



Saracen

# June quarter 2019

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Presentation - June quarter 2019  
22<sup>nd</sup> July 2019





# Qualification



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You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in Australia in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition ) ("JORC Code"). You should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

This is a presentation about geology, geoscientific interpretation, geoscientific speculation, gold deposits, gold potential, engineering, infrastructure, potential values, costs, risks, and related matters pertinent to Saracen's present and future activities as a publicly listed mineral exploration and production company. It includes forecasts, predictions, targets and estimates of future expenditures which may vary over time.

It is uncertain if further exploration will result in the determination of a Resource or Reserve. Where exploration, evaluation, operational and feasibility study expenditure estimates and budgets amounts are presented herein, ongoing prioritisation and scaling of expenditures will be subject to results and, where applicable, scheduling changes. Targeted production and other outcomes are subject to change, and may not eventuate, depending on the results of ongoing performance and assessment of data. All Reserves and Resources as referred to herein are in accordance with the JORC Code. Refer to Appendix C of this presentation for the relevant Competent Person statements. Resources are inclusive of Reserves.

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

- a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
- c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements.

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# June quarter 2019 highlights



## Strong quarterly production, record FY19:

- Safety - **LTIFR at 0.8**
- **Quarterly gold production - 88,096oz at AISC A\$1,026/oz**
- **Record FY19 production - 355,077oz at AISC A\$1,030/oz**
- Closing ore stockpile - **94,150oz** (v March 31 59,061oz)
- **Cash / liquids - A\$154.5m** (after spending A\$14.1m on the Box Well acquisition, A\$4.7m on tax payments and a record A\$64.4m on growth capital and exploration), no debt
- **Growth projects:** Carosue Dam - Paste Fill delivering, Dervish ramping-up, underground development accelerated; Thunderbox - Underground development accelerated
- **Record A\$18.2m invested in exploration, many strong results point to Reserve growth**
- Focus on **“future proofing our business”**

“The standard you walk past is the standard you accept”:



Lost time injury frequency rate (LTIFR) - Calculated as a rolling 12 month average per million hours worked  
LTIFR WA gold average [www.dmp.wa.gov.au/Documents/Safety/MSH\\_Stats\\_Posters\\_SAFETYPerfWA\\_1718.pdf](http://www.dmp.wa.gov.au/Documents/Safety/MSH_Stats_Posters_SAFETYPerfWA_1718.pdf)

- Building a **proactive safety culture**
- Lag indicators:
  - *LTIFR 0.8*
  - *TRIFR 11.5*
- Focused on positive leading indicators...
- ...through safety interactions and “Take 5’s”

