



Saturn Metals Limited

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2018

ABN 43 619 488 498

Corporate Directory

Directors

Ian Bamborough Managing Director
Robert Tyson Chairman
Andrew Venn Non-executive Director

Company Secretary

Ryan Woodhouse

Registered Office

Unit 1, 34 Kings Park Rd
WEST PERTH WA 6005
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Email: info@saturnmetals.com.au

Stock Exchange Listing

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

ACN: 619 488 498

Share Registry

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St Georges Tce
PERTH WA 6000

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Facsimile: +61 (0)2 9287 0303
Website: www.linkmarketservices.com

Auditors

PricewaterhouseCoopers
Level, 15
125 St Georges Terrace
Perth WA 6000

Website

www.saturnmetals.com.au

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Saturn Metals Limited is a company limited by shares, incorporated and domiciled in Australia. The financial report was authorised for issue by the directors on 22 February 2019. The directors have the power to amend and reissue the financial report.

Saturn Metals Limited

Directors' Report

Your directors present their report on Saturn Metals Limited (“**Company**” or “**Saturn**”) for the half-year ended 31 December 2018.

Directors

The following persons were directors of Saturn Metals Limited during the financial period and up to the date of this report.

Ian Bamborough
Robert Tyson
Andrew Venn

Results

The loss for the Company for the period after providing for income tax amounted to \$559,498 (31 December 2017: \$59,400).

Review of operations / significant changes in the state of affairs

During the period Saturn Metals Limited focussed its exploration efforts on the Apollo Hill Gold Deposit and undertook further data compilation, mapping, geochemistry and geological interpretation on its surrounding 1,000km² regional land package.

Apollo Hill Gold Deposit

Additional resource focussed RC drilling was completed (4,001m 30-hole program) and significant results were used towards a major Resource upgrade also reported in the period. Drilling clearly defined several continuous higher-grade lode and shoot structures within the broader mineralised envelope and opened mineralisation along strike both north and south.

Significant mineralised near-surface intersections included²:

- 11m @ 4.06g/t Au from 132m within 18m @ 2.58g/t Au from 126m AHRC0038;
- 10m @ 2.98g/t Au from 92m within 28m @ 1.20g/t Au from 82m AHRC0036;
- 16m @ 2.00g/t Au from 103m within 36m @ 1.68g/t Au from 103m AHRC0039;
- 58m @ 1.06 g/t Au from 65m including 36m @ 1.39 g/t Au from 87m AHRC0049;
- 36m @ 1.23 g/t Au from 106m including 20m @ 1.84 g/t Au from 119m AHRC0051;
- 23m @ 1.76 g/t Au from 124m including 17m @ 2.32 g/t Au from 130m AHRC0061.

In early November, the Company published an upgraded Mineral Resource totalling **20.7Mt at 1.0g/t Au for 685,000oz**. This represented a 36% increase in contained ounces from the previously published resource and a 14% increase in deposit grade to 1.0g/t Au. A total of 3.3Mt @ 1.1g/t Au for 116koz is now classified as an Indicated Mineral Resource representing a conversion of 22% of the previous Inferred Mineral Resource.

The Company also commenced additional metallurgical work at Apollo Hill. Bottle roll cyanidation assay of a previously reported diamond drill fire assay intercept returned a new assay of 11.2m @ 2.68g/t Au representing a 33% upgrade in the assayed grade of the intersection and a potentially positive metallurgical factor to further investigate across the Apollo Hill deposit.

In November the Company undertook an 18 hole 2,630m step out RC drilling along the Apollo Hill and Ra zones with results highlighting the potential to further grow the mineral inventory at this major gold system. Highlights included extending the Ra zone 1km along strike to the south and north with intersections including²:

- 27m @ 1.12g/t Au from 61m including 11m @ 2.10g/t Au from 66m - AHRC0083 (Tefnut Prospect);
- 7m @ 1.19g/t Au from 61m - AHRC0078 (Wadjet Prospect).

Saturn Metals Limited Directors' Report

In addition, widely spaced, shallow drill intercepts, approximately 150-300m along strike from the Mineral Resource in both northerly and southerly directions, outlined a 300m wide corridor of mineralisation requiring infill drilling and the potential for discovery of higher-grade zones. Significant step out intersections included²: 11m @ 0.33g/t Au from 25m (AHRC0071) and 12m @ 0.50g/t Au from 72m (AHRC0084), and 12m @ 0.18g/t Au from 30m (AHRC0079).

