

SATURN METALS



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Annual Report

for the year ended 30 June 2023

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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Company Secretary

Natasha Santi

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Auditors

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5 Spring Street
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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 2023 Annual Report for Saturn Metals Limited.

During Financial Year 2023, Saturn achieved significant resource growth and made substantial progress towards development at its flagship Apollo Hill Gold Project, whilst continuing to methodically explore the Company's vast regional land holding in the north-eastern Goldfields of Western Australia.

After several successful resource orientated drilling campaigns, work focussed on updating the Apollo Hill Mineral Resource and a new Resource estimate was released in June 2023. The Inferred, Indicated and Measured Mineral Resource at Apollo Hill now totals 1.84 million ounces of contained gold, constrained within a single simple pit shell. Importantly, the portion of the Mineral Resource assigned the higher confidence Indicated and Measured classifications increased to over 994,000 ounces.

During the year, Saturn took significant steps towards establishing the pathway to gold production at Apollo Hill. An important element of this work was the successful completion of a major heap leach focussed metallurgical test work program, which confirmed the potential to employ this low cost, highly scalable processing method at the Project. The metallurgical program, together with complementary geotechnical, environmental, hydro-geological and process engineering studies, formed the basis of an inaugural Preliminary Economic Assessment (PEA) of the Apollo Hill Project.

The PEA, published shortly after the end of the financial year, strongly supported the technical and economic viability of the Project and demonstrated its potential to generate robust financial returns.

Higher level studies and test-work are now being progressed to further optimise and de-risk the Project and ultimately provide the level of definition required for a final investment decision to be considered.

From a growth perspective, the Company highlighted the ongoing exploration potential at Apollo Hill completing a step out diamond drill hole that intersected multiple zones of gold mineralisation up to 200m down dip from the Apollo Hill Mineral Resource.

Throughout the year the Company also maintained an active regional exploration campaign. Over 56,000 metres of drilling were completed across the broader Apollo Hill project area, further advancing a number of previously defined targets and identifying several new satellite prospects. Exploration is ongoing with some highly encouraging anomalies and geological patterns developing.

In order to sustain the high level of activity undertaken throughout the year, the Company raised additional capital of \$5.2 million (net of costs) through the combination of a Rights Issue to Saturn's shareholders and the placement of shares to sophisticated and institutional investors. At year end the Company retained a cash balance of \$3.5 million.

The substantial achievements of the Company in FY 2023 were a direct result of the hard work of our Managing Director Ian Bamborough, the small but dedicated Saturn team and the consultants and contractors who have provided vital assistance, and on behalf of all stakeholders I sincerely thank them for their efforts.

I also wish to reiterate my thanks to Saturn's shareholders for their continued support of the Company.

Yours sincerely,



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:

- advance the Apollo Hill Gold Project through development, towards production;
- continue successful exploration programs 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, share purchase or joint venture, complementary projects.

As at 30 June 2023:

- **Shares on Issue: 161,030,605**
- **Share Price: \$0.18**
- **Market Capitalisation: \$28.98M**
- **Cash: \$3.504M**
- **1.84Moz 2022 Mineral Resource¹**

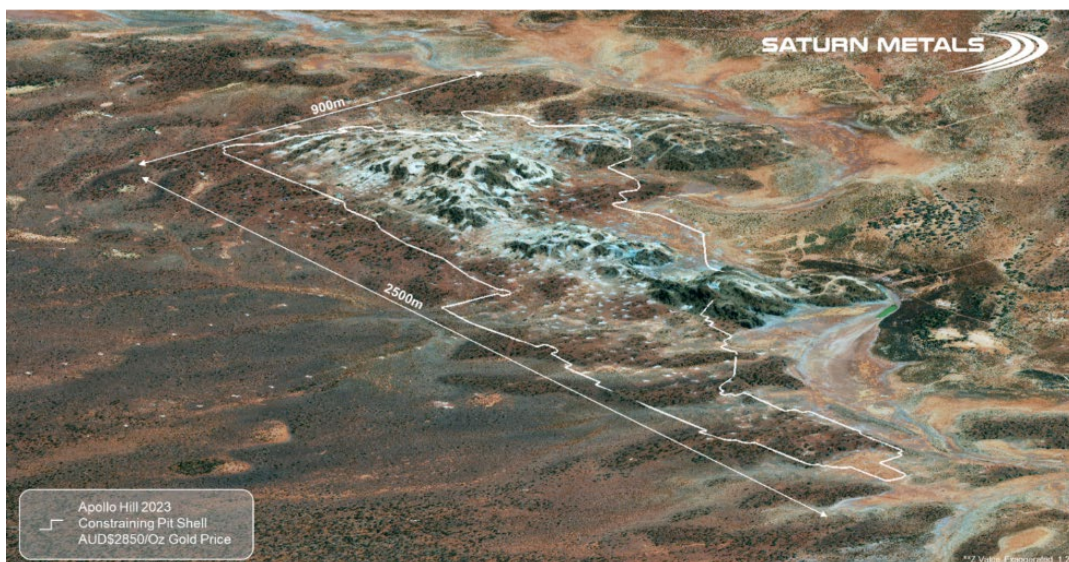


Plate 1 – Topographic aerial view of Apollo Hill, 2023 nominal constraining pit shell boundary and drill pads (looking North); photograph taken on May 18, 2023.

¹ Complete details of the Mineral Resource (105 Mt @ 0.54 g/t Au for 1,839,000 oz Au) and the associated Competent Persons Statement were published in the ASX Announcement dated 28 June 2023 titled “Apollo Hill Gold Resource Upgraded to 1.84Moz”. Saturn reports that it is not aware of any new information or data that materially affects the information included in that Mineral Resource announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and there have been no adverse material changes.

REVIEW OF OPERATIONS (Cont.)

Growth at Apollo Hill

Our flagship Apollo Hill Gold Project covering 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).

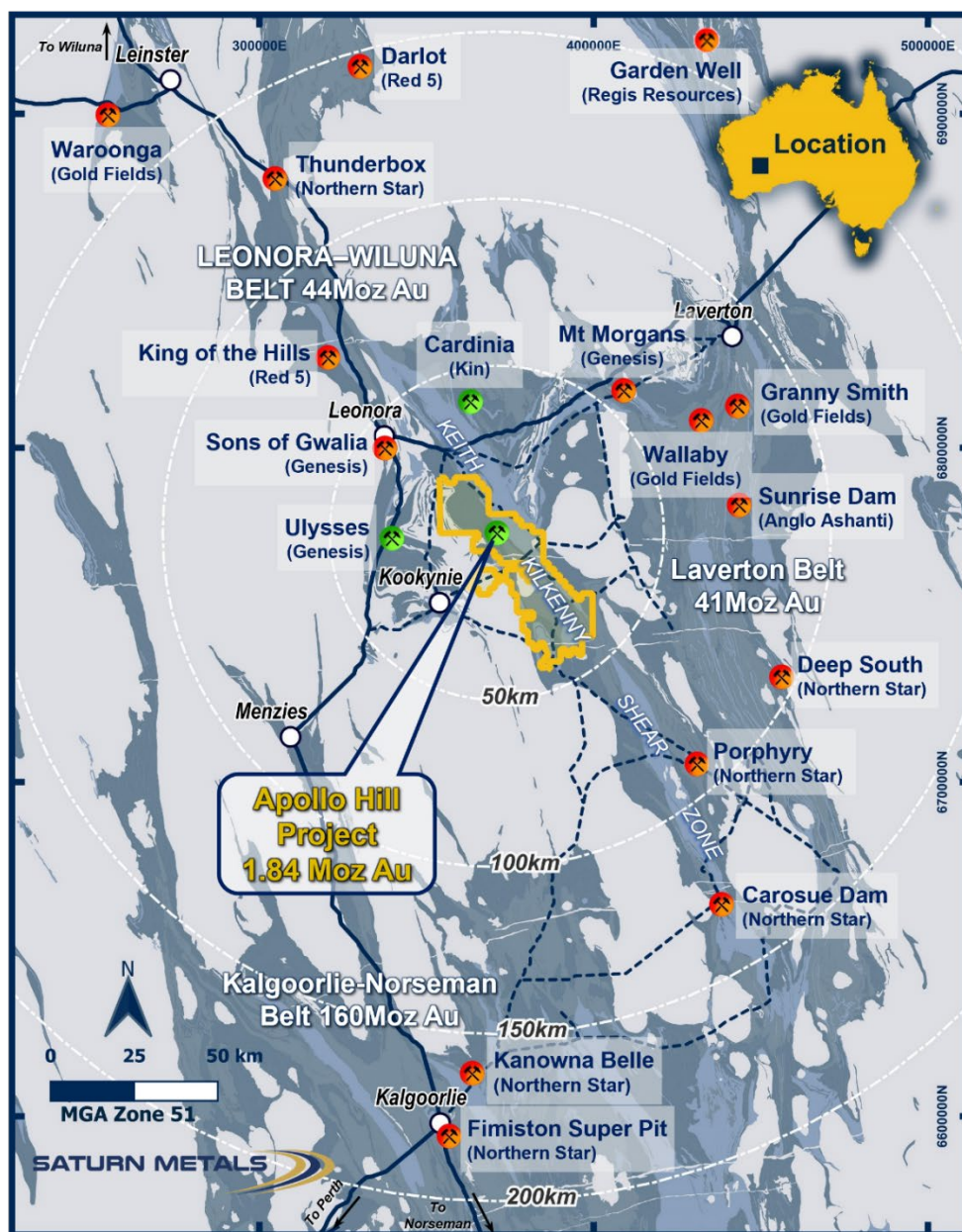


Figure 1 – Saturn’s Apollo Hill Gold Project – Regional setting, Infrastructure and Landscape.

At the heart of our ground package, is the Company’s Apollo Hill deposit which occurs on 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 an efficient heap leach recovery circuit.

REVIEW OF OPERATIONS (Cont.)

Work carried out at Apollo Hill during the year saw a significant resource upgrade published in June 2023.

Apollo Hill Indicated and Inferred Mineral Resource of 105Mt @ 0.54g/t Au for 1,839,000oz¹ reported above a cut-off grade of 0.20g/t Au and within a constraining shell under a bulk tonnage heap leach processing scenario.

This resource upgrade delivered a significant addition of 370,000 oz from the previous Mineral Resource, representing an increase of 25% in ounces.

- The robust Mineral Resource update was based on:
 - An additional 142 reverse circulation (RC) and diamond (DD) holes totalling 11,765 m completed by Saturn within the model area since the previous Mineral Resource in mid-2022.
 - Results from a heap leach focussed metallurgical testing program which contributed to improving confidence in the mineral recovery.
 - Improvements in open pit cost factors including geotechnical parameters, selection of a larger selective mining unit, and decreased lower cut-off grade.
- Considering additional drilling:
 - A total of 4.7 Mt @ 0.55g/t Au for 82 koz is classified for the first time as Measured Mineral Resource representing 4% of the total Mineral Resource.
 - A total of 54 Mt @ 0.53 g/t Au for 912 koz is classified as Indicated Mineral Resource representing 50% of the total Mineral Resource (a 152 koz addition to the Indicated Mineral Resource from the previous model).
- **Saturn has added 1,334,000 oz** to the Apollo Hill Mineral Resource **in just over five years from listing** with 140,689 m of RC and diamond drilling. That is 9.5 ounces of gold added for every metre drilled.
- Saturn's updated Mineral Resource has produced an increase in tonnes, ounces, confidence, classification, and quality.

