SATURN MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Saturn Minerals Inc. (the "Company" or "Saturn") has been prepared by management, in accordance with the requirements of National Instrument of 51-102 as of November 30, 2015 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2015 and 2014, the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The following should be read in conjunction with the audited annual financial statements for the year ended December 31, 2014, the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.saturnminerals.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

OVERVIEW OF THE BUSINESS

Saturn Minerals Inc. was incorporated under the Laws of British Columbia on August 16, 2001. The Company is in the business of acquiring, exploring, evaluating and developing economically viable energy and resource deposits in Canada. The Company's current focus is to advance the exploration of its coal and oil & gas properties in Eastern Saskatchewan and Western Manitoba.

The Company's head office and registered office is Suite 312, 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5. Effective May 3, 2004, the common shares of the Company were listed on the TSX Venture Exchange and trade under the symbol "SMI".

During the year ended December 31, 2012, the Company had applied to have its coal rights reduced to 287 sq. km to better reflect those areas which have been proven to host coal or favourable geophysical information indicative of coal. The Company owns approximately 287 sq. km of coal rights in eastern Saskatchewan and western Manitoba and 152,484 hectares of oil and gas rights in the northern Williston Basin in eastern Saskatchewan. The Company has made three coal discoveries at its Saskatchewan and Manitoba coal properties since 2009, including *Karolina discovery* with one of the thickest coal intercepts encountered in Canada at 88 metres. The Company continues to build strategic relationships throughout Saskatchewan and Manitoba to pursue new opportunities and advance current projects in the eastern regions of the Western Canadian Sedimentary Basin.

At September 30, 2015, the Company reported working capital of $396,299 (December 31, 2014 – $461,425). The Company requires additional financing from outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. At September 30, 2015, the Company had not achieved profitable operations, has accumulated a deficit of $19,580,292 (December 31, 2014 - $18,133,191) since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, the attainment of profitable operations, external financings and further share issuances.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, oil & gas, coal, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete their development, and future profitable production or disposition thereof.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Significant events

As of the date of this report, the Company completed private placements by issuing an aggregate of 12,710,654 common shares for gross proceeds of $2,287,918 and issued 181,000 common shares for proceeds of $36,200 as a result of the exercise of warrants (see Capital Resources section for additional details).

In February 2015, the Company announced that Chris Barton, Craig Boland and Curt Maxwell have joined the Advisory Board of the Company, significantly bolstering the Company's operating technical team with regards to the Company's oil & gas projects.

Chris Barton, P.Geo, is a professional geophysicist with over 30 years of experience across the entire Western Canadian Sedimentary Basin and Williston Basin. Mr. Barton began his career as a geologist at Unocal where he transitioned to the role of geophysicist and thereafter worked and acted as consulting geophysicist at Conoco Canada, Pinnacle Resources, Groundswell Energy and Burlington Resources Canada. In 2006 he was appointed to the role of Vice President of Exploration at Kereco Energy and was instrumental in the identification, discovery and development of over 70 successful oil wells in Saskatchewan and Manitoba for Reliable Energy which he helped to take it from zero production to over 1,100 boed and was successfully sold to Crescent Point Energy for $97 million in 2012. Mr. Barton is the founder and president of Shadow Energy, a geophysical consulting firm. Mr. Barton has a Bachelor of Science degree in Geology from the University of Calgary (1981).

Craig Boland, P.Geo, is a professional geologist with over 30 years of diverse oil & gas experience ranging from junior exploration to senior and executive positions with major exploration & production companies, including Texaco Canada, Imperial Oil & Gas, Intensity Resources, Grizzly Resources (founding partner), Ironhorse Oil & Gas (founding partner), Archean Energy (head of exploration, United Kingdom & West Africa) and Century International (managing director). Mr. Boland has drilled exploration and production wells throughout Western Canada and Northern Canada, the United States as well as South America, West and North Africa, South East Asia and the Gulf of Mexico. In 2007 Mr. Boland founded Boland Exploration Consulting which has since provided technical evaluations, professional opinions, financing and technical advice to domestic and international energy firms, including Golden Oil Corp. (Korea), Tong Yang (Korea), PYPE Enterprises Inc. (USA/Asia), Canadian Espirito Energy CEE (Brazil), Sydco, Kootenay Energy, Valero Resources, Petroleo Resources, Anchor Point Energy, Ptarmigan Energy, Shadow Energy and Waldron Energy. Mr. Boland is a director of CEE and is a professional member of APEGGA, AAPG and CSPG. Mr. Boland has a Bachelor of Sciences degree in Geology and a Masters of Sciences degree in Earth Science from Memorial University of St. John's, Newfoundland (1984).

Curt Maxwell is a professional Landman with over 35 years of industry experience in the Western Canadian basin, NWT, offshore Canada and the northern USA. Mr. Maxwell obtained a Bachelor of Social Work from the University of Calgary before a career change into the oil and gas business. Mr. Maxwell began his Landman career at Petro-Canada and has held progressively more senior roles with General American Oils, Phillips Petroleum and EOG Resources. For the past 15 years Mr. Maxwell has worked in all aspects of Land as a Consulting Landman with more than 20 junior companies. Mr. Maxwell has been involved in the exploration, development and A&D of several significant properties. He currently continues to be involved in several operating management teams.

The new advisory board members have been consulting to the Company in regard to the Company's oil & gas properties since 2013 and are a welcome addition as the Company further develops its Bannock Creek and Little Swan properties in Saskatchewan's' Williston Basin.

Exploration activities

Although the Company has taken steps to verify title to mineral exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

a) Little Swan

In 2010, the Company submitted a successful bid for a Petroleum & Natural Gas Exploration Permit ("Little Swan"), located near the town of Hudson Bay, Saskatchewan during the Lands Sale held by the Saskatchewan Ministry of Energy & Resources. The bid was submitted by the Company in conjunction with Gulf Shores Resources Ltd (25% interest) and a privately owned Canadian oil company (25% interest) (collectively, the "Partners"). The Little Swan project grants its owners an exclusive right to explore for petroleum and natural gas within permit boundaries. The Little Swan property is 102,757 hectares in size.

