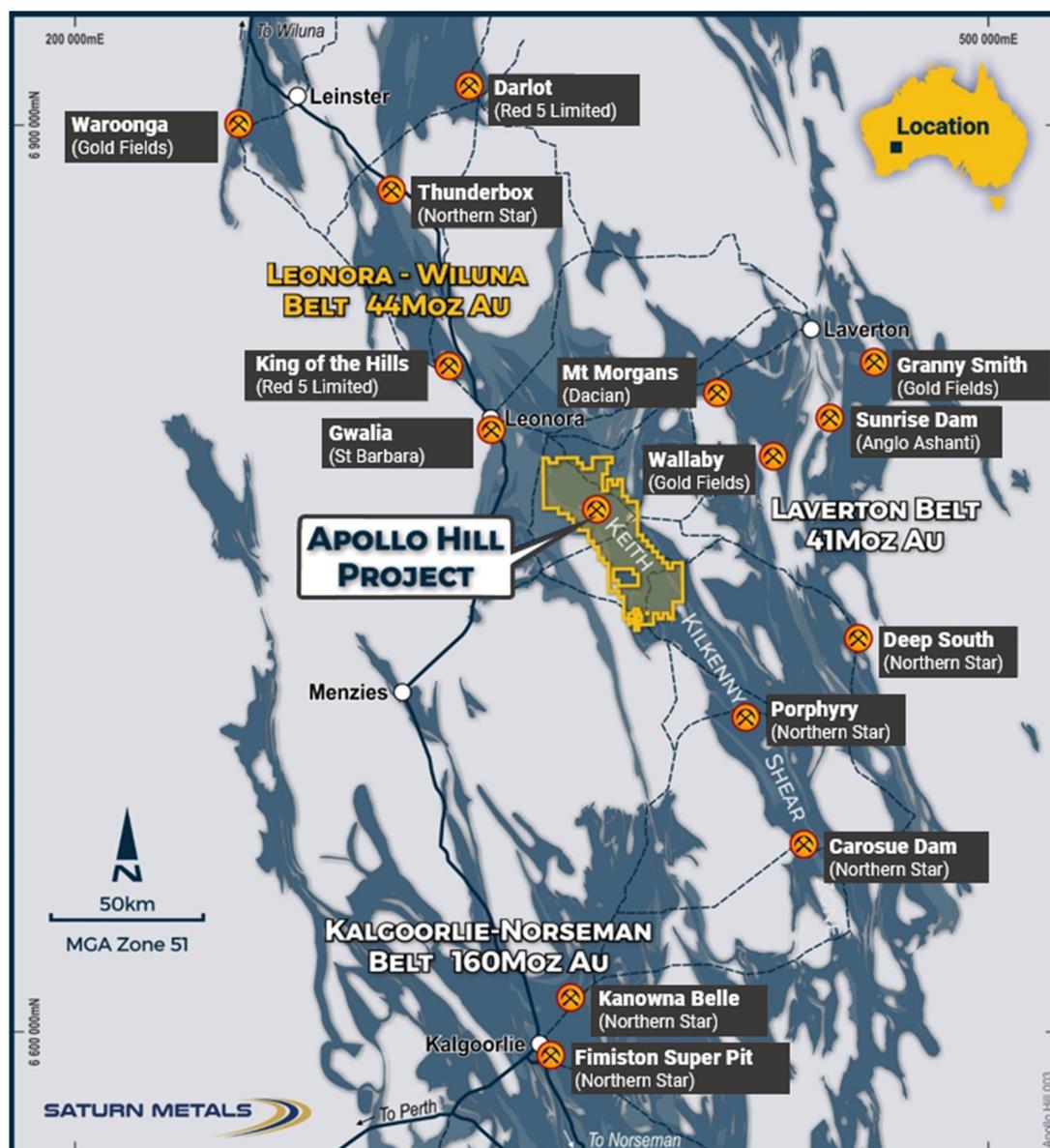


Figure 1 – Saturn’s Apollo Hill Gold Project – Regional setting, Infrastructure and Landscape.

At the heart of our ground package, is the Company’s Apollo Hill deposit which occurs in a mineralised structure associated with the 5km long and 500m wide Apollo-Ra Shear Zone. This shear zone is a parallel component of the district prevalent, gold fertile, and highly prospective Keith-Kilkenny Fault system in the gold prolific Norseman-Wiluna Greenstone Belt (Figure 1).

The Apollo Hill deposit, which bears all the hallmarks of a major mineralised Archean lode gold system is characterised by simple metallurgy (free milling coarse gold with low cyanidation characteristics) and thick zones of mineralisation encompassed in a single, large deposit, with the potential for a low stripping ratio, efficient bulk mining process and a cost-effective gravity gold focused circuit.

REVIEW OF OPERATIONS (Cont.)

Work carried out at Apollo Hill during the first half of the financial year focused on drilling to produce a successful resource upgrade which was published in January 2021.

This resource upgrade delivered:

- **An additional 163koz** since the previous resource estimation to an Inferred & Indicated Mineral Resource of 35.9Mt at 0.8g/t Au for **944,000 ounces of gold** reported above a cut-off of 0.4g/t Au;
- Provided the **conversion of 59% of the deposit to the higher confidence Indicated Mineral Resource** category; and
- The quality of the Mineral Resource was lifted by publishing for the first time, within an optimised open pit shell¹ (Figure 2).

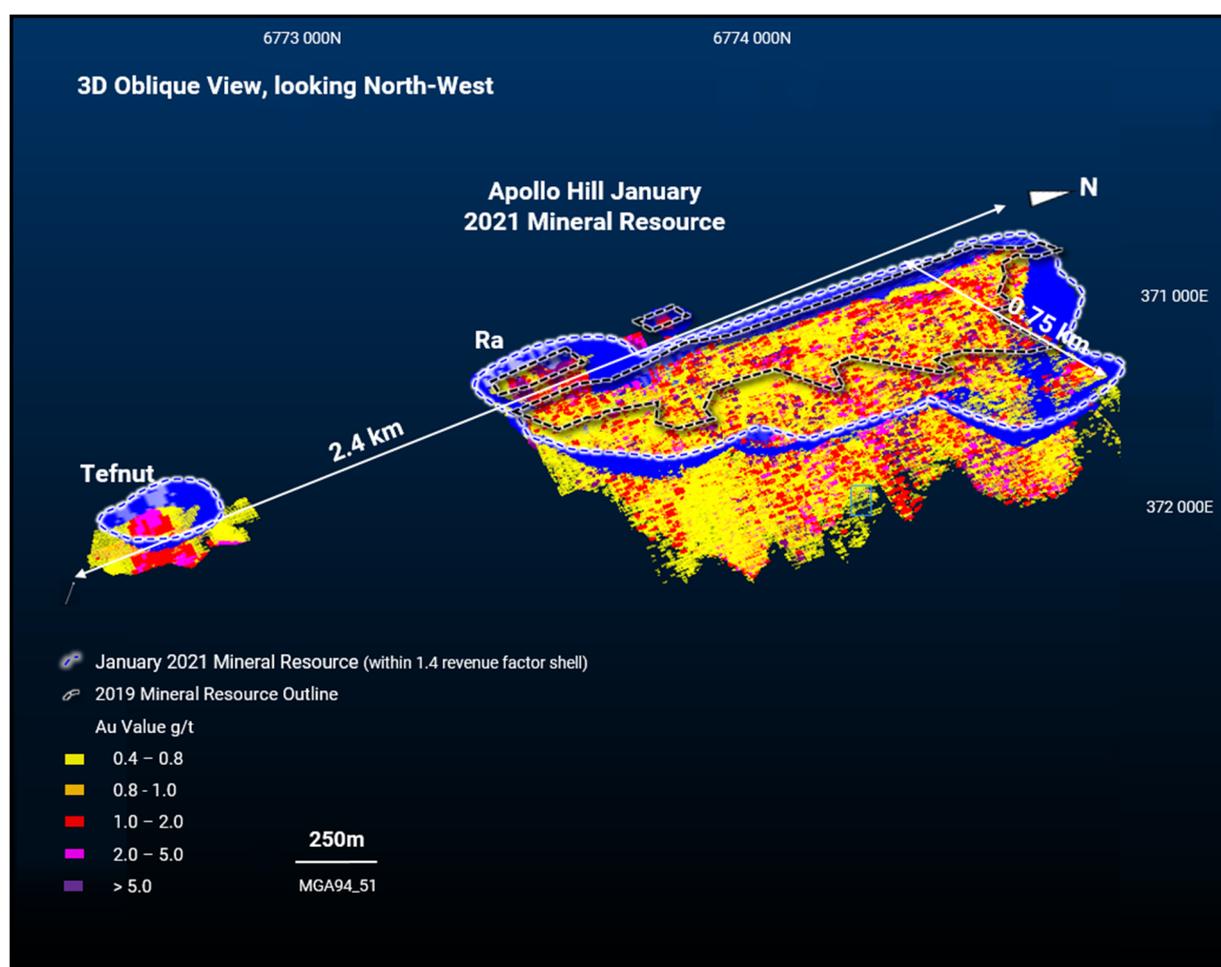


Figure 2 – 3D Representation of the January 2021 Apollo Hill Mineral Resource model and selected pit shell; view looking NW highlights width and robust nature of mineralisation.

REVIEW OF OPERATIONS *(Cont.)*

Leverage, Quality, Growth and Differentiation

Following on from our successful first half year drilling campaign, and Mineral Resource estimation process, the Company focused on further enhancing the Apollo Hill Gold Deposit by employing several distinct tactics. These included:

- Targeting higher grade shoots with drilling in leverage positions under the open pit shell;
- A grade control style drill program to test for further enhancement in the continuity of mineralised zones;
- An extensional drill program focused at the southern end of the deposit on the Ra Tefnut corridor; and
- The commencement of a major metallurgical program to further differentiate Apollo Hill's simple mineral processing opportunities.

During the year Saturn progressed exploration with its most aggressive drilling campaign since the Company's inception. At Apollo Hill, the company completed:

- 463 Reverse Circulation (RC) Drill Holes for 79,477m of drilling;
- And collected 27 tonnes of composite sample for metallurgical testing program.



View of drill rig to the East of Apollo Hill – June 2021

REVIEW OF OPERATIONS *(Cont.)*

Subsequent to the January 2021 Resource upgrade the Company has returned some of the most promising intersections in the History of the deposit - which will be included in the next Mineral Resource upgrade planned for early 2022 after the return of and incorporating metallurgical program results.

Leverage – strong grades in pivotal positions

- Multiple higher-grade intersections were returned underneath and adjacent to the Apollo Hill Mineral Resource Whittle pit shell¹ (Figure 3). Results included:
 - **12m @ 5.75g/t Au from 2m** including **8m @ 8.83g/t Au from 6m** – AHRC0480
 - **2m @ 63.05g/t Au from 8m** – AHRC0479
 - **8m @ 4.28g/t Au** from 72m including **4m @ 8.34g/t Au** from 72m – AHRC0477
 - **15m @ 2.09g/t Au** from 79m including **7m @ 3.84g/t Au** from 87m – AHRC0502

Quality – demonstrated improvements

- Resource (Grade Control Style) Infill drilling demonstrated improvements in strip ratio potential, mineralisation continuity, understanding of mineralisation controls and localised grade opportunities (Figure 4). Excellent near surface intersections included:
 - **54m @ 3.72g/t Au** from 43m including **33m @ 5.80g/t Au** from 49m – AHRC0618
 - **12m @ 5.79g/t Au** from 22m – AHRC0535
 - **45m @ 1.58g/t Au from 0m** including **14m @ 2.88g/t Au** from **0m** – AHRC0590
 - **65m @ 0.96g/t Au** from 43m including **25m @ 1.7g/t Au** from 48m inc. **8m @ 3.13g/t Au** from 57m – AHRC0610

Growth – successful step out drilling significantly extends the Apollo Hill gold system

- Step out intersections have extended the Apollo Hill gold system with several near surface gold intersections returned in a 1.4km long and broad corridor between Ra and Tefnut immediately south of Apollo Hill. Significant intersections include:
 - **8m @ 9.47g/t Au** from 102m including **3m @ 24.92g/t Au** from 102m – AHRC0647
 - **19m @ 1.18g/t Au from 26m** including **10m @ 2.01g/t Au** from 26m – AHRC0621
 - **21m @ 1.82g/t Au** from 57m – AHRC0646
 - **10m @ 4.00g/t Au** from 89m including **5m @ 7.00g/t Au** from 94m – AHRC0766
 - **23m @ 1.74g/t Au** from 63m including **8m @ 3.20g/t Au** from 49m – AHRC0690
 - **8m @ 3.39g/t Au** from 73m – AHRC0705
 - **13m @ 3.60g/t Au** from 141m including **8m @ 5.62g/t Au** from 141m – AHRC0709
 - **18m @ 2.72g/t Au** from 89m including **9m @ 4.71g/t Au** from 95m – AHRC0774
 - **10m @ 2.34g/t Au** from 136m including **5m @ 4.42g/t Au** from 140m - AHRC0768



*Growing Footprint and Scalability of the Apollo Hill Deposit and Drilling Program – June 2021
(View looking North-West)*

Figure 3 shows a simplified geological cross-section of extensional and infill results in the central area of the Apollo Hill deposit. Strong results such as 15m @ 2.90g/t Au from 79m including 7m @ 3.84g/t Au from 87m (AHR0502) are seen in a shallow extensional position beneath the eastern resource pit shell wall.