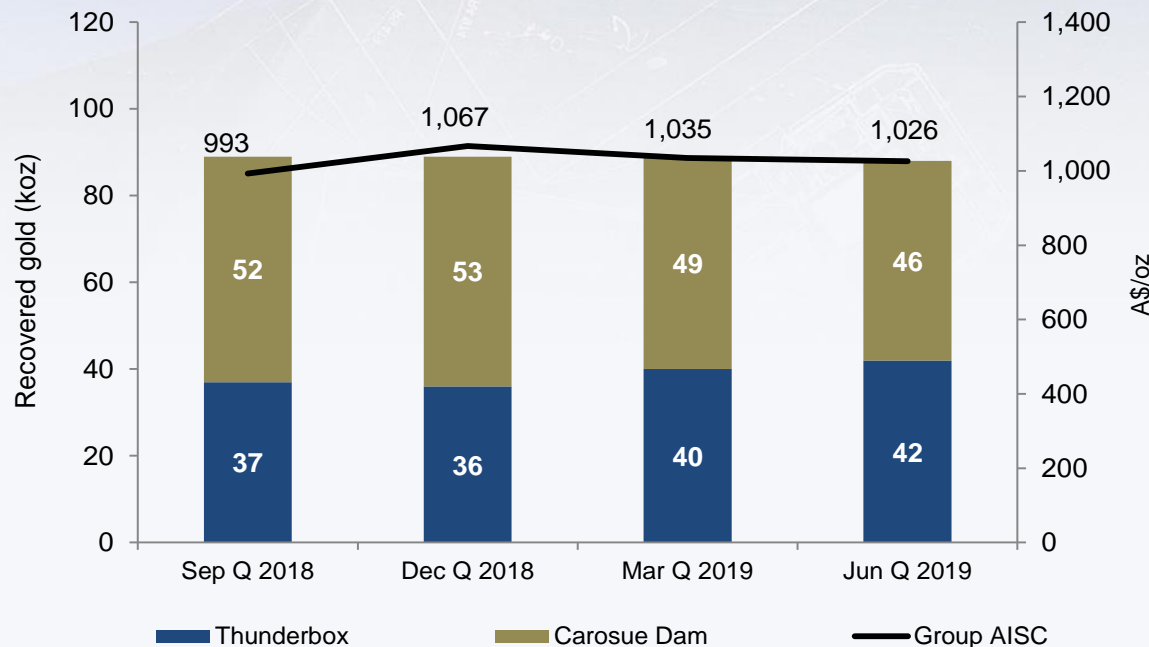




# June quarter 2019 highlights



Consistent and persistent:



# Operations - Carosue Dam



## Quarterly highlights:

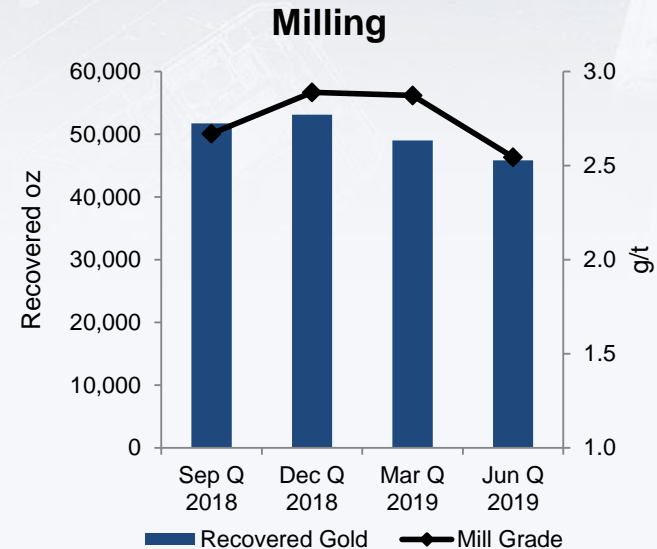
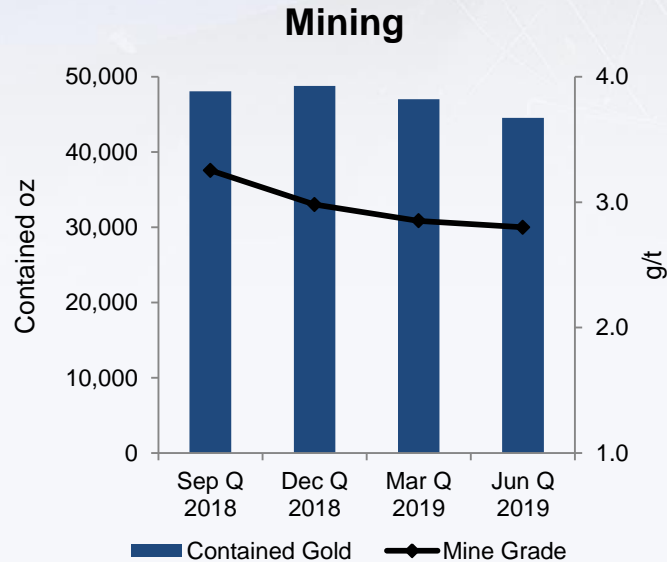
- **Gold production - 45,845oz at an AISC of A\$1,183/oz**
- **Mine operating cash flow - A\$37.7m**
- **Net mine cash flow - A\$11.8m (after growth capital of A\$25.9m)**
- Karari-Dervish underground gold mined - 44.5koz @ 2.8g/t
- Stoping at Dervish successfully ramping up, steady state production imminent
- Milling - Processed 604kt of ore @ 2.5g/t with a 92.9% recovery



