



SATURN MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

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 27, 2014 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2014 and 2013, 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, 2013 and all other disclosure documents of the Company. 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. At September 30, 2014, the Company owned 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, 2014, the Company reported working capital of \$1,054,924 (December 31, 2013 – working capital deficiency of \$974,967). During the nine months ended September 30, 2014, the Company raised gross cash proceeds of \$2,637,700. The Company also closed its securities exchange with Global Resources Investment Trust plc ("GRIT"). The Company issued 10,000,000 units at \$0.13 per unit, in exchange for 704,301 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share. The Company requires additional financing from outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. At September 30, 2014, the Company had not achieved profitable operations, has accumulated a deficit of \$16,071,164 (December 31, 2013 - \$14,888,484) 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

During the period ended September 30, 2014, the Company completed private placements by issuing an aggregate of 16,714,666 common shares for gross proceeds of \$2,637,700 (see Capital Resources section for additional details).

In February 2014, the Company closed its securities exchange with Global Resources Investment Trust plc ("GRIT"). The Company issued 10,000,000 units at \$0.13 per unit, in exchange for 704,301 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share. Each unit consists of one common share and one-half common share purchase warrant exercisable at \$0.17 per share for two years. The Company will now seek to sell the GRIT Shares through the facilities of the London Stock Exchange. During the first six months, all sales of GRIT Shares will be arranged by GRIT. While the Company will seek to maximize the proceeds it receives from the sale of its GRIT Shares, there is no assurance as to the timing of disposition or the amount that will be realized. In connection to the securities exchange with GRIT, the Company issued 800,000 common shares as finder's fee valued at \$108,000 and 400,000 common share purchase warrants as finder's warrants valued at \$29,933. Each common share purchase warrant is exercisable at \$0.17 per share for two years from the closing of the securities exchange. The Company paid \$9,750 of cash share issuance costs in relation to the private placement.

In April 2014, the Company engaged Frontier Merchant Capital Group ("Frontier") for investor relations services. Frontier is an experienced and reputable Investor Relations group with a home office in Toronto, Canada. Frontier will assist the Company by increasing market awareness for the Company utilizing a number of financial market communications initiatives. The core of which will be facilitating in-person introductions for the Company with institutional and retail brokers and investors in a number of cities across Canada, the US, Europe and Australasia. Under the terms of the engagement, Frontier has been retained for a 12 month period at \$5,000 per month plus direct expenses. Frontier and its principals have also recently subscribed for a total of 634,000 units of the Company at a price of \$0.15 per unit in the Company's March 2014 private placement.

In May 2014, the Company amended the existing Farm-In Agreement with Vector for oil & gas permits EP-71 and EP-72 (the "Little Swan" and "Bannock Creek" properties). Under the terms of a new Joint-Venture Agreement, both Saturn and Vector will each retain a 50% working interest in both projects. Additionally, both Saturn 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 November 2014, the Company executed a Letter of Intent ("LOI") with Bayhorse Silver Inc. ("Bayhorse") whereby Bayhorse can earn 50% of the Company's 50% interest in the EP-71 (Little Swan). As per the terms of the LOI, the Company and Bayhorse will enter into a formal agreement whereby Bayhorse will make equalization payments to the Company totaling \$600,000, issue 500,000 shares of Bayhorse to the Company and assume the Company's 2014-2015 seismic costs on Little Swan for \$230,000.

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) Armit

The Company's 100% owned Armit property initially consisted of 23 contiguous Coal Prospecting Permits totaling 17,664 hectares in size of which 20 remain active. The property is located in Saskatchewan and hosts the Leif Coal Discovery. The Company has applied to the Saskatchewan Ministry of the Economy to convert 4,288 hectares of the Coal Prospecting Permits with the highest potential to host economic amounts of coal, into eight (8) Coal Leases, and has paid the annual rental fee of \$5.50 per hectare totaling \$23,584 and associated filing and other fees to the Saskatchewan Ministry of the Economy with respect to these Coal Leases. As of the date of this report the Company has not received approval for conversion of the Coal Prospecting Permits to Coal Leases.

Leif discovery

In December 2009 the Company commenced drilling on the Armit property and on December 21, 2009, the Company announced that it had intersected a 10.35 meter thick coal seam at a depth of approximately 112 meters. The upper 9.74 meters of this intersection contained continuous coal with no mineral partings. A minor 1.26 meter thick coal seam was also intersected at a depth of 102.7 meters. The discovery hole was drilled vertically and coal zone intervals are estimated to be true thickness. Due to technical difficulties the discovery hole did not reach target depth and was suspended at a depth of 136 meters in a layer of unconsolidated sand containing coal fragments.