The growth in the Apollo Hill Mineral Resource was driven by:

- The discovery of additional shallow mineralisation through grade control style drilling in the central area of the deposit and extensional drilling beneath the previous resource shell in the north and central areas of the deposit and some infill drilling within the previous resource shell.
 - Broad resource extensional intersections returned during the year included 42m @ 1.25g/t Au from 167m including 17m @ 1.60g/t Au from 189m – AHRC0961 and 16m @ 0.97g/t Au from 158m – AHRC0246, including 5m @ 2.84g/t Au from 167m.
 - A 5,800m, 120-hole Reverse Circulation (RC) grade control program was completed at Saturn's conceptual bulk sample pit location during the year, returning impressive results. Significant from surface results included 55m @ 2.12g/t Au from 0m – AHRC0897 including 19 m @ 5.59g/t Au from 0m including 10m @ 10.40g/t Au from 6m and 36m @ 2.34g/t Au from 0m – AHRC0896, including 9m @ 8.19/t Au from 0m. Grade control drill results have:
 - ✓ Provided definition of some of the deposits higher grade architecture;
 - ✓ Highlighted a positive reconciliation between the previous Mineral Resource model and the new 'grade control included' Mineral Resource model in this area of the deposit (+ 6% in tonnes and +5% in ounces in this localised area of the model);

REVIEW OF OPERATIONS (Cont.)

- ✓ Confirmed the target area as a suitable location for a low strip bulk sample pit;
- ✓ Highlighted the potential for highly payable ores at surface across the deposit; and
- ✓ Provided high confidence data for the implementation of a potential scale up test heap plant and associated bulk sample pit operation.

The simplified cross section in Figure 2 shows some of the reported drill intersections relative to the bulk sample pit design.



Plate 2 – RC grade control and geotechnical diamond drilling in progress at Saturn's planned Apollo Hill bulk sample pit location. Photo taken 21 February 2023.

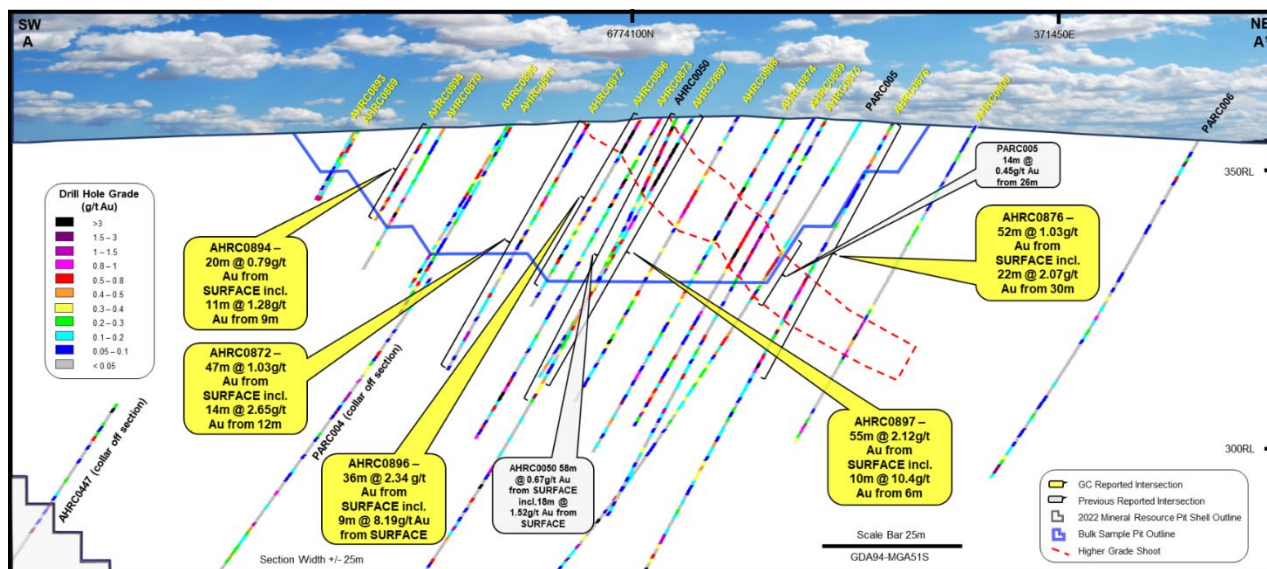


Figure 2 – Simplified geological cross section of recent results, relative to planned bulk sample pit shell and Apollo Hill Mineral Resource Shell. (a) Refer page 63

- The results of metallurgical testing on high quality diamond core which have demonstrated clear potential to achieve improved gold recoveries and low processing costs through simpler and scalable heap leach treatment options. These low unit operating costs and improved mineral recovery have effectively lowered the cut-off grade and brought additional mineralised material into the larger Whittle pit shells improving continuity, strip ratios, and scale, enabling more efficient bulk mining considerations and improving economies of scale.

REVIEW OF OPERATIONS (Cont.)

- During the year Saturn Metals scaled up metallurgical test work via 11 column leach tests to confirm the amenability of the Apollo Hill Mineral Resource to bulk tonnage gold mining and mineral processing via heap leaching.
- Excellent Recovery was achieved at targeted grades and commercial fresh rock crush sizes. Specifically, four Apollo Hill composite column samples (grading between 0.32 g/t Au and 1.34 g/t Au) derived from drill core of the deposit's dominant fresh basalt and dolerite rock types gave an excellent average recovery of 79.1% using closed-circuit high pressure grinding roll (HPGR) crushing to a P100 size of 8.0 mm. This recovery figure compares positively to a global heap leach recovery figures which can range between 55% and 79%(a).
- Results highlighted predictable leach curves and results which have lead to efficiency in our developments studies. Importantly, the HPGR 8 mm P100 size column leach recovery curves demonstrate a narrow spread of overall gold extraction results (Figure 3). This is interpreted to represent the low variability and high predictability of the leaching characteristics of Apollo Hill mineralisation. This facilitates simple and cost-efficient production scheduling in our current development studies.

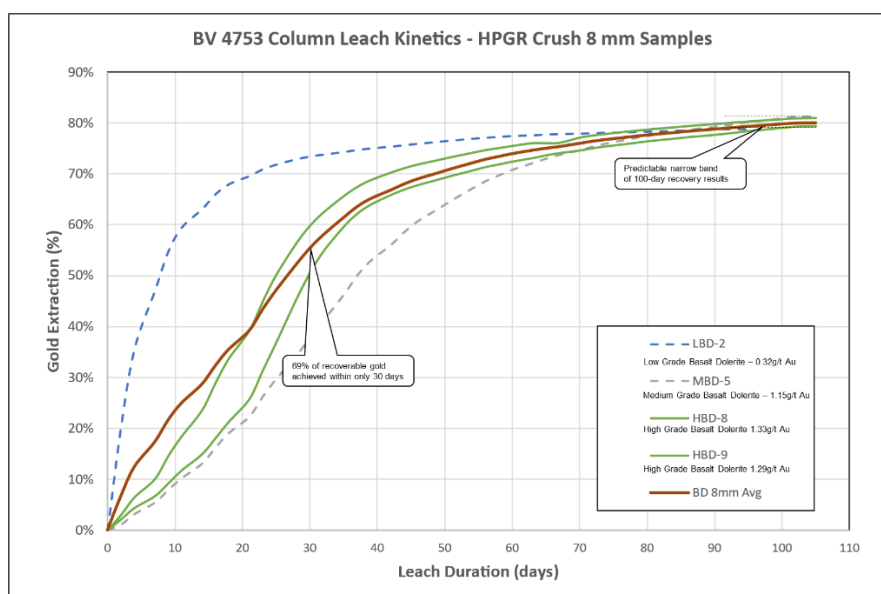


Figure 3 – Column Leach Recovery Test Curves 8mm HPGR – strong leach kinetics – a predictable narrow band of 100- day recovery results. (a) Refer page 63

- These recovery results further validated the high recovery values reported from the 2022 column leach test work programmes where recovery under similar conditions was reported at between 74.5% and 85.0% (See ASX Announcement dated 1 August 2022).
- The metallurgical test work results have been utilised to derive important input information to help improve Saturn's recently upgraded Mineral Resource, inform its recently published Preliminary Economic Assessment and will be the basis for our future Feasibility and associated scale up studies.
- Saturn's improving knowledge of the geological controls at the deposit and refinements in the resource modelling techniques have continued to have a positive influence.

Improvements in the scale and quality of the Apollo Hill Resource and its modifying factors ultimately lead to full evaluation of Mining options under the Company's Preliminary Economic Assessment.

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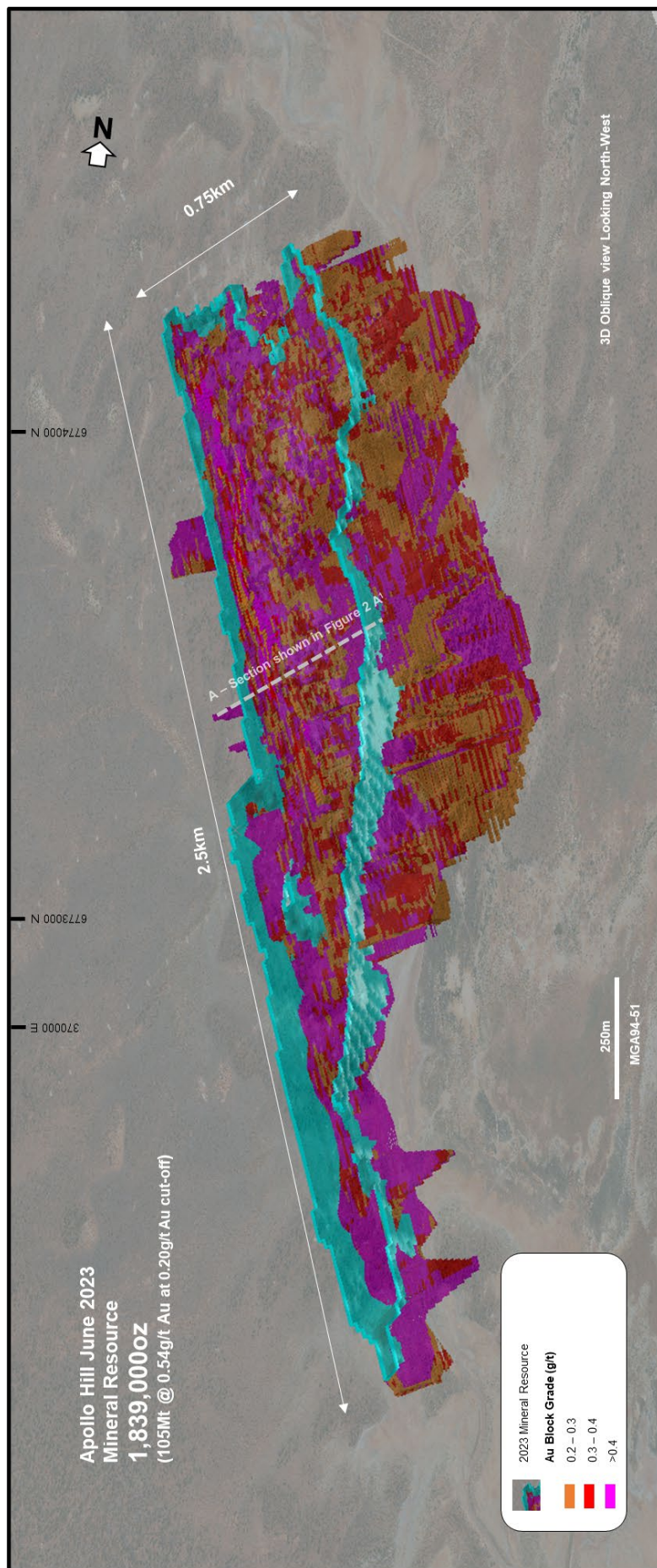


Figure 4 – Oblique view 3D Representation of the June 2023 Apollo Hill Mineral Resource model and selected nominal constraining pit for reporting, shown with topography – Mineral Resource reported within/above the pit shell only. (a) Refer page 63

REVIEW OF OPERATIONS *(Cont.)*

Apollo Hill Resource Area – Development Studies

Studies undertaken during the year to support Saturn's Preliminary Economic Assessment (PEA), released after year end on 17 August 2023.