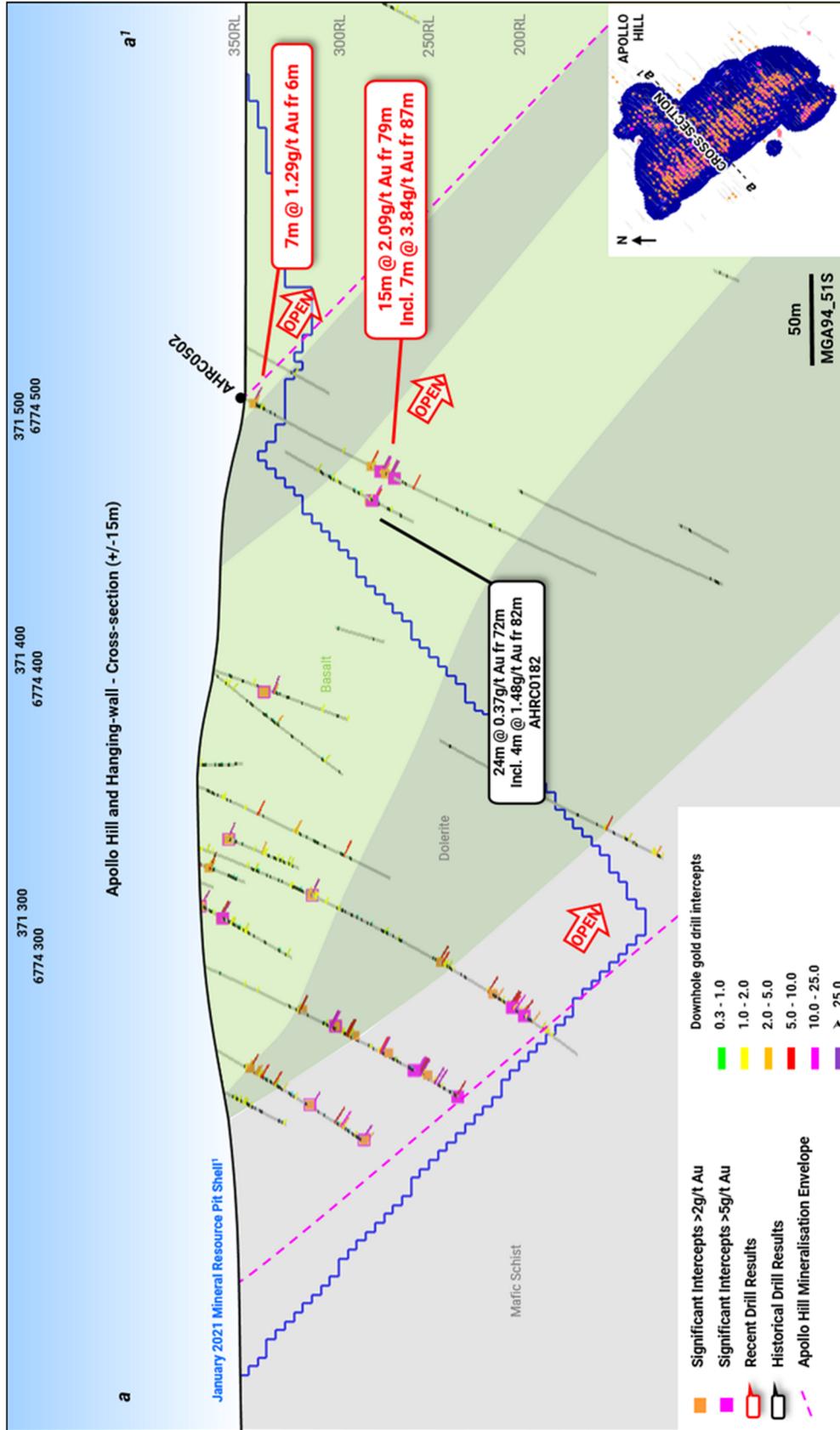


Figure 3 – Simplified geological cross section a-a1 of recent drill results.

(a) This diagram contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted.

REVIEW OF OPERATIONS (Cont.)

A generalised cross section of the drill areas 'before' the drill program (data set as used for the latest resource upgrade in early January 2021 – drill results up to 13 November 2020), and 'after' the recent drill program is shown in Figure 4. The 'after' picture highlights a visible improvement in mineralisation continuity. In addition, the ratio of mineralised material to non-mineralised material has visually improved in the 'after' image. Based on this, Saturn believes there is clear potential to improve the stripping ratio in future Whittle pit optimisations compared to the January 2021 Resource pit shell.

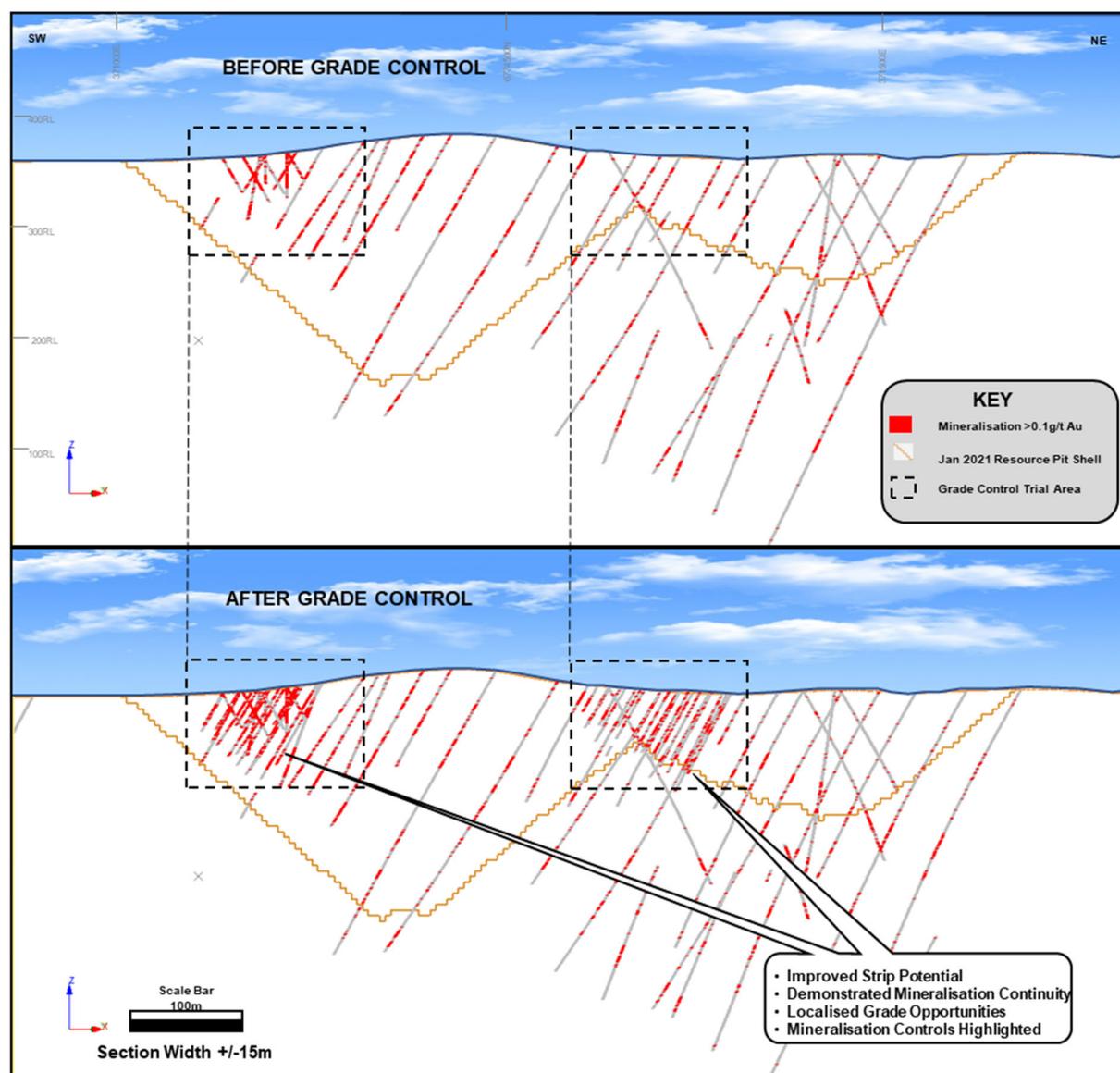


Figure 4 – Mineralisation cross section – before and after trial grade control/ drill density program.

^(a) This diagram contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted.

REVIEW OF OPERATIONS (Cont.)

Figure 5 shows extensional results in plan view. Results illustrate strong, +1km long and widening extensional Southern Apollo Hill corridor between the previous Mineral Resource Open Pit Shells.

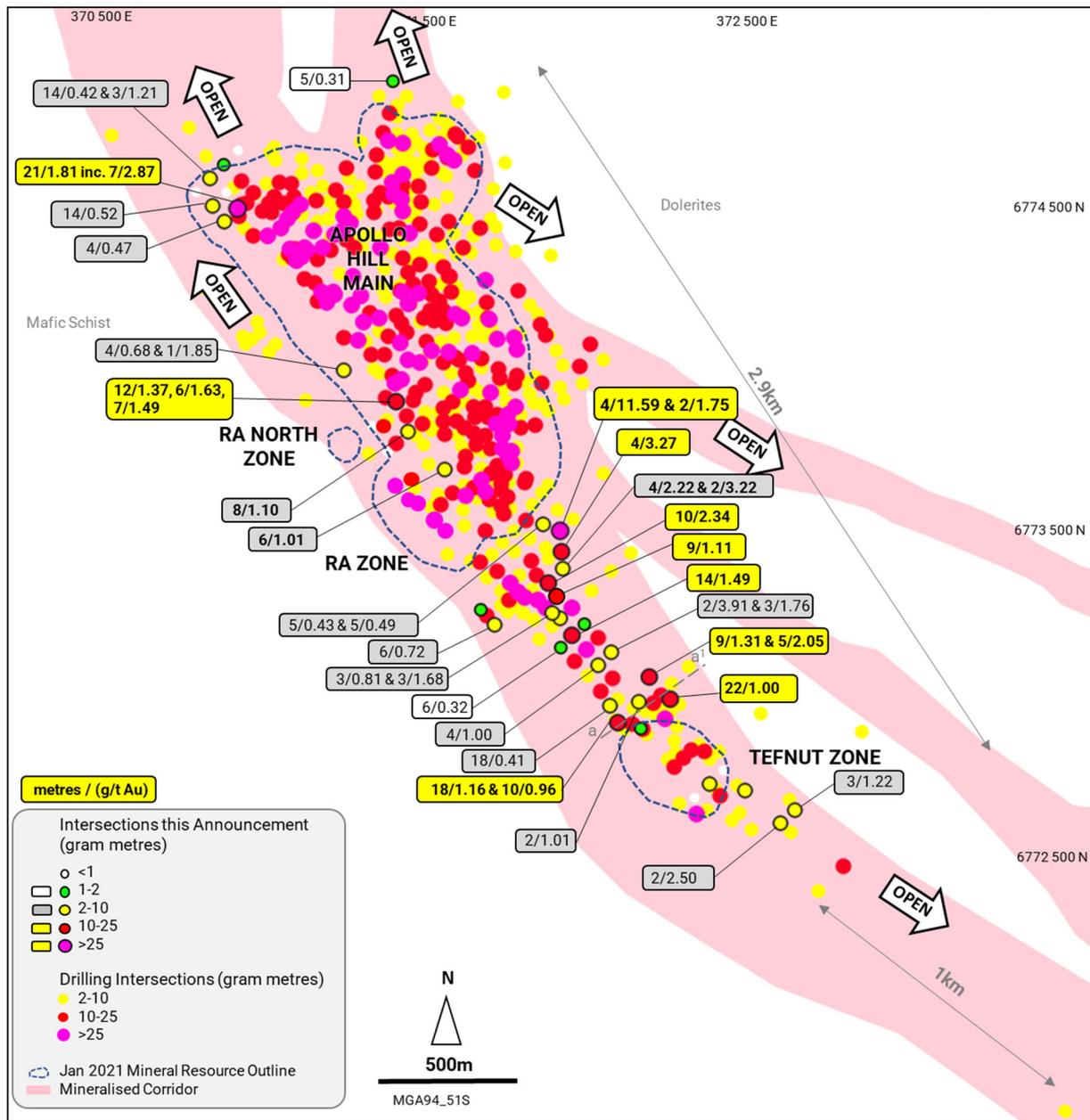


Figure 5 – Resource extension drilling results and holes for which assays remain pending relative to the published resource.

(a) This diagram contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited's ASX Announcements as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted.

REVIEW OF OPERATIONS (Cont.)

Regional Exploration Activities Identify New Gold Systems

During the year the Company commenced a major regional drilling campaign following on from previous years preparatory geophysical surveys and heritage clearance phases.

Results from 237 Aircore (AC) holes (12,413m) drilled at several regional prospects were returned. Several promising areas were identified. In addition, results were returned from 9 exploratory RC holes (1,374m) drilled at Erebus approximately 4km south of Apollo Hill.

- 237 AC drill holes for 12,413m of drilling; and
- 134 geochemical samples.

Broad spaced AC drilling at Atlanta highlighted several Au intersections (up to 4m @ 0.82g/t Au – AHAC0241) with associated pathfinder enrichment (including - Ag, As, Bi and W) (Figure 6).

Similarly, 1.8km spaced AC drill lines (with 200m spacing between holes on the line) at Aphrodite (Figure 6) highlighted significant gold intercepts including 8m @ 0.56g/t Au from surface, including 4m @ 0.99g/t Au from 4m.

At Erebus, Figure 6, a significant intersection of 1m @ 1.44g/t Au was noted in hole AHRC0702 at the northern end of an interpreted geological feature.

Follow up drilling is underway subsequent to the financial year end, with assays pending.