In January 2010, the Company had resumed drilling on the Armit property and in February 2010, the Company had completed Phase 1 of the diamond drill program. Coal seams were intersected in six (6) holes. Some holes intersected more than one coal seam at different depths. The results of the program are summarized in the following table:

Drill Hole	Coal Intersection (metres)*		Width (metres)*
	From	To	
1. Arm-09-A1-003	102.70	103.96	1.26
* and	112.22	121.96	9.74
2. AR-C-1	99.82	101.04	1.22
and	109.12	118.57	9.45
3. AR-B-1	103.94	105.00	1.07
and	111.65	113.93	2.29
4. AR-X-1	104.03	107.75	3.72
5. AR-C-3	98.15	100.28	2.13

Coal intersections are believed to represent true thickness.

Two drill holes (labeled 1 and 2 respectively in the Table) located 220 meters apart intersected 9.74 and 9.45 meters of coal of the lower coal seam with additional 1.26 and 1.22 meters of coal intersects, respectively, of the upper coal seam. Stratigraphic correlation indicates two thinner intersections of the lower coal seam in drill holes numbered 3 and 4 in the Table and located 4,400 meters apart are related. The drilling proves the presence of 2 significant coal seams in the north-central part of the Armit property.

On May 5, 2010 the Company reported that it had received the results of the proximate coal analysis from the winter drill program on the Armit property. Samples were collected from four drill holes which intersected coal intervals of significant thickness. Selection of the samples was based on visual examination of coal luster, specific gravity and admixture of mineral matter. All coal samples were submitted to Loring Laboratories Ltd. of Calgary, Alberta. The tests were to determine the percentage of total moisture, total ash and total sulphur as well as the Calorific value.

The results of the tests are summarized in the following table:

Drill Hole	Interval		Total Moisture	Total Ash	Total Sulfur	Calorific Value	
	From	To				kJ/kg (ar)*	KJ/kg (ad)*
	(metres)	(metres)	% (ar)*	% (ar)*	% (ar)*		
Arm09-A1-3	112.24	114.67	23.47	27.30	1.88	14,044	17,193
	114.67	117.11	24.34	22.97	1.34	14,751	17,989
	117.11	119.41	27.03	15.28	2.71	16,828	21,141
	119.41	121.92	22.08	29.51	1.79	13,486	16,205
AR-C-1	109.12	112.78	25.90	23.46	1.05	14,345	18,260
	112.78	115.98	28.01	18.28	2.13	15,203	19,942
	115.98	118.57	26.87	18.69	0.98	15,487	19,842
AR-B-1	111.65	113.93	19.79	52.05	3.62	6,954	8,520
AR-X-1	104.03	106.07	32.59	30.11	4.10	10,011	14,298
	106.07	107.75	22.31	48.86	0.67	7,103	8,926

The Company's winter drill program proved the existence of two significant coal seams in the north-central part of the Armit property. The thicker seam, (Lower Coal Seam) ranges in thickness from 9.45 to 9.72 metres and was intersected in two drill holes at depths ranging from 109 to 112 metres. These two drill holes are situated 220 metres apart. Two additional drill holes (situated 4,400 metres apart) returned coal intersections of 2.29 and 3.72 metres at depths of 104 and 112 metres and display stratigraphic correlation to the Lower Coal Seam. The thinner seam, (Upper Coal Seam) ranges in thickness from 1.07 to 2.13 metres and was intersected in four drill holes at depths ranging from 98 to 103 metres. Samples from the Lower Coal Seam returned calorific values from 13,486 to 16,828 kJ/kg "as received". Calorific values for "air dry" and "dry" samples ranged from 16,205 to 21,141 kJ/kg, and from 17,305 to 23,062 kJ/kg, respectively. Moisture content from the Lower Coal seam ranged from 23.47 to 28.01% and ash content ranged from 15.28 to 29.51% "as received". Total sulfur content varies from 0.98 to 2.17%. Visual examination of the core provided evidence that a significant part of the total sulphur content is related to common but random occurrences of pyrite/marcasite concretions. Preliminary interpretation of the results from the winter drill program may indicate an association of the thicker coal seams with a system of paleovalleys which developed in the Armit area and subsequently filled in by Cretaceous sediments.

b) Overflowing

The Company's 100% owned Overflowing property consists of seven contiguous Quarry Exploration Permits totaling 1,837 hectares in size. The property is located in the province of Manitoba. The Quarry Exploration Permits associated with the Overflowing property entail minimum exploration expenditures of \$12 per hectare, \$24 per hectare and \$36 per hectare in years one, two and three respectively. Four of the Quarry Exploration Permits associated with the Overflowing property totaling 736 hectares in size are still pending application approval and are not yet subject to minimum exploration expenditure requirements. These Application and Permit Deposits are fully refundable to the Company upon completion and submission at minimum exploration costs to the Government of Manitoba.