Apollo Hill Regional Exploration

Regional operations during the period focussed on the ongoing compilation of historical drilling and geochemical data into Saturn's Database, geological mapping, geochemical surveying, geophysical interpretation and gold targeting. Physicals included:

Activity	Comment
Historic Drill Hole Compilation	2,053 holes added 123,506.3m added
Historic Geochemical sample Compilation	Added 24,505 geochemical samples
Km ² Field Mapped	43km ² ;
Km ² Interpreted - Mapped - Compiled	New Regolith Map – 3,300 km ²
Rock Chips Collected	Rock Chips = 133
Soil Samples Collected	Soil = 206

Results from this recent regional work are published as appropriate in Quarterly activity reports.

The Board of Directors have determined that Saturn Metals Limited has only one segment, being exploration for precious metals at the Apollo Hill Gold Project, in Western Australia.

Events occurring after reporting period

The Company had no events occurring after the reporting period to disclose.

Shares under option

Shares under option granted to key management personnel at the time of this report were as follows:

Grant Date	Date Vested & No. Exercisable	Expiry Date	Exercise Price	Fair value per option at Grant Date
9 Mar 2018	3,000,000 Director Options Class A – 9 March 2019 (33%) Class B – 9 March 2020 (33%) Class C – 9 March 2021 (33%)	9 Apr 2021	20 cents	13 Cents
9 Mar 2018	1,000,000 Director Options Class A – 9 March 2019	9 Apr 2021	20 cents	13 Cents
6 Dec 2018	1,500,000 Director Performance Incentive Options 50% of the Options will vest upon the release of a 1Moz or greater JORC Compliant Inferred Resource at The Apollo Hill & Ra Deposits Area/Corridor within two years of approval. 20% of the Options will vest upon discovery of a new JORC Compliant Inferred Resource greater than 100koz with at least 20 Aircore, Reverse Circulation or Diamond holes showing geological and mineralisation continuity within two years of approval; and 30% of the Options will vest upon the Option holder attaining two years of continuous employment in either as an employee or an officer or director of the Company.	6 Dec 2021	26.4 cents	15 Cents

Saturn Metals Limited Directors' Report

Shares under option (continued)

Grant Date	Date Vested & No. Exercisable	Expiry Date	Exercise Price	Fair value per option at Grant Date
6 Dec 2018	<p><i>1,060,00 Employee Incentive Options</i></p> <p>50% of the Options will vest upon the release of a 1Moz or greater JORC Compliant Inferred Resource at The Apollo Hill & Ra Deposits Area/Corridor within two years of approval.</p> <p>20% of the Options will vest upon discovery of a new JORC Compliant Inferred Resource greater than 100koz with at least 20 Aircore, Reverse Circulation or Diamond holes showing geological and mineralisation continuity within two years of approval; and</p> <p>30% of the Options will vest upon the Option holder attaining two years of continuous employment in either as an employee or an officer or director of the Company.</p>	6 Dec 2021	26.4 cents	15 Cents

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

Shares issued as a result of conversion of performance rights

Date of Exercise	<i>Number of shares issued in 2018</i>	
	Number	
7 December 2018	500,000	

Proceedings on behalf of the Company

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

Auditor's Independence Declaration

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

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
22nd February 2019

Saturn Metals Limited

Competent Persons Statements

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

The information in this report that relates to exploration targets and exploration results is based on information compiled by Ian Bamborough, a Competent Person who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee and Director of the Company, in addition to being a shareholder in the Company. Ian Bamborough has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1: November 2018 Apollo Hill Mineral Resource

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

¹The models are reported above nominal RLs (190 mRL - approximately 180 metres below surface (mbs) for Apollo Hill northwest, 210 mRL approximately 150mbs for Apollo Hill southeast and 260 mRL, 90mbs for Ra deposit) and nominal 0.5 g/t Au lower cut-off grade for all material types. Classification is according to JORC Code Mineral Resource categories. Totals may vary due to rounded figures.

²This presentation contains exploration results and historic exploration results as originally reported in fuller context in Saturn Metals Limited ASX Announcements, Quarterly Reports and Prospectus - as published on the Company's website. Saturn Metals Limited confirms that it is not aware of any new information or data that materially affects the information on results noted. Announcement dates to refer to include but are not limited to 06/12/2018, 31/10/2018, 30/08/2018 and 06/08/2018.