The Company paid $88,189 in connection with this Bid of which $62,500 relates to an expenditure deposit and is recorded as a Permit Deposit and is refundable upon completion and submission of minimum exploration costs to the government of Saskatchewan. The remaining $25,689 relates to land rental costs. The Bid was submitted by the Company in conjunction with the Partners for a total work commitment of $500,000. The Company funded 100% of the cost of the Bid, half of which was reimbursed by the Partners.

On June 14, 2011, the Company announced the commencement of a 4,389 line-km Airborne Gravity Survey of which 700 line-km were to be flown over the Little Swan and Bannock Creek properties. The survey results were acquired to form the basis of additional exploration programs.

In 2012, the Company paid $38,540 to the Partners to acquire a 100% interest in the Little Swan project

On October 18, 2012, the Company announced that final results and interpretation of an airborne gravity-magnetic survey completed over the Little Swan property resulted in the identification of several anomalies interpreted as a system of large-scale horst-and-graben structures bound by potential deep faults. The presence of deep and wide grabens on the Little Swan property indicate that the sedimentary formations underlying the property are locally much thicker than previously understood, having significant implications on the potential presence of conditions supportive for generating oil. The Company is finalizing an exploration program to target these deep basin anomalies which will include seismic survey and vertical exploration wells.

In November 2012, the Company entered into a preliminary agreement with a private, Calgary based oil & gas company, Vector Exploration Corp. ("Vector") for exploration and development of the Company's Little Swan and Bannock Creek oil & gas properties ("the Properties"). The Company and Vector have agreed that:

1) Upon signing of a definitive agreement between the Company and Vector, the Company will grant Vector a 5% carried interest in the Properties in consideration for services and expertise to be rendered to the Company by Vector for exploration of the Properties from the date of the definitive agreement to December 1, 2013.

2) On or before December 1, 2013, the Company and Vector will evaluate exploration results of the Properties and mutually decide to pursue one of two options:

    a. The Company will transfer the Properties into Vector in consideration for a 90% equity interest in Vector. Vector's 5% carried interest will be converted into a 10% equity interest of Vector to be held by the Vector Team, provided that Vector pays to the Company 5% of the exploration expenses incurred by the Company on the Properties from December 1, 2012 to the date of the transfer; or

b. The Properties will remain entirely owned by the Company and Vector's 5% carried interest in the Properties will convert to a 5% working interest.

The Little Swan and Bannock Creek projects are two of the largest oil & gas permits in the province of Saskatchewan, consisting of over 376,800 acres (over 16 Townships). Both permits are located in the Williston Sedimentary Basin and grant the Company and Vector the exclusive right to any oil & gas discovered in any formation from surface to basement.

Reservoirs on permit lands include the entire geological section form Devonian to Cambrian which create "multi-stacked targets" which include the Duperow, Souris River, Winnipegosis, Interlake, Red River (Yeoman Formation), Winnipeg Group (Black Island Formation) and Deadwood. All of these reservoirs are known to host and produce economical deposits of oil & gas within this region of the sedimentary basin.

To date, the Company and Vector have completed three seismic programs on the Little Swan and Bannock Creek properties which have resulted in the discovery of several basement structures affecting the entire stratigraphic column and are extremely encouraging for the formation of oil & gas traps. The seismic data acquired, combined with previous geophysical and well-bore data acquired by the Company since 2011, have formed the basis of the Company and Vector's exploration model. This model has identified significant similarities in structure and reservoir potential between the Little Swan and Bannock Creek properties and the Red River "Tyvan" oil pool to the south. Template seismic lines over the "Tyvan" oil pool depict stratigraphic and structural traps in the Yeoman and Deadwood formations over basement highs, a scenario highly analogous to the seismic data acquired on the Little Swan and Bannock Creek where the same reservoirs are present. The "Tyvan" oil pool has to date produced over 15 million barrels (31 API) with average well production at 150 BOPD.
The companies have also recently completed a fourth seismic program on the Little Swan and Bannock Creek properties, results of which are presently being interpreted and will be reported when completed.

The Company and Vector are currently planning the next stage of exploration, which will include the drilling of vertical exploration wells into multi-stack targets.

In 2012, the Company has paid the second year's annual land rental fee of $25,689 in relation to the Little Swan property.

In February 2013, the Company has made the third year's refundable Permit Deposit of $62,500 to the government of Saskatchewan and paid the third year's annual land rental fee of $25,689.

In February 2013, the Company has entered into an agreement with a contractor to purchase certain geophysical services including seismic survey programs on its Little Swan oil and gas exploration property in Saskatchewan.

In November 2013, the Company amended the agreement with Vector to a Farm-In Agreement for oil and gas permits EP-71 and EP-72 (the "Little Swan" and "Bannock Creek" properties). Under the Farm-In Agreement, Vector is required to make an initial payment of $200,000. After the initial payment, the requirements are divided into two phases of operations. Phase 1 will commence prior to January 14, 2014 and requires Vector to pay an additional $200,000 to the Company and fund a minimum of 60 km of seismic data over the Little Swan property and 20km over the Bannock Creek property. On completion of Phase 1 Vector will have earned a 50% interest in the permits. Phase 2 requires Vector to drill 2 wells of which the first well must be spudded on or before January 15, 2015 and the second within 180 days of rig release of the first well. On completion of Phase 2 Vector will have earned an additional 30% interest for an aggregate interest of 80%. Both wells will be subject to a 1/350 (2.0 - 7.5%) royalty payable to the Company until payout. Upon payout, Vector will have the option to convert the 1/350 royalty into a 20% working interest.

In May 2014, the Company and Vector mutually agreed to amend the existing Farm-In Agreement for oil & gas permits EP-71 and EP-72 (the "Little Swan" and "Bannock Creek" properties) located in the Williston Basin in eastern Saskatchewan. Under terms of a new Joint-Operating Agreement, both the Company and Vector will each retain a 50% working interest in both projects. Additionally, both the Company and Vector have agreed on an Area of Mutual Interest surrounding the Little Swan and Bannock Creek projects within which both companies will retain a right of first refusal to participate at their Working Interest on any operations, including Land Purchase, geological and geophysical programs, drilling and completions.