During the period ended September 30, 2014, the Company elected to abandon six of the Quarry Exploration Permits. As at December 31, 2013, the Company wrote-off the associated Application and Permit Deposits to the Manitoba government. All capitalized exploration and evaluation asset expenditures at December 31, 2013 relate to the remaining Permit Deposit which the Company is currently in the process of applying to the Manitoba government to convert into a Permit Lease.

Karolina discovery

On March 29, 2011 the Company announced the discovery of a thick coal seam (the "Saturn Coal Seam") on the Overflowing Property in western Manitoba. The Company completed seven vertical drill holes located within the northern and central areas of a geophysical target (the "Karolina Basin") identified on the Overflowing property by Saturn during previous airborne geophysical surveys. Six drill holes encountered coal seams of significant

thickness, the thickest being in drill hole QP227-04 which encountered 88.98 metres of a single coal seam beginning at a depth of 45.65 metres. This coal intersection is one of the longest single coal intersections ever reported in Canada. The following table summarizes the results of the Saturn's 2011 winter drill program:

Drill Hole	From*	To*	Width	Description	Remarks
QP227-01	45.45	85.30	39.85	Coal with minor mineral partings	
	91.65	94.35	2.70	Coal	
	94.35	95.15	0.80	Carbonaceous mudstone	
QP227-03	10.20	13.20	3.00	Coal	
	13.20	13.70	0.50	Carbonaceous clay	
QP227-04	20.20	20.60	0.40	Coal	Casing, no core – inferred from downhole geophysical logs
	44.65	133.63	88.98	Coal with minor mineral partings	

* - all depths in metres as determined by visual core inspection and verified by a set of downhole geophysical logs

The following table summarizes character of the Saturn Coal Seam as encountered in drill hole QP227-04:

Drill Hole	From*	To*	Width	Description
Saturn Coal Seam QP227-04	44.65	47.30	2.65	Coal with minor mineral partings
	47.30	64.95	17.65	Coal
	64.95	65.85	0.90	Coal with thin silty partings
	65.85	74.15	8.30	Coal
	74.15	75.15	1.00	Siderite and carbonaceous siderite
	75.15	112.40	37.25	Coal
	112.40	113.25	0.85	Coal with thin silty partings
	113.25	121.15	7.90	Coal
	121.15	125.95	4.80	Coal and silty coal
	125.95	133.63	7.68	Coal*
Total	44.65	133.63	88.98	

* - the downhole geophysical logs are available only for the upper half of the interval

On May 31, 2011, the Company announced the results of the proximate coal analysis from the Karolina Basin discovery on the Company's Overflowing Property. Fifty one (51) coal samples were collected from six drill holes which encountered the Saturn Coal Seam in the Karolina Basin. Coal intersections in individual drill holes ranged from 3.00 m to 88.98 m. Sample intervals were selected based on visual examination and submitted to Loring Laboratories Ltd. of Calgary, Alberta to test coal properties. The average length of sample intervals was approximately 3.5 m. The best composite sample result is a 32.01 m continuous coal intersection from drill hole QP 227-04 (from 88.39 to 120.40 m depth interval) which returned an extremely high calorific value of 24,120 kJ/kg or 10,368 BTU/lb (both values are weighted averages from 7 consecutive samples at "air dry" basis) and extremely low ash content of 8.86% ("as received") and 15.53% ("air dry"). This result represents one of the best coal quality intervals of comparable thickness encountered to date in the Hudson Bay area of eastern Saskatchewan & western Manitoba. The Company intends to complete additional washability tests on coal samples to assess potential gain in calorific value and additional loss in ash content. A collection of all 35 samples which represent the thickest coal intersections (a total of 134.4 m of coal) encountered in the central part of the Karolina Basin (drill holes QP 227-01 and QP 227-04) displays high calorific values at a weighted average of 20,532 kJ/kg or 8,827 BTU/lb ("air dried" basis) and relatively low ash (16.68%) and sulfur (1.94%) contents. The exclusion of 4 samples which represent the deepest parts of the coal intersections in both drill holes raises the average calorific value of coal from the central part of the basin to 21,092 KJ/kg or 9,067 BTU/lb and reduces total ash content to 15.26%. A collection of 16 samples which represent coal intersections along the northern periphery of the Karolina Basin (a total of 38.42 m of coal) returned moderate calorific values at a weighted average of 18,647 kJ/kg or 8,016 BTU/lb ("air dried" basis), moderate ash (23.44%) and low sulfur (1.50%) contents. The exclusion of 2 samples which represent subordinate intersections of distinctly impure coals (the bottom 1.45 m interval in drill hole QP 227-7 and the entire 4.12 m interval in drill hole QP 227-3) raises the average calorific value of coal from the northern periphery of the Karolina Basin to 19,598 kJ/kg or 8,425 BTU/lb and reduces total ash content to 20.80%. These parameters characterize coals of significant thickness (10.75 to 11.28 m) which were encountered at extremely shallow depths (15.77 to 26.52 m).

