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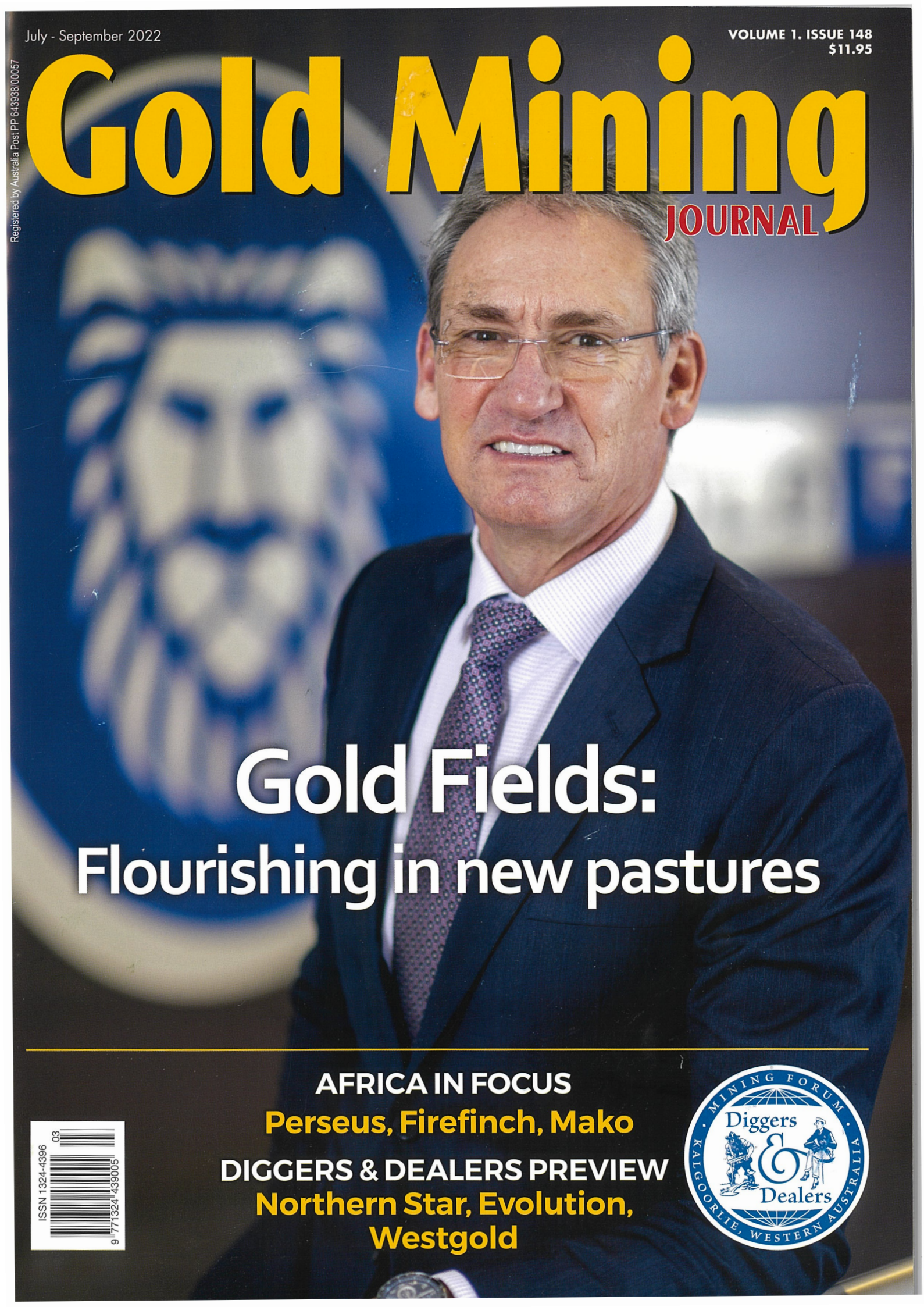

Gold Fields: Flourishing in new pastures

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Saturn: Building its own universe

The world around Apollo Hill has changed quite a bit since Saturn Metals Ltd (ASX:STN) listed four years ago, but most importantly for managing director Ian Bamborough, so has the company's flagship gold project.

Located just 60km south-east of Leonora, Apollo Hill now boasts a 76mt @ 0.6 g/t gold for 1.47 moz resource (0.23 g/t cut-off) contained entirely within a single, simple and large open pit shell.

Apollo Hill ticks every box for eligibility as a bulk tonnage heap leach mining operation – grade, scale, low strip ratio, excellent recovery, efficient cost structure – and while he is satisfied the project's foundational ounces are now clearly outlined, Bamborough is hungry to find out what else exists on Saturn's contiguous 1,000sq km ground package.

"I'm really excited about the bigger picture which is evolving around Apollo Hill and the corridor of mineralised opportunities we're now starting to unlock on our very own tenure," Bamborough says.