In October 2014, the Company and Jaguar Resources Inc. have commenced a 2D seismic program over Petroleum Exploration Permit 72 (the “Bannock Creek Property”) and Exploration Permit 71 (the “Little Swan Property”) in the northern Williston Basin in eastern Saskatchewan. Harbinger Exploration Inc., Calgary has been retained to complete approvals and mapping and GeoStrata Resources Inc., Calgary has been retained for the acquisition of up to 52 km of 2D proprietary seismic data on the Bannock Creek and Little Swan Properties. This work phase will finalize drilling locations for the completion of up to four exploration wells with Jaguar as operator.

Acquisition of data using dynamite consists of two lines on Bannock Creek each measuring 10km long, and two lines on Little Swan measuring 32km total. Completion of this work phase will bring total 2D seismic acquisition work to 5 lines on Bannock Creek for a total of 51km, and 5 lines on Little Swan totaling 75km. This is one of the largest databases of oil & gas specific seismic data that exists in the northern Williston Basin and is a major asset for the Company not only for the purposes of exploration, but as a marketable asset for other interested parties, valued at standard industry rates.

Significantly, this final work phase prior to drilling will determine the structural high of a large closed structure at the Red River interval on the Bannock Creek property interpreted on seismic. This structure compares directly to the analogous fault bounded “Tyvan” Oil pools, which produce, from the Red River (Yeoman) and Winnipeg Sands to the south in the same stratigraphic basin. The normal faulting orientation visible on the seismic line will likely result in closures at these intervals based upon geological basement structural patterns in the region and as a result the Companies have identified a drill target. Additional seismic has been designed to confirm closure of this target.
The proposed vertical drilling has an estimated total depth of approximately 1000 Meters (3280 feet) or to the Precambrian with no horizontal drilling or multi stage fracing. The two zones of interest are the oil bearing Yeoman Formation (Red River) and the Black Island Formation in the Winnipeg Group. The drilling time is estimated to take ten days plus coring and testing. Conventional completions will be used to complete the wells. The Bannock Creek Property and the Little Swan Property combine one of the largest exploration permits within the Province of Saskatchewan and hold the potential for significant light oil reserves and are owned by the Companies on a 50/50 basis

In November 2014, the Company announced that it has executed a Letter of Intent (“LOI”) with Bayhorse Silver Inc. (“Bayhorse”) whereby Bayhorse can earn 50% of Saturn’s 50% interest in the 253,920 acre EP-71, the Little Swan oil & gas prospect (“Little Swan”) in Saskatchewan’s northern Williston Basin.

Farm Out Terms:

As per the terms of the LOI, Saturn and Bayhorse will enter into a Formal Agreement whereby Bayhorse will make equalization payments to Saturn totaling $600,000, issue 500,000 shares of Bayhorse to Saturn and assume Saturn’s 2014-2015 seismic costs on Little Swan for $230,000 as per the following schedule:

- A $50,000 non-refundable deposit to Saturn upon execution of the LOI (received)
- An installment payment of $150,000 payable within ten (10) business days of the TSX Venture Exchange (“TSX”) approval
- Issue 500,000 shares of Bayhorse Silver Inc. to Saturn within two (2) business days of TSX approval
- An additional $200,000 payment on or before 45 days after TSX approval
- A final $200,000 payment on or before 90 days after TSX approval
- Assume $230,000 of the Company’s costs on the planned 2014-2015 seismic program, payable on or before January 30, 2015. The seismic program will be conducted and operated by the Company.

Other than lands converted by drilling into an oil lease, Bayhorse must participate as to 25% of all ongoing geological or geophysical expenditures on the Farm-in Lands or forfeit its interest.

The Company received a total amount of $230,000 from Bayhorse Silver Inc.

In January 2015, the Company announced that it has received final work permits to complete the seismic program on Petroleum Exploration Permit 71 (the "Little Swan Property"). The Company has retained GeoStrata Resources Inc. of Calgary to complete the seismic program and has mobilized a work crew to commence work on the Little Swan.

In February, 2015, the Company paid the annual land rental fee of $25,689 and an exploration advance in the amount of $102,758.

In March 2015, the Company announced the completion of its third 2D seismic program over Petroleum Exploration Permit 71 (the "Little Swan Property") consisting of 102,758 Hectares in the northern Williston Basin in eastern Saskatchewan. The seismic program was designed to evaluate the deeper Ordovician-Cambrian targets originally identified as having hydrocarbon potential from geologic mapping. The seismic program consisted of 2 lines of 2D data totaling 27 km and are intended to identify potential structural and stratigraphic traps that could accumulate economic amounts of oil in well-known oil producing formations deeper than that those in which the Company initially encountered signs of oil. In 2011 approximately 60 km northeast of the current seismic program, the Company was conducting an exploratory drill program targeting shallow coal seams up to a maximum depth of 120 meters. During this program, the Company encountered a section of dolomitic limestone of Devonian age that contained degraded oil, indicating that oil had migrated through the system. This oil show was subsequently identified as sub-surface oil seep and an important indication of an active oil system within this part of the northern Williston Basin. 5 lines of 2D seismic have been completed at Little Swan for a total of 57 km that is intended to identify structural and stratigraphic traps in well-known oil producing formations (Red River e.g.). similar to those already identified by the Company at the nearby Bannock Creek oil prospect, where the Company has already confirmed the anticlinal four way closure of a drillable prospect. The closure of this structure compares very favourably with existing producing light oil pools to the south of Bannock Creek and Little Swan.

b) Bannock Creek

The Company submitted a successful bid for a Petroleum & Natural Gas Exploration Permit ("Bannock Creek") during the Lands Sale held by the Saskatchewan Ministry of Energy & Resources. The Company paid $37,432 in connection with this bid of which $25,000 relates to a Permit Deposit, which is refundable upon completion of exploration work and submission of technical work reports to Saskatchewan Energy and Resources. The remaining $12,432 relates to the first year's land rental fee. The Bannock Creek property is 49,727 hectares in size.

During the year ended December 31, 2013, the Company paid the third year's Permit Deposit of $25,000 and the third year's annual land rental fee of $12,432.

In November 2012, the Company entered into an agreement with Vector for exploration and development of the Company's Little Swan and Bannock Creek oil & gas properties which were further amended to a Farm-In Agreement in November 2013 and an amended Farm-In Agreement in May 2014 (see Little Swan (d)).