Saturn Metals Limited

Condensed statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Interest income		50,797	-
Share-based remuneration to Directors	6	(190,847)	-
Employee and Directors' benefit expenses		(224,824)	(59,400)
Administration expenses		(194,624)	-
Loss before income tax		(559,498)	(59,400)
Income tax benefit (expense)		-	-
Loss from continuing operations after income tax		(559,498)	(59,400)
Other comprehensive income		-	-
Total Loss and comprehensive income for the half-year attributable to the members of Saturn Metals Limited		(559,498)	(59,400)
		\$	\$
Basic Loss per share		(0.01)	(59,400)
Diluted Loss per share		(0.01)	(59,400)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Saturn Metals Limited

Condensed statement of financial position

As at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
Current Assets			
Cash and cash equivalents	3	3,388,041	4,982,038
Trade and other receivables		105,420	195,080
Total Current Assets		3,493,461	5,177,118
Non-Current Assets			
Plant & equipment		102,488	101,379
Exploration assets	4	6,231,743	5,086,787
Total Non-Current Assets		6,334,231	5,188,166
Total Assets		9,827,692	10,365,284
Current Liabilities			
Trade and other payables		140,839	315,379
Total Current Liabilities		140,839	315,379
Total Liabilities		140,839	315,379
Net Assets		9,686,853	10,049,905
Equity			
Contributed equity	5	10,731,001	10,631,001
Accumulated losses	6	(1,416,818)	(857,320)
Option reserve	6	372,670	276,224
Total Equity		9,686,853	10,049,905

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Saturn Metals Limited

Condensed statement of changes in equity

For the half-year ended 31 December 2018

	Note	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 Jul 2017		1	-	-	1
Loss for the half-year		-	(59,400)	-	(59,400)
Total comprehensive profit for the half-year		-	(59,400)	-	(59,400)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Issue of share capital		4,000,000	-	-	4,000,000
Balance at 31 Dec 2017		4,000,001	(59,400)	-	3,940,601
Balance at 1 Jul 2018		10,631,001	(857,320)	276,224	10,049,905
Loss for the half-year		-	(559,498)	-	(559,498)
Total comprehensive loss for the half-year		-	(559,498)	-	(559,498)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Shares issued upon conversion of performance rights		100,000	-	(100,000)	-
Share based payments		-	-	196,446	196,446
Balance at 31 Dec 2018		10,731,001	(1,416,818)	372,670	9,686,853

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Saturn Metals Limited

Condensed statement of cash flows

For the half-year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(263,941)	-
Net cash outflow from operating activities		(263,941)	-
Cash flows from investing activities			
Payments for exploration expenditure		(1,369,889)	-
Payments for purchase of plant and equipment		(10,964)	-
Interest received		50,797	-
Net cash outflow from investing activities		(1,330,056)	-
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Transaction costs of issue of shares		-	-
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,593,997)	-
Cash and cash equivalents at the beginning of the half-year		4,982,038	-
Cash and cash equivalents at the end of half-year	3	3,388,041	-

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Saturn Metals Limited

Notes to the financial statements

1. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Saturn Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, with the exception of the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Company.

There were two new significant accounting standards or amendments adopted by the Company for the period commencing 1 July 2018.

AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the financial instruments standard.

The application of the standard does not have an impact on the Company's accounting for financial assets and liabilities during the period.

AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management has assessed the impact of the new standard, its application to the Company's financial statements had an immaterial effect as the Company is not currently a revenue generating business.

(b) Impact of standards issued but not yet adopted by the entity

AASB 16 Leases – (Effective date 1 July 2019)

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change. Management has considered significant contracts, such as those for drilling, and believes the Company does not hold any contracts that constitute leases under the standard. The Company has entered into a lease for the rental of office space, however this is considered short term and therefore the implementation of the standard will have no impact at the current time.

At this stage the Company does not intend to adopt any of the above standards before its effective date. There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Saturn Metals Limited

Notes to the financial statements

2. Significant changes in the current reporting period

During the half-year period, 500,000 performance rights, which were given to the Chairman of the Company as part of his remuneration package, converted to ordinary shares. The performance rights converted to ordinary shares upon the release of a resource update at the Apollo Hill project, which was released to the Australian Stock Exchange (ASX) on 19 November 2018.

The company had no other significant changes in the reporting period to disclose.

3. 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 statement of financial position.

	31 Dec 18	30 Jun 18
	\$	\$
Cash at bank and in hand	188,041	732,038
Term deposits with financial institutions	3,200,000	4,250,000
	3,388,041	4,982,038

4. Exploration and evaluation assets

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.

	31 Dec 18	30 Jun 18
	\$	\$
At cost	6,231,743	5,086,787
Reconciliation		
Opening balance	5,086,787	-
Acquisition of Apollo Hill Gold project	-	4,000,000
Exploration expenditure	1,144,956	1,086,787
Closing balance	6,231,743	5,086,787

5. Contributed Equity

	2018		2017	
	Number of Shares	\$	Number of Shares	\$
Opening balance, 1 July	56,000,001	10,631,001	1	1
Shares issued for the purchase of Apollo Hill Gold Project	-	-	20,000,000	4,000,000
Shares issued upon conversion of performance rights	5,000,000	100,000	-	-
Closing balance, 31 Dec	56,500,001	10,731,001	1	1

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The immediate and ultimate parent entity of the Company is Peel Mining Limited.