Other development study work undertaken during the year to 30 June 2023 towards the completion of Saturn's Preliminary Economic Assessment and other feasibility studies included:

- Metallurgical test work – Apollo Hill Resource area; additional comminution testing, bottle roll and column leach test work focussing on process optimisation; work on a further 11 representative samples commenced (completed and reported 25 July 2023);
- Geotechnical assessment of the Apollo Hill Resource area; geotechnical logging of drilled core, down hole televiewer survey data collection and interpretation of geotechnical parameters and their application to open pit/Whittle shell design;
- Resource modelling was completed focussing on optimising selective mining unit size within the model towards consideration of larger bench heights, larger more efficient mining equipment, and further economies of scale. Work was underpinned by an upgraded 3D geological model also completed during the year;
- Further open pit optimisations, design, and open pit scheduling studies to search for potential areas of project and resource shell optimisation;
- Archaeological surveys – Detailed archaeological heritage survey of proposed Apollo Hill project infrastructure locations was undertaken;
- Environmental surveys – detailed environmental, hydrological and hydrogeological surveys commenced at Apollo Hill to inform the PEA and to provide a baseline for ongoing feasibility studies; and
- Scale up metallurgical testing and associated bulk sample mining concept design work commenced as part of the Apollo Hill's feasibility study process.



Plate 3 – Column Leach test work towards optimising gold recovery on Apollo Hill mineralised samples.

REVIEW OF OPERATIONS (Cont.)

Apollo Hill Resource Area – Deeper Diamond Drilling

Step out diamond drilling indicates the system is open.

Diamond drilling completed at Apollo Hill highlighted multiple zones of gold mineralisation.

Intersections returned up to 200m down dip from the Apollo Hill Mineral Resource included:

- 5.8m @ 2.7g/t Au from 322.4m (Hanging Wall Lode) – AHRCD0482
- 11.6m @ 1.39g/t Au from 641.4m (Main Lode) – AHRCD0482

Results (Figure 5) indicate that the gold system is open, and potential exists for step change discovery with ongoing targeting.

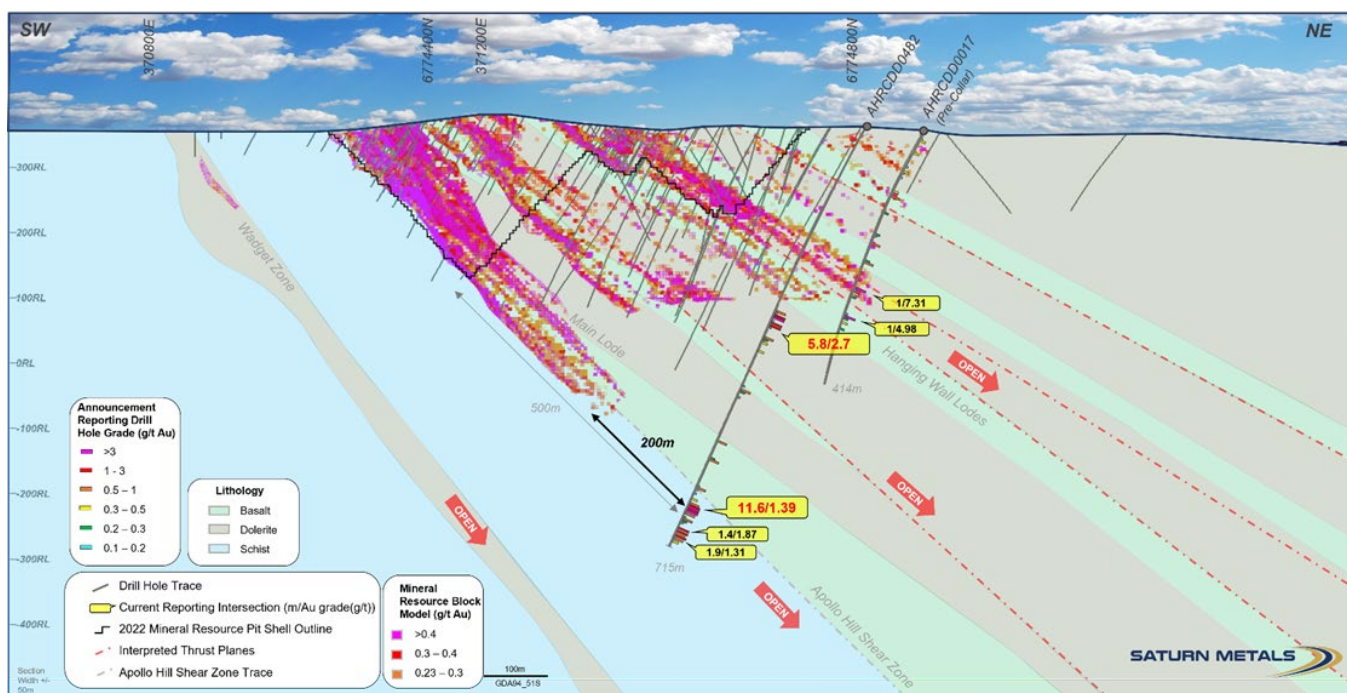


Figure 5 – Section view of the Apollo Hill Deposit – step out diamond drilling has intersected mineralisation 200m below the current mineral resource and 500m below the current pit shell. (a) Refer page 63

Apollo Hill Regional Exploration

The Regional Exploration Picture

Aircore (AC) results from systematic drilling of the 1000km² Apollo Hill land package (687 holes completed for 56,655m during the year) continue to highlight the scale, continuity and prospectivity of a major gold system under largely covered terrain (Figure 4). The Company is recognising the potential for either a long-life, large-scale set of gold assets centred around our initial Apollo Hill Mineral Resource or the opportunity for another major discovery. Highlights include:

- Evidence of a continuous gold system outlined in drill intersections over 60km of strike length and a 20km wide corridor (Figure 6).
- Fourteen Prospects identified to date centred around the current 1.84Moz¹ Apollo Hill Deposit (Figure 6).
- Large parts of the corridor in Figure 6 remain untested and further work is required to follow up around significant results at the prospect scale.

REVIEW OF OPERATIONS (Cont.)

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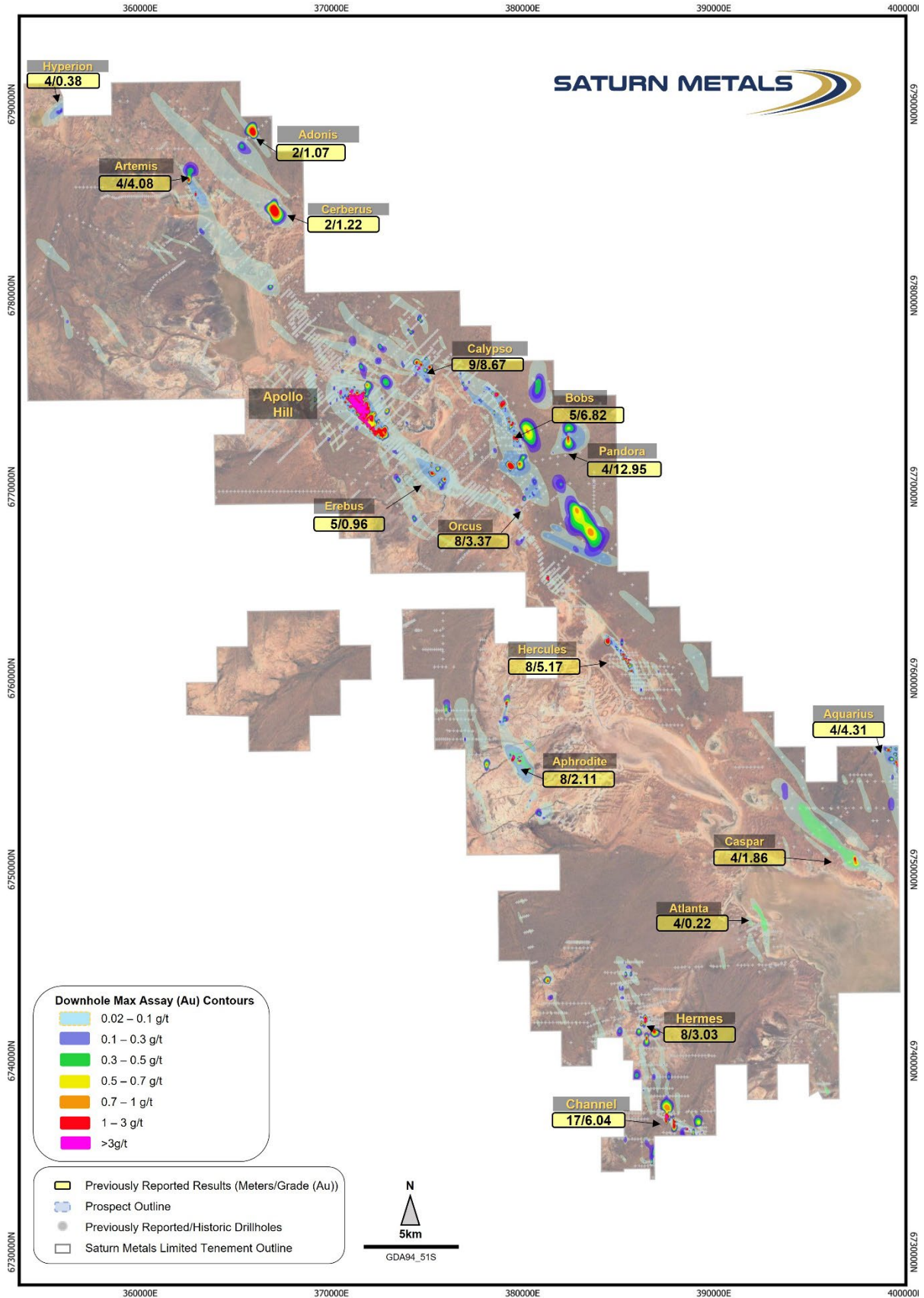


Figure 6 – Plan view of previously reported drill hole gold maximum assay contours (Apollo Hill Camp Scale); also illustrated maximum gold intercepts at Saturn’s labelled prospects.

REVIEW OF OPERATIONS (Cont.)

Accretive intersections returned during the year included:

- 4m @ 12.85g/t Au from 78m – AHAC1516 at the Pandora Prospect.
- 20m @ 1.44gt Au from 88m, including 8m @ 3.37g/t Au from 96m – AHAC1537 at Orcus.
- 5m @ 0.96g/t Au from 52m including 4m @ 1.06 g/t Au from 53m – AHAC1166 at Erebus.
- 9m @ 0.64g/t Au from 88m in AHAC1455 at Calypso.
- 1m @ 3.11g/t Au from 100m in AHAC1485 at Bob's South.

West Wyalong Exploration – NSW

In the first half of year the Company commenced on ground activities and site preparation for planned Aircore and RC drilling at the high-grade West Wyalong gold joint venture in New South Wales. Work was postponed due to extremely wet weather conditions rendering many drill sites inaccessible. Work is underway to obtain optimal land access agreements for drill sites prior to the commencement of drilling now planned for mid to late 2023.

Capital Raising and Share Issues

To support the Company's activities Saturn raised additional capital during the year through the issue of shares:

- 16 December 2022, the Group raised \$3,772,022 (net of costs) by issuing 21,543,347 shares at 18 cents per share following the completion of a non-renounceable entitlement offer to existing shareholders; and
- 16 May 2023, the Group raised \$1,401,033 (net of costs) by issuing 9,482,081 shares at 16 cents per share by placement to institutional and sophisticated investors.

Company Values

Saturn is committed to conducting its business activities in accordance with the below stated values.

VALUES STATEMENT

S · A · T · U · R · N



SAFETY

"Safety First" is key to the Company's endeavours. Ensuring good communication reporting and transparency around safety will drive a safe working environment for all stakeholders.



ACTION

Acting with courage, confidence, energy and enthusiasm in all of our endeavours.



TRUST

Always act with integrity, communicate honestly, respect others and yourself in all your actions.



UNITED

We are a team and our stakeholders and business partners are part of our team. We act with humility and commitment within our team.



RESULTS

We are results focused and individually accountable to our stakeholders and ourselves. We set ourselves targets to achieve and exceed.



NOTABLE

We strive to be noted for our product, our ethical behaviour, and our efficient business.