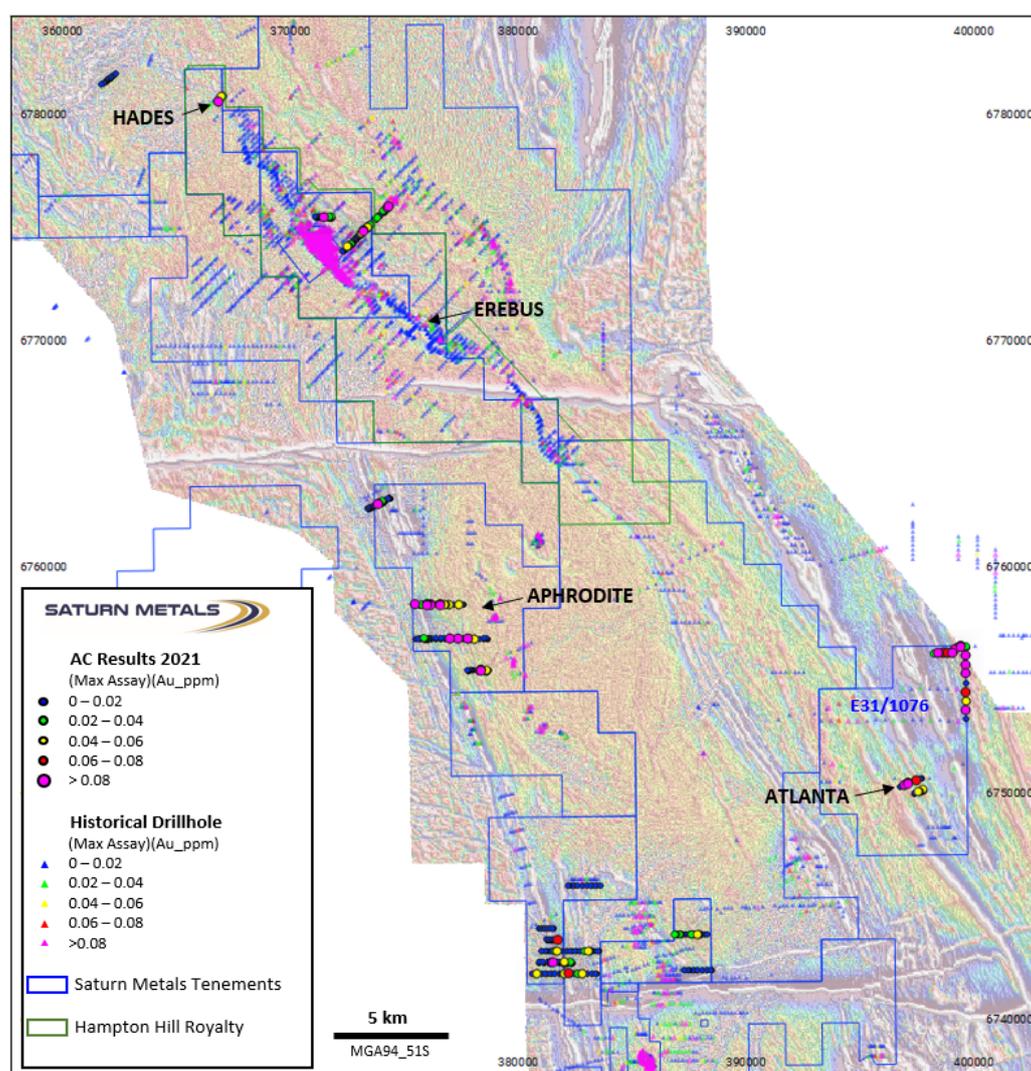


Figure 6 – Gold anomalism at Atlanta and the E31/1076 Area. ^(a) This diagram contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted.

REVIEW OF OPERATIONS (Cont.)

West Wyalong Farm-In Gold Joint Venture

Late in June 2021, Saturn commenced its maiden diamond drill program at its West Wyalong Gold Project in New South Wales.

The initial focus of exploration is the 2km long high-grade Mallee Bull Reef within the long forgotten West Wyalong Goldfield.

No underground development or modern exploration is known to have occurred on the Mallee Bull Reef line since 1915 when a decline in production was synchronous with the onset of World War One. Saturn's program is the first modern test of this excellent opportunity.

By the financial year end the Company had completed half of the first hole of a 2,200m, four hole planned diamond drilling program designed to target high grade plunge extensions from where historic face samples of over 155 g/t Au (5oz per tonne) and multiple lodes are noted (Figure 7).

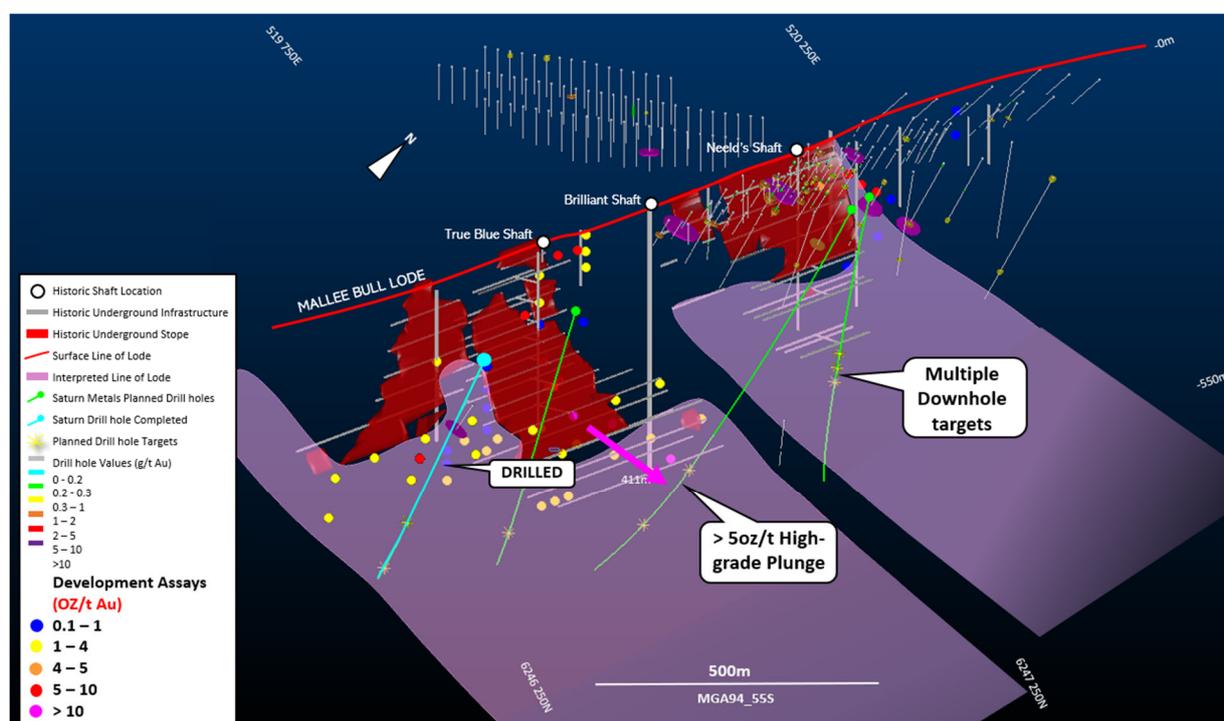


Figure 7 – 3D Representation of planned and completed drill holes relative to old workings, key mineralisation plunges and very high-grade historic face sample data diagram adapted from references as fully outlined in Saturn ASX Announcement dated 21 June 2021.

Corporate

Well Funded for Progress

During the year the Company undertook a capital raise to ensure funding capacity to continue progressing its Apollo Hill Gold Project and exploration at its regional prospective tenure. The raising was completed through a brokered placement and non-brokered direct placement to both institutional and sophisticated investors. The raising was as follows:

- 22 September 2020, the Company raised \$12,582,664 (net of costs) by issuing 24,511,830 shares at 67 cents per share.

At the year ended 30 June 2021, the Company has 112,614,510 shares on issue, and retained a healthy cash balance of \$8,155,144.

DIRECTOR'S REPORT

The Directors present their report together with the consolidated financial statements of the Group comprising of Saturn Metals Limited ("Saturn" the "Group" or the "Company") and its subsidiary for the financial year ended 30 June 2021 and the auditor's report thereon.

Directors

The names and particulars of the Group's Directors during the financial year, and up to the date of this report are as follows:

NAME	PARTICULARS
<p>Ian Bamborough</p> <p>BSc(Hons), MSc, MBA, MAIG, GAICD</p> <p>Appointed 19 September 2017</p>	<p>Managing Director</p> <p>Mr Bamborough is a geologist with more than 25 years leadership experience in the mining industry. Mr Bamborough developed his career with Newmont Mining Corporation and was more recently Managing Director of ASX listed Spectrum Rare Earths Limited. Mr Bamborough has previously served as a Director of the Northern Territory Mining Board, and currently holds directorships with private exploration and mining company, Reef Mining Pty Ltd.</p> <p>The Board does not consider Mr Bamborough to be an independent Director.</p> <p>Other current ASX listed company directorships:</p> <ul style="list-style-type: none"> • None. <p>Former ASX listed company directorships in the last three years:</p> <ul style="list-style-type: none"> • None.
<p>Brett Lambert</p> <p>BAppSc (Mining Engineering)</p> <p>Appointed 9 April 2020</p>	<p>Non-Executive Chairman</p> <p>Mr Lambert is a mining engineer and experienced company director. He has over 35 years' involvement in the Australian and international resources industry encompassing exploration, mining operations, project development, business development and corporate administration. Mr Lambert commenced his professional career with Western Mining Corporation in Kalgoorlie and progressed to a Senior Management role. Since leaving WMC, Mr Lambert has held executive positions with a number of junior and mid-tier resource companies, including more than 10 years at CEO/managing director level.</p> <p>The Board considers that Mr Lambert is an independent Director.</p> <p>Other current ASX listed company directorships:</p> <ul style="list-style-type: none"> • Non-Executive Chairman of Mincor Resources NL (1 January 2017 to present). • Non-Executive Director of Australian Potash Limited (9 May 2017 to present). • Non-Executive Director of Musgrave Minerals Ltd (4 February 2021 to present). • Non-Executive Chairman of Metal Hawk Limited (3 July 2019 to present) <p>Former ASX listed company directorships in the last three years:</p> <ul style="list-style-type: none"> • Non-Executive Director of Metals X Limited (resigned 10 July 2020) • Non-Executive Director of De Grey Mining Limited (resigned 22 July 2019).

DIRECTORS' REPORT (Cont.)

NAME	PARTICULARS
<p>Robert Tyson</p> <p>B.App Sc(Geol), GradDip Applied Finance(SIA) MAusIMM</p> <p>Appointed 2 June 2017</p>	<p>Non-Executive Director</p> <p>Mr Tyson is a geologist with more than 20 years resources industry experience having worked in exploration and mining-related roles for companies including Cyprus Exploration Pty Ltd, Queensland Metals Corporation NL, Murchison Zinc Pty Ltd, Normandy Mining Ltd and Equigold NL. Mr Tyson is the Managing Director of Peel Mining Limited, a role he has held for 14 years.</p> <p>The Board considers that Mr Tyson is not an independent Director.</p> <p>Other current ASX listed company directorships:</p> <ul style="list-style-type: none"> Managing Director of Peel Mining Limited (20 April 2006 to present). <p>Former ASX listed company directorships in the last three years:</p> <ul style="list-style-type: none"> None.
<p>Andrew Venn</p> <p>BBus, GradDip Applied Finance, FFin</p> <p>Appointed 29 September 2017</p>	<p>Non-Executive Director</p> <p>Mr Venn has over 20 years mining industry experience and currently holds a senior executive position with DDH1 Drilling Pty Ltd, a major mining contractor. Mr Venn has previously held senior positions across financing and operations for Argonaut Limited, Orica Mining Services and ICI Explosives and is a Fellow of the Financial Services Institute of Australia.</p> <p>The Board considers that Mr Venn is an independent Director.</p> <p>Other current ASX listed company directorships:</p> <ul style="list-style-type: none"> None. <p>Former ASX listed company directorships in the last three years:</p> <ul style="list-style-type: none"> None.
<p>Adrian Goldstone</p> <p>BSc, MSc (Hons)</p> <p>Appointed 20 May 2021</p>	<p>Non-Executive Director</p> <p>Mr Goldstone has in excess of 35 years' experience in the resources industry holding executive roles over much of that time and has more recently become involved in specialist investment and financing for the resources industry. He currently holds the position of Managing Director, Technical at Dundee Goodman Merchant Partners. He brings expertise and successful experience in Project Management and associated governance processes, environmental management, and social licence in the industry and has a strong focus on creative business solutions meeting the expectations of multiple stakeholders.</p> <p>The Board considers that Mr Goldstone is an independent Director.</p> <p>Other current ASX listed company directorships:</p> <ul style="list-style-type: none"> Non-Executive Director of Zinc of Ireland (29 January 2019 to present). Non-Executive Director of Big River Gold (26 May 2021 to present). <p>Former ASX listed company directorships in the last three years:</p> <ul style="list-style-type: none"> None.

Company Secretary

Natasha Santi

Mrs Santi was appointed Company Secretary on 3 May 2021, after commencing as a full-time employee of Saturn on 11 January 2021.

Mrs Santi previously had 9 years' experience, as an employee of Boden Corporate Services Pty Ltd, providing company secretarial and accounting services to a range of ASX listed and unlisted companies, including serving as Company Secretary at Capricorn Metals Ltd from July 2012. In

DIRECTORS' REPORT *(Cont.)*

addition, from April 2017, Mrs Santi was a full-time employee at Capricorn Metals Ltd until her resignation as Company Secretary, February 2020.

Ryan Woodhouse

Mr Woodhouse was appointed Company Secretary on 6 June 2017.

Mr Woodhouse has 14 years of experience in the mining and energy industries in the area of accounting and governance. He holds a Bachelor of Commerce from Curtin University and is a member of the Institute of Chartered Accountants. Mr Woodhouse currently holds the position of Company Secretary with Peel Mining Limited.

Mr Woodhouse resigned as Company Secretary on 3 May 2021.

Principal Activities

The principal activity of the Group is the exploration for economic deposits of precious metals. For the period of this report, the emphasis has been gold focused exploration near Leonora, in Western Australia.

Dividends Paid or Recommended

No dividends were paid or proposed to be paid during the financial year (2020: Nil).

Operating Results

The loss for the Group for the financial year after providing for income tax amounted to \$1,959,350 (2020: \$1,476,067). Loss per share \$0.02 (2020: \$0.02).

Financial Position

The net assets of the Group for the year ended 30 June 2021 were \$29,452,890 (2020: \$17,360,206). Net assets have increased due to share issues completed during the year which raised \$13,791,564, net of costs for further exploration activities. In addition, a further \$9,613,656 was capitalised as exploration and evaluation costs. At 30 June 2021 the closing cash balance of the Group was \$8,155,144 (2020: \$5,131,938).

Review of Operations

During the 2021 financial year the Company progressed exploration and resource development across its Apollo Hill Gold Project by completing a total of:

- 463 Reverse Circulation (RC) Drill Holes for 79,477m of drilling;
- 237 Aircore (AC) Drill Holes for 12,413m of drilling, and;
- 134 geochemical samples.

In early 2021 the Company delivered a major resource upgrade at the Apollo Hill Gold Deposit – the details of which can be found in the Company's announcement to the ASX on 29 January 2021.