In September 2014, the Company announced the completion of the second phase of a 2D seismic program over Petroleum Exploration Permit 72 consisting of 122,880 acres in the northern Williston Basin in eastern Saskatchewan. This program follows the recently completed programs at Little Swan and phase one of Bannock Creek. The current phase of acquisition using dynamite consists of two lines measuring 13.1 km and 9.8 km long in the dip direction was completed by GeoStrata Resources Inc., in conjunction with processing by Earth Signal and interpretation by Shadow Energy all of Calgary, Alberta.

The Seismic Survey, which compliments phase 1, was designed to confirm the presence of large-scale structural anomalies on the north central portion of the Bannock Creek Property. The Company is encouraged to announce that final interpretation of Lines #1 and #3 with the previous phase of data indicates that the seismic lines cross over several deep seated structures in the dip direction. Each of the fault bounded structures provides stacked structural relief at the Ordovician Winnipeg and Deadwood Sandstones and the Red River (Yeoman) Formation.

A larger closed structure was encountered at the Red River interval and evidence of stratigraphic traps also exists at the Precambrian Deadwood sandstone which pinches out against the basement structures. The encouragement expressed by the Company is that the seismic interpretation compares directly to the analogous fault bounded "Tyvan" Oil pools, which produce, from the Red River (Yeoman) and Winnipeg Sands to the south in the same stratigraphic basin.

The Tyvan pool volumetrically has 71MMBBLS in place (Geoscout December 2014) with individual wells producing at 150 Barrels of oil per day and some accumulating over 250,000 barrels each (Geoscout 2014). The normal faulting orientation visible on the seismic line will likely result in closures at these intervals based upon geological basement structural patterns in the region and as a result the Company has identified a preliminary drilling location (link to map of structure); however currently the position being taken by the Company is to perhaps acquire an additional line to indeed confirm closure prior to drilling.

All of this evidence is extremely encouraging to the Company and the Company plans to amend its previously designed seismic programs at Little Swan and remaining acquisition at Bannock Creek to concentrate specifically on the recently identified structures in order to confirm closed features in the strike direction as it prepares to drill its first expected exploration well at Bannock Creek. Additional regional data is still planned for Little Swan but an enhanced concentration effort will now occur at Bannock Creek.

In January 2015, the Company announced that it has completed the previously announced 2D seismic program over Petroleum Exploration Permit 72. Acquisition of data using dynamite on the Bannock Creek Property entailed 3 lines totaling 30 km. This program brings total 2D seismic data acquired on Bannock Creek to-date to 60 km in 6 separate lines. The Company is currently incorporating this latest seismic data into its existing model to better map a significant target within the Red River / Winnipeg Formations. This structure was first identified in earlier seismic programs and has been the principle focus of all ensuing seismic work which is intended to establish closure and size leading to a drill target. The structure on Bannock Creek is approximately 1,920 acres in size and compares well to the analogous fault bounded "Tyvan" Oil pool in T13 R13W2 producing from the Red River (Yeoman) and Winnipeg Sands.

In February 2015, the Company announced that it has completed the interpretation of the latest seismic data with 3 additional recently acquired lines now totaling 60 km on the Bannock Creek property in eastern Saskatchewan. The Company has incorporated the new seismic data with its existing geophysical model for the Bannock Creek project which is designed to identify and confirm closure for potential light oil traps in the stacked Red River, Winnipeg and Deadwood Formations of the Northeastern Williston Basin.

The Company is pleased to report that the recently acquired data has confirmed the anticlinal four way closure of a drillable prospect on the Bannock Creek property. This closed fault bounded roll over structure is 480 acres minimum in area and has the potential to contain up to 38 million barrels in place of resource from all three targeted reservoirs. The closure of this structure, which compares very favorably with existing producing light oil pools to the south of Bannock Creek and the validation of the Company's exploration model has resulted in the Company selecting this prospect as the Company's first exploration well which will be drilled and completed conventionally to a depth of less than 1000 meters. Permitting and licensing for a well at this location is underway.

Potential structures identified on the Bannock Creek seismic data are up dipped closed fault bounded anticlinal traps affecting the Red River, Winnipeg and Deadwood Formations which are known to produce light oil throughout the Williston Basin. Saturn's geophysical/geological model has been based on existing producing pools such as the fault bounded "Tyvan" Oil pool in T13 R13W2 (71 million barrels in place Geoscout December 2014), the "Montmarte" Oil pool in T13R11W2 (26 million barrels in place Geoscout December 2014) and the Chapleau Lake Oil pool in T14 R12W2 (26 million barrels in place Geoscout December 2014), all of which produce from the Ordovician Red River (Yeoman) and Winnipeg Sand Formations. These underlying Formations within the Bannock Creek area along with the proprietary the Company owned seismic data acquired to-date has resulted in an extremely strong exploration model for the presence of analogous closed structures.

The Company would like to update that the previously identified 1,920-acre Ordovician structure on the Bannock Creek property remains and requires additional data which is planned for later in 2015 to confirm closure. This target remains an exciting future target in the Company's inventory along with several other structures which have been mapped from the recent seismic.

In April 2015, the Company paid annual land rental fee of $12,370 and an exploration advance in the amount of $49,728.

In April 2015, the Company announced that the Company has been granted a Permit & License under the Oil and Gas Conservation Act, Province of Saskatchewan, to drill an oil well at its Bannock Creek Property.

At present the location is under certain R.M. road restrictions due to soft ground conditions and the Company will mobilize a rig and crew to the drill site as soon as the restrictions are lifted.

The Company identified the well location in its recently completed 2D seismic program which was designed to identify and confirm closure for potential light oil traps in the stacked Red River, Winnipeg and Deadwood Formations of the Northeastern Williston Basin. The data confirmed the anticlinal four-way closure of the drillable prospect at Bannock Creek.

The closure of this structure, which compares very favorably with existing producing light oil pools to the south of Bannock Creek and the validation of the Company's exploration model has resulted in the Company selecting this prospect as the Company's first exploration well which will be drilled and completed conventionally to a depth of less than 1,000 meters.

In May 2015, road bans in the Bannock Creek Property area were lifted and property ground conditions enabled the Company to move a rig and crew to the property. The Bannock Creek exploration well was spudded and drilling of the Bannock Creek Well was underway. As a result of technical problems encountered, the Company decided to abandon the current well and is considering its options, which includes drilling an additional well at the location (see news releases on May 13, 2015 and May 19, 2015 on www.sedar.com).