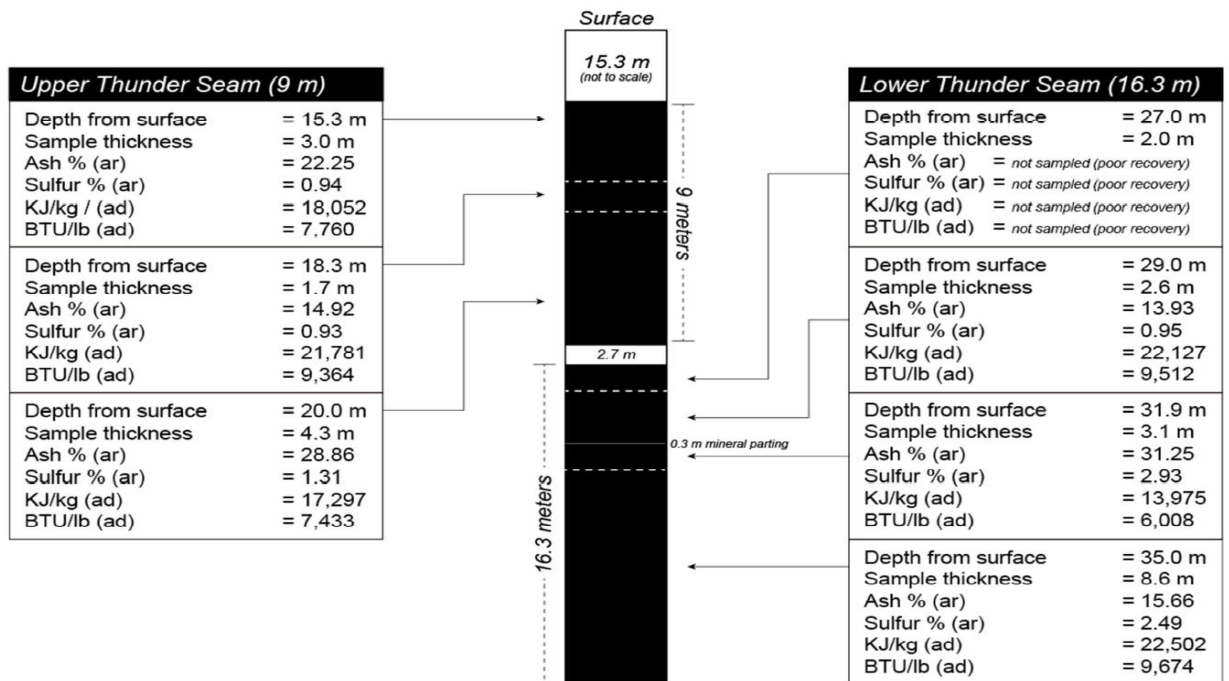
Thunder discovery

On April 12, 2012, the Company announced the discovery of a series of thick coal seams at very shallow depths on the Overflowing Property in western Manitoba. The coal discovery (the "Thunder Discovery") consists of three thick coal seams (the "Thunder Coal Seams") and a series of thinner lower coal seams totaling 25.85 meters in thickness, beginning at 15.30 meters depth and ending at 45.05 meters depth. Drilling of the Thunder Discovery was halted at approximately 50 meters depth due to technical difficulties. Coal thicknesses are based on driller measurements and no E-logs were run in the discovery hole.

The Thunder Discovery is the second coal discovery made on the Overflowing Property. The Thunder Discovery is located approximately 2 km north of the Karolina Discovery and is part of a significant geophysical trend connecting several strong anomalies, two of which are the Thunder and Karolina discoveries. This geophysical trend (the "Overflowing Trend") generally runs north-south through the Overflowing Property for approximately 8 km and may represent a continuous belt of Cretaceous sedimentary deposits containing coal seams at very shallow depth. To date, drilling of anomalies within the Overflowing Trend have all proven coal ranging in thickness from 3 to 89 meters at depths from 10 to 45 meters.