REVIEW OF OPERATIONS *(Cont.)*

Health and Safety

Safety

Saturn is focused on providing safe working environment for all its personnel.

Over the course of the year a total of 25,931 work hours were recorded at our Apollo Hill Gold Project. Of this, Saturn employees contributed 13,246 work hours and Saturn contractors contributed 12,685 work hours. During the year there was one lost time reportable injury, with an employee unable to work for a 24-hour period due to lower back pain.

Employee Assistance Program

Saturn has engaged Lifeskills Australia to provide all personnel with access to an Employee Assistance Program (EAP).

The aim of providing an EAP is to ensure all employees have access to a confidential counselling service which can help individuals deal with personal or work-related issues that may otherwise adversely affect their wellbeing.

Community Engagement

Heritage Surveys

Saturn conducted detailed archaeological and ethnographic heritage surveys of proposed Apollo Hill project infrastructure locations with an anthropologist, archaeologist and representatives of traditional owner's Nyalpa Pirniku in October 2022 and January 2023. These surveys were conducted to provide clearance to Saturn tenure for future work programs and project development.



Plate 4 – Archaeological and Ethnographic survey of proposed infrastructure locations at the Apollo Hill.

Local Suppliers

The Company endeavors to engage local suppliers of good and services where available to support activities at its Apollo Hill Gold Project. During the year Saturn engaged with Menzies Mining Pty Ltd, a local company with ties to the Nyalpa Pirniku Native Title Claimants to provide earthworks services at Apollo Hill.

REVIEW OF OPERATIONS (Cont.)

Corporate Governance

Saturn supports the intent of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition). Details of the corporate governance practices adopted by Saturn can be found in our 'Corporate Governance Statement 2023' available on our website at www.saturnmetals.com.au/about/corporate-governance/

Material Business Risks

Exploration and evaluation risks

Potential investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified advanced mineral targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Tenement risks

The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

Title Risk

The exploration and prospecting permits and claims in which the Company has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee than any claims, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

Contractual risks

The Company's interests in many of the tenements described in this Offer are by virtue of contractual arrangements. Accordingly, as in any contractual relationship, the ability for the Company to ultimately be registered as a holder of an interest in the tenements is dependent upon the relevant vendor complying with its contractual obligations to deliver title. To the extent that such third parties default in their obligations under the option contracts, it may be necessary for the Company to approach a Court to seek a legal remedy. Such legal action may be costly, and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

REVIEW OF OPERATIONS (Cont.)

Environmental risks

The operations and activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impacts can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, where there are environmental rehabilitation conditions attaching to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements.

Climate Change

Climate change effects have the potential to impact our business. The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. The group is committed to understanding and proactively managing the impact of climate related risks to our business. This includes integrating climate related risks, as well as energy considerations, into our strategic planning and decision making.

Tenure, native title and heritage risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, the Company could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which the Company has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Company's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the *Aboriginal Heritage Act 1972* (WA), or areas subject to the *Native Title Act 1993* (Cth) in Australia. As a result, land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

Financing

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

Sovereign Risk

Any future material adverse changes in government policies or legislation in Australia or any other jurisdiction in which the Company undertakes or may undertake operations that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

Operational risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, mining and processing, technical difficulties encountered in

REVIEW OF OPERATIONS (Cont.)

commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

Management actions

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.

Insurance arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to maintain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Land access risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdictions where the Company operates.

Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia or any other jurisdiction in which the Company undertakes or may undertake operations, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

Key Personnel

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Offer.

DIRECTORS' 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 2023 and the auditor's report thereon.

Directors and Company Secretary

The following persons were directors of Saturn during the whole of the financial year and up to the date of this report.

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

The Company Secretary is Mrs Natasha Santi. Mrs Santi was appointed Company Secretary on 3 May 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 addition, from April 2017, Mrs Santi was a full-time employee at Capricorn Metals Ltd until her resignation as Company Secretary, February 2020.

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 and project development near Leonora, in Western Australia.

Dividends Paid or Recommended

No dividends were paid or proposed to be paid during the financial year (2022: Nil).

Operating Results

The loss for the Group for the financial year after providing for income tax amounted to \$3,590,514 (2022: \$2,283,191). Loss per share \$0.03 (2022: \$0.02).

Financial Position

The net assets of the Group for the year ended 30 June 2023 were \$37,527,580 (2022: \$35,227,571). Net assets have increased due to share issues completed during the year which raised \$5,173,055, net of costs for further exploration activities. In addition, a further \$7,331,528 was capitalised as exploration and evaluation costs. At 30 June 2023 the closing cash balance of the Group was \$3,504,209 (2022: \$7,108,560).

Significant Changes in the State of Affairs

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

Changes to Contributed Equity

During the year the Group increased contributed equity by \$5,173,055 through the issue of 31,025,428 shares in the Group as part of placements to institutional and sophisticated investors. The details and timing of each raising were as follows:

DIRECTORS' REPORT (Cont.)

- 16 December 2022, the Group raised \$3,772,022 (net of costs) by issuing 21,543,347 shares at 18 cents per share following the completion of a non-renounceable entitlement offer to existing shareholders.
- 16 May 2023, the Group raised \$1,401,033 (net of costs) by issuing 9,482,081 shares at 16 cents per share by placement to institutional and sophisticated investors.

Details of changes in contributed equity is disclosed in Note 11 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 as 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 and development on current projects. Exploration and development is inherently risky and there are no certainties that the Group will successfully achieve its objectives.

Information on Directors

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

IAN BAMBOROUGH BSc(Hons), MSc, MBA, MAIG, GAICD Managing Director		
Experience and Expertise: 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 previously Managing Director of ASX listed Spectrum Rare Earths Limited. Mr Bamborough is currently Vice Chair of the Gold Industry Group of Australia and has previously served as a Director of the Northern Territory Mining Board. Mr Bamborough holds a directorship with private exploration and mining company, Reef Mining Pty Ltd. The Board does not consider Mr Bamborough to be an independent Director.		
Other current ASX listed company directorships: None.		
Former ASX listed company directorships in the last three years: None.		
First appointed as a Director: 19 September 2017.		
Interests in Shares, Rights and Options:	Shares:	6,253,730
	Performance Rights:	1,750,000
	Options:	-

DIRECTORS' REPORT (Cont.)

BRETT LAMBERT BAppSc (Mining Engineering)

Non-Executive Chairman

Experience and Expertise:

Mr Lambert is a mining engineer and experienced company director. He has over 40 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.

The Board considers that Mr Lambert is an independent Director.

Other current ASX listed company directorships:

Nil.

Former ASX listed company directorships in the last three years:

Non-Executive Chairman of Metal Hawk Limited (3 July 2019 to 9 September 2023).

Non-Executive Director of Musgrave Minerals Ltd (4 February 2021 to 4 September 2023).

Non-Executive Chairman of Mincor Resources NL (1 January 2017 to 6 July 2023).

Non-Executive Director of Australian Potash Limited (9 May 2017 to 27 June 2023).

Non-Executive Director of Metals X Limited (24 October 2019 to 10 July 2020).

First appointed as a Director:

9 April 2020.

Interests in Shares, Rights and Options:

Shares:	-
Performance Rights:	-
Options:	1,400,000

ROBERT TYSON B.App Sc(Geol), GradDip Applied Finance(SIA) MAusIMM

Non-Executive Director

Experience and Expertise:

Mr Tyson is a geologist with more than 25 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 an Executive Director and founder of Peel Mining Limited.

The Board considers that Mr Tyson is an independent Director.

Other current ASX listed company directorships:

Executive Director – Technical of Peel Mining Limited (from 3 March 2022),

Managing Director of Peel Mining Limited (20 April 2006 to 3 March 2022).

Former ASX listed company directorships in the last three years:

None.

First appointed as a Director:

2 June 2017

Interests in Shares, Rights and Options:

Shares:	1,360,000
Performance Rights:	-
Options:	1,000,000

DIRECTORS' REPORT (Cont.)

ANDREW VENN BBus, GradDip Applied Finance, FFin

Non-Executive Director

Experience and Expertise:

Mr Venn has over 20 years mining industry experience. Mr Venn has previously held senior positions across financing and operations for Argonaut Limited, Orica Mining Services, ICI Explosives and DDH1 Limited and is a Fellow of the Financial Services Institute of Australia.

The Board considers that Mr Venn is an independent Director.

Other current ASX listed company directorships:

None.

Former ASX listed company directorships in the last three years:

None.

First appointed as a Director:

29 September 2017.

Interests in Shares, Rights and Options:	Shares:	1,040,000
	Performance Rights:	-
	Options:	1,000,000

ADRIAN GOLDSTONE BSc, MSc (Hons)

Non-Executive Director

Experience and Expertise:

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 Corporation. 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.

The Board considers that Mr Goldstone is an independent Director.

Other current ASX listed company directorships:

None.

Former ASX listed company directorships in the last three years:

Non-Executive Director of Zinc of Ireland NL (29 January 2019 to 30 November 2021).

Non-Executive Director of Big River Gold Limited (26 May 2021 to 21 September 2022 (removal from official list)).

First appointed as a Director:

20 May 2021.

Interests in Shares, Rights and Options:	Shares:	70,239
	Performance Rights:	-
	Options:	1,000,000

DIRECTORS' REPORT (Cont.)

Meetings of Directors

The number of meetings of Director's (including committees of Directors) held during the year ended 30 June 2023, and the number of meetings attended by each director was as follows:

Director	Directors Meetings		Audit & Risk Committee	
	A	B	A	B
I Bamborough	8	8	3	3
B Lambert	8	8	3	3
R Tyson	8	8	3	3
A Venn	8	8	3	3
A Goldstone	8	8	3	3

A = Number of meetings attended.

B = Number of meetings held during the time the director held office or was a member of the committee.

REMUNERATION REPORT (AUDITED)

The Directors present the Saturn Metals Limited 2023 remuneration report, outlining key details of the nature and amount of remuneration for each Key Management Personnel ("KMP") awarded this year.

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
- i) Additional information

a) Key Management Personnel Covered In This Report

Key Management Personnel	Position	Changes during the year
Ian Bamborough	Managing Director	-
Brett Lambert	Non-Executive Chairman	-
Robert Tyson	Non-Executive Director	-
Andrew Venn	Non-Executive Director	-
Adrian Goldstone	Non-Executive Director	-

Note:

Details of each director are set out on pages 16 – 18.

There have been no changes to KMP since 30 June 2023 and to the date of this report.

REMUNERATION REPORT (AUDITED) (Cont.)

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 5 years, ending 30 June:

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
Revenue	80,126	74,974	72,592	15,777	56,354
Net profit/(loss)	(1,187,119)	(1,476,067)	(1,959,350)	(2,283,191)	(3,590,514)
Share price at year end	0.300	0.715	0.410	0.280	0.180
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.)

b) Key Management Personnel Remuneration

Details of the remuneration expense recognized for each key management person of the Group during the current and previous financial year ending 30 June, is set out in the following table:

Key Management Person	Year	Fixed Remuneration			Variable Remuneration		Total \$	Performance Related %
		Short-Term Employment Benefits	Post-Employment Benefits	Long-Term Benefits	Share-based Payments			
		Cash salary & fees \$	Super-annuation \$	Leave benefits \$	Options \$	Performance Rights \$		
Executive Director								
I Bamborough	2023	298,799	26,589	16,154	-	127,363	468,905	27%
	2022	293,267	23,723	22,572	11,867	142,350	493,779	31%
Directors								
B Lambert	2023	77,000	8,085	-	86,522	-	171,607	50%
	2022	70,000	7,000	-	62,715	-	139,715	45%
R Tyson	2023	55,000	5,775	-	61,802	-	122,577	50%
	2022	50,000	5,000	-	56,664	(69,082)	42,582	Nil
A Venn	2023	55,000	5,775	-	61,802	-	122,577	50%
	2022	50,000	5,000	-	56,664	(69,082)	42,582	Nil
A Goldstone	2023	55,000	5,775	-	61,802	-	122,577	50%
	2022	50,000	5,000	-	44,796	-	99,796	45%
Total	2023	540,799	51,999	16,154	271,928	127,363	1,008,243	
	2022	513,267	45,723	22,572	232,706	4,186	818,454	

Note:

- Options issued during the year are designed provide long-term incentives for Eligible Participants to deliver long-term shareholder returns (as disclosed on page 25).
- Performance rights issued during the year are designed to provide short-term incentives to Directors to deliver short- and long-term shareholder returns (as disclosed on page 26).

c) 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 Service 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 basis;
- The Company will pay to the Managing Director for services rendered a salary of \$300,000 (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 \$77,000 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 \$55,000 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 \$55,000 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 \$55,000 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.

d) 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 shareholders again in November 2021. 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 20(a) to the consolidated financial statements.