Saturn Metals Limited

Notes to the financial statements

6. Reserves and accumulated losses

	31 Dec 2018	31 Dec 2017
	\$	\$
<i>(i) Accumulated losses</i>		
Opening balance 1 July	857,320	-
Loss for the half-year	559,498	59,400
Closing balance	1,416,818	59,400
<i>(ii) Share-based payments reserve</i>		
Opening balance 1 July	276,224	-
Performance rights (Directors rights)	47,909	52,091
Conversion of performance rights to issued capital	(100,000)	-
Options expenses (Directors options)	142,938	224,133
Options expenses (Employee options)	5,599	-
Closing balance	372,670	276,224

Nature and purpose of 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 Company paid for by the issue of equity.

Share options and reserve movements

	31 Dec 2018		30 Jun 2018	
	Options	\$	Options	\$
Opening balance	4,000,000	224,133	-	-
Options issued to Directors	1,500,000	142,938	4,000,000	224,133
Exercised	1,060,000	5,599	-	-
Closing balance	6,560,000	372,670	4,000,000	224,133
Exercisable at 20 cents each on or before 9 Mar 19	2,000,000		2,000,000	
Exercisable at 20 cents each on or before 9 Mar 20	1,000,000		1,000,000	
Exercisable at 20 cents each on or before 9 Mar 21	1,000,000		1,000,000	
Exercisable at 26.4 cents each on or before 6 Dec 21	1,500,000			
Exercisable at 26.4 cents each on or before 6 Dec 21	1,060,000			
	6,560,000		4,000,000	

Performance rights and reserve movements

	31 Dec 2018		30 Jun 2018	
	Rights	\$	Rights	\$
Opening balance	500,000	52,091	-	-
Performance Rights issued to Directors	-	47,909	1,500,000	252,091
Performance Rights converted to ordinary shares	(500,000)	(100,000)	(1,000,000)	(200,000)
Closing balance	-	-	500,000	52,091
Exercisable on or before 9 March 2019			500,000	

7. Share-based payments

During the period 2,560,000 options over the shares in the Company were issued to directors and employees. The assessed fair value at grant date of options granted to directors and employees of the company during the period ended 31 December 2018 was 15 cents per option. The options were valued on a prorated basis as a result of the vesting conditions attached to these options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the 20 day value weight average share price prior to grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Saturn Metals Limited

Notes to the financial statements

The model inputs for options granted during the half-year ended 31 December 2018 included:

(a) Options are granted for no consideration and vest accordingly	1) 50% vest on 1Moz at Apollo Hill 2) 20% on new 100koz discovery 3) 30% continuous employment for 2 years	1) 50% vest on 1Moz at Apollo Hill 2) 20% on new 100koz discovery 3) 30% continuous employment for 2 years
(b) Exercise price	26.4 cents	26.4 cents
(c) Grant date	6 December 2018	6 December 2018
(d) Expiry date	6 December 2021	6 December 2021
(e) Share price at grant date	25.11 cents (20 day VWAP)	25.11 cents (20 day VWAP)
(f) Expected price volatility	100%	100%
(g) Expected dividend yield	0.00%	0.00%
(h) Risk-free interest rate	1.93%	1.93%

8. Related Parties

Peel Mining Limited (PEX) holds 35.40% of Saturn Metals Limited. The Company engaged Peel Mining Limited in a non-exclusive basis to perform and provide administrative services and facilities through a service agreement. Throughout the half-year the Company made reimbursements for costs associated with the initial public offering and management services, to Peel Mining Limited.

	31 Dec 2018	31 Dec 2017
	\$	\$
(a) Transactions with related parties		
Purchases of management service from associate	77,838	-
	77,838	-
	31 Dec 2018	30 Jun 2018
	\$	\$
(b) Outstanding balances arising from purchases of services with related parties		
<i>Current payables</i>		
Peel Mining Limited	(26,260)	(2,049)
Entities controlled by key management personnel	-	(246,571)
	(26,260)	(248,620)

Other than the above, the Company had no other transactions with related parties.

9. Events after the reporting period

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

Director's declaration

The Board of Directors of Saturn Metals Limited declares that:

- (a) the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, 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 31 December 2018 and performance for the half-year ended on that date and

- (b) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

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
22nd February 2019



Auditor's Independence Declaration

As lead auditor for the review of Saturn Metals Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Ben Gargett', written in a cursive style.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth

22 February 2019



Independent auditor's review report to the members of Saturn Metals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Saturn Metals Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of changes in equity, condensed statement of cash flows and condensed statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Saturn Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Saturn Metals Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Ben Gargett'.

Ben Gargett
Partner

Perth

22 February 2019