# Operations - Carosue Dam



## Quarterly highlights:



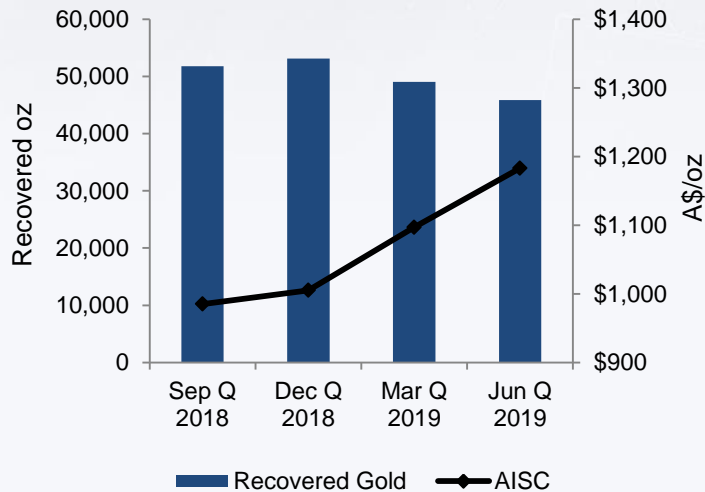


# Operations - Carosue Dam

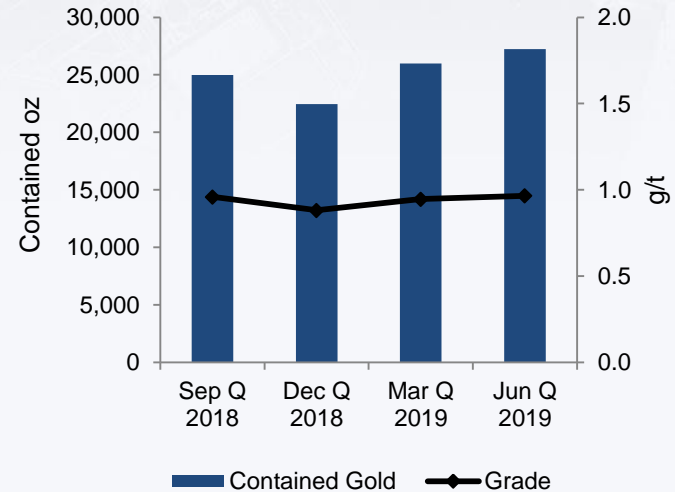


## Quarterly highlights:

### Production and AISC



### Closing ore stockpile



## Quarterly highlights:

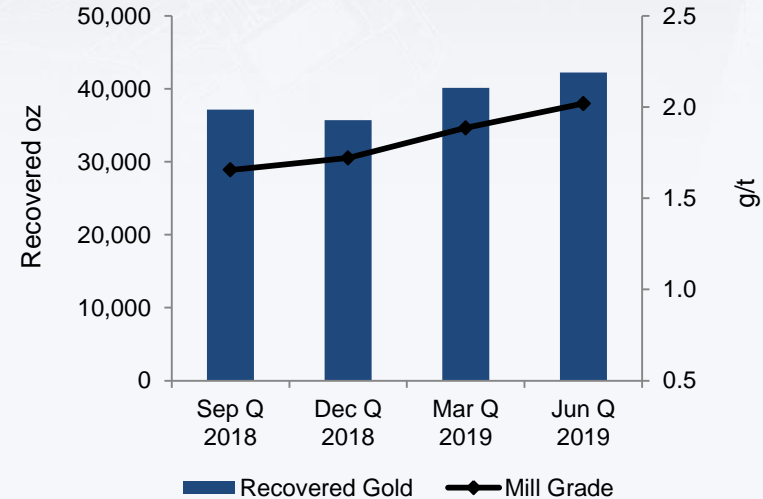
- **Record gold production - 42,251oz at an AISC of A\$897/oz**
- **Mine operating cash flow - A\$43.5m**
- **Net mine cash flow - A\$23.2m (after growth capital of A\$20.3m)**
- Total open pit material movement - 1.9 million BCM
- Kailis open pit - Development underway at Stage 2
- Open pit ore mined - 1.3Mt with a mine grade of 1.7g/t
- Closing ore stockpile (inventory awaiting processing) **more than doubled** over the quarter to 68.2