

ASX Announcement

ASX: STN

6 March 2018

Statement of Financial Position

(Based on Actual Funds Raised (The Maximum) \$7,000,000)

Statement of Financial Position 30 June 2017 A\$	Historical Financial Information (Audited)	Acquisition of the Assets of Apollo [1]	Exploration expenditure between purchase date and expected IPO date [2]	Proceeds and costs from the Offer [3]	Issue of share rights/ options to management [and Directors] [4]	Pro Forma Historical Financial Information
Current assets						
Cash and cash equivalents	-	-	-	6,288,001	-	6,288,001
Loan to Parent	1	-	-	(1)	-	-
Receivable from Apollo	-	205,000	(205,000)	-	-	-
Total current assets	1	205,000	(205,000)	6,288,000	-	6,288,001
Non-current assets						
Exploration and evaluation expenditure assets	-	3,795,000	205,000	-	-	4,000,000
Total non-current assets	-	3,795,000	205,000	-	-	4,000,000
Total assets	1	4,000,000	-	6,288,000	-	10,288,001
Current liabilities						
Trade and other payables	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net assets	1	4,000,000	-	6,288,000	-	10,288,001
Contributed equity						
Share based payment reserve	1	4,000,000	-	6,298,000	200,000	10,498,001
Retained equity	-	-	-	-	190,486	190,486
	-	-	-	(10,000)	(390,486)	(400,486)
Total Equity	1	4,000,000	-	6,288,000	-	10,288,001

- [1] On 11 October 2017 the Company purchased from Apollo, the interest in the tenements and contractual rights and obligations of the Apollo Hill Project. The Company recognised a receivable of \$205,000 from Apollo for estimated minimum exploration expenditure commitments on the Assets between the purchase date (11 October 2017) and the expected IPO date.

In consideration for the Assets and the receivable, the Company has agreed to issue Peel, as Apollo's nominee, 20.0 million fully paid ordinary shares with a deemed issue price of \$0.20 per share.

The Directors have assessed the fair value of the Assets to be \$3.8 million at the date of purchase from Apollo. In absence of evidence to the contrary, the fair value of the shares has been deemed to equal the IPO subscription price.

- [2] Between the purchase date and the expected IPO date, the Company must meet minimum exploration expenditure commitments on its tenements. As the exploration expenditure is incurred, the receivable from Apollo is reduced and the expenditure is recognised against the Exploration and evaluation expenditure asset.

At the expected IPO date, the value of the Exploration and evaluation expenditure asset will be \$4.0 million being the fair value of the asset on acquisition of \$3.8 million and the value of the exploration and evaluation expenditure incurred between the purchase date and the expected IPO date of \$0.2 million.

- [3] Assuming the proceeds of the Offer are \$7.0 million through the issue of 35.0 million Saturn Shares at an issue price of \$0.20. The transaction costs arising from a \$7.0 million Offer are estimated at \$712,000. Of this:

- (a) \$702,000 has been offset against equity raised as directly attributable to the issue of shares under the offer; and
- (b) \$10,000 has been expensed.

- [4] The Company has granted the following Performance Rights and Options to the Managing Director before the IPO Date:

- (a) 1,000,000 Performance Rights, each Performance Right is a right to acquire a Share;
- (b) 1,000,000 Options exercisable at the price at which the Company raises funds in connection with its admission to the official List of the ASX (**Exercise Price**) on or before the date which is 3 years and 1 month after the IPO Date and vesting 12 months after the IPO Date;
- (c) 1,000,000 Options exercisable at the Exercise Price on or before the date which is 3 years and 1 month after the IPO Date and vesting 24 months after the IPO Date; and
- (d) 1,000,000 Options exercisable at the Exercise Price on or before the date which is 3 years and 1 month after the IPO Date and vesting 36 months after the IPO Date.

For and on behalf of the Board of Directors,

Ryan Woodhouse,
Saturn Metals Limited,
Company Secretary.