During the period the Company secured a two additional exploration licenses finishing the year with exploration & mining licences totalling 1,038km² at the Apollo Hill Project. In addition, the Company secured 16 miscellaneous licenses (459km²) for search for ground water next to its' Apollo Hill Project.

In June 2021 the Company commenced exploration diamond drilling at its West Wyalong Gold Joint Venture in New South Wales and progressed the first hole to 238m by year end. In addition, Saturn secured a wholly owned exploration licence at West Wyalong covering an area of 54km² sitting adjacent to the Joint Venture area.

DIRECTORS' REPORT (Cont.)

Significant Changes in the State of Affairs

Other than as set out below and elsewhere in the report, there were no significant changes to the state of affairs.

Impact of COVID-19

During the year, in response to the COVID-19 pandemic, the Group moved to implement a series of precautionary measures as part of its OHS policies to ensure that risk around COVID-19 was minimised for all employees and contractors. The Group's head office staff temporarily moved to a work-from-home basis as required throughout the year in line with government guidelines. Besides the aforementioned, site operations were not affected during this period.

Changes to Contributed Equity

During the year the Group increased contributed equity by \$13,382,664 through the issue of 24,511,830 shares in the Group as part of a placements to institutional and sophisticated investors and the exercise of unquoted options held by Directors. The details and timing of each raising were as follows:

- 22 September 2020, the Group raised \$12,582,664 (net of costs) by issuing 20,511,830 shares at 67 cents per share by placement to institutional and sophisticated investors; and
- 7 April 2021, the Group raised \$800,000 by issuing 4,000,000 shares at 20 cents per share on the exercise of options held by Directors.

Details of changes in contributed equity is disclosed in Note 12 in the consolidated financial statements.

The Directors are not aware of any other significant changes in the state of affairs of the Company occurring during the financial year, other than disclosed in this report.

Events Occurring Subsequent to Balance Date

There were no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results

It is the Board's current intention that the Group will progress exploration on current projects. Exploration is inherently risky and there are no certainties that the Group will successfully achieve its objectives.

Meetings of Directors

The number of meetings of Director's (including committees of Directors) held during the year and the number of meetings attended by each director was as follows:

Director	Directors Meetings		Audit & Risk Committee	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
I Bamborough	9	9	1	1
B Lambert	9	9	1	1
R Tyson	9	8	1	1
A Venn	9	9	1	1
A Goldstone ⁽¹⁾	1	1	-	-

Note:

(1) Mr Goldstone was appointed as a director on 20 May 2021.

DIRECTORS' REPORT (Cont.)

Committee Membership

On 22 September 2020, the Board formed an Audit & Risk Committee comprising all directors as appointed at that time.

<i>Director</i>	<i>Position</i>	<i>Appointment Date</i>
A Venn	Chairman	22 September 2020
I Bamborough	Member	22 September 2020
B Lambert	Member	22 September 2020
R Tyson	Member	22 September 2020
A Goldstone	Member	3 June 2021

Directors' Interests in Shares, Options and Performance Rights

Directors' interests in shares, options and performance rights as at the date of this report are set out in the table below.

<i>Director</i>	<i>Shares Directly and Indirectly Held</i>	<i>Options</i>	<i>Performance Rights</i>
Ian Bamborough	4,663,941	400,000	388,000
Brett Lambert	-	-	-
Robert Tyson	1,210,000	400,000	250,000
Andrew Venn	818,000	400,000	250,000
Adrian Goldstone	14,500	-	-

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Key Management Personnel ("KMP") of Saturn Metals Limited.

The remuneration report is structured as follows:

- a) Key management personnel covered in this report
- b) Principles used to determine the nature and amount of remuneration
- c) Key personnel remuneration
- d) Service agreements
- e) Equity issued as part of remuneration
- f) Option holdings of key management personnel
- g) Performance rights holdings of key management personnel
- h) Share holdings of directors and key management personnel, and
- i) Additional information

a) Key management personnel covered in this report

<i>Key Management Personnel</i>	<i>Position</i>	<i>Changes during the year</i>
Ian Bamborough	Managing Director	-
Brett Lambert	Non-Executive Chairman	-
Robert Tyson	Non-Executive Director	-
Andrew Venn	Non-Executive Director	-
Adrian Goldstone	Non-Executive Director	Appointed 20 May 2021

There have been no changes to KMP since 30 June 2021 and to the date of this report.

REMUNERATION REPORT (AUDITED) (Cont.)

b) Principles used to determine the nature and amount of remuneration

The objective of the remuneration framework of Saturn Metals Limited is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Group's remuneration policy.

Board and senior management

The remuneration of the Managing Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors was initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The current amount has been set at an amount not to exceed \$300,000 per annum. The determination of Non-Executive Directors' remuneration within that maximum is made by the Board having regard to the inputs and value to the Group of the respective contributions by each Non-Executive Director.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash remuneration such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively incurred in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Group to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment, and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed. Senior management are paid based on applicable market rates.

Company Performance

The following table shows the gross revenue, profits, dividends and share price at the end of the financial year for the past 4 years since Saturn listed on the ASX in March 2018, ending 30 June:

	2018	2019	2020	2021
	\$	\$	\$	\$
Revenue	27,334	80,126	74,974	72,592
Net profit/(loss)	(857,320)	(1,187,119)	(1,476,067)	(1,959,350)
Share price at year end	0.16	0.300	0.715	0.410
Dividends paid	-	-	-	-

Remuneration is not linked to past Group performance but rather towards generating future shareholder wealth through share price performance. The Board and management may be issued share options in the company on a periodic basis as a means to link executive rewards to shareholder value.

REMUNERATION REPORT (AUDITED) (Cont.)

c) Key management personnel remuneration

Details of the nature and amount of each element of the remuneration of each key management person of the Group during the year ended 30 June 2021 is set out in the following table:

Key Management Person	Short-Term Employment Benefits	Post-Employment Super-annuation	Long-Term Benefits Leave benefits	Share Based Payment		Total	Performance Related %
	Cash salary & fees			Options	Performance Rights		
	\$	\$	\$	\$	\$	\$	%
Directors							
I Bamborough	253,216	24,508	18,749	15,469	117,919	429,861	31%
B Lambert	70,000	6,650	-	-	-	76,650	-
R Tyson	50,000	4,750	-	(10,522)	44,314	88,542	38%
A Venn	50,000	4,750	-	(10,522)	44,314	88,542	38%
A Goldstone	5,780	549	-	-	-	6,329	-
Total	428,996	41,207	18,749	(5,575)	206,547	689,924	

Key management personal remuneration for the year ended 30 June 2020 is set out in the following table:

Key Management Person	Short-Term Employment Benefits	Post-Employment Super-annuation	Long-Term Benefits Leave benefits	Share Based Payment		Total	Performance Related %
	Cash salary & fees			Options	Performance Rights		
	\$	\$	\$	\$	\$	\$	%
Directors							
I Bamborough	187,300	23,268	-	127,584	24,768	362,920	42%
B Lambert	15,167	1,441	-	-	-	16,608	-
R Tyson	48,333	4,592	-	53,610	24,767	131,302	60%
A Venn	48,333	4,592	-	53,610	24,767	131,302	60%
Total	299,133	33,893	-	234,804	74,302	642,132	

d) Service agreements

Remuneration and other terms of employment for the Directors and key management personnel, except those of non-executive Directors are formalised in Employment Agreements or Letters of Offer. Details of the employment conditions for Directors and key management personnel are set out below:

The Company has entered into an Executive Services Agreement with Mr Ian Bamborough pursuant to which Mr Bamborough was appointed Managing Director of the Company on the following terms:

- The Managing Director is employed on a full time on basis;
- The Company will pay to the Managing Director for services rendered a salary of \$275,000 (excluding superannuation) per annum;
- The Company will reimburse the Managing Director for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties;
- The Company may terminate the executive services agreement without reason on three (3) months' notice thereafter and immediately without notice in the event of serious misconduct;
- The Managing Director may terminate the executive services agreement at any time and without notice if the Company commits a serious breach of the executive service agreement or by giving three (3) months' notice to the Company; and
- The Company has entered into a deed of insurance, indemnity and access with Mr Bamborough. The Company has taken out and will use its best endeavours to maintain appropriate directors' and officers' liability insurance.

The above Executive Service Agreement otherwise contains terms and conditions which are considered standard for agreements of their nature, including those relating to confidentiality, non-disclosure and assignment.

REMUNERATION REPORT (AUDITED) (Cont.)

The Company has entered into an appointment letter with Mr Brett Lambert pursuant to which Mr Lambert was appointed Non-Executive Chairman of the Company on the following terms:

- a) Mr Lambert's appointment commenced on 9 April 2020 and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution;
- b) The Company will pay \$70,000 per annum (excluding superannuation) to the Non-executive Chairman monthly in arrears. Remuneration shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required);
- c) The Company will reimburse Mr Lambert for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties where agreed by the Board; and
- d) The Company has entered into a deed of insurance, indemnity and access with Mr Lambert. The Company has taken out and will use its best endeavours to maintain appropriate directors' and officers' liability insurance.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

The Company has entered into an appointment letter with Robert Tyson pursuant to which Mr Tyson was appointed Non-Executive Director of the Company on the following terms:

- a) Mr Tyson's appointment commenced on 9 April 2020 and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution;
- b) The Company will pay \$50,000 per annum (excluding superannuation) to the non-executive Director monthly in arrears. Remuneration shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required);
- c) The Company will reimburse Mr Tyson for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties where agreed by the Board; and
- d) The Company has entered into a deed of insurance, indemnity and access with Mr Tyson. The Company has taken out and will use its best endeavours to maintain appropriate directors' and officers' liability insurance.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

The Company has entered into an appointment letter with Andrew Venn pursuant to which Mr Venn was appointed Non-Executive Director of the Company on the following terms:

- a) Mr Venn's appointment commenced on 21 September 2017 and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution;
- b) The Company will pay \$50,000 per annum (excluding superannuation) to the non-executive Director monthly in arrears. Remuneration shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required);
- c) The Company will reimburse Mr Venn for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties where agreed by the Board; and
- d) The Company has entered into a deed of insurance, indemnity and access with Mr Venn. The Company has also taken out and will use its best endeavours to maintain appropriate directors' and officers' liability insurance.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

The Company has entered into an appointment letter with Adrian Goldstone pursuant to which Mr Goldstone was appointed Non-Executive Director of the Company on the following terms:

REMUNERATION REPORT (AUDITED) (Cont.)

- a) Mr Goldstone's appointment commenced on 20 May 2021 and automatically ceases at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution;
- b) The Company will pay \$50,000 per annum (excluding superannuation) to the non-executive Director monthly in arrears. Remuneration shall be subject to annual review by the Board of the Company and approval by the shareholders of the Company (if required);
- c) The Company will reimburse Mr Goldstone for all reasonable expenses (including travel and accommodation) incurred in the performance of his duties where agreed by the Board; and
- d) The Company has entered into a deed of insurance, indemnity and access with Mr Goldstone. The Company has taken out and will use its best endeavours to maintain appropriate directors' and officers' liability insurance.

The appointment letter otherwise contains terms and conditions that are considered standard for agreements of this nature.

e) Equity issued as part of remuneration

(i) Options

Options over shares in Saturn may be granted under the Company's Incentive Option Plan which was created in September 2017 and approved by the Board. The Incentive Option Plan is designed to provide long-term incentives for Eligible Participants to deliver long-term shareholder returns. Under the plan, the Board may from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines. An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.

Details of options over ordinary shares in the Company provided as remuneration to key management personnel of Saturn are set out below. When exercisable, each option is convertible into one ordinary share of Saturn. Further information on the options is set out in Note 22(a) to the consolidated financial statements.

Key management person	Fair Value at Grant Date		Options Granted During Year		Options Vested During Year	
	2021 \$	2020 \$	2021 Number	2020 Number	2021 Number	2020 Number
Directors						
I Bamborough	-	53,550	-	250,000	1,150,000	1,000,000
B Lambert	-	-	-	-	-	-
R Tyson	-	53,550	-	250,000	150,000	-
A Venn	-	53,550	-	250,000	150,000	-
A Goldstone	-	-	-	-	-	-

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date.

Shares under option, provided as remuneration to key management personnel and on issue as at the date of this report are set out in the following table.

Grant Date	Total on Issue to Key Management Personnel	Date Vested & Number Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
6 Dec 2018	450,000	6 Dec 2020: 450,000 options vested (continuous employment for 2 years)	6 Dec 2021	26.4 cents	15.4 cents
9 Dec 2019	750,000	Class A – Vesting measurement date 9 Dec 2021, 450,000 Class B – Vesting measurement date 9 Dec 2021, 300,000	8 Dec 2022	36.4 cents 36.4 cents	21.1 cents 21.9 cents

REMUNERATION REPORT (AUDITED) (Cont.)

(ii) Performance Rights

Performance Rights in Saturn may be granted under the Incentive Performance Rights Plan which was approved by Shareholders at the 2018 Annual General Meeting. The Incentive Performance Rights Plan is designed to provide short-term incentives for Eligible Participants to deliver short- and long-term shareholder returns. A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right. A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Performance Right;
- (ii) a vesting condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the vesting conditions and vest the Performance Right in the circumstances set out in paragraph; and
- (iii) unless the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant.

Details of performance rights provided as remuneration to key management personnel during the year, are set out below. When conditions attaching to the right are met, each performance right is convertible into one ordinary share of Saturn Metals Limited. Further information on the performance rights is set out in Note 22(b) to the consolidated financial statements.

Key management person	Fair Value at Grant Date		Performance rights granted during year		Performance rights vested during year	
	2021 \$	2020 \$	2021 Number	2020 Number	2021 Number	2020 Number
Directors						
I Bamborough	249,096	88,750	388,000	250,000	-	-
B Lambert	-	-	-	-	-	-
R Tyson	-	88,750	-	250,000	-	-
A Venn	-	88,750	-	250,000	-	-
A Goldstone	-	-	-	-	-	-

Performance rights provided as remuneration to key management personnel and on issue as at the date of this report are set out in the following table.

