

Saturn Minerals Inc CDN\$ 0.075

2 June 2010

Good Quality Coal, More Work Needed

Share Price: 7.5c



12m High: CDN\$0.17
12m Low: CDN\$0.05
Market Cap: CDN\$3.7m
Shares in Issue: 49,632,451
 69,400,176 fully diluted

Debt: Nil – CDN\$0.55m cash in hand (including receivables at 31 March 2010).

TSX-V Code: SMI
Sector: Mining
Market: TSX-V
Website: www.saturnminerals.com
Broker: Loeb Aron & Co.
Company Contact: +1 604 685 6989:

Description: Canadian mineral explorer with extensive properties in a new coal province

Analyst: Ian Falconer
Tel: 020 79293399
Email: ian@hardmanandco.com

Saturn Minerals Inc (SMI, TSX-V) is a mineral exploration specialist whose major focus is on a Cretaceous coal play in Eastern Central Saskatchewan, along what has been termed the Durango Trend. Saturn and **Swift Resources Inc** (SWR, TSX-V) are developing these prospects under a joint venture agreement which sees Saturn as 60% owner and operator, with Swift taking the remaining 40% share.

Following the winter drilling and geophysical program the final results for coal quality assays have been received. The results are good for the two thicker seams with calorific values between 13,486 KJ/kg and 16,828 KJ/kg as received rising to between 16,205 KJ/kg and 21,141 KJ/kg after air drying. Sulphur, moisture and ash content were all in line with previous operators results in the area at around 1-2%, 22-28% and 15-30% respectively.

The thinner seams that were discovered were of generally lower quality, as would be expected, but still of quality similar to or above coals extracted within Saskatchewan and used in thermal power generation.

The company's interpretation of the drilling program's results is that they prove the prospectivity of the properties, but that the variability in coal seam thickness may indicate that coal deposition may have been focussed along palaeovalleys within the Cretaceous sub-basins that they have located. This interpretation would seem to limit the absolute tonnage possible at the targets drilled so far and require that the search be opened back up to the wider properties that Saturn (and Swift) hold in the area.

Indeed the company is adding down-hole geophysical data to enable re-processing of the existing geophysical and geological model with an aim to generate more targets.

This is a setback for the JV, but one that was not entirely a surprise. Greenfields exploration is often a case of two steps forward and one step back and it is becoming increasingly clear that the geological environment along the Durango Trend is not one of wide and uniform coal deposition, rather one where very local factors have contributed to the eventual coal thickness within isolated depositional basins each of which may or may not host a significant coal resource.

The company has released its results and has enough cash to continue exploration for the coming year.

Y/E	Group Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E ratio	Divi	Yield
	\$m	\$m	\$m	\$		c.	%
2007A	0	(700,749)		(0.03)	N/A	N/A	N/A
2008A	0	(2,604,200)		(0.08)	N/A	N/A	N/A
2009A	0	(2,327,009)		(0.05)	N/A	N/A	N/A
2010E			No	Estimates			

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Hardman & Co

4-5 Castle Court
London
EC3V 9DL
United Kingdom

Tel: +44(0)20 7929 3399
Fax: +44(0)20 7929 3377

www.hardmanandco.com