Key management person	Fair Value at Grant Date		Options Granted During Year		Options Vested During Year	
	2023 \$	2022 \$	2023 Number	2022 Number	2023 Number	2022 Number
Executive Director						
I Bamborough	-	-	-	-	-	250,000
Directors						
B Lambert	40,699	139,366	700,000	700,000	350,000	-
R Tyson	29,071	99,547	500,000	500,000	250,000	250,000
A Venn	29,071	99,547	500,000	500,000	250,000	250,000
A Goldstone	29,071	99,547	500,000	500,000	250,000	-

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.

REMUNERATION REPORT (AUDITED) (Cont.)

Grant Date	Total on Issue to Key Management Personnel	Date Vested & Number Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
24 Nov 2021	2,200,000	Class A – Vesting measurement date 24 Nov 2022, Vesting Condition of continuous service to 24 Nov 2022, 1,100,000 Class B – Vesting measurement date 24 Nov 2023, Vesting Condition of continuous service to 24 Nov 2023, 1,100,000	22 Nov 2024	80.0 cents 80.0 cents	19.90 cents 19.90 cents
29 Nov 2022	2,200,000	Class A – Vesting measurement date 29 Nov 2023, Vesting Condition of continuous service to 29 Nov 2023, 2,200,000	27 Nov 2025	28.0 cents	5.81 cents

Fair value of options granted during the period

The fair value at grant date stated in the table above, for options granted during the year, was determined using the Black-Scholes valuation methodology and takes into account the following inputs:

Exercise price	\$0.28
Grant date	29 November 2022
Expiry date	27 November 2025
Share price at issue date	\$0.18
Expected price volatility	64%
Expected dividend yield	0%
Risk-free interest rate	3.235%

(ii) Performance Rights

Performance Rights in Saturn may be granted under the Incentive Performance Rights Plan which was approved by Shareholders at the 2021 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 20(b) to the consolidated financial statements.

Key management person	Fair Value at Grant Date		Performance rights granted during year		Performance rights vested during year	
	2023 \$	2022 \$	2023 Number	2022 Number	2023 Number	2022 Number
Executive Directors						
I Bamborough	180,000	330,989	1,000,000	750,000	97,000	-
Directors						
B Lambert	-	-	-	-	-	-
R Tyson	-	-	-	-	-	-
A Venn	-	-	-	-	-	-
A Goldstone	-	-	-	-	-	-

REMUNERATION REPORT (AUDITED) (Cont.)

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
24 Nov 2021	750,000	Class A – Vesting measurement date 13 Dec 2024: 70% vest of achievement of a market-based performance hurdle. Class B – Vesting measurement date 13 Dec 2024: 30% vest of achievement of a performance hurdle.	23 Nov 2024	Nil	36.8 cents 56.0 cents
29 Nov 2022	1,000,000	Class A – Vesting measurement date 29 Nov 2024: 20% vest on achievement of a performance hurdle. Class B – Vesting measurement date 29 Nov 2024: 40% vest on achievement of continuous employment hurdle. Class C – Vesting measurement date 29 Nov 2024: 20% vest on achievement of a performance hurdle. Class D – Vesting measurement date 29 Nov 2024: 20% vest on achievement of a performance hurdle.	29 Nov 2025	Nil	18.0 cents 18.0 cents 18.0 cents 18.0 cents

Fair value of performance rights granted during the period

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.

Performance Rights

(Class A) The Company to publish a positive Preliminary Economic Assessment for the development of the Apollo Hill Gold Project by 29 November 2024.

(Class B) The holder must have remained in continuous employment with the Company from the Issue Date as either Saturn staff, under an Executive Services Agreement or, Non-Executive Director or as an officially appointed officer. Testing of the measure will be on 29 November 2024.

(Class C) The Company to achieve a 2Moz published Gold Mineral Resource base by 29 November 2024.

(Class D) The Company to publish a positive Pre- Feasibility Study for the development of the Apollo Hill Gold Project by 29 November 2024.

The fair value of the Performance Rights is determined to be 18.0 cents per performance right issued. 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 that takes into account the exercise price, the term of the performance right, the share price at grant date.

REMUNERATION REPORT (AUDITED) (Cont.)

The model inputs were:

	Class A, B, C & D
Exercise price	Nil
Grant date	29 November 2022
Performance measurement date	29 November 2024
Expiry date	29 November 2025
Share price at issue date	\$0.18
Expected price volatility	64%
Expected dividend yield	0%
Risk-free interest rate	3.235%

e) 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 2023.

Key management person & Grant Date	Balance at the start of the year		Movements during the year				Balance at the end of the year	
	Vested	Unvested	Granted	Vested		Expired	Vested & exercisable	Unvested
				Number	%			
Executive Director I Bamborough 9 Dec 19	250,000	-	-	-	-	(250,000)	-	-
Directors B Lambert 24 Nov 21	-	700,000	-	350,000	50	-	350,000	350,000
	-	-	700,000	-	-	-	-	700,000
R Tyson 9 Dec 19	250,000	-	-	-	-	(250,000)	-	-
	-	500,000	-	250,000	50	-	250,000	250,000
	-	-	500,000	-	-	-	-	500,000
A Venn 9 Dec 19	250,000	-	-	-	-	(250,000)	-	-
	-	500,000	-	250,000	50	-	250,000	250,000
	-	-	500,000	-	-	-	-	500,000
A Goldstone 24 Nov 21	-	500,000	-	250,000	50	-	250,000	250,000
	-	-	500,000	-	-	-	-	500,000
	750,000	2,200,000	2,200,000	1,100,000		(750,000)	1,100,000	3,300,000

f) Performance rights holdings of key management personnel

Movements in performance rights held by key management personnel during the year ended 30 June 2023, are set out in the following table.

Key management person	Balance at the start of the year	Granted	Lapsed	Exercised	Balance at end of the year	Vested & exercisable	Unvested
Executive Director I Bamborough	1,138,000	1,000,000	(291,000)	(97,000)	1,750,000	-	1,750,000
Directors B Lambert	-	-	-	-	-	-	-
R Tyson	-	-	-	-	-	-	-
A Venn	-	-	-	-	-	-	-
A Goldstone	-	-	-	-	-	-	-
	1,138,000	1,000,000	(291,000)	(97,000)	1,750,000	-	1,750,000

REMUNERATION REPORT (AUDITED) (Cont.)

g) Share holdings of key management personnel

Movements in shares held by key management personnel during the year ended 30 June 2023, are set out in the following table.

Key management personnel	Balance at The start of the year	Received during the year exercise of performance rights	Other changes during the year	Closing balance
Executive Director				
I Bamborough	4,713,941	97,000	1,442,789	6,253,730
Directors				
B Lambert	-	-	-	-
R Tyson	1,360,000	-	-	1,360,000
A Venn	968,000	-	72,000	1,040,000
A Goldstone	14,500	-	55,739	70,239
	7,056,441	97,000	1,570,528	8,723,969

h) Additional information

Other transactions with key management personnel

Loans with key management personnel:

There are no loans between the Company and any key management personnel (2022: Nil).

Cash bonuses

No cash bonuses have been paid by the Group to directors during the financial year (2022: Nil).

Share-based compensation: options & performance rights

Other than options and performance rights granted under the Incentive Option & Performance Rights Plan as described in (d) 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 2023, 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 99.89% of "yes" votes from votes received on its remuneration report for the 2022 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
24 November 2021	22 November 2024	80.0 cents	2,200,000
13 December 2021	9 December 2025	63.0 cents	1,200,000
29 November 2022	27 November 2026	28.0 cents	2,200,000
2 February 2023	2 February 2023	25.0 cents	1,000,000

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

There were no shares issued on the conversion of options in the year ended 2023 (2022: 768,000).

Date of Exercise	Issue price of shares		Number of shares issued	
	2023 cents	2022 cents	2023 Number	2022 Number
6 July 2021	-	26.4	-	150,000
15 November 2021	-	26.4	-	468,000
6 December 2021	-	26.4	-	150,000

Shares issued on the conversion of performance rights

There were 106,000 shares issued on the conversion of performance rights in the year ended 2023 (2022: Nil).

Date of Exercise	Issue price of shares		Number of shares issued	
	2023 cents	2022 cents	2023 Number	2022 Number
31 January 2023	17.0	-	106,000	-

Indemnification and Insurance of Directors and Officers

During the financial year the Group paid a premium of \$17,280 (2022: \$18,880) 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.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

DIRECTORS' REPORT *(Cont.)*

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 2023 Annual Report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

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 Page 32.

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 would ensure none of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

Fees paid, and payable to the auditor for the year ended 30 June 2023 were \$45,589 (2021: \$43,556).

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



Ian Bamborough

Managing Director
Perth, Western Australia
29 September 2023



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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST THE DIRECTORS OF SATURN METALS LIMITED

As lead auditor of Saturn Metals Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. 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.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Interest and other income		56,354	15,777
Interest and other income		56,354	15,777
Share-based remuneration	20	(717,468)	(400,325)
Employee and Directors' benefit expenses	13	(1,135,278)	(1,045,504)
Administration expenses	13	(659,494)	(749,051)
Finance costs		(6,070)	(8,035)
Capitalised exploration expenditure expensed	9	(112,980)	(96,053)
Impairment expense	9	(1,015,578)	-
Expenses		(3,646,868)	(2,298,968)
Loss before income tax		(3,590,514)	(2,283,191)
Income tax benefit (expense)	14	-	-
Loss after income tax		(3,590,514)	(2,283,191)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the members of Saturn Metals Limited		(3,590,514)	(2,283,191)
Earnings per share:			
Basic and diluted loss per share for the year attributable to the members of Saturn Metals Limited	22	(0.03)	(0.02)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	5	3,504,209	7,108,560
Trade and other receivables		79,538	62,610
Other Current Assets	6	276,841	112,652
Total Current Assets		3,860,588	7,283,822
Non-Current Assets			
Trade and other receivables		42,974	42,974
Property, plant & equipment	7	261,637	355,520
Exploration & evaluation assets	9	34,695,433	28,379,483
Total Non-Current Assets		35,000,044	28,777,977
Total Assets		38,860,632	36,061,799
Current Liabilities			
Trade and other payables	10	1,238,544	622,808
Lease liabilities	8	94,508	117,870
Total Current Liabilities		1,333,052	740,678
Non-Current Liabilities			
Lease Liabilities	8	-	93,550
Total Non-Current Liabilities		-	93,550
Total Liabilities		1,333,052	834,228
Net Assets		37,527,580	35,227,571
Equity			
Contributed equity	11	46,096,011	40,922,956
Accumulated losses	12	(11,353,561)	(7,763,047)
Share-based payment reserve	12	2,376,230	1,658,762
Option reserve	12	408,900	408,900
Total Equity		37,527,580	35,227,571

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Not e	Contributed Equity \$	Accumulated Losses \$	Share- based Payment Reserve \$	Option Reserve \$	Total Equity \$
Balance at 30 June 2021		33,265,409	(5,479,856)	1,258,437	408,900	29,452,890
Loss for the year		-	(2,283,191)	-	-	(2,283,191)
Total comprehensive loss for the year	12	-	(2,283,191)	-	-	(2,283,191)
Issue of share capital	11	8,202,752	-	-	-	8,202,752
Share issue costs	11	(545,205)	-	-	-	(545,205)
Share-based payments	12	-	-	400,325	-	400,325
Balance at 30 June 2022		40,922,956	(7,763,047)	1,658,762	408,900	35,227,571
Loss for the year		-	(3,590,514)	-	-	(3,590,514)
Total comprehensive loss for the year	12	-	(3,590,514)	-	-	(3,590,514)
Issue of share capital	11	5,394,922	-	-	-	5,394,922
Share issue costs	11	(221,867)	-	-	-	(221,867)
Share-based payments	12	-	-	717,468	-	717,468
Balance at 30 June 2023		46,096,011	(11,353,561)	2,376,230	408,900	37,527,580

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,651,629)	(1,684,685)
Net cash outflow from operating activities	15	(1,651,629)	(1,684,685)
Cash flows from investing activities			
Payments for purchase of plant and equipment		(66,209)	(46,178)
Payments for exploration expenditure		(6,992,940)	(6,908,596)
Interest received		56,354	15,777
Net cash outflow from investing activities		(7,002,795)	(6,938,997)
Cash flows from financing activities			
Proceeds from issue of shares		5,394,922	8,202,752
Transaction costs of issue of shares		(221,867)	(545,205)
Payments for lease liabilities		(122,982)	(80,449)
Net cash inflow from financing activities		5,050,073	7,577,098
Net decrease in cash and cash equivalents		(3,604,351)	(1,046,584)
Cash and cash equivalents at the start of year		7,108,560	8,155,144
Cash and cash equivalents at the end of year	5	3,504,209	7,108,560

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant changes during the year

There were no significant changes to adopted accounting policies during the year.