In June 2015, the Company announced an update on the results from its operated 9-5 Bannock Creek exploration well in northeast Saskatchewan. As described in the Company's news release dated May 19, 2015 Saturn has now completed a technical review of the 9-5 well with its technical group and drilling consultants. The initial 9-5 borehole encountered formations that lead to successive circulation losses. The hole was recovered repeatedly with the addition of loss circulation material as well as a considerable amount of cement patching. Faulting near the drill target, although important for structural closure, may have also contributed to the lost circulation zones. The hole was lost at a final loss of circulation and collapse of the borehole onto the drill pipe approximately 80 metres from the targeted Red River Formation. The Company has received a proposal from its drilling consultants for the next borehole to run deeper surface casing and subsequent intermediate casing down most of the length of the hole to avoid any collapse issues while drilling. Packers and cement back filling will also be utilized to stabilize the hole at depth. Additional review of geophysical data is presently being reviewed to determine if a modified location is viable to mitigate the effects of local faulting. Saturn has determined that the proposal is sound and is completing plans to drill a second oil exploration well at the Bannock Creek Property.

In June 2015, the Company received a proposal from its Joint Venture Partner ("JV Partner") for the Bannock Creek Property (Petroleum Exploration Permit 72) for a 4 well drilling program starting in July 2015. The exploration oil well program has been proposed by the JV Partner following the recently completed 2D seismic program, which was designed to identify and confirm closure for potential light oil traps in the stacked Red River, Winnipeg and Deadwood Formations of the Northeastern Williston Basin. The exploration wells will be drilled and completed conventionally to a depth of less than 1,000 meters. The JV Partner has surveyed a total of 10 locations and has an option with its drilling contractor to drill an additional 6 wells at Bannock Creek. The JV Partner estimates initial production rates of a successful well could be ranging between 100 to 150 barrels per day per well and estimated total netback of approximately 35 CAD per barrel at the current oil price level. Saturn and its JV Partner want to establish a core operating area for expanded future operations. The first proposed well is a re-drilling of the 9-5 Bannock Creek Exploration Well location (see news release dated May 19, 2015), with additional wells to follow. The proposed wells are estimated to cost approximately $830,000 per well to drill, tie in and complete. Based on a 50% interest the costs for Saturn would be approximately $415,000 per well.

In September 2015, the Company announced that the Company and the Joint Venture Partner, Jaguar Resources Inc. ("Jaguar") have agreed to amend the Joint Operating Agreement ("JOA") initially entered into May 27, 2014. Under the terms of the initial JOA where a party has proposed a well to be drilled on the joint lands and the other party chooses not to participate, then the non-participating party would agree to farm out 100% of their respective working interest in 5 contiguous sections, subject to a proportionate non-convertible 1% Overriding Royalty. Under the agreed to amendment the parties have agreed to amend the non-convertible Overriding Royalty to a 3% Gross Overriding Royalty (GORR) convertible into a 10% Working Interest in the 5 contiguous sections, for the non-participating party. The nonparticipating party would also be entitled to participate in a proposed well on a 50/50 basis provided that its share of the proposed costs of the well are received prior to the spud date or in accordance to the JOA. The amendment is subject to the approval of the directors of the Company and Jaguar's board of directors and debt provider. The Company and Jaguar have also agreed that Jaguar is indebted to the Company for funds expended by the Company on the Joint Venture. Saturn and Jaguar have agreed to the amount of the default and Jaguar has agreed to reimburse Saturn upon securing funding. Jaguar has proposed a 4 well drilling program for the Bannock Creek property (see news release dated June 30, 2015). The proposed drilling program contains an option to drill and additional 6 wells. The Company has received Independent Operator Notices for the drilling program and has met with Jaguar to discuss the drilling program. Jaguar has surveyed 11 locations and has to date received 3 drilling licenses on Bannock Creek. Jaguar is working to tie up personnel, equipment and supplies for the drilling program of up to 6 wells. The Company would elect to participate in 2 wells and in particular a re-drill of the 9-5 Bannock Creek location initially undertaken by the Company in May of 2015. In the event that Jaguar is unable to settle the default and secure adequate funding for the proposed drilling program, the Company has made an additional proposal to Jaguar to further amend the JOA whereby the Company would continue as operator of the joint properties and grant Jaguar the above noted GORR convertible to a 10% working interest in all future operations on the joint properties. Jaguar has been advised by the RM of Porcupine Plains that two of the selected sites, NW 27-44-08 W2 and NW 10-44-08-W2, would have restricted access for heavy equipment until freeze up due to large amounts of precipitation in the area. The Company and Jaguar have agreed to proceed with the logistics of the proposed drilling program including a site visit to the locations to determine, among other things, ground conditions, crop status and access with the objective of initiating the drilling program as soon as ground conditions permit. The Company is of the view that access to other locations would not have the same restrictions and intends to complete the site visit and meet with the RM to determine potential dates for access.

In September 2015, the Company announced the Company has finished a site visit to the locations to determine, among other things, ground conditions, crop status and access with the objective of initiating the drilling program. The Company discussed the accessibility to the drill locations with the Rural Municipality of Porcupine Plain ("RM") and local landowners. Due to large amounts of precipitation in the area over the past months, the Company and its partners will proceed with the logistics of the proposed drilling program as soon as the freeze up starts and the ground conditions allow for heavy-duty transport of trucks and equipment. The exploration area is near graveled roads, but it is necessary that all trucks and service providers have full and reliable access to the drilling locations. The Company wants to prevent unnecessary costs and stay focused on the economics of an efficient drilling program. In discussions with the RM the Company was advised that upon freeze up the RM would be in a better position to allow side road transport and would work with the Company for access in utilizing the RM's road equipment to clear side roads. It is the intention of the Company to closely monitor ground conditions in the Bannock Creek area and maintain close communication with the RM and local landowners in order to initiate the drilling program in a timely manner.