On May 7, 2012, the Company announced the results of the laboratory coal quality analysis from the Thunder Coal discovery on the Company's Overflowing Property, Manitoba. Six representative coal samples were submitted to Loring Laboratories Ltd. of Calgary, Alberta for coal proximate analysis, sulfur content and calorific value. Samples were taken from both the Upper and Lower Thunder Seams, and lengths of the sampled intervals ranged from 1.7 to 8.6 meters (sample intervals represented below).

Coal samples from the Upper Thunder Coal Seam are characterized by significantly low sulfur values, relatively low ash content and moderate to high calorific values making its coals some of the best ranking coals discovered in western Manitoba to date. The discovery of the Upper Thunder Coal Seam is also one of the shallowest drill intersections of significant coal seams encountered in western Manitoba and eastern Saskatchewan to date. The upper layer of the Lower Thunder Coal Seam is also characterized by sulfur content less than 1.0%, low ash content and high calorific value.



The reported analytical results from the Thunder Coal discovery support the expectation that the coals being identified within the easternmost marginal regions of the sedimentary basin originated in a paleo-environmental zone characterized by very limited marine influences and, thus, represent coal accumulations of potentially higher

quality (low content of both, sulfur and ash) as compared to more westerly locations in the basin. Due to north-eastern structural rise observed in the basin its marginal zones are also expected to host the shallowest coal seams in the basin. The Company intends to investigate the exploration implications of this depositional model in relation to the Overflowing Property and other areas in western Manitoba.

Seam	Sample Interval			Moisture	Ash	Sulfur	Calorific Value		
	From	To	Width	(ar)	(ar)	(ar)	(ar)	(ad)	(ad)
	m	m	m	%	%	%	kJ/kg	kJ/kg	BTU/lb*
Upper Thunder	15.3	18.3	3.0	33.16	22.25	0.94	12,067	18,052	7,760
	18.3	20.0	1.7	35.99	14.92	0.93	13,948	21,781	9,364
	20.0	24.3	4.3	30.41	28.86	1.31	12,038	17,297	7,433
Lower Thunder	27.0	29.0	2.0	<i>poor core recovery - not sampled</i>					
	29.0	31.6	2.6	37.55	13.93	0.95	13,818	22,127	9,512
	31.6	31.9	0.3	<i>mineral partings - not sampled</i>					
	31.9	35.0	3.1	28.38	31.25	2.93	10,009	13,975	6,008
	35.0	43.6	8.6	31.75	15.66	2.49	15,357	22,502	9,674

*approximate calculated value (kJ/kg x 0.4299 = BTU/lb)

c) Red Earth

The Company's Red Earth property consists of six contiguous Coal Prospecting Permits totaling 4,608 hectares in size and located in the province of Saskatchewan. On November 9, 2011 the Company entered into a property transfer and option agreement (the "Agreement") whereby the Company transferred a 10% interest in certain Coal Prospecting Permits in Saskatchewan to Jameson Resources Ltd. ("Jameson") for a cash payment of \$46,080.

Jameson can earn up to an additional 50% interest in the Coal Prospecting Permits by expending \$870,000 in exploration expenses over three years following which the Company and Jameson will enter into a joint venture agreement. During the term of the Agreement, Jameson will make cash payments to the Company equivalent to \$5 and \$10 per hectare in years two and three, respectively up to a maximum of \$69,120. The Company will also retain a 7% royalty interest in all future production from the Coal Prospecting Permits.

In February 2012, the Company entered into an amended agreement whereby it agreed to pay finder's fees of \$16,600 payable by the issuance of 75,000 common shares upon regulatory approval of the amended agreement. As at December 31, 2012, the Company received approvals and issued 75,000 common shares. The Company will also pay \$6,920 payable in cash or the issuance of 37,000 common shares, at the sole election of the Company, upon completion of the first year's exploration work on the Coal Prospecting Permits, recommendation of an independent geologist that further exploration work be conducted and Jameson's commitment to fund the second year's exploration work.

On May 7, 2012, the Company announced that three reconnaissance exploration holes were completed on the Red Earth property in eastern Saskatchewan. These holes were designed to verify geology encountered and calibrate geophysical data acquired previously for the property. All drill holes penetrated strata of the coal bearing formation targeted though no significant coal thicknesses were intersected. Saturn and Jameson have agreed to extend the Red Earth permits to evaluate the exploration results. As a result of the exploration expenditures, Jameson has earned a 20% interest in the Red Earth property.