Grant Date	Total on Issue to Key Management Personnel	Date Vested & Number Exercisable	Expiry Date	Exercise Price	Fair value per Right at Grant Date
9 Dec 2019	750,000	Vest on achieving a resource of 1.5Moz at a minimum grade 0.8g/t at Apollo Hill & Ra deposits area/corridor by 9 Dec 2021.	8 Dec 2022	Nil	35.5 cents
26 Nov 2020	388,000	Class A – Vesting measurement date 21 Dec 2022: 75% vest of achievement of various performance hurdles. Class B – Vesting measurement date 21 Dec 2022: 25% vest of achievement of market-based performance hurdles.	26 Nov 2023	Nil	70.0 cents 46.8 cents

The fair value of the rights is determined on the market price of the company's shares at grant date, with an adjustment made to take into account the two-year vesting period. The Directors do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period.

REMUNERATION REPORT (AUDITED) (Cont.)

f) Option holdings of key management personnel

The following table shows a reconciliation of movements in options held by key management personnel during the year ended 30 June 2021.

KMP & Grant Date	Balance at the start of the year		Granted	Vested		Exercised	Other Changes ⁽²⁾	Balance at the end of the year	
	Vested	Unvested		Number	%			Vested & exercisable	Unvested
I Bamborough									
9 Mar 18	1,000,000	-	-	-	-	(1,000,000)	-	-	-
9 Mar 18	1,000,000	-	-	-	-	(1,000,000)	-	-	-
9 Mar 18	-	1,000,000	-	1,000,000	100	(1,000,000)	-	-	-
6 Dec 18	-	500,000	-	150,000	30	-	(350,000)	150,000	-
9 Dec 19	-	250,000	-	-	-	-	-	-	250,000
R Tyson									
9 Mar 18	500,000	-	-	-	-	(500,000)	-	-	-
6 Dec 18	-	500,000	-	150,000	30	-	(350,000)	150,000	-
9 Dec 19	-	250,000	-	-	-	-	-	-	250,000
A Venn									
9 Mar 18	500,000	-	-	-	-	(500,000)	-	-	-
6 Dec 18	-	500,000	-	150,000	30	-	(350,000)	150,000	-
9 Dec 19	-	250,000	-	-	-	-	-	-	250,000
	3,000,000	3,250,000	-	1,450,000		(4,000,000)	(1,050,000)	450,000	750,000

Note:

(1) No options are held by KMP Mr Brett Lambert or Mr Adrian Goldstone.

(2) During the year 1,050,000 options lapsed and were subsequently cancelled after specific vesting conditions were not met by the required vesting date.

g) Performance rights holdings of key management personnel

Movements in performance rights held by key management personnel during the year ended 30 June 2021, are set out in the following table.

Key management person	Balance at the start of the year	Granted	Expired	Converted to Shares	Balance at end of the year	Vested & exercisable	Unvested
Directors							
I Bamborough	250,000	388,000	-	-	638,000	-	638,000
B Lambert	-	-	-	-	-	-	-
R Tyson	250,000	-	-	-	250,000	-	250,000
A Venn	250,000	-	-	-	250,000	-	250,000
A Goldstone ⁽¹⁾	n/a	-	-	-	-	-	-
	750,000	388,000	-	-	1,138,000	-	1,138,000

Note:

(1) Mr Adrian Goldstone was appointed as a director on 20 May 2021.

h) Share holdings of Directors and key management personnel

Movements in shares held by key management personnel during the year ended 30 June 2021, are set out in the following table.

Key management personnel	Balance at The start of the year	Received during the year exercise of options	Other changes during the year	Closing balance
Directors				
I Bamborough	1,663,941	3,000,000	-	4,663,941
B Lambert	-	-	-	-
R Tyson	710,000	500,000	-	1,210,000
A Venn	250,000	500,000	68,000	818,000
A Goldstone ⁽¹⁾	n/a	-	14,500	14,500
	2,623,941	4,000,000	82,500	6,706,441

Note:

(1) Mr Adrian Goldstone was appointed as a director on 20 May 2021 and held an existing shareholding in Saturn.

REMUNERATION REPORT (AUDITED) (Cont.)

i) Additional information

Other transactions with key management personnel

Mr Robert Tyson:

Non-Executive Director, Mr Robert Tyson is the Managing Director of Peel Mining Limited (“Peel Mining”) (ASX:PEX). In previous years Peel Mining has held a significant shareholding in the Company however they held no shares at 30 June 2021 (Jun 2020: 4.6%, Dec 2019: 27.33%). Although Peel Mining Limited is no longer a shareholder of Saturn, its Managing Director, Mr Rob Tyson, is also one of the Company’s Non-Executive Directors. The Company engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative & management services through a service agreement up to April 2021.

Throughout the year, the Company made reimbursements for costs associated with management services to Peel Mining on an arm’s length commercial basis. The total of transactions with Peel Mining during the year was \$183,502 (2020: \$171,410). There was no outstanding balance owing at year-end (2020: \$9,023).

Mr Andrew Venn:

Non-Executive Director, Mr Andrew Venn holds the position of Executive General Manager, Corporate Services at DDH1 Limited (previously Chief Operations officer of DDH1 Drilling Pty Ltd (“DDH1”). During the year the Company purchased drilling services from a subsidiary of DDH1 (Strike Drilling Pty Ltd). All transactions were on bona-fide arm’s length terms. The total of transactions with DDH1 during the year was \$1,052,739 (2020: \$nil). There was no outstanding balance owing at year-end (2020: \$nil).

Cash bonuses

No cash bonuses have been paid by the Group to directors during the financial year (2020: Nil).

Share-based compensation: options & performance rights

Other than options and performance rights granted under the Incentive Option & Performance Rights Plan as described in (e) above, there were no other options issued to, or exercised by Directors of Saturn or key management personnel during the year.

Use of remuneration consultants

During the year ended 30 June 2021, the Group did not employ the services of a remuneration consultant to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

Voting and comments made at the Company’s Annual General Meeting

Saturn Metals Limited received 99.9% of “yes” votes from votes received on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report

DIRECTORS' REPORT (Cont.)

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price of options	Number under option
6 December 2018	6 Dec 2021	26.4 cents	618,000
9 December 2019	8 Dec 2022	36.4 cents	1,200,000
26 June 2020	26 Jun 2022	70.0 cents	1,892,500

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

Shares issued on the exercise of options

Date of Exercise	Issue price of shares		Number of shares issued	
	2021 cents	2020 cents	2021 Number	2020 Number
6 April 2021	20.0 cents	-	4,000,000	-
6 July 2021	26.4 cents	-	150,000	-

Shares issued on the conversion of performance rights

Date of Conversion	Issue price of shares		Number of shares issued	
	2021 cents	2020 cents	2021 Number	2020 Number
n/a	-	-	-	-

Indemnification and Insurance of Directors and Officers

During the financial year the Group paid a premium of \$19,213 (2020: \$14,622) to insure the Directors and officers of the Group. The policy indemnifies each Director and officer of the Group against certain liabilities arising in the course of their duties.

Proceedings on behalf of the Group

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

Environmental Regulation

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

Corporate Governance

A summary of the Company's corporate governance policies, practices and compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) will be provided at the same time as the 2021 Annual Report.

Auditor's Independence Declaration

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

Non-Audit Services

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

DIRECTORS' REPORT *(Cont.)*

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

Details of the fees paid to the auditor during the year can be found at Note 23 of the notes to the consolidated financial statements.

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

A handwritten signature in black ink, appearing to read 'I. Bamborough', is written over a light grey rectangular background.

Ian Bamborough

Managing Director
Perth, Western Australia
30 September 2021



Auditor's Independence Declaration

As lead auditor for the audit of Saturn Metals Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Saturn Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Helen Bathurst'.

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
30 September 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Interest and other income	14	72,592	74,974
Interest and other income		72,592	74,974
Share-based remuneration	22	(260,470)	(456,178)
Employee and Directors' benefit expenses	15	(956,255)	(570,206)
Administration expenses		(667,109)	(524,657)
Finance costs	9	(3,122)	-
Capitalised exploration expenditure expensed	10	(144,986)	-
Loss before income tax		(1,959,350)	(1,476,067)
Income tax benefit (expense)	16	-	-
Loss from continuing operations after income tax		(1,959,350)	(1,476,067)
Other comprehensive income		-	-
Total Loss and comprehensive income for the year attributable to the members of Saturn Metals Limited		(1,959,350)	(1,476,067)
Earnings per share:			
Basic Loss per share for the year attributable to the members of Saturn Metals Limited	24	(0.02)	(0.02)
Diluted Loss per share for the year attributable to the members of Saturn Metals Limited	24	(0.02)	(0.02)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	5	8,155,144	5,131,938
Trade and other receivables	6	100,460	33,975
Other Current Assets	7	76,349	18,543
Total Current Assets		8,331,953	5,184,456
Non-Current Assets			
Trade and other receivables	6	42,974	-
Property, plant & equipment	8	348,614	93,945
Exploration & evaluation assets	10	22,255,694	12,624,645
Total Non-Current Assets		22,647,282	12,718,590
Total Assets		30,979,235	17,903,046
Current Liabilities			
Trade and other payables	11	1,328,714	542,840
Lease liabilities	9	62,966	-
Total Current Liabilities		1,391,680	542,840
Non-Current Liabilities			
Lease Liabilities	9	134,665	-
Total Non-Current Liabilities		134,665	-
Total Liabilities		1,526,345	542,840
Net Assets		29,452,890	17,360,206
Equity			
Contributed equity	12	33,265,409	19,882,745
Accumulated losses	13	(5,479,856)	(3,520,506)
Option reserve	13	1,667,337	997,967
Total Equity		29,452,890	17,360,206

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Note	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Option Reserve \$	Total Equity \$
Balance at 30 June 2019		12,132,001	(2,044,439)	541,789	-	10,629,351
Loss for the year		-	(1,476,067)	-	-	(1,476,067)
Total comprehensive loss for the year	13	-	(1,476,067)	-	-	(1,476,067)
Issue of share capital	12	8,197,916	-	-	-	8,197,916
Share issue expenses	12	(447,172)	-	-	-	(447,172)
Share based payments	13	-	-	456,178	-	456,178
Balance at 30 June 2020		19,882,745	(3,520,506)	997,967	-	17,360,206
Loss for the year		-	(1,959,350)	-	-	(1,959,350)
Total comprehensive loss for the year	13	-	(1,959,350)	-	-	(1,959,350)
Issue of share capital	12	14,542,926	-	-	-	14,542,926
Share issue expenses	12	(751,362)	-	-	-	(751,362)
Share based payments	13	-	-	260,470	-	260,470
Issue of options	13	(408,900)	-	-	408,900	-
Balance at 30 June 2021		33,265,409	(5,479,856)	1,258,437	408,900	29,452,890

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,419,508)	(969,828)
Government COVID Grant	14	50,000	50,000
Net cash outflow from operating activities	17	(1,369,508)	(919,828)
Cash flows from investing activities			
Payments for purchase of plant and equipment		(94,596)	(9,258)
Payments for exploration expenditure		(9,259,625)	(4,472,185)
Grant refunds		-	3,827
Interest received		22,592	33,471
Net cash outflow from investing activities		(9,331,629)	(4,444,145)
Cash flows from financing activities			
Proceeds from issue of shares		14,542,926	8,197,916
Transaction costs of issue of shares		(751,362)	(447,172)
Repayment of lease liability		(21,125)	-
Interest paid on lease liability		(3,122)	-
Security deposit paid		(42,974)	-
Net cash inflow from financing activities		13,724,343	7,750,744
Net increase in cash and cash equivalents		3,023,206	2,386,771
Cash and cash equivalents at the start of year		5,131,938	2,745,167
Cash and cash equivalents at the end of year	5	8,155,144	5,131,938

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Changes During the Year

During the year Saturn has entered into two lease arrangements, the details of which are set out in Note 9.

The principal accounting policies adopted in the preparation of the financial report are set out in the notes below, including Note 26. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated financial statements for the Group at the end of, or during the financial year ended 30 June 2021 and the comparative period.

2. Subsidiary companies

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 26(b):

Name	Country of Incorporation	Class of Shares	Equity holding	
			2021 %	2020 %
Titan Metals Pty Ltd	Australia	Ordinary	100.00	100.00

3. Interests in other entities

In April 2020 Saturn entered into a unincorporated joint venture arrangement, through its wholly owned subsidiary Titan Metals Pty Ltd, with Mr Peter Goldner and Dr Angus Collins.

Saturn can earn up to 85% in the project through four farm-in stages by spending a total of \$1.9 million on exploration over approximately 4 years and by making a total of \$195,000 in staged progress payments (cash and or shares). Saturn must keep the tenements in good standing. On Saturn earning 85% a Incorporated Joint Venture will be formed and the Joint Venture Partners have the option to contribute or dilute (subject to the pre-negotiated dilution formula in line with previous earn in stages) to a combined 1.5% royalty. On the Joint venture Partners reverting to a royalty position Saturn must make an additional \$50,000 progress payment. Saturn earns a transferrable interest in the tenement during the first three stages but does not maintain full commercial rights until having earned 60% by spending \$900,000 on exploration.

As at the time of this report and due to the early stage of the arrangement, Titan Metals Pty Ltd has not yet earned an interest in the tenements under the agreement. The agreement does not constitute a Joint Arrangement under the Australian Accounting Standards.

4. Segment information

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

Management has determined that Saturn only has one segment, being exploration for precious metals at its tenement package, south of Leonora, Western Australia. Whilst the Company's 100% owned subsidiary, Titan Metals Pty Ltd, has recently entered into a farm-in arrangement for the exploration of precious metals at West Wyalong, NSW, at this early stage of the arrangement Management does not feel the transactions are material enough to qualify as an additional segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

5. Cash & Cash Equivalents

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short-term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the consolidated statement of financial position.

	2021	2020
	\$	\$
Cash at bank and in hand	8,155,144	5,131,938
	<u>8,155,144</u>	<u>5,131,938</u>

Refer to Note 18 for the policy on financial risk management.

6. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

In determining the recoverability of a trade or other receivable using the expected credit loss model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

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

No material provision for credit losses was required to be recognised in the current period ending 30 June 2021.

	2021	2020
	\$	\$
Receivables (Current)		
GST recoverable from taxation authority	85,954	33,975
Deposits paid	1,232	-
Other receivables	13,274	-
	<u>100,460</u>	<u>33,975</u>

Refer to Note 18 for the policy on financial risk management.