In September 2015, the Company announced that the Saskatchewan Ministry of the Economy had granted approval to the Company for one Red River or Deadwood Formation oil well, at the Company's Bannock Creek property, located at 9-5-44-8 W2M. The Company identified the well location in a 2D seismic program, which was designed to identify and confirm closure for potential light oil traps in the stacked Red River, Winnipeg and Deadwood Formations of the Northeastern Williston Basin. The data confirmed the anticlinal four-way closure of the drillable prospect at the Company's 120,000 acre Bannock Creek property. The closure of this structure, which compares very favourably with existing producing light oil pools to the south of Bannock Creek and the validation of the Company's exploration model has resulted in the Company selecting this prospect as the Company's second exploration well which will be drilled and completed conventionally to a depth of less than 1,000 meters.

c) Gem

Pursuant to an agreement dated April 20, 2005, and subsequently amended, the Company has acquired a 100% interest in the Apex 3 and 4 mineral claims located in the New Westminster Mining Division, British Columbia, subject to a net smelter return royalty of 1%. The Company has the right to acquire 0.5% of the net smelter return royalty for $1,000,000. Under the terms of the option agreement the Company paid $70,500 and issued 300,000 common shares with a value of $89,600 to acquire its interest. In 2009, upon the Company's determination that the value of the property was impaired, the carrying value of the property was reduced to a nominal $1 by a charge to earnings of $216,194.

During the year ended December 31, 2010, the Company resumed exploration work on the property and completed adequate care and maintenance in 2011 and this work has continued to the date of this report.

During the period ended September 30, 2015, the Company paid $3,000 for mineral title acquisition for the property.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2015

Revenues

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

General and administrative expenses

The Company incurred general and administrative expenses of $1,523,776 for the nine months ended September 30, 2015 compared with $1,120,729 for the nine months ended September 30, 2014.

A brief explanation of the significant changes in expenses by category is provided below:

a) Advertising, promotion and public relations of $357,056 (2014 - $132,668) – The increase is a result of higher volume of advertising, promotion and public relations activities in the current period compared to the prior period. In addition, fees paid to a company for investor relations activities in the current period ($209,602) were classified as consulting fees in the prior period ($167,839 was recorded in consulting fees in the prior period).

b) Consulting expenses of $70,500 (2014 - $318,227) – The decrease is due to a reallocation of consulting fees in the prior period. Fees paid to a company for investor relations activities in the amount of $167,839 were classified as consulting fees in the prior period of which the fees are being recorded in advertising, promotion and public relations in the current period ($209,602).

c) Management fees of $284,280 (2014 - $144,000) – The increase in the current period compared to the prior period is a result of higher volume of management activities and an increase in management fee rates.

d) Share-based payments of $568,772 (2014 - $312,724) – During the period ended September 30, 2015, the Company granted 5,500,000 (2014 – 5,000,000) stock options with initial fair market value of $735,051 (2014 - $373,973) or $0.13 (2014 - $0.07) per option. The Company expensed $539,728 (2014 - $308,563) to operations for the options granted during the period ended September 30, 2015 with the balance of $29,044 (2014 - $4,161) pertaining to the prior year's grants of stock options.

During the period ended September 30, 2015, the Company recorded a write-down of due from related parties of $3,325, recorded a settlement of flow-through share premium liabilities of $80,000, and recorded an unrealized loss on investments of $190,218.

For the three months ended September 30, 2015

The Company incurred general and administrative expenses of $429,908 for the three months ended September 30, 2015 compared with $398,822 for the three months ended September 30, 2014.

A brief explanation of the significant changes in expenses by category is provided below:

a) Administration, office, and rent of $8,698 (2014 - $48,292) – The decrease is a result of less activities related to administration and office expenses in the current period compared to the prior period. The prior period also included a one-time adjustment for rent expense which was a substantial portion of the increase in the prior period.

b) Advertising, promotion and public relations of $122,634 (2014 - $63,794) – The increase is a result of higher volume of advertising, promotion and public relations activities in the current period compared to the prior period. In addition, fees paid to a company for investor relations activities in the current period were classified as consulting fees in the prior period ($63,890 was recorded in consulting fees in the prior period).

c) Consulting expenses of $11,000 (2014 - $147,309) – The decrease is due to lower volume of consulting activities in the current period compared to the prior period. In addition, fees paid to a company for investor relations activities in the amount of $63,890 were classified as consulting fees in the prior period of which the fees are being recorded in advertising, promotion and public relations in the current period.

d) Management fees of $84,000 (2014 - $48,000) – The increase in the current period compared to the prior period is a result of higher volume of management activities and an increase in management fee rates.

e) Share-based payments of $140,847 (2014 - $50,904) – The increase was due to a higher volume of stock options granted in the current period.

f) Travel and accommodation of $44,717 (2014 - $21,300) – The increase was due to a higher volume of travel activities in the current period compared to the prior period.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following is a summary of the results from the eight previously completed financial quarters:

	September 30, 2015	**June 30, 2015**	**March 31, 2015**	**December 31, 2014**
Exploration and evaluation assets	$ 2,909,471	$ 2,819,541	$ 2,133,823	$ 1,734,039
Total assets	4,303,390	4,487,228	2,612,342	2,918,676
Loss for the period	(523,991)	(538,408)	(574,919)	(2,151,176)
Loss per common share	(0.00)	(0.00)	(0.00)	(0.02)
	September 30, 2014	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**
Exploration and evaluation assets	$ 3,333,115	$ 3,269,079	$ 3,223,385	$ 3,201,686
Total assets	5,018,007	4,660,752	5,134,930	3,418,644
Loss for the period	(738,099)	(907,741)	(422,153)	(1,387,935)
Loss per common share	(0.01)	(0.01)	(0.00)	(0.02)

During the period ended December 31, 2014, the Company wrote-off its Armit and Red Earth properties in the amount of $1,749,135 and recorded a fair value loss on available-for-sale investments of $89,149.

During the period ended September 30, 2014, the Company recorded a fair value loss on available-for-sale investments of $320,501.

During the period ended June 30, 2014, the Company recorded a fair value loss on available-for-sale investments of $469,822.

During the period ended December 31, 2013, the Company wrote-off its Muskeg and Rat Creek properties in the amount of $815,218, wrote-down of due from related parties of $335,701 and had a write-down of permit deposits of $63,940.

LIQUIDITY

As at September 30, 2015, the Company had $1,005,015 (December 31, 2014 - $723,886) in cash. The Company had current assets of $1,074,641 (December 31, 2014 - $875,392) and current liabilities of $678,342 (December 31, 2014 - $413,967) with a working capital of $396,299 (December 31, 2014 – $461,425). The Company has to rely upon the sale of equity securities primarily through private placements for the cash required for acquisitions, exploration and development, and operating expenses.