As at September 30, 2014, Jameson had reimbursed the Company \$124,608 for exploration expenditures in the first year on the Red Earth property and pursuant to the Agreement, Jameson's ownership interest in the Red Earth Property has been increased to 20%. The Company has applied to the Saskatchewan Ministry of the Economy to convert the entire Red Earth property from Coal Prospecting Permits into Coal Leases. Coal Leases grant the right to commercially produce coal. Jameson had reimbursed the Company an additional \$25,344 and associated filing and other fees paid to the Saskatchewan Ministry of the Economy with respect to these Coal Leases as prescribed in the annual rental for Coal Leases of \$5.50 per hectare. As of the date of this report, the Company has received approval for conversion of the Coal Prospecting Permits to Coal Leases.

d) 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 from 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-Venture 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 (10) ten business days of the TSX Venture Exchange ("TSX") approval
- Issue 500,000 shares of Bayhorse Silver Inc. to Saturn within (2) two business days of TSX approval
- An additional \$200,000 payment on or before 90 days after TSX approval
- A final \$200,000 payment on or before 180 days after TSX approval
- Assume \$230,000 of Saturn'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 Saturn.

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.

e) 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 Saturn 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 pools contain upwards of 15 Million barrels of recoverable light crude from each structure 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 Saturn has identified a preliminary drilling location ([link to map of structure](#)); however currently the position being taken by Saturn is to perhaps acquire an additional line to indeed confirm closure prior to drilling.

All of this evidence is extremely encouraging to Saturn 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.

The Company is presently finalizing the next phase of exploration for its oil & gas project which will include drilling of the Red River target at Bannock Creek and will announce final plans when completed.

f) 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 continued in 2013 and during the nine months ended September 30, 2014.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2014

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 \$1,120,729 for the nine months ended September 30, 2014 compared with \$496,071 for the nine months ended September 30, 2013.

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

- a) Administration, office and rent expenses of \$71,500 (2013 - \$10,842) – The increase is a result of increased activities related to administrative services and other office expenses in the current period compared to the same period in the prior year.
- b) Advertising, promotion and public relations of \$132,668 (2013 - \$25,653) – The increase is a result of higher volume of advertising, investor relations, promotion and public relations activities in the current period compared to the same period in the prior year.
- c) Consulting expenses of \$318,227 (2013 - \$10,059) – The increase due to new consulting agreements the Company entered in the current period.
- d) Management fees of \$144,000 (2013 - \$214,000) – The decrease in the current period compared to the same period of last year is a result of a resignation of a former officer.
- e) Project development and evaluation of \$nil (2013 - \$40,764) – The higher amount reported in the prior period was mostly a result of activity relating to the Letter of Intent with the First Nations including the opening and staffing of an office in Saskatoon to facilitate the Company's First Nations initiative.
- f) Share-based payments of \$312,724 (2013 - \$123,946) – The increase was due to stock options granted in the nine month period ended September 30, 2014 compared to the nine month period ended September 30, 2013. During the nine months ended September 30, 2014, the Company granted 5,000,000 (2013 – Nil) stock options with initial fair market value of \$373,973 (2013 - \$Nil) or \$0.07 (2013 - \$Nil) per option. The Company expensed \$308,563 (2013 - \$Nil) to operations for the options granted during the nine months ended September 30, 2014 with the balance of \$4,161 (2013 - \$123,946) pertaining to the prior year's grants of stock options.
- g) Travel and accommodation expenses of \$62,960 (2013 - \$955) – The increase is a result of higher number of domestic and international promotional, investor relations and business development trips by a senior management and consultants of this period compared to last period.

During the nine months ended September 30, 2014, the Company wrote-down due from related parties of \$77,576, recorded a settlement of flow-through share premium liability of \$15,625 and recorded a fair value loss on available-for-sale investments of \$885,313.

For the three months ended September 30, 2014

The Company incurred general and administrative expenses of \$398,822 for the three months ended September 30, 2014 compared with \$121,991 for the three months ended September 30, 2013.