The principal accounting policies adopted in the preparation of the financial report are set out in the notes below, including Note 24. 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 2023 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 24(b):

Name	Country of Incorporation	Class of Shares	Equity holding	
			2023 %	2022 %
Titan Metals Pty Ltd	Australia	Ordinary	100	100

3. Interests in other entities

In April 2020 Saturn entered into an 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 an 85% interest an 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 a 60% interest by spending a minimum of \$900,000 on exploration and notifying the completion of each of the first three stages of the farm-in agreement.

As at the time of this report, Titan Metals Pty Ltd has earned a 20% interest (2022: 20%) in the tenements under the agreement. The agreement does not constitute a Joint Arrangement under the Australian Accounting Standards. The Company accounts for its project expenditure through its wholly owned subsidiary and capitalises any appropriate expenditure in line with its policy on exploration and evaluation assets (Note 9).

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 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.

	2023	2022
	\$	\$
Cash at bank and in hand	3,504,209	7,108,560
	<u>3,504,209</u>	<u>7,108,560</u>

Refer to Note 16 for the policy on financial risk management.

6. Other Current Assets

	2023	2022
	\$	\$
Prepaid insurance	36,651	26,965
Other prepayments	237,714	85,687
Other current assets	2,476	-
	<u>276,841</u>	<u>112,652</u>

7. 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 0. 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 de-recognised 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

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 2023 (2022: \$nil).

As at 30 June 2023	Plant & Equipment	Software	Furniture & Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Cost or fair value	80,665	94,267	435,862	44,991	655,785
Accumulated depreciation	(38,991)	(42,362)	(283,382)	(29,413)	(394,148)
Net carrying amount	41,674	51,905	152,480	15,578	261,637

Reconciliation for the year ended 30 June 2023	Plant & Equipment	Software	Furniture & Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July	50,819	5,710	277,788	21,202	355,519
Additions	3,155	53,755	9,300	-	66,210
Depreciation expense	(12,300)	(7,560)	(134,608)	(5,624)	(160,092)
Net carrying amount at 30 June	41,674	51,905	152,480	15,578	261,637

As at 30 June 2022	Plant & Equipment	Software	Furniture & Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Cost or fair value	77,510	40,512	426,562	44,991	589,575
Accumulated depreciation	(26,691)	(34,802)	(148,773)	(23,789)	(234,055)
Net carrying amount	50,819	5,710	277,789	21,202	355,520

Reconciliation for the year ended 30 June 2022	Plant & Equipment	Software	Furniture & Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July	26,763	13,812	281,213	26,826	348,614
Additions	34,664	-	98,948	-	133,612
Depreciation expense	(10,608)	(8,102)	(102,372)	(5,624)	(126,706)
Net carrying amount at 30 June	50,819	5,710	277,789	21,202	355,520

8. Leases

Except for short-term leases and leases of low-value assets, rights-of-use assets, capitalised in Property, Plant & Equipment (Note 7) 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:

	2023	2022
	\$	\$
Right-of-use assets:		
<i>Furniture & Equipment:</i>		
Office space	210,739	210,739
Equipment	8,017	8,017
Station house accommodation	86,202	86,202
	304,958	304,958
Lease liabilities:		
Current	94,508	117,870
Non-current	-	93,550
	94,508	211,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

There were no additions to the right-of-use assets during the year (2022: \$86,202).

Saturn did not enter into any new lease arrangements during the year.

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

	2023	2022
	\$	\$
Depreciation charge of right-of-use assets:		
Office space	68,352	68,352
Equipment	2,676	2,676
Station house accommodation	43,101	10,775
	<u>114,129</u>	<u>81,803</u>
Interest expenses (included in finance costs)	6,070	8,035
	<u>6,070</u>	<u>8,035</u>

The total cash outflow relating to leases during the year was \$122,982 (2022: \$80,449).

9. 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 being 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.

Details of critical accounting estimates and judgements in relation to exploration and evaluation assets are detailed in Note 24(f).

	2023	2022
	\$	\$
At cost	<u>34,695,433</u>	<u>28,379,483</u>
Reconciliation:		
Opening balance	28,379,483	22,255,694
Exploration expenditure	7,444,508	6,219,842
Exploration expenditure expensed	(112,980)	(96,053)
Impairment expense	(1,015,578)	-
Closing balance	<u>34,695,433</u>	<u>28,379,483</u>

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.

A regular review of each area of interest is undertaken to determine the appropriateness of the carrying value in relation to that area of interest, as well to determine if events of changes in circumstances indicate that the carrying value may not be recoverable, in which case an impairment expense may be recorded.

During the year ended 30 June 2023 Saturn has recorded an impairment expense of \$1,015,578 against the capitalised carrying value of its exploration assets. \$207,480 of this impairment expense directly relates to the carrying value of tenure relinquished by the Company during period. Impairment expense of \$808,098 relates to capitalised exploration activities undertaken across regional tenure within Saturn's 1000km² land package where, as at the reporting date these areas do not support the recoverability of this value previously capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

10. 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.

	2023	2022
	\$	\$
Trade payables	772,619	461,248
Accrued expenses & other payables	465,925	161,560
	1,238,544	622,808

11. 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	2023		2022	
	Number of Shares	\$	Number of Shares	\$
Authorised & issued, ordinary shares fully paid	161,030,605	46,096,011	112,464,510	129,899,177

(b) Movements in ordinary share capital	2023		2022	
	Number of Shares	\$	Number of Shares	\$
Opening balance at 1 July	129,899,177	40,922,956	112,464,510	33,265,409
<i>Shares issued:</i>				
On conversion of performance rights	106,000	-	-	-
On exercise of options	-	-	768,000	202,752
As a result of share placements	31,025,428	5,394,922	16,666,667	8,000,000
Transaction costs on share issues	-	(221,867)	-	(545,205)
Closing balance at 30 June	161,030,605	46,096,011	129,899,177	40,922,956

(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 20.

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

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.

12. Reserves and accumulated losses

	2023	2022
(a) Accumulated losses	\$	\$
Opening balance	7,763,047	5,479,856
Loss for the year	3,590,514	2,283,191
Closing balance	<u>11,353,561</u>	<u>7,763,047</u>
(b) Share-based payments reserve		
Opening balance	1,658,762	1,258,437
Option expenses (Director options)	271,928	232,706
Option expenses (Employee options)	109,475	88,049
Performance rights expenses (Directors rights)	263,163	267,336
Lapsed performance rights (Directors rights)	(135,800)	(266,250)
Performance rights expenses (Employee rights)	344,509	204,874
Lapsed performance rights (Employee rights)	(135,807)	(126,390)
Closing balance	<u>2,376,230</u>	<u>1,658,762</u>
(c) Option reserve		
Opening balance	408,900	408,900
Options issued to third party	-	-
Closing balance	<u>408,900</u>	<u>408,900</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.

Reserve Movements

	2023		2022	
	Number	Number	\$	\$
Share options & reserve movements:				
Opening balance	4,600,000	1,968,000	1,160,743	839,988
Options issued to Directors	2,200,000	2,200,000	271,928	232,706
Options issued to Employees	1,000,000	1,200,000	109,475	88,049
Exercised	-	(768,000)	-	-
Lapsed	(1,200,000)	-	-	-
Closing balance	<u>6,600,000</u>	<u>4,600,000</u>	<u>1,542,146</u>	<u>1,160,743</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

	Number	
	2023	2022
Exercisable at 36.4 cents; vesting on or before 8 Dec 2022	-	750,000
Exercisable at 36.4 cents; vesting on or before 8 Dec 2022	-	450,000
Exercisable at 80.0 cents; vesting on or before 22 Nov 2022	1,100,000	1,100,000
Exercisable at 80.0 cents; vesting on or before 22 Nov 2023	1,100,000	1,100,000
Exercisable at 63.0 cents; vesting on or before 9 Dec 2022	400,000	400,000
Exercisable at 63.0 cents; vesting on or before 9 Dec 2023	400,000	400,000
Exercisable at 63.0 cents; vesting on or before 9 Dec 2024	400,000	400,000
Exercisable at 28.0 cents; vesting on or before 29 Nov 2024	2,200,000	-
Exercisable at 25.0 cents; vesting on or before 3 Feb 2024	333,333	-
Exercisable at 25.0 cents; vesting on or before 3 Feb 2025	333,333	-
Exercisable at 25.0 cents; vesting on or before 3 Feb 2026	333,334	-
	<u>6,600,000</u>	<u>4,600,000</u>

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 20(a)).

<i>Third party options & reserve movements:</i>	2023	2022	2023	2022
	Number	Number	\$	\$
Opening balance	-	1,892,500	408,900	408,900
Options issued to Third Party	-	-	-	-
Options Expired	-	(1,892,500)	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>408,900</u>	<u>408,900</u>

	Number	
	2023	2022
Exercisable at 70.0 cents; vesting on issue	-	-
	<u>-</u>	<u>-</u>

<i>Performance rights & reserve movements:</i>	2023	2022	2023	2022
	Number	Number	\$	\$
Opening balance	2,393,000	1,769,000	498,019	418,449
Performance Rights issued to Directors	1,000,000	750,000	263,163	267,336
Performance Rights issued to Employees	2,575,000	1,007,000	344,509	204,874
Lapsed	(766,000)	(1,133,000)	(271,607)	(392,640)
Exercised	(106,000)	-	-	-
Closing balance	<u>5,202,000</u>	<u>2,393,000</u>	<u>834,084</u>	<u>498,019</u>

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 2022 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 20(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

13. Expenses

	2023	2022
	\$	\$
Employees and Director's benefit expenses:		
Employment costs	871,870	759,859
Directors' fees	242,000	220,000
Recruitment costs	21,408	65,645
	<u>1,135,278</u>	<u>1,045,504</u>
Administration expenses:		
Corporate	296,854	432,560
Depreciation	160,092	126,706
Travel	44,281	30,988
Insurance	56,131	54,543
Office	63,343	57,320
Other Administration	38,793	46,934
	<u>659,494</u>	<u>749,051</u>

14. 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 \$12,587,238 (2022: \$9,314,226) 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 the residual tax losses of \$10,524,340 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

15. 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.