"Irrespective of what's happening around us corporately, we're very focused on our own business and creating the best value we can for our shareholders by continuing to explore. We have some really strong gold intersections across our ground package and now it's a matter of us joining the gaps.

"I just cannot believe we're not going to find more gold along this corridor. There's a very good chance something quite special is waiting for us out there."

Bamborough's enthusiasm for finding complementary gold deposits adjacent to Apollo Hill only increased following a series of promising drilling results over multiple regional prospects, including Bob's, Hercules, Aquarius and Artemis. All are within 25km of Saturn's existing JORC resource.

Follow-up RC drilling at Bob's, 7km east of the Apollo Hill resource, returned several exciting intersections and further vectors for higher-grade mineralisation. Results included 10m @ 2.96 g/t gold from 126m and 3m @ 3.41 g/t gold from 215m, and extended mineralisation along strike from previously reported intersections.

A combination of aircore and RC drilling at Hercules, 17km south-east of Apollo Hill, increased the strike length of the mineralised zone to over 3km with new intersections such as 4m @ 4.57 g/t gold from 54m, 4m @ 1.97 g/t gold from 64m, 4m @ 1.44 g/t gold from 40m within 20m @ 0.57 g/t gold from 24m. Saturn has planned infill drilling around higher-grade intersections including 20m @ 2.27g/t gold from 24m including 8m @ 5.17g/t gold from 24m where drilling is still broadly spaced.

New aircore drilling results at Aquarius, 25km south-east of Apollo Hill, showed coherent zones of mineralisation that warrant further drilling. Significant intersections included 4m @ 1.86 g/t gold from 64m within 9m @ 0.69g/t gold from 64m and 4m @ 1.26 g/t gold from 72m within 12m @ 0.63g/t gold from 68m.

Step-out aircore drilling at Artemis, 10km north-west of Apollo Hill, along trend from the discovery hole (4m @ 4.08 g/t gold from 40m within 33m @ 0.73 g/t gold from 24m) lengthened the system to 800m in strike. Best hits from broad-space drilling completed to date include 4m @ 0.49 g/t gold from 40m and 4m @ 0.53g/t gold from 60m.

"We now have a serious part of the greenstone belt where brand new prospects and trends are starting to emerge," Bamborough says.

"The best bit is we now have two or three strong hits at several prospects outlining strongly mineralised centres of over 500m in strike length that need important infill and extensional drilling. It's worth pointing out that Gwalia Deeps is 500m long so these are some incredibly significant intersections in the scale of the gold system."

SATURN METALS

Saturn is also preparing to send down a 1,200m diamond drill hole to test for expansions to the Apollo Hill system. Pre-collars for the step-out and framework drilling exercise have been completed.

"We will change the scope of this gold system straightaway if we hit something," Bamborough says.

"This is the kind of step-out thinking we need to do now. We want to find a game-changer, not incremental stuff, and whether there's something feeding a potentially bigger gold system. But, in the meantime, we're going to really beaver away at this deposit to try and optimise it and pull the best out of it that we can."

Saturn has now added 964,000oz to the Apollo Hill resource since completing its IPO in March 2018, including upgrading 760,000oz to indicated status, representing 52% of the total mineral inventory. Importantly, the company has delivered and converted 7.5oz for every metre drilled.

A further resource upgrade is planned for later this year, along with a range of ongoing metallurgy and geotechnical work which will form the basis for what the company has termed a "stage gate" planning phase leading into a highly anticipated PFS for Apollo Hill.

While there is still plenty of work to do, Bamborough is confident a 10 mtpa heap leach mining operation delivering at least 100,000 ozpa over eight years is possible for the current resource.

"Apollo Hill has really come to its own forefront as a standalone proposition. The deposit very much lends itself to a bulk tonnage proposition and the metallurgy and the geology are both pointing us in a direction which is hard to deny," Bamborough says.

"Everything sits in one simple, single, open pit shell, which is in contrast to a number of our peers whose resource bases are quite often split through a number of pits, so there are some huge efficiencies that are going to drive the economics of this project as we move through the study phase."

One of those efficiencies is certain to be the low-cost recovery route which Saturn is very quickly establishing for Apollo Hill. The simple fresh rock, free gold in quartz mineralogy which characterises the deposit has delivered recoveries of 80% in bottle roll and 73% in column testwork. The average recovery of most successful heap leach operations globally is 65%.

Saturn is now undertaking further column tests to repeat those initial recoveries at much larger scales.

Bamborough expects the company to continue improving the likely economics for Apollo Hill as more opportunities for efficiencies to come to light, including those which dovetail into the preferred heap leach mining scenario.

"Heap leach can offer a variety of opportunities for an improved cost structure including the potential for reduced water and energy requirements, both of which have become very topical for the industry," Bamborough said.

"We're now working on the full sphere of the costs, looking to tighten every lever and just seeing what we can pull out of this. I think we've reached a completely new level now and the team can really start to see the goal in sight. We're most definitely in a very different space now and in control of our own universe."

"Apollo Hill has really come to its own forefront as a standalone proposition."

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