



Saracen

SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

Saracen agrees to sell Red October

Sale is consistent with Saracen's strategy of focusing on its higher-margin assets located close to existing processing facilities

Corporate Details:

26th September 2017

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 812.9m

Unvested employee performance rights: 8.7m

Market Capitalisation: A\$1.1b
(share price A\$1.32)

Cash & Bullion (30 June): A\$45.2m

Debt: Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Mark Connelly
Non-Executive

Mr Martin Reed
Non-Executive

Dr Roric Smith
Non-Executive

Ms Samantha Tough
Non-Executive

Substantial Shareholders:

Van Eck Global 11.1%

Wroxby 6.0%

Registered Office:

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For further details contact:

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Key Points

- Saracen signs binding agreement to sell the Red October gold mine to ASX-listed gold company Matsa Resources Limited (ASX: MAT)
- The consideration for Red October comprises:
 - **A\$1 million cash;**
 - **4.545 million Matsa shares;**
 - **Matsa to assume all environmental liabilities**
- Saracen will emerge with a 3.04% stake in Matsa post the transaction
- The sale is consistent with Saracen's strategy of focusing on its higher-margin assets at Carosue Dam and Thunderbox, located close to existing processing facilities

Saracen Mineral Holdings (ASX: SAR) advises that it has entered into a binding agreement to sell the Red October gold mine in Western Australia to ASX-listed gold company Matsa Resources Limited (ASX: MAT) for a total of A\$2 million*.

Completion of the transaction is anticipated in late October 2017. The transaction remains subject to the conditions precedent outlined in Appendix A. PCF Capital conducted the sale process for Saracen.

Saracen Managing Director Raleigh Finlayson said the sale of Red October was an opportunity to crystallise value from an asset which had become non-core for the Company at a time when it had recorded substantial production and reserve growth.

"We are experiencing outstanding growth at the Karari and Thunderbox mines, located immediately adjacent to the Carosue Dam and Thunderbox mills respectively," he said.

"While Red October is a high quality asset, its potential as a source of ore is being displaced by the abundance of higher margin ore closer to milling infrastructure. Saracen will retain ongoing exposure to the asset through its shareholding in Matsa, making this an excellent outcome for both parties."

About Matsa

Matsa Resources Limited (ASX: MAT) is making the transition to gold producer with trial mining underway at the Fortitude gold project, 12km south west of Red October. Ore will be processed at AngloGold's Sunrise Dam treatment facility, 32km north of Fortitude.

Matsa stands out among Australian resource juniors because of its sound financial position and superior diverse portfolio of projects located in the goldfields of Western Australia and central Thailand.

Appendix A - Conditions precedent

Completion is subject to the following conditions precedent:

- Ministerial consent to the transfer of the Mining Tenements
- Royalty holder consents
- Confirmation from Saracen's financier that it will remove its security from the Sale Assets.

*Deemed issue price of A\$0.22 per share

For further information please contact:

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