	2023	2022
	\$	\$
Cash flow from operating activities:		
Net cash outflow from operating activities	(1,651,629)	(1,684,685)
<i>Adjustments for:</i>		
Share-based payments	(717,468)	(400,325)
Depreciation	(160,092)	(126,706)
Interest received and receivable	56,354	15,777
Capitalised exploration expenditure expensed	(112,980)	(96,053)
Impairment expense	(1,015,578)	-
Interest paid on lease liabilities	(6,070)	(8,035)
<i>Change in operating assets and liabilities:</i>		
Decrease in receivables	(24,969)	27,699
Increase in other current assets	72,958	(2,996)
Increase/(decrease) in payables	(31,040)	(7,867)
Loss after income tax	<u>(3,590,514)</u>	<u>(2,283,191)</u>
Non-cash investing activities:		
Additions of right-of-use assets	-	86,202
Non-cash financing activities:		
Increase in lease liabilities	-	86,202

16. 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. There is no foreign exchange risk or impact. 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 2023 the Group has not recognised any impairment losses (2022: \$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 2023	30 June 2022
<u>Financial Obligations:</u>	\$	\$
Trade and other payables less than 6 months	1,238,544	622,808
Lease liabilities payable	94,508	117,870

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 there were no interest-bearing financial instruments (2022: \$Nil) and there were no financial liabilities subject to variable interest (2022: \$Nil).

Cash flow sensitivity analysis for variable rate instruments of the Group:

At 30 June 2023 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 (2022: \$Nil 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:

		2023	2022
	Note	\$	\$
Cash and cash equivalents	5	3,504,209	7,108,560
Trade and other receivables		79,538	62,610
Lease liabilities	8	(94,508)	(117,870)
Trade and other payables	10	(1,238,544)	(622,808)
Working capital position		<u>2,250,695</u>	<u>6,430,492</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.

17. Contingencies & Commitments

The Group had no contingent assets or liabilities as at 30 June 2023 (2022: \$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 \$994,600 (2022: \$975,080). 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.

18. 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.)

19. Related Parties

Compensation of key management personnel	2023	2022
	\$	\$
Short-term employee benefits	540,799	513,267
Post-employment benefits	51,999	45,723
Long-term benefits	16,154	22,572
Share-based payments	399,291	236,892
	<u>1,008,243</u>	<u>818,454</u>

Transactions with related parties

The Group had no other transactions with related parties.

20. 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 and performance rights 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 or performance rights.

The fair value at grant date 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.

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

Saturn's Performance Rights and Incentive Option Plan was last approved by shareholders at the annual general meeting held 24 November 2021.

Share-based payments recognised during the financial year within the consolidated statement of profit or loss were as follows:

	2023	2022
	\$	\$
Options issued	381,403	320,755
Performance rights issued	607,672	472,210
Performance rights reversed	(271,607)	(392,640)
	<u>717,468</u>	<u>400,325</u>

The movements in share-based payments reserves were as follows:

Balance at the beginning of the year	1,658,762	1,258,437
Option expenses (Director options)	271,928	232,706
Option expenses (Employee options)	109,475	88,049
Performance right expenses (Directors rights)	263,163	267,336
Performance right expenses (Employee rights)	(135,800)	204,874
Performance rights lapsed (Directors rights)	344,509	(266,250)
Performance rights lapsed (Employee rights)	(135,807)	(126,390)
Balance at the end of the year	<u>2,376,230</u>	<u>1,658,762</u>

Details of the share-based payment reserve can be found in Note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(a) Options

Details of options granted under the Plan are set out in the following table.

Grant date	Expiry date	Exercise price	Fair value per option at grant date	Balance 1 July 2022	Options		Balance 30 June 2023	Vested & exercisable
					Granted during the year	Lapsed during the year		
9 Dec 19	8 Dec 22	\$0.364	\$0.211	450,000	-	(450,000)	-	-
9 Dec 19	8 Dec 22	\$0.364	\$0.219	300,000	-	(300,000)	-	-
9 Dec 19	8 Dec 22	\$0.364	\$0.182	270,000	-	(270,000)	-	-
9 Dec 19	8 Dec 22	\$0.364	\$0.198	180,000	-	(180,000)	-	-
24 Nov 21	22 Nov 24	\$0.800	\$0.199	2,200,000	-	-	2,200,000	1,100,000
13 Dec 21	9 Dec 25	\$0.630	\$0.173	1,200,000	-	-	1,200,000	400,000
29 Nov 22	27-Nov-25	\$0.280	\$0.058	-	2,200,000	-	2,200,000	-
25 Jan 23	2-Feb-27	\$0.250	\$0.079	-	1,000,000	-	1,000,000	-
				4,600,000	3,200,000	(1,200,000)	6,600,000	1,500,000

The weighted average remaining contractual life of options outstanding at the end of the period was 2.26 years (2022: 2.16 years).

The weighted average exercise price of options outstanding at the end of the period was \$0.51 (2022: \$0.64).

The weighted average fair value of options outstanding at the end of the period was \$0.13 (2022: \$0.19).

Fair value of options granted during the year ended 30 June 2023:

2,200,000 options issued to Director's vest in one tranche over a twelve-month period with 100% vesting 12 months from the grant date.

1,000,000 options issued to employee's vest in three tranches, over a three-year period, with one third vesting at each of the 12-month, 24 month and 36-month anniversaries of the issue date.

	Director	Employee
Exercise price	\$0.28	\$0.25
Grant date	29 November 2022	25 January 2023
Expiry date	27 November 2025	2 February 2027
Share price at issue date	\$0.180	\$0.185
Expected price volatility	64%	63%
Expected dividend yield	0%	0%
Risk-free interest rate	3.235%	3.130%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(b) Performance Rights

Details of performance rights granted under the Plan are set out in the following table.

Grant date	Expiry date	Balance 1 July 2022	Performance Rights			Balance 30 June 2023	Vested & exercisable
			Granted during the year	Converted during the year	Lapsed during the year		
21 Dec 20	20 Dec 23	248,000	-	(9,000)	(239,000)	-	-
21 Dec 20	20 Dec 23	388,000	-	(97,000)	(291,000)	-	-
24 Nov 21	23 Nov 24	750,000	-	-	-	750,000	-
13 Dec 21	19 Dec 24	1,007,000	-	-	(95,000)	912,000	-
29 Nov 22	29 Nov 25	-	1,000,000	-	-	1,000,000	-
14 Dec 22	29 Nov 25	-	1,575,000	-	(35,000)	1,540,000	-
25 Jan 23	29-Nov-25	-	1,000,000	-	-	1,000,000	-
		2,393,000	3,575,000	(106,000)	(660,000)	5,202,000	-

Fair value of performance rights granted during the year ended 30 June 2023:

Performance rights granted during the year were as follows.

Grant Date	Type	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
29 Nov 22	Director Performance Rights	(20%) 200,000	(40%) 400,000	(20%) 200,000	(20%) 200,000	1,000,000
14 Dec 22	Employee Performance Rights	(20%) 315,000	(40%) 630,000	(20%) 315,000	(20%) 315,000	1,575,000
25 Jan 23	Employee Performance Rights	(20%) 200,000	(40%) 400,000	(20%) 200,000	(20%) 200,000	1,000,000

Tranche 1,2,3, and 4 Performance Rights

Tranche 1: The Company to publish a positive Preliminary Economic Assessment for the development of the Apollo Hill Gold Project by 29 November 2024.

Tranche 2: The holder must have remained in continuous employment with the Company from the Issue Date as either Saturn staff, under an Executive Services Agreement or, Non-Executive Director or as an officially appointed officer. Testing of the measure will be on 29 November 2024.

Tranche 3: The Company to achieve a 2Moz published Gold Mineral Resource base by 29 November 2024.

Tranche 4: The Company to publish a positive Pre-Feasibility Study for the development of the Apollo Hill Gold Project by 29 November 2024.

The performance rights were valued on a prorated basis as a result of the vesting conditions attached. The fair value at grant date is independently determined using a Black-Scholes option model that takes into account the exercise price, the term of the performance right, the share price at grant date.

	Director	Employee
Exercise price	Nil	Nil
Grant date	29 November 2022	14 December 2022
Performance measurement date	29 November 2024	29 November 2024
Expiry date	29 November 2025	29 November 2025
Share price at issue date	\$0.18	\$0.19
Expected price volatility	64%	62%
Expected dividend yield	0%	0%
Risk-free interest rate	3.235%	3.070%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

(c) Acquisition – Share-based payment

The Group made no acquisitions using share-based payments during the year (2022: Nil)

21. Remuneration of Auditors	2023	2022
	\$	\$
<i>Amounts paid or due and payable to the PricewaterhouseCoopers</i>		
Auditing and reviewing financial reports	-	5,100
<i>Amounts paid or due and payable to the BDO Audit (WA) Pty Ltd</i>		
Auditing and reviewing financial reports	45,589	38,456
	45,589	43,556

There were no non-assurance services provided during the year ended 30 June 2023 (2022: \$Nil).

22. 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.

Basic loss per share	2023	2022
	\$	\$
Loss from continuing operations attributable to the ordinary equity holders of the Group	(0.03)	(0.02)
Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Group	(0.03)	(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	(3,590,514)	(2,283,191)
	Number of Shares	Number of Shares
	2023	2022
Weighted average number of shares used as the denominator		
Weighted average number of shares used in calculating basic loss per share	142,680,245	121,677,257

Effect of dilutive securities

Options and Performance Rights 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.)

23. Parent Entity

	Parent Entity	
	2023	2022
Statement of financial position		
Current assets	\$ 3,871,206	\$ 7,286,337
Total assets	38,864,007	36,063,719
Current liabilities	(1,333,052)	(740,678)
Total liabilities	(1,333,052)	(834,228)
Net assets	<u>37,530,955</u>	<u>35,229,491</u>
Equity		
Issued capital	46,096,011	40,922,955
Share-based payments reserve	2,376,230	1,658,762
Option reserve	408,900	408,900
Accumulated losses	(11,350,186)	(7,761,126)
Total equity	<u>37,530,955</u>	<u>35,229,491</u>
Statement of profit or loss and other comprehensive income		
Interest revenue	56,354	15,777
Comprehensive loss for the year	(3,532,706)	(2,265,953)
Total comprehensive loss for the year	<u>(3,589,060)</u>	<u>(2,281,730)</u>

Commitments for the parent entity are the same as those for the consolidated entity and are set out in Note 17.

The financial information for the parent entity, Saturn Metals Limited, has been prepared on the same basis as the consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

24. 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 2022 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).

Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements for the year ended 30 June 2023 have been prepared on the basis that the group is a going concern and therefore, contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year the group recorded a net loss after tax of \$3,590,514 and had net cash outflows from operating activities of \$1,651,629. At balance date the group has working capital of \$2,527,536.

The Group's ability to continue as a going concern is principally dependent upon its ability to secure funds by raising capital from equity markets or by other means, and by managing cash flows in line with available funds, and/or the successful development of its exploration assets.

These conditions indicate a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are confident of the ability of the Company to potentially raise capital as and when needed. The Directors are satisfied there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing the additional funds as and when the need to raise funds arises.

Should the entity not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial

statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Compliance with IFRS

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

Historical cost convention

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

(b) Principles of consolidation

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

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.

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.

(e) New standards and amendments

Certain new accounting standards and interpretations have been published that are mandatory for the 30 June 2023 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.

(f) 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.

The Group makes estimates and judgements in applying the accounting policies.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

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

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.

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 2023 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
29 September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Saturn Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Saturn Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 24 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 of the current period. These 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation asset

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The carrying value of the capitalised exploration and evaluation asset as at 30 June 2023 is disclosed in Note 9 of the financial report.</p> <p>As the carrying value of the capitalised exploration and evaluation asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; • Recognition and valuation of purchase consideration for tenement acquisitions; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether any area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; • Reviewing the basis of impairment recorded by management and the methodology used to determine the fair value for compliance with the relevant accounting standards; and • Assessing the adequacy of the related disclosures in Note 9 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express 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, 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.