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

- a) Administration, office and rent expense of \$48,292 (2013 - \$6,377) – The increase in expense is a result of increased activities related to office rent, administrative services and other office expenses in the current period compared to the same period.
- b) Advertising, promotion and public relations of \$63,794 (2013 - \$2,990) – The increase is a result of higher volume of advertising, investor relations, promotion and public relations activities in the current period compared to last period.
- c) Consulting expenses of \$147,309 (2013 - \$Nil) – The increase due to new consulting agreements the Company entered in the current period.
- d) Share-based payments of \$50,904 (2013 - \$20,752) – The difference is due to the vesting provisions of the stock options granted.
- e) Travel and accommodation expenses of \$21,300 (2013 - \$Nil) – The increase is a result of higher number of domestic and international promotional, investor relations and business development trips by a senior management and consultants of this period compared to last period.

During the three months ended September 30, 2014, the Company wrote-down due from related parties of \$22,000, recorded a settlement of flow-through share premium liability of \$3,224 and recorded a fair value loss on available-for-sale investments of \$320,501.

SELECTED QUARTERLY FINANCIAL INFORMATION

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

	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)
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Exploration and evaluation assets	\$ 3,884,226	\$ 3,883,571	\$ 3,709,663	\$ 3,573,516
Total assets	4,841,610	4,858,052	4,687,140	4,342,327
Loss for the period	(121,991)	(148,482)	(225,598)	(349,808)
Loss per common share	(0.00)	(0.00)	(0.00)	(0.00)

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, 2014, the Company had \$948,584 (December 31, 2013 - \$2,779) in cash. The Company had current assets of \$1,509,892 (December 31, 2013 - \$23,220) and current liabilities of \$454,968 (December 31, 2013 - \$998,187) with a working capital of \$1,054,924 (December 31, 2013 - working capital deficiency of \$974,967). 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, 2014, 625,000 warrants were exercised for proceeds of \$93,750.

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 its securities exchange with Global Resources Investment Trust plc ("GRIT"). The Company issued 10,000,000 units at \$0.13 per unit, in exchange for 704,301 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share. Each unit consists of one common share and one-half common share purchase warrant exercisable at \$0.17 per share for two years. The Company will now seek to sell the GRIT Shares through the facilities of the London Stock Exchange. During the first six months, all sales of GRIT Shares will be arranged by GRIT. While the Company will seek to maximize the proceeds it receives from the sale of its GRIT Shares, there is no assurance as to the timing of disposition or the amount that will be realized. In connection to the securities exchange with GRIT, the Company issued 800,000 common shares as finder's fee valued at \$108,000 and 400,000 common share purchase warrants as finder's warrants valued at \$29,933. Each common share purchase warrant is exercisable at \$0.17 per share for two years from the closing of the securities exchange. The Company paid \$9,750 of cash share issuance costs in relation to the private placement.
- b) Closed a non-brokered private placement of 5,650,000 non flow-through units (the "NFT units") at a price of \$0.12 per NFT unit for a gross value of \$678,000. Each NFT unit consists of one non flow-through common share and one-half of a 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 \$0.15 per share until February 7, 2016. The Company paid \$3,390 of cash share issuance costs in relation to the private placement.
- c) Closed a non-brokered flow-through private placement of 625,000 flow-through units (the "FT units") at a price of \$0.15 per FT unit for a gross value of \$93,750. Each FT unit consists of one flow-through common share and one-half of a non flow-through share purchase warrant. Each whole FT warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of \$0.20 per share until March 19, 2016. The Company paid \$742 of cash share issuance costs and recorded a premium received on flow-through shares of \$15,625 in relation to the private placement.
- d) Closed a non-brokered flow-through and non flow-through private placement of 868,000 flow-through units (the "FT Units") and 3,571,666 non flow-through units (the "NFT Units") at a price of \$0.15 per FT and NFT Unit for a gross value of \$665,950. 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 Warrant"). Each whole FT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of \$0.20 per share for a period of 12 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 Warrant"). Each whole NFT Warrant will entitle the holder to purchase one additional non flow-through common share, exercisable at a price of \$0.20 per share for a period of 12 months from the date of issue of the NFT Warrant. The Company paid \$11,092 of cash share issuance costs in relation to the private placement.