During the period ended September 30, 2015, the Company received cost recoveries for the Little Swan and Bannock Creek properties in the amount of $536,978 from a joint venture partner.

CAPITAL RESOURCES

The Company relies primarily on the issuance of shares to raise working capital and to fund its ongoing exploration programs.

As at the date of this report, the Company:

a) Closed two tranches of a flow-through private placement for 3,200,000 flow-through units ("FT Unit") and 340,000 FT Units at a price of $0.18 per FT Unit for a gross value of $637,200. Each FT Unit consists of one flow-through common share (the "FT Shares") and one-half of a non flow-through share purchase warrant (the "NFT Warrants"). Each whole NFT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the NFT Warrants. The NFT Warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of the Company's common shares on the TSXV exceeds $0.30 for any 20 consecutive trading days, in which event the holder will be given notice that the NFT Warrants will expire 30 days following the date of such notice. The NFT Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the NFT Warrants. The Company paid $37,130 of cash share issuance costs, recorded a premium received on flow-through shares of $80,000 and incurred $40,000 of share issuance costs to fair value warrants issued in relation to the private placement.

b) Closed a non flow-through private placement for 2,500,000 non flow-through units ("NFT Unit") at a price of $0.18 per NFT Unit for a gross value of $450,000. Each NFT Unit consists of one common share and one-half of a share purchase warrant. Each whole Warrant will entitle the holder to purchase one additional common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the Warrant. The Warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of Saturn's common shares on the TSXV exceeds $0.30 for any 20 consecutive trading days, in which event the holder will be given notice that the Warrants will expire 30 days following the date of such notice. The Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the Warrants. The Company paid $3,000 of cash share issuance costs in relation to the private placement.

c) Issued 181,000 common shares for proceeds of $36,200 as a result of the exercise of warrants.

d) Closed a flow-through private placement for 689,654 flow-through units ("FT Unit") at a price of $0.18 per FT Unit for a gross value of $124,138. Each FT Unit consists of one flow-through common share (the "FT Shares") and one-half of a non flow-through share purchase warrant (the "NFT Warrants"). Each whole NFT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the NFT Warrants. The NFT Warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of the Company's common shares on the TSXV exceeds $0.30 for any 20 consecutive trading days, in which event the holder will be given notice that the NFT Warrants will expire 30 days following the date of such notice. The NFT Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the NFT Warrants. The Company incurred $1,724 of share issuance costs to fair value warrants issued in relation to the private placement.

e) Closed a non flow-through private placement for 1,811,000 non flow-through units ("NFT Unit") at a price of $0.18 per NFT Unit for a gross value of $325,980. Each NFT Unit consists of one common share and one-half of a share purchase warrant. Each whole Warrant will entitle the holder to purchase one additional common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the Warrant. The Warrants are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of Saturn's common shares on the TSXV exceeds $0.30 for any 20 consecutive trading days, in which event the holder will be given notice that the Warrants will expire 30 days following the date of such notice. The Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the Warrants. The Company paid $10,599 of cash share issuance costs and incurred $9,055 of share issuance costs to fair value warrants issued in relation to the private placement.

f) Closed a non-brokered flow-through and non flow-through private placements of 615,000 flow-through units (the "FT Units") and 3,555,000 non flow-through units (the "NFT Units") at a price of $0.18 per FT and NFT Unit for gross value of $750,600. Each FT Unit consists of one flow-through common share (the "FT Shares") and one-half of a non flow-through share purchase warrant (the "FT Warrants"). Each whole FT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the FT Warrant. Each NFT Unit consists of one non flow-through common share (the "NFT Shares") and one-half of a non flow-through share purchase warrant (the "NFT Warrants"). Each whole NFT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of $0.30 per share for a period of 18 months from the date of issue of the NFT Warrant. The FT and NFT Warrants (collectively, the "Warrants") are subject to an accelerated expiry if, at any time after an initial 4 month hold period expires, the closing price of Saturn's common shares on the TSXV exceeds $0.30 for any 20 consecutive trading days, in which event the holder will be given notice that the Warrants will expire 30 days following the date of such notice. The Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the Warrants.

RELATED PARTY TRANSACTIONS

During the period ended September 30, 2015, the Company incurred the following transactions with directors, officers and other key management personnel:

	Nine months ended September 30, 2015	2014
Accounting – a firm of which Scott Davis, CFO is a partner	$ 31,500	$ 31,500
Management fees – Stan Szary, CEO and Director	194,280	54,000
Management fees – Stefan Szary, Director	45,000	45,000
Management fees – Will Elston, Director	45,000	45,000
Geological services recorded in exploration and evaluation assets	-	20,000
Total	$ 315,780	$ 195,500

The share-based payments to directors, officers and other key personnel of the Company during the nine months ended September 30, 2015 was $257,847 (2014 - $219,080). Share-based payments are the fair value of options granted to directors, officers and other key management personnel. There were 2,425,000 options granted to directors, officers and other key personnel during the period ended September 30, 2015 (2014 – 3,550,000 options).

As at September 30, 2015, the Company owed $40,915 (December 31, 2014 - $118,515) to its directors, officers and other key management personnel of the Company for management fees, services and expense reimbursements. As at September 30, 2015, the Company advanced $26,002 (December 31, 2014 - $66,423) to an officer and director of the Company. During the year ended December 31, 2013, the Company entered into a loan agreement with a family member of a director in the amount of $20,000. The loan was non-interest bearing, unsecured and had no specific terms of repayment. During the year ended December 31, 2014, the Company repaid the $20,000 loan.

The Company shares office space and other office and administrative expenses with another company related through common directors and during the nine months ended September 30, 2015, the Company recovered office rent expenses of $Nil (2014 - $35,409) and other office and administrative expenses of $Nil (2014 - $29,700) due in reimbursements from the company. As at September 30, 2015, the total amount due from this company was $440,899 (December 31, 2014 - $437,575) which is non-interest bearing, unsecured, and due on demand. At December 31, 2014, the Company wrote-down the full balance from the related company due to uncertainty of collectability. During the period ended September 30, 2015, the Company wrote-down $3,325 from the related company.

RISKS AND UNCERTAINTIES

Our exploration programs may not result in a commercial mining operation.

Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Our mineral properties are without a known body of commercial ore and our proposed programs are an exploratory search for ore. We do not know whether our current exploration programs will result in any commercial mining operation. If the exploration programs do not result in the discovery of commercial ore, we will be required to acquire additional properties and write-off all of our investments in our existing properties.

We may not have sufficient funds to complete further exploration programs.

We have limited financial resources, do not generate operating revenue and must finance our exploration activity by other means. We do not know whether additional funding will be available for further exploration of our projects or to fulfill our anticipated obligations under our existing property agreements. If we fail to obtain additional financing, we will have to delay or cancel further exploration of our properties, and we could lose all of our interest in our properties.

Factors beyond our control may determine whether any mineral deposits we discover are sufficiently economic to be developed into a mine.

The determination of whether our mineral deposits are economic is affected by numerous factors beyond our control. These factors include market fluctuations for precious metals; metallurgical recoveries associated with the mineralization; the proximity and capacity of natural resource markets and processing equipment; costs of access and surface rights; and government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

We have no revenue from operations and no ongoing mining operations of any kind.

We are a mineral exploration company and have no revenues from operations and no ongoing mining operations of any kind. If our exploration programs successfully locate an economic ore body, we will be subject to additional risks associated with mining.

We will require additional funds to place the ore body into commercial production. Substantial expenditures will be required to establish ore reserves through drilling, develop metallurgical processes to extract the metals from the ore and construct the mining and processing facilities at any site chosen for mining. We do not know whether additional financing will be available at all or on acceptable terms. If additional financing is not available, we may have to postpone the development of, or sell, the property.

We have no revenue from operations and no ongoing mining operations of any kind.

In making determinations about whether to proceed to the next stage of development, we must rely upon estimated calculations as to the mineral reserves and grades of mineralization on our properties. Until ore is actually mined and processed, mineral reserves and grades of mineralization must be considered as estimates only. Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of the placing of a property into production and a property's return on capital.

Mining operations often encounter unpredictable risks and hazards that add expense or cause delay. These include unusual or unexpected geological formations, changes in metallurgical processing requirements; power outages, labor disruptions, flooding, explosions, rock bursts, cave-ins, landslides and inability to obtain suitable or adequate machinery, equipment or labor. We may become subject to liabilities in connection with pollution, cave-ins or hazards against which we cannot insure against or which we may elect not to insure. The payment of these liabilities could require the use of financial resources that would otherwise be spent on mining operations.

Mining operations and exploration activities are subject to national and local laws and regulations governing prospecting, development, mining and production, exports and taxes, labor standards, occupational health and mine safety, waste disposal, toxic substances, land use and environmental protection. In order to comply, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offence under such legislation.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our properties will not be challenged. We own, lease or have under option, unpatented and patented mining claims, mineral claims or concessions which constitute our property holdings. The ownership and validity, or title, of unpatented mining claims and concessions are often uncertain and may be contested. We also may not have, or may not be able to obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties or mining concessions may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our title to a property will cause us to lose our rights to explore and, if warranted, develop that property. This could result in our not being compensated for our prior expenditures relating to the property.

Land reclamation requirements for our exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we must allocate financial resources that might otherwise be spent on further exploration programs.

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration companies, many of which have greater financial resources than us or are further along in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If we require and are unsuccessful in acquiring additional mineral properties or personnel, we will not be able to grow at the rate we desire or at all.

Some of our directors and officers may have conflicts of interest as a result of their involvement with other natural resource companies.

Some of our directors and officers are directors or officers of other natural resource or mining-related companies. These associations may give rise to conflicts of interest from time to time. In particular, our directors who also serve as directors of other companies in the same industry may be presented with business opportunities which are made available to such competing companies and not to us. As a result of these conflicts of interest, we may miss the opportunity to participate in certain transactions, which may have a material, adverse effect on our financial position.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As at the date of this report, the Company had the following outstanding:

- 129,360,219 common shares.

- Warrants:

Expiry Date	Outstanding Warrants	Exercise Price
February 7, 2016	2,200,000	0.15
March 1, 2016	2,500,000	0.25
March 1, 2016	100,000	0.25
March 7, 2016	5,000,000	0.17
March 17, 2016	500,000	0.25
March 19, 2016	400,000	0.17
March 19, 2016	312,500	0.20
April 16, 2016	125,000	0.25
October 2, 2016	1,600,000	0.30
November 7, 2016	170,000	0.30
November 11, 2016	1,250,000	0.30
December 10, 2016	344,827	0.30
December 12, 2016	905,500	0.30
February 6, 2017	2,085,000	0.30
	17,492,827	

- Stock options:

Expiry Date	Outstanding Options	Exercise Price
March 8, 2016	3,856,000	0.17
January 11, 2017	1,019,000	0.20
September 15, 2017	1,005,000	0.20
January 22, 2019	4,500,000	0.15
February 24, 2020	3,500,000	0.20
May 7, 2020	2,000,000	0.20
	15,880,000	

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition or disposition transactions and, in some cases, makes proposals to acquire or dispose of such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature, and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of the date of this report, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

CONTINGENCIES AND COMMITMENTS

a) During the year ended December 31, 2013, the Company received notice of a claim by Hampton Securities Limited ("Hampton") for payment of approximately $80,000 allegedly owed to Hampton in connection with a proposed brokered private placement announced on November 13, 2012 that did not proceed. The amount appears to comprise Hampton's legal fees as well as additional amounts that are not specified in the claim. The Company believes that the claim being made by Hampton is groundless and the Company intends to defend the claim vigorously.

b) The Company has entered into an office lease expiring February 28, 2017 which calls for monthly payments of approximately $1,957 in 2015; $1,966 in 2016; and $1,966 in 2017, plus an applicable portion of operating costs.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com and the Company's website at www.saturnminerals.com.

DIRECTORS AND OFFICERS

As of the date of this report the Company had the following directors and officers:

Stan Szary	– *Director, Chief Executive Officer and President*
Stefan Szary	– *Director*
William Elston	– *Director*
Scott Davis	– *Chief Financial Officer*

FORWARD-LOOKING INFORMATION

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimisation of operations at the properties; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

RECENT ACCOUNTING POLICIES

Please refer to the September 30, 2015 condensed interim financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the September 30, 2015 condensed interim financial statements on www.sedar.com.