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 has 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 this 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 (<http://www.auasb.gov.au/Home.aspx>) 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

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 29 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Saturn Metals Limited, for the year ended 30 June 2023, 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.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth,

29 September 2023

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SCHEDULE OF TENEMENTS

Tenement	State	Interest	Current Area	Area Unit	Measured km ²	Grant Date	Expiry Date
Western Australia:							
E 31/1063*	WA	100%	34	Standard Block	101.73	9/03/2015	8/03/2025
E 31/1075	WA	100%	11	Standard Block	32.91	9/03/2015	8/03/2025
E 31/1076	WA	100%	17	Standard Block	50.86	10/03/2015	9/03/2025
E 31/1087	WA	100%	4	Standard Block	11.97	19/03/2015	18/03/2025
E 31/1116*	WA	100%	14	Standard Block	41.89	26/07/2016	25/07/2026
E 31/1163*	WA	100%	70	Standard Block	209.44	27/04/2018	26/04/2023
E 31/1164	WA	100%	17	Standard Block	50.86	27/04/2018	26/04/2023
E 31/1202	WA	100%	2	Standard Block	5.98	1/02/2021	31/01/2026
E 31/1259	WA	100%	15	Standard Block	44.88	28/07/2021	27/07/2026
E 31/1287	WA	100%	11	Standard Block	32.88	23/08/2022	22/08/2027
E 31/1340	WA	100%	11	Standard Block	32.88	Application	-
E 31/1351	WA	100%	6	Standard Block	17.94	Application	-
E 39/1198*	WA	100%	11	Standard Block	32.91	31/03/2009	30/03/2025
E 39/1887*	WA	100%	5	Standard Block	14.96	24/02/2016	23/02/2026
E 39/1984*	WA	100%	37	Standard Block	110.79	30/03/2017	29/03/2027
E 40/337	WA	100%	3	Standard Block	8.98	3/12/2014	2/12/2024
E 40/372	WA	100%	55	Standard Block	164.56	3/07/2018	2/07/2023
E 40/373	WA	100%	10	Standard Block	29.92	16/11/2018	15/11/2023
M 31/486*	WA	100%	410.8	Ha	4.11	12/03/2015	11/03/2036
M 39/296*	WA	100%	24.43	Ha	0.24	30/09/1993	29/09/2035
M 31/0496*	WA	100%	12,172	Ha	121.72***	Application	-
Total: 21 Exploration & Mining Leases					1,000.69km²		
L 31/72	WA	100%	13,114	Ha	131.14	22/02/2021	21/02/2042
L 31/74	WA	100%	6,248	Ha	62.48	23/12/2021	22/12/2042
L 31/75	WA	100%	10,416	Ha	104.16	06/08/2021	05/08/2042
L 31/76	WA	100%	1,206	Ha	12.06	Application	-
L 31/77	WA	100%	1,196	Ha	11.96	Application	-
L31/78	WA	100%	598	Ha	5.98	13/10/2021	12/10/2042
L31/79	WA	100%	2874	HA	28.74	28/11/2022	27/11/2043
L 31/80	WA	100%	458	HA	4.58	Application	-
L 31/81	WA	100%	4,706	HA	47.06	05/01/2023	04/01/2044
L 31/82	WA	100%	971	HA	9.71	Application	-
L 31/83	WA	100%	1,303	HA	13.03	05/01/2023	04/01/2044
L 31/84	WA	100%	1,601	HA	16.01	05/01/2023	04/01/2044
L 31/85	WA	100%	4,780	HA	47.8	05/01/2023	04/01/2044
L 39/284	WA	100%	289	Ha	2.89	1/07/2020	30/06/2041
L 39/292	WA	100%	6,590	Ha	65.9	24/02/2021	23/02/2042
L 39/0310	WA	100%	11,727	Ha	117.27	7/12/2022	06/12/2043
L 39/0311	WA	100%	553	Ha	5.53	7/12/2022	06/12/2043
L 39/0312	WA	100%	3,789	Ha	37.89	7/12/2022	06/12/2043
L 40/28	WA	100%	2,675	Ha	26.75	24/02/2021	23/02/2042
L 40/29	WA	100%	3,800	Ha	38	24/02/2021	23/02/2042
L40/37	WA	100%	1,189	Ha	11.89	Application	-
L40/38	WA	100%	836	Ha	8.36	05/01/2023	04/01/2044
L40/39	WA	100%	8,138	Ha	81.38	Application	-
Total: 23 Miscellaneous Licences					890.73 km²		
New South Wales:							
EL 9168	NSW	100%	54	Standard Block	153.70	03/05/2021	03/05/2027
EL 8815 **	NSW	20%	31	Standard Block	88.24	14/01/2019	14/01/2028
Total: 2 Exploration Leases					241.94 km²		

Notes:

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

** Saturn Metals Limited holds an 20% interest in this tenement through a farm in Joint Venture arrangement.

MINERAL RESOURCE ESTIMATION GOVERNANCE STATEMENT

During the year, the Company provided an update to the 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. Competent Persons Statements for the estimation are included on page 63.

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.

As at 30 June 2023

June 2023 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)
0.2	oxide	0.1	0.63	2.8	1.1	0.46	17	0.8	0.55	14	2.1	0.51	33
	transitional	2.1	0.57	39	8.9	0.51	145	3.1	0.56	56	14	0.53	239
	fresh	2.4	0.52	40	44	0.53	751	43	0.56	775	89	0.55	1,567
	total	4.7	0.55	82	54	0.53	912	47	0.56	845	105	0.54	1,839

The model is reported above the 2023 nominal RF1.0 pit optimization shell for RPEEE and 0.20 g/t Au lower cut-off grade for all material types. There is no depletion by mining within the model area. Estimation is by restricted OK (ROK) for all mineralised zones. The model currently assumes a 10mE x 25mN x 5mRL selective mining unit (SMU) for open pit mining. Selectivity may vary with changed mining and processing scenarios. The final models are SMU models and incorporate internal dilution to the scale of the SMU. The models do not account for mining related edge dilution and ore loss. Classification is according to JORC Code Mineral Resource categories. Measured is assigned only to areas having RC grade control drilling. Densities are assigned according to key lithological units and weathering oxidation states with values ranging from 2.1 to 2.9 t/m³. Totals may vary due to rounded figures.

Details of this Mineral Resource were reported to the ASX in an announcement titled 'Apollo Hill Gold Resource Upgraded to 1.84Moz' dated 28 June 2023.

As at 30 June 2022

May 2022 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)
0.23	Oxide	0	0	0	1.08	0.54	19	0.75	0.61	15	1.8	0.57	34
	Transitional	0	0	0	8.3	0.58	155	3.1	0.61	61	11	0.59	216
	Fresh	0	0	0	31	0.58	586	32	0.62	634	63	0.60	1,220
	Total	0	0	0	41	0.58	760	35	0.62	710	76	0.60	1,469

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\$1,800/oz to generate a range of pit shells and cut-off grades. A pit shell for a heap leach scenario representing a revenue factor of 1.2 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 0.23 g/t Au lower cut-off grade was selected for all material types. Classification is according to JORC Code Mineral Resource categories. Totals may vary due to rounded figures. There is no known depletion by mining within the model area. Estimation is by LMIK for Apollo Hill ZONECODE=100 and 300 while Ra ZONECODE=200 and Tefnut (ZONECODE=400, 402) were estimated using ROK due to limited data. Grade field AU_FIN1. The model currently assumes a 5mE x 12.5mN x 5mRL SMU for selective open pit mining. Selectivity may vary with changed mining and processing scenarios. The final models are SMU models and incorporate internal dilution to the scale of the SMU. 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.

Details of this Mineral Resource were reported to the ASX in an announcement titled 'Apollo Hill Gold Resource Upgraded to 1.47Moz' dated 2 May 2022.

COMPETENT PERSONS STATEMENT

Competent Persons Statements – May 2022 & June 2023 Mineral 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 Ian Bamborough (IB), a Competent Person who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee (Managing Director) of the Company and 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 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.

ADDITIONAL SHAREHOLDER INFORMATION

Issued Securities

The following security holder information set out in this section was applicable at 20 September 2023.

Quoted Securities – Fully Paid Ordinary Shares

a) Distribution of Share Holdings

Size of Holding	Number of Shares	Number of Shareholders	%
100,001 and Over	141,833,645	147	87.80
10,001 to 100,000	17,884,314	447	11.07
5,001 to 10,000	1,250,133	153	0.77
1,001 to 5,000	552,964	192	0.34
1 to 1,000	17,549	47	0.01
Total	161,538,605	986	100.00

At the prevailing market price of \$0.16 per share there were 170 shareholders holding less than a marketable parcel of shares, totalling 274,235 shares.

b) Twenty Largest Shareholders

Rank	Shareholder	Number of Shares Held	%
1	CITICORP NOMINEES PTY LIMITED	35,243,981	21.82
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,551,472	9.01
3	BNP PARIBAS NOMINEES PTY LTD	6,113,682	3.78
4	EQUITY TRUSTEES LIMITED	5,314,144	3.29
5	GLYDE STREET NOMINEES PTY LTD	5,300,000	3.28
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,958,991	3.07
7	PERTH CAPITAL PTY LTD	4,050,000	2.51
8	MR IAN BAMBOROUGH	3,676,730	2.28
9	WYTHENSHAW PTY LTD	3,084,000	1.91
10	DIMENSIONAL HOLDINGS PTY LTD	2,735,000	1.69
11	MR KEIRAN HAYNES	2,228,361	1.38
12	PERTH CAPITAL PTY LTD	2,000,000	1.24
12	RUPERT CLARKE & CO PTY LTD	2,000,000	1.24
13	MR ANDREW LENOX HEWITT	1,960,000	1.21
14	ROMAN ROAD HOLDINGS PTY LTD	1,860,000	1.15
15	MR ANDREW LENOX HEWITT	1,772,778	1.10
16	REDCLIFF PTY LTD	1,260,000	0.78
17	HOWARD TRADING CO PTY LTD	1,200,000	0.74
18	SASSEY PTY LTD	1,180,706	0.73
19	WYTHENSHAW PTY LTD	1,140,000	0.71
20	MR BRUCE JOSEPH PETERS	1,100,000	0.68
	Top Twenty Shareholders	102,729,845	63.59
	Total Issued Capital	161,538,605	100.00

c) Substantial Shareholder Notifications

Shareholder	Number of Shares Held	%
1 DUNDEE CORPORATION & ASSOCIATES	32,190,017	19.99
2 FRANKLIN RESOURCES, INC. AND ITS AFFILIATES	11,129,938	10.26
3 WHYTHENSHAW PTY LTD AND ASSOCIATES	10,691,969	9.86

- 1) As lodged with the ASX on 17 May 2023.
- 2) As lodged with the ASX on 16 December 2020.
- 3) As lodged with the ASX on 30 June 2020.

ADDITIONAL SHAREHOLDER INFORMATION (Cont.)

d) 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:

- a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- b) 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
- c) 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).”

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 \$0.800 Expiring 22/11/24	4	2,200,000
Exercisable at \$0.630 Expiring 09/12/25	2	700,000
Exercisable at \$0.280 Expiring 27/11/25	4	2,200,000
Exercisable at \$0.250 Expiring 02/02/27	1	1,000,000
Total Options on Issue	11	6,100,000

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 6,100,000 unquoted options over ordinary shares on issue. All unquoted options are issued under the Employee Incentive Option & Performance Rights Plan. There are no security holders holding more than 20% of a class of Unquoted Option, not issued under the Employee Incentive Option & Performance Rights Plan to report.

ADDITIONAL SHAREHOLDER INFORMATION (Cont.)

Performance Rights

a) Details of Performance Rights on Issue

Class	No. of Holders	No. Performance Rights
Unvested 2021 rights, Expiring 13/12/24	5	1,212,000
Unvested 2022 rights, Expiring 29/11/25	6	2,552,000
Total Performance Rights on Issue	11	3,764,000

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 3,764,000 unquoted performance rights on issue. All unquoted performance rights are issued under the Employee Incentive Option & Performance Rights Plan. There are no security holders holding more than 20% of a class of Unquoted Performance Right, not issued under the Employee Incentive Option & Performance Rights Plan to report.

Corporate Governance Statement

The Company's 2023 Corporate Governance Statement can be accessed at:

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

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