- e) Closed the first tranche of a flow-through private placement for 5,000,000 flow-through units ("FT Unit") at a price of \$0.20 per FT Unit for a gross value of \$1,000,000. 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 \$0.25 per share expiring on March 1, 2016. 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 \$0.35 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 \$60,000 to the agent and issued 100,000 finder's warrants under the same terms valued at \$10,185. The Company paid \$5,750 of cash share issuance costs and recorded a premium received on flow-through shares of \$25,000 in relation to the private placement.
- f) Closed the first tranche of a non flow-through private placement for 1,000,000 non flow-through units ("NFT Unit") at a price of \$0.20 per NFT Unit for a gross value of \$200,000. 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 \$0.25 per share expiring March 17, 2016. The Company paid \$1,750 of cash share issuance costs in relation to the private placement.
- g) Closed the second and final tranche of a flow-through private placement for 250,000 flow-through units ("FT Unit") at a price of \$0.20 per FT Unit for a gross value of \$50,000. 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 \$0.25 per share expiring on April 2, 2016. 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 \$0.35 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 Warrants. All securities issued will be subject to a four-month hold period expiring on February 11, 2015.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2014, the Company incurred the following transactions with directors, officers and other key management personnel:

	Nine months ended September 30,	
	2014	2013
Accounting	\$ 31,500	\$ 31,647
Management fees	144,000	214,000
Geological services recorded in exploration and evaluation assets	20,000	26,071
Consulting	-	10,000
Administration	-	3,200
Total	\$ 195,500	\$ 284,918

The share-based payments to directors, officers and other key personnel of the Company during the nine months ended September 30, 2014 was \$219,080 (2013 - \$Nil). Share-based payments are the fair value of options granted to directors, officers and other key management personnel. There were 3,550,000 options granted to directors, officers and other key personnel during the period ended September 30, 2014 (2013 - Nil).

As at September 30, 2014, the Company owed \$146,112 (December 31, 2013 - \$290,863) to its directors, officers and other key management personnel of the Company for management fees, services and expense reimbursements. As at September 30, 2014, the Company advanced \$31,400 (December 31, 2013 - \$Nil) 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 period ended September 30, 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, 2014, the Company recovered office rent expenses of \$35,409 (2013 - \$35,409) and other office and administrative expenses of \$29,700 (2013 - \$30,281) due in reimbursements from the company. As at September 30, 2014, the total amount due from this company was \$414,163 (December 31, 2013 - \$335,701) which is non-interest bearing, unsecured, and due on demand. At December 31, 2013 and September 30, 2014, the Company wrote-down the full balance from the related company due to uncertainty of collectability.

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:

- 116,468,565 common shares. Subsequent to September 30, 2014 the Company issued 250,000 common shares in relation to a private placement.

- 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 7, 2016	400,000	0.17
March 17, 2016	500,000	0.25
March 19, 2016	312,500	0.20
April 16, 2016	125,000	0.25
May 16, 2016	2,219,833	0.20
	13,357,333	

- Stock options:

Expiry Date	Outstanding Options	Exercise Price
January 19, 2015	775,000	\$ 0.17
March 8, 2016	3,935,000	0.17
October 7, 2016	500,000	0.17
January 11, 2017	1,819,000	0.20
September 15, 2017	1,105,000	0.20
January 22, 2019	5,000,000	0.15
	13,134,000	

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) The Company entered into an agreement with Fishing Lake First Nation, Kinistin Saulteaux First Nation, The Key First Nation and Yellowquill First Nation (the "First Nations") for the formation of Inowending Exploration & Development Corp. ("Inowending"). Under the terms of agreement the Company will own 20% of Inowending and will have the right of first refusal on up to 20% of any equity financing of Inowending. Inowending will have a participatory right of first refusal on up to 100% of any equity financing of the Company provided that the resulting ownership interest of Inowending in the Company does not exceed 19.9%. The Inowending Trust Fund will be established and will be the principal benefiting entity of commercial success of Inowending and through which potential profits will be administered. The initial contribution of the Company into the Inowending Trust Fund will be \$33,000 and it will issue to Inowending warrants to purchase 10,000,000 common shares of the Company at an initial exercise price of \$0.50 per share subject to an exercise price escalator clause and subject to a 19.9% maximum ownership interest of Inowending in the Company. As at the date of this report, the Company has not received regulatory approval of the agreement upon which the Company will transfer to Inowending a 12.5% carried interest in certain coal permits in eastern Saskatchewan. Inowending will have the right to participate in the exploration funding and increase its ownership in the properties up to 50%.
- b) 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.
- c) During the year ended December 31, 2013, the Company received notice of a claim by Hardman & Co. ("Hardman") for payment of approximately \$20,000 of outstanding fees. The Company did not file a Response to Civil Claim and the parties subsequently resolved the matter themselves in which the Company would pay Hardman the full outstanding fees of \$20,000.

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	– <i>Director, Chief Executive Officer and President</i>
Stefan Szary	– <i>Director</i>
William Elston	– <i>Director</i>
Scott Davis	– <i>Chief Financial Officer</i>

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, 2014 condensed interim financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the September 30, 2014 condensed interim financial statements on www.sedar.com.