Receivables (Non-Current)		
Security deposits in relation to exploration tenements	10,000	-
Security deposits in relation to office lease	32,974	-
	<u>42,974</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

7. Other Current Assets

	2021	2020
	\$	\$
Prepaid insurance	25,103	18,543
Other prepayments	51,246	-
	76,349	18,543

8. Property, Plant & Equipment

Plant and equipment

All assets acquired, including plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Plant and equipment include right-of use assets depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis as set out in Note 9. Depreciation on general plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives from the time the asset is held ready for use as follows:

- Plant	3-10 years
- Vehicles	3-8 years
- Office equipment	3-5 years
- Computer software	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs of disposal and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

No impairment losses have been recognised for the year ending 30 June 2021 (2020: \$nil).

As at 30 June 2021	Plant & Equipment	Software	Furniture & Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Cost or fair value	42,846	40,512	327,614	44,991	455,963
Accumulated depreciation	(16,083)	(26,700)	(46,401)	(18,165)	(107,349)
Net carrying amount	26,763	13,812	281,213	26,826	348,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

Reconciliation for the year ended 30 June 2021	Plant & Equipment \$	Software \$	Furniture & Equipment \$	Vehicles \$	Total \$
Carrying amount at 1 July	22,793	21,914	16,789	32,449	93,945
Additions	10,541	-	301,580	-	312,121
Depreciation expense	(6,571)	(8,102)	(37,156)	(5,623)	(57,452)
Net carrying amount at 30 June	26,763	13,812	281,213	26,826	348,614

As at 30 June 2020

Cost or fair value	32,305	40,512	26,034	44,991	143,842
Accumulated depreciation	(9,512)	(18,598)	(9,245)	(12,542)	(49,897)
Net carrying amount	22,793	21,914	16,789	32,449	93,945

Reconciliation for the year ended 30 June 2020

Carrying amount at 1 July	25,608	30,017	15,530	38,073	109,228
Additions	3,258	-	6,000	-	9,258
Depreciation expense	(6,073)	(8,103)	(4,741)	(5,624)	(24,541)
Net carrying amount at 30 June	22,793	21,914	16,789	32,449	93,945

9. Leases

AASB 16 Leases eliminates the classifications of operating leases and finance leases for lessees. Except for short-term leases and leases of low-value assets, rights-of-use assets, capitalised in Property, Plant & Equipment (Note 8) and corresponding lease liabilities are recognised in the statement of financial position. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, while the lease liability is reduced by an allocation of each lease payment. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(a) Amounts recognised in the statement of financial position:

	2021 \$	2020 \$
Right-of-use assets:		
<i>Furniture & Equipment</i>		
Office space	210,739	-
Equipment	8,017	-
	218,756	-
Lease liabilities:		
Current	62,966	-
Non-current	134,665	-
	197,631	-

Additions to the right-of-use assets during the year was \$218,756.

(b) Amounts recognised in the statement of profit or loss:

	2021 \$	2020 \$
Depreciation charge of right-of-use assets:		
Office space	25,632	-
Equipment	892	-
	26,524	-
Interest expenses (included in finance costs)	3,122	-
	3,122	-

The total cash outflow for leases in 2021 was \$24,247 (2020: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

Saturn leases office premises in West Perth, Western Australia under normal commercial lease arrangements. The office lease was entered into for an initial 3-year and 1-month period commencing 18 February 2021.

10. Exploration and evaluation assets

All exploration and evaluation expenditure is capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. Mineral interest acquisition costs and exploration and evaluation expenditure incurred is accumulated and capitalised in relation to each identifiable area of interest. These costs are only carried forward to the extent that the Group's right to tenure to that area of interest are current and either the costs are expected to be recouped through successful development and exploitation of the area of interest (alternatively by sale) or where areas of interest have not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active, and significant operations are undertaken in relation to the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the exploration and evaluation phase or development phase until production commences.

Grants (R&D Tax Incentive grant income /Co Operative Drill Funding)

The Group accounts for funds received from the ATO under the Research and Development ("R&D") Tax Incentive Scheme as an offset to the Exploration and Evaluation asset, where the initial expenses to which it relates were capitalised. No R&D incentives were received during 2021 (2020: \$17,233).

During 2020, the Group also received a refund through the Co-Operative Drill Funding scheme through the Western Australian Government. No equivalent grant refund was received in 2021 (2020 \$3,827). These funds are also offset to the Exploration and Evaluation asset, where the initial expenses to which it relates were capitalised.

	2021	2020
	\$	\$
At cost	22,255,694	12,624,645
Reconciliation:		
Opening balance	12,624,645	8,176,971
Exploration expenditure	9,776,035	4,451,501
Impairment	(144,986)	-
Grant Refund	-	(3,827)
Closing balance	22,255,694	12,624,645

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

11. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually payable within 30 days of invoice. The carrying amounts of trade and other payables are considered the same as their fair values, due to their short-term nature.

	2021	2020
	\$	\$
Trade payables	888,971	174,375
Accrued expenses & other payables	439,743	368,465
	1,328,714	542,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

12. Contributed Equity

Ordinary shares are classified as equity.

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

If the entity acquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) are recognised directly in equity.

(a) Share capital	2021		2020	
	Number of Shares	\$	Number of Shares	\$
Authorised & issued, ordinary shares fully paid	112,464,510	33,265,409	87,952,680	19,882,745

(b) Movements in ordinary share capital	2021		2020	
	Number of Shares	\$	Number of Shares	\$
Opening balance, 1 July	87,952,680	19,882,745	63,642,859	12,132,001
<i>Shares issued:</i>				
On conversion of performance rights	-	-	-	-
On exercise of options	4,000,000	800,000	-	-
As a result of share placements	20,511,830	13,742,926	24,309,821	8,197,916
Transferred to option revaluation reserve	-	(408,900)	-	-
Transaction costs on share issues	-	(751,362)	-	(447,172)
Closing balance, 30 June	112,464,510	33,265,409	87,952,680	19,882,745

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options & performance rights

Information relating to options and performance rights issued during the year is set out in Note 22.

(e) Capital risk management

In employing its capital, the Group seeks to ensure that it will be able to continue as a going concern and in time provide value to shareholders by way of increased market capitalisation and/or dividends. In the current stage of its development, the Group has invested its available capital in acquiring and exploring mining tenements. As is appropriate at this stage, the Group is funded entirely by equity. As it moves forward to develop its tenements towards production, the Group will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the Board will consider each step forward in the development of the Group on its merits and in the context of the then capital markets, in deciding how to structure funding arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

13. Reserves and accumulated losses

	2021	2020
(i) Accumulated losses	\$	\$
Opening balance	3,520,506	2,044,439
Loss for the year	1,959,350	1,476,067
Closing balance	<u>5,479,856</u>	<u>3,520,506</u>
(ii) Share-based payments reserve		
Opening balance	997,967	541,789
Option expenses (Director options)	156,598	234,804
Option expenses (Employee options)	77,943	105,630
Options lapsed (Director options)	(162,173)	-
Options lapsed (Employee options)	(114,603)	-
Net Performance rights (Directors rights)	206,547	74,302
Net Performance rights (Employee rights)	96,158	41,442
Closing balance	<u>1,258,437</u>	<u>997,967</u>
(iii) Option reserve		
Opening balance	-	-
Options issued to third party	408,900	-
Closing balance	<u>408,900</u>	<u>-</u>

Nature & Purpose of Reserve

Share-based payments reserve:

The share-based payment reserve represents the fair value of equity benefits provided to Directors and employees as part of their remuneration for services provided to the Group paid for by the issue of equity.

Option reserve:

On 26 June 2020 Saturn issued 1,892,500 free attaching options to a Third Party as part of a share placement. The issue of the options was subject to shareholder approval, which was granted on 8 August 2020, and Foreign Investment Review Board approval, which was granted on 17 November 2020. Given the uncertainty that that these approvals would be granted at the time of lodging the 30 June 2020 accounts, no value was separately recorded for those unissued free attaching options. Given both required approvals were received during the half year period and the issue of the options completed, the Group made a transfer for the value of the options out of the Contributed Equity account and recorded this value in an Option Reserve account. Note that total equity balance does not change with this adjustment.

Reserve Movements

	2021		2020	
	Options	\$	Options	\$
Share options & reserve movements:				
Opening balance	7,760,000	882,223	6,560,000	541,789
Options issued to Directors	-	156,598	750,000	234,804
Options issued to Employees	-	77,943	450,000	105,630
Exercised	(4,000,000)	-	-	-
Lapsed	(1,792,000)	(276,776)	-	-
Closing balance	<u>1,968,000</u>	<u>839,988</u>	<u>7,760,000</u>	<u>882,223</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

	Number	
	2021	2020
Exercisable at 26.4 cents; vesting on or before 6 Dec 21	450,000	1,500,000
Exercisable at 26.4 cents; vesting on or before 6 Dec 21	318,000	1,060,000
Exercisable at 20 cents; vesting on 9 Mar 2019	-	2,000,000
Exercisable at 20 cents; vesting on 9 Mar 2020	-	1,000,000
Exercisable at 20 cents; vesting on 9 Mar 2021	-	1,000,000
Exercisable at 36.4 cents; vesting on or before 8 Dec 2022	750,000	750,000
Exercisable at 36.4 cents; vesting on or before 8 Dec 2022	450,000	450,000
	1,968,000	7,760,000

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value (Note 22(a)).

	2021		2020	
	Options	\$	Options	\$
Opening balance	-	-	-	-
Options issued to Third Party	1,892,500	408,900	-	-
Closing balance	1,892,500	408,900	-	-

	Number	
	2021	2020
Exercisable at 70.0 cents; vesting on issue	1,892,500	-
	1,892,500	-

	2021		2020	
	Performance Rights	\$	Performance Rights	\$
Opening balance	1,200,000	115,744	-	-
Performance Rights issued to Directors	388,000	206,547	750,000	74,302
Performance Rights issued to Employees	375,000	108,959	450,000	41,442
Lapsed	(194,000)	(12,801)	-	-
Closing balance	1,769,000	418,449	1,200,000	115,744

The fair value of the rights is determined on the market price of the Group's shares at grant date, with an adjustment made to take into account the one-year vesting period. The maximum value of the performance rights shares vested has been determined as the amount of the grant date fair value of the rights that is expensed. For the December 2020 grant, the maximum value vested for this grant was estimated based on the share price of the Group at grant date. The minimum value of performance rights shares vested is nil, as the shares will be forfeited if the vesting conditions are not met. The Directors do not receive any dividends and are not entitled to vote in relation to the performance rights during the vesting period (Note 22(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

14. Interest and Other Income

Income recognition

Income is recognised to the extent that it is probable that the economic benefit will flow to the Group and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised.

Interest income

Income is recognised as the interest accrues using the nominal interest rate.

	2021	2020
	\$	\$
Interest Income	22,592	24,974
Government COVID Grant	50,000	50,000
Total	72,592	74,974

15. Expenses

Loss before income taxes includes the following specific expenses:

	2021	2020
	\$	\$
<i>Employees and Director's benefit expenses:</i>		
Employment costs	706,824	437,198
Directors' fees	175,780	111,833
Recruitment costs	73,651	21,175
	956,255	570,206

16. Income tax

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

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

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

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss for the year.

The Group has total carried forward tax losses arising in Australia of \$6,937,421 (2020: \$3,336,113) available for offset against future assessable income of the Group. The deferred tax asset in respect of these losses has been used to offset a deferred tax liability. The net deferred tax asset attributable to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

the residual tax losses of \$4,238,443 has not been brought to account until convincing evidence exists that assessable income will be earned of a nature and amount to enable such benefit to be realised.

17. Reconciliation of cash flows from operating activities to loss after income tax

For statement of cash flows preparation purposes, cash and cash equivalents includes cash on hand and short-term deposits held at call (other than deposits used as cash backing for performance bonds) with financial institutions. Any bank overdrafts are shown within borrowings in the current liabilities on the consolidated statement of financial position.

	2021	2020
	\$	\$
Net cash outflow from operating activities	(1,369,508)	(919,828)
<i>Adjustments for:</i>		
Share-based payments	(260,470)	(456,178)
Depreciation	(57,452)	(24,541)
Interest received and receivable	22,592	24,974
Capitalised exploration expenditure expensed	(144,986)	-
Interest paid on lease liabilities	(3,122)	-
<i>Change in operating assets and liabilities:</i>		
Decrease in receivables	(10,683)	(109,926)
Increase in other current assets	49,852	-
Increase/(decrease) in payables	(185,573)	9,432
Loss after income tax	<u>(1,959,350)</u>	<u>(1,476,067)</u>

18. Financial Risk Management

Overview

The Group is exposed to financial risks through the normal course of its business operations. The key risks impacting the Group's financial instruments are considered to be, interest rate risk, liquidity risk, and credit risk. The Group's financial instruments exposed to these risks are cash and cash equivalents, trade receivables, trade payables and other payables.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. Management assesses the credit quality of the counterparties by taking into account its financial position, past experience and other factors. For banks and financial institutions, management considers independent ratings and only dealing with banks licensed to operate in Australia.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

Tax receivables and prepayments do not meet the definition of financial assets.

Risk management:

The Group limits its exposure to credit risk in relation to cash and cash equivalents and other financial assets by only utilising banks and financial institutions with acceptable credit ratings.

The Group operates in the mining exploration sector and does not have trade receivables from customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

Impairment losses:

At 30 June 2021 the Group has not recognised any impairment losses (2020: nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity by maintaining adequate reserves by continuously monitoring forecast and actual cash flows ensuring there are appropriate plans in place to finance these future cash flows.

Typically, the Group ensures it has sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	30 June 2021	30 June 2020
Financial Obligations	\$	\$
Trade and other payables less than 6 months	1,311,321	542,840

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates, cash and cash equivalents at variable rates exposes the Group to cash flow interest rate risk. The Group is not exposed to fair value interest rate risk as all of its financial assets and liabilities are carried at amortised amount.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

		Carrying Amount	
	Note	2021	2020
		\$	\$
Short term cash deposits	5	-	-

Cash flow sensitivity analysis for variable rate instruments of the Group

At 30 June 2021 if interest rates had changed +/- 100 basis points from year end rates with all other variables held constant, equity and post-tax loss would have been subject to no change as no short term cash deposits were held during the year (2020: \$17,018 lower/higher).

Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

The working capital position of the Group were as follows:

		2021	2020
	Note	\$	\$
Cash and cash equivalents	5	8,155,144	5,131,938
Trade and other receivables	6	100,460	33,975
Lease liabilities	9	(62,966)	-
Trade and other payables	11	(1,328,714)	(542,840)
Working capital position		<u>6,863,924</u>	<u>4,623,073</u>

Fair values

The carrying values of all financial assets and financial liabilities, as disclosed in the statement of financial position, approximate their fair values.

19. Contingencies & Commitments

The Group had no contingent assets or liabilities as at 30 June 2021 (2020: \$Nil).

Exploration commitments

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

Expenditure commitments within one year at the reporting date but not recognised as liabilities were \$763,080 (2020: \$625,580). Due to the uncertain nature of exploration and the fact that the Group may at any time relinquish tenements, it does not believe it to be appropriate to recognise these commitments post 12 months.

The Group had no other exploration expenditure commitments, or other commitments greater than 12 months.

20. Events after the reporting period

There were no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

21. Related Parties

Compensation of key management personnel	2021	2020
	\$	\$
Short-term employee benefits	428,996	299,133
Post-employment benefits	41,207	33,893
Long-term benefits	18,749	-
Share-based payments	200,972	309,106
	<u>689,924</u>	<u>642,132</u>

Transactions with related parties

Mr Robert Tyson:

Non-Executive Director, Mr Robert Tyson is the Managing Director of Peel Mining Limited ("Peel Mining") (ASX:PEX). In previous years Peel Mining has held a significant shareholding in the Group however they held no shares at 30 June 2021 (Jun 2020: 4.6%, Dec 2019: 27.33%). Although Peel Mining Limited is no longer a shareholder of Saturn, its Managing Director, Mr Rob Tyson, is also one of the Group's Non-Executive Directors. The Group engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative & management services through a service agreement to April 2021.

Throughout the year, the Group made reimbursements for costs associated with management services to Peel Mining on an arm's length commercial basis. The total of transactions with Peel Mining during the year was \$183,502 (2020: \$171,410). There was no outstanding balance owing at year-end (2020: \$9,023).

Mr Andrew Venn:

Non-Executive Director, Mr Andrew Venn holds the position of Executive General Manager, Corporate Services at DDH1 Limited (previously Chief Operations officer of DDH1 Drilling Pty Ltd ("DDH1"). During the year the Group purchased drilling services from a subsidiary of DDH1 (Strike Drilling Pty Ltd). All transactions were on bona-fide arm's length terms. The total of transactions with DDH1 during the year was \$1,052,739 (2020: \$nil). There was no outstanding balance owing at year-end (2020: \$nil).

Transactions with related parties	2021	2020
	\$	\$
Purchases of management service from associate	183,502	171,410
Purchases of drilling services	1,052,739	-
	<u>1,236,241</u>	<u>171,410</u>

Outstanding balances arising from transactions with related parties

Current payables	2021	2020
	\$	\$
Peel Mining Limited	-	(9,023)
Entities controlled by key management personnel	-	-
	<u>-</u>	<u>(9,023)</u>

Other than as set out above, the Group had no other transactions with related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

22. Share-based payments

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

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

The fair value at grant date is independently determined by using an appropriate model based on the vesting conditions attached to the options. The models used to determine fair value include a Black-Scholes model, or a hybrid employee share options pricing model.

During the year the Group has granted performance rights and options to Directors and employees through its Performance Rights and Incentive Option Plan.

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

(a) Options

No options were granted to Directors or Employees during the year ended 30 June 2021.

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

	2021		2020	
	Number	\$	Number	\$
Options granted to Directors	-	-	750,000	234,804
Options granted to employees	-	-	450,000	105,630
	-	-	1,200,000	340,434

Movements in options previously granted to Directors and Employees:

Grant date	Expiry date	Exercise price	Balance at 1 July 2020	Granted during the year	Number of options		Balance at 30 June 2021	Vested & exercisable
					Lapsed during the year	Exercised during the year		
9 Mar 18	9 Apr 21	\$0.200	3,000,000	-	-	(3,000,000)	-	-
9 Mar 18	9 Apr 21	\$0.200	1,000,000	-	-	(1,000,000)	-	-
6 Dec 18	6 Dec 21	\$0.264	1,500,000	-	(1,050,000)	-	450,000	450,000
6 Dec 18	6 Dec 21	\$0.264	1,060,000	-	(742,000)	-	318,000	318,000
9 Dec 19	8 Dec 22	\$0.364	750,000	-	-	-	750,000	-
9 Dec 19	8 Dec 22	\$0.364	450,000	-	-	-	450,000	-
			7,760,000	-	(1,792,000)	(4,000,000)	1,968,000	768,000

Fair value of options granted:

No options were granted in 2021.

(b) Performance Rights

On 21 December 2020, 388,000 Director Performance Rights (25% Tranche 1; 25% Tranche 2; 25% Tranche 3; 25% Tranche 4) and 375,000 Employee Performance Rights (25% Tranche 1; 25% Tranche 2; 25% Tranche 3; 25% Tranche 4) were granted for nil consideration. During 2020, 1,200,000 performance rights were granted to Directors & Employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

Total expenses arising from share-based payment transactions recognised in the profit and loss during the year were as follows:

	2021		2020	
	Number	\$	Number	\$
2021 performance rights granted to Directors	388,000	73,604	-	-
2021 performance rights granted to Employees	375,000	39,220	-	-
2020 performance rights granted to Directors	-	-	750,000	74,302
2020 performance rights granted to Employees	-	-	450,000	41,442
	<u>763,000</u>	<u>112,824</u>	<u>1,200,000</u>	<u>115,744</u>

Movements in performance rights previously granted to Directors and Employees:

Grant date	Expiry date	Balance of Performance Rights					Vested & exercisable
		Balance at 1 July 2020	Granted during the year	Converted during the year	Lapsed during the year	Balance at 30 June 2021	
21 Dec 20	20 Dec 23	-	388,000	-	-	388,000	-
21 Dec 20	20 Dec 23	-	375,000	-	(127,000)	248,000	-
9 Dec 19	8 Dec 22	750,000	-	-	-	750,000	-
9 Dec 19	8 Dec 22	450,000	-	-	(67,000)	383,000	-
		<u>1,200,000</u>	<u>763,000</u>	<u>-</u>	<u>(194,000)</u>	<u>1,769,000</u>	<u>-</u>

Fair value of performance rights granted:

The fair value of the Tranche 1, 2 and 4 Performance Rights is determined to be 70.0 cents per share (Directors) and 66.0 cents per share (Employees). They were valued on a prorated basis as a result of the vesting conditions attached to these performance rights. The fair value at grant date is independently determined using a Black-Scholes option model takes into account the exercise price, the term of the performance right and the share price at grant date. Fair value of the performance rights granted during the year ended 30 June 2021 included the following model inputs:

	Directors	Employees
Exercise price	Nil	Nil
Grant date	26 November 2020	21 December 2020
Performance measurement/ vesting date	26 November 2022	21 December 2022
Expiry date	26 November 2023	20 December 2023
Share price at issue date	70.0 cents	66.0 cents
Expected price volatility	70%	70%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	0.09%	0.09%

(c) Acquisition – Share based payment

The Group made no acquisitions using share-based payments during the year.

(d) Weighted averages – Options

The weighted average exercise price \$0.33 (2020: \$0.25).

The weighted average fair value of options is \$0.18 (2020: \$0.15).

The weighted average remaining contractual life is 1.11 years (2020: 1.25 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

23. Remuneration of Auditors

	2021	2020
	\$	\$
<i>Amounts paid or due and payable to the PricewaterhouseCoopers</i>		
Auditing and reviewing financial reports	36,500	35,000
	<u>36,500</u>	<u>35,000</u>
Indirect taxation services	-	3,367
	<u>-</u>	<u>3,367</u>

24. Loss per share

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

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

	2021	2020
	\$	\$
Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Group	(0.02)	(0.02)
Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Group	(0.02)	(0.02)
Reconciliation of loss used in calculation of loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Group per share	(1,959,350)	(1,476,067)
	Number of Shares	Number of Shares
Weighted average number of shares used as the denominator	2021	2020
Weighted average number of shares used in calculating basic loss per share	104,675,486	74,268,410

Effect of dilutive securities

Options on issue at reporting date could potentially dilute earnings per share in the future. The effect in the current year is to reduce the loss per share hence they are considered anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

25. Parent Entity

	Parent Entity	
	2021	2020
Statement of financial position	\$	\$
Current assets	8,355,538	5,187,239
Total assets	30,917,258	17,898,203
Current liabilities	(1,329,258)	(537,979)
Total liabilities	(1,463,908)	(537,979)
Net assets	29,453,350	17,360,224
Equity		
Issued capital	33,265,410	19,882,745
Share option reserve	1,258,437	997,967
Share revaluation reserve	408,900	
Accumulated losses	(5,479,396)	(3,520,488)
Total equity	29,453,350	17,360,224
Statement of profit or loss and other comprehensive income		
Interest Revenue	22,592	24,974
Other income	50,000	50,000
Comprehensive loss for the year	(2,031,499)	(1,551,024)
Total comprehensive loss for the year	(1,958,907)	(1,476,050)

Commitments for the parent entity are the same as those for the consolidated entity and are set out in Note 19.

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year-end.

26. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated financial statements for the Group during the financial years ended 30 June 2021 and the comparative period.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Saturn Metals Limited is a for-profit entity for the purpose of preparing the consolidated financial statements. The presentation currency of these accounts is Australian Dollars (AUD).

As at 30 June 2021, the Group made a net loss after tax of \$1,959,350 (2020: \$1,476,067). The ongoing capital requirements of the Group are dependent on the Group's ability to raise funds in the future.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the twelve month period from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the basis of preparation is appropriate.

Compliance with IFRS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont.)*

Historical cost convention

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

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Saturn Metals Limited (“the parent entity”) and entities controlled during the year and at reporting date (“Group”). A controlled entity is any entity that the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Information from the consolidated financial statements of the controlled entities is included from the date the parent company obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the acquisition method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated except where costs cannot be recovered.

Investments in subsidiaries are carried at cost in the parent entity.

(c) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to balance date and are measured at the amounts expected to be paid when the liabilities are settled.

(d) Goods and services tax

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

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

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

New standards and amendments

Certain new accounting standards and interpretations have been published that are mandatory for the 30 June 2021 reporting period and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(e) Critical accounting estimates and judgements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont.)*

The Group makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration assets, where exploration expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Share-based payment transactions

The Group measures the cost of equity-settled share-based payment transactions by reference to the fair value of the equity instruments at the grant date. The fair value is determined by using an appropriate model based on the vesting conditions attached to the options. The models used to determine fair value include a Black-Scholes model, or a hybrid employee share options pricing model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

It is the Group's policy to capitalise costs relating to exploration and evaluation activities. The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

DIRECTOR'S DECLARATION

The Board of Directors of Saturn Metals Limited declares that:

- (a) the consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2021 and performance for the financial year ended on that date of the entity.
- (b) the Group has included in the notes to the consolidated financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;
- (c) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (d) the Board of Directors have been given the declaration by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

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



Ian Bamborough

Managing Director
Perth, Western Australia
30 September 2021



Independent auditor's report

To the members of Saturn Metals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Saturn Metals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended, and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information, and
- the directors' declaration.

Basis for opinion

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

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

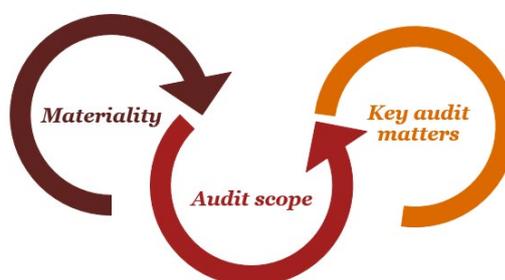
Independence

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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of \$309,618 million, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose the Company's total assets because, in our view, it is the benchmark against which the performance of the company is most commonly measured whilst in the exploration phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable asset-related thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company's operational and financial processes are managed by a corporate function in Perth, where substantially all of our audit procedures are performed.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.



Key audit matter

Carrying value of exploration and evaluation assets

(Refer to note 10)

As at 30 June 2021, the Group had capitalised exploration and evaluation assets of \$22.2 million relation to mining, exploration and prospecting licenses across Western Australia and New South Wales.

This was a key audit matter because of the relative size of the exploration and evaluation balance in the consolidated balance sheet and the risk of impairment should the result of exploration activities not be positive, or the Group relinquish certain exploration licenses as it continues to assess future viability.

Basis of preparation of the financial report

(Refer to note 26)

The financial statements have been prepared by the Group on a going concern basis, which contemplates that the Group will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business.

The Group is in the exploration and evaluation phase and therefore does not generate revenue from its operations and relies on funding from its shareholders or other sources to continue as a going concern. These funds are used to meet expenditure requirements to maintain the good standing of the Group's tenements, progress project feasibility studies, and to cover corporate overheads.

Assessing the appropriateness of the Group's basis of preparation for the financial report was a key audit matter due to its importance to the financial report and the level of judgement involved in assessing future funding and operational status, in particular with respect to the Group forecasting future cash flows for a period of at least 12 months from the audit report date (cash flow forecasts).

How our audit addressed the key audit matter

We performed the following procedures, amongst others:

- Assessed whether the Group retained right of tenure for all its exploration licence areas by obtaining licence status records from relevant state government online databases.
- For a sample of additions to exploration and evaluation assets during the year inspected relevant supporting documentation, such as invoices, and compared the amounts to accounting records.
- Obtained management's exploration expenditure forecasts supporting their assessment of indicators of impairment.
- Inquired of management and directors as to the future capitalised exploration and evaluation assets and assessed plans for future expenditure to meet minimum licence requirements.

In assessing the appropriateness of the Group's going concern basis of preparation for the financial report, we performed the following procedures, amongst others:

- Evaluated the appropriateness of the Group's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware as a result of the audit has been included.
- Enquired of management and the directors whether they were aware of any events or conditions, including beyond the period of assessment that may cast significant doubt on the Group's ability to continue as a going concern.
- Evaluated selected data and assumptions used in the Group's cash flow forecasts.
- Developed an understanding of what forecast expenditure in the cash flow forecast is committed and what could be considered discretionary.



Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none">• Assessed management's historical accuracy of cash flow forecasting by comparing actual results to prior period forecasts.• Evaluated whether, in view of the requirements of Australian Accounting Standards, the financial report provides adequate disclosures about these events or conditions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Corporate Directory, Director's Report and Director's Declaration. We expect the remaining other information to be made available to us after the date of this auditor's report.

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

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

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

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

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

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



Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 25 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Saturn Metals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PriceWaterhouseCoopers

PricewaterhouseCoopers

Helen Bathurst

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Partner

Perth
30 September 2021

SCHEDULE OF TENEMENTS

Tenement	State	Current Area	Area Unit	Measured km ²	Grant Date	Expiry Date
Western Australia:						
E 31/1063*	WA	34	Standard Block	101.73	9/03/2015	8/03/2025
E 31/1075	WA	11	Standard Block	32.91	9/03/2015	8/03/2025
E 31/1076	WA	17	Standard Block	50.86	10/03/2015	9/03/2025
E 31/1087	WA	4	Standard Block	11.97	19/03/2015	18/03/2025
E 31/1116*	WA	14	Standard Block	41.89	26/07/2016	25/07/2026
E 31/1132	WA	1	Standard Block	2.99	1/02/2017	31/01/2022
E 31/1163*	WA	70	Standard Block	209.44	27/04/2018	26/04/2023
E 31/1164	WA	17	Standard Block	50.86	27/04/2018	26/04/2023
E 31/1202	WA	2	Standard Block	5.98	1/02/2021	31/01/2026
E 31/1259	WA	15	Standard Block	44.88	Application	
E 31/1287	WA	11	Standard Block	32.88	Application	
E 39/1198*	WA	11	Standard Block	32.91	31/03/2009	30/03/2023
E 39/1887*	WA	5	Standard Block	14.96	24/02/2016	23/02/2026
E 39/1984*	WA	61	Standard Block	182.51	30/03/2017	29/03/2022
E 40/337	WA	3	Standard Block	8.98	3/12/2014	2/12/2024
E 40/372	WA	55	Standard Block	164.56	3/07/2018	2/07/2023
E 40/373	WA	10	Standard Block	29.92	16/11/2018	15/11/2023
M 31/486*	WA	410.8	Ha	4.11	12/03/2015	11/03/2036
M 31/494*	WA	1,105	Ha	11.05	Application	
M 39/296*	WA	24.43	Ha	0.24	30/09/1993	29/09/2035
P 31/2068	WA	78	Ha	0.78	8/05/2015	7/05/2023
P 31/2072	WA	68	Ha	0.68	8/05/2015	7/05/2023
P 31/2073	WA	166	Ha	1.66	8/05/2015	7/05/2023
Total: 23 Exploration, Prospecting & Mining Leases				1,038.58km²		
L 31/72	WA	19,357	Ha	193.57	22/02/2021	21/02/2042
L 31/74	WA	6,248	Ha	62.48	Application	
L 31/75	WA	10,416	Ha	104.16	Application	05/08/2042
L 31/76	WA	1,206	Ha	12.06	Application	
L 31/77	WA	1,196	Ha	11.96	Application	
L31/78	WA	598	Ha	5.98	Application	
L31/79	WA	2874	HA	28.74	Application	
L 31/80	WA	458	HA	4.58	Application	
L 31/81	WA	4,706	HA	47.06	Application	
L 31/82	WA	971	HA	9.71	Application	
L 31/83	WA	1,303	HA	13.03	Application	
L 31/84	WA	1,601	HA	16.01	Application	
L 31/85	WA	4,780	HA	47.8	Application	
L 39/284	WA	289	Ha	2.89	1/07/2020	30/06/2041
L 39/292	WA	6,590	Ha	65.9	24/02/2021	23/02/2042
L 39/0310	WA	11,727	Ha	117.27	Application	
L 39/0311	WA	553	Ha	5.53	Application	
L 39/0312	WA	3,789	Ha	37.89	Application	
L 40/28	WA	2,675	Ha	26.75	24/02/2021	23/02/2042
L 40/29	WA	3,800	Ha	38	24/02/2021	23/02/2042
L40/37	WA	1,189	Ha	11.89	Application	
L40/38	WA	836	Ha	8.36	Application	
L40/39	WA	8,138	Ha	81.38	Application	
Total: 23 Miscellaneous Licences				953.00 km²		
New South Wales:						
ELA 6179	NSW	54	Standard Block	153.7	Application	
Total: 1 Exploration Lease				153.7 km²		

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Note:

* Land subject to 5% Hampton Hill Royalty on +1Moz Production

MINERAL RESOURCE ESTIMATION GOVERNANCE STATEMENT

During the year, the Company provided an update to JORC 2012 Apollo Hill Mineral Resource estimate.

Saturn Metals Limited has ensured that the Mineral Resource estimates are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken a review of the quality and suitability of the underlying information used to generate the resource estimations. Additionally, Saturn Metals Limited carries out regular reviews and audits of internal processes and external contractors that have been engaged by the Company.

The Mineral Resource estimate for Apollo Hill was compiled and reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition.

January 2021 Apollo Hill Mineral Resource:

Lower Cut-off Grade (Au g/t)	Oxidation state	Measured			Indicated			Inferred			MII Total		
		Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)
0.4	Oxide	0	0	0	0.5	0.8	13	0.3	0.8	8	0.9	0.8	21
	Transitional	0	0	0	3.4	0.8	91	0.8	0.8	21	4.3	0.8	112
	Fresh	0	0	0	17.3	0.8	452	13.5	0.8	359	30.8	0.8	810
	Total	0	0	0	21.2	0.8	556	14.7	0.8	388	35.9	0.8	944

Preliminary Whittle pit optimizations using approximated regional mining and processing costs for multiple processing scenarios have been run on the resource model using a gold price of US\$1,700/oz to generate a range of pit shells and cut-off grades. A pit shell for a combined mill and heap leach scenario representing a revenue factor of 1.4 was selected as a nominal constraint within which to report the Apollo Hill Mineral Resource, thereby satisfying the JORC Code requirement for a Mineral Resource to have reasonable prospects for eventual economic extraction. Other relevant information is described in the JORC Code Table 1 as appropriate. A nominal 0.4 g/t Au lower cut-off grade was selected for all material types. There is no material depletion by mining within the model area. Estimation is by localised multiple indicator kriging for Apollo Hill zone and the Apollo Hill Hanging-wall zone; estimation of Ra and Tefnut zone used restricted ordinary kriging due to limited data. The model assumes a rotated 5 m by 12.5 m by 5 m RL 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.

October 2019 Apollo Hill Mineral Resource:

Lower Cut-off Grade (Au g/t)	Oxidation state	Measured			Indicated			Inferred			MII Total		
		Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)	Tonnes (Mtonnes)	Au (g/t)	Au Metal (Kozs)
0.5	Oxide	0	0	0	0.2	1.0	7	0.4	0.9	11	0.6	0.9	18
	Transitional	0	0	0	2.1	1.0	70	1.5	1.0	47	3.6	1.0	117
	Fresh	0	0	0	6.9	1.0	221	13.4	1.0	425	20.3	1.0	646
	Total	0	0	0	9.2	1.0	298	15.3	1.0	483	24.5	1.0	781

The models are reported above nominal RLs (180 mRL – this is approximately 180 metres below surface (mbs) (accounting for localised variations in topography) for the Apollo Hill main zone and 260 mRL or 90mbs for Ra the deposit and the Apollo Hill Hanging-walls – refer to reporting RL's illustrated in Figures 1, 3 and 4 in the ASX announcement titled "Apollo Hill Resource Upgrade" dated 14/10/2019) 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 and the Apollo Hill Hanging-wall zone; estimation of Ra zone used restricted ordinary kriging due to limited data. The model assumes a 5mE by 12.5mN by 5mRL 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.

COMPETENT PERSONS STATEMENT

Competent Persons Statements – for October 2019 & January 2021 Resources

Apollo Hill and Apollo Hill Project

The information in this report that relates to exploration targets, geology, and exploration results and data compilation is based on information compiled by Kathryn Cutler, a Competent Person who is a Member of The Australian Institute of Mining and Metallurgists. Kathryn Cutler is a fulltime employee of the Company. Kathryn Cutler 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'. Kathryn Cutler consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this announcement that relates to Apollo Hill Mineral Resource estimates (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'.

Competent Persons Statement – Exploration

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.

^(a) This document contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements, Quarterly Reports and Prospectus - as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted. Announcement dates to refer to include but are not limited to 19/08/2021, 12/07/2021, 20/06/2021, 08/06/2021, 26/05/2021, 14/04/2021, 30/03/2021, 22/03/2021, 28/01/2021, 25/01/2021, 22/12/2020, 30/10/2020, 31/07/2020, 21/04/2020 and 31/01/2020.

ADDITIONAL SHAREHOLDER INFORMATION

Issued Securities

The following security holder information set out in this section was applicable as at 18 October 2021.

Quoted Securities – Fully Paid Ordinary Shares

a) Distribution of Share Holdings

Size of Holding	Number of Shareholders	Number of Shares	%
1 to 1,000	50	22,261	0.02
1,001 to 5,000	189	532,215	0.47
5,001 to 10,000	129	1,085,454	0.96
10,001 to 100,000	389	14,938,428	13.27
100,001 and Over	107	96,036,152	85.28
Total	864	112,614,510	100.00

At the prevailing market price of \$0.42 per share there were 57 shareholders holding less than a marketable parcel of shares, totalling 29,972 shares.

b) Voting Rights

“Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- on a show of hands, every person present, who is a Shareholder, or a proxy, attorney or Representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).”

c) Twenty Largest Shareholders

Shareholder	Number of Shares Held	%
CITICORP NOMINEES PTY LIMITED	30,172,250	26.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,342,673	10.07
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,000,000	4.44
GLYDE STREET NOMINEES PTY LTD	3,931,350	3.49
MR IAN BAMBOROUGH	3,063,941	2.72
WYTHENSHAW PTY LTD	2,445,000	2.17
MR ANDREW LENOX HEWITT	1,960,000	1.74
PERTH CAPITAL PTY LTD	1,775,000	1.58
BNP PARIBAS NOMINEES PTY LTD	1,676,464	1.49
EQUITY TRUSTEES LIMITED	1,574,251	1.40
MR ANDREW LENOX HEWITT	1,495,000	1.33
ROMAN ROAD HOLDINGS PTY LTD	1,400,000	1.24
MR KEIRAN HAYNES	1,234,043	1.10
REDCLIFF PTY LTD	1,155,000	1.03
PERTH CAPITAL PTY LTD	1,104,047	0.98
MR RICHARD ARTHUR LOCKWOOD	1,000,000	0.89
HOWARD TRADING CO PTY LTD	900,000	0.80
MS SALLY YVONNE ROWAN	900,000	0.80

ADDITIONAL SHAREHOLDER INFORMATION (Cont.)

Shareholder	Number of Shares Held	%
SASSEY PTY LTD	868,655	0.77
WYTHENSHAW PTY LTD	800,000	0.71
WARRAMBOO HOLDINGS PTY LTD	800,000	0.71
DENKEY PTY LTD	714,071	0.63
Top Twenty Shareholders	75,311,745	66.88
Total Issued Capital	112,614,510	100.00

d) Substantial Shareholders

Shareholder	Number of Shares Held	%
DUNDEE CORPORATION & ASSOCIATES	19,911,200	17.68
FRANKLIN RESOURCES, INC. AND ITS AFFILIATES	11,129,938	9.88
WHYTHENSHAW PTY LTD AND ASSOCIATES	10,691,969	9.49
SPROTT INC.	9,224,352	8.19
Total	50,957,459	45.25

e) On Market Buy-Back

There is currently no on-market buy-back in place.

Unquoted Securities – Options & Performance Rights

Options

a) Details of Options on Issue

Class	Number of Holders	Number of Options
Exercisable at \$0.264 Expiring 06/12/21	5	618,000
Exercisable at \$0.364 Expiring 08/12/22	7	1,200,000
Exercisable at \$0.700 Expiring 26/06/22	2	1,892,500
Total Options on Issue	14	3,710,500

b) Voting Rights

Unquoted options do not entitle the holder to any voting rights.

c) Holders of More Than 20% of a Class of Unquoted Options

The Group has a total of 3,710,500 unquoted options over ordinary shares. The names of security holders holding more than 20% of a class of Unquoted Option, not issued under the Employee Incentive Option & Performance Rights Plan are set out in the following table:

Name	Exercisable at \$0.264 Expiring 06/12/21	Exercisable at \$0.364 Expiring 08/12/22	Exercisable at \$0.70 Expiring 26/06/22
Dundee Corporation & Associates	-	-	1,892,500
Issued under Employee Incentive Option & Performance Rights Plan	618,000	1,200,000	-
Other holders, individually less than 20%	-	-	-
	618,000	1,200,000	1,892,500

ADDITIONAL SHAREHOLDER INFORMATION (Cont.)

Performance Rights

a) Details of Performance Rights on Issue

Class	No. of Holders	No. Performance Rights
Unvested 2019 rights, Expiring 08/12/22	7	1,133,000
Unvested 2020 rights, Expiring 20/12/23	3	636,000
Total Performance Rights on Issue	10	1,769,000

b) Voting Rights

Unquoted performance rights do not entitle the holder to any voting rights.

c) Holders of More Than 20% of a Class of Unquoted Performance Rights

The Group has a total of 1,769,000 unquoted performance rights on issue. The names of security holders holding more than 20% of a class of Unquoted Performance Rights, not issued under the Employee Incentive Option & Performance Rights Plan are set out in the following table:

Name	2019 Performance Rights Expiring 08/12/22	2020 Performance Rights Expiring 20/12/23
Issued under Employee Incentive Option & Performance Rights Plan	1,133,000	636,000
Other holders individually less than 20%	-	-
	1,133,000	636,000

Corporate Governance Statement

The Company's 2021 Corporate Governance Statement can be accessed at:

<https://saturnmetals.com.au/about/corporate-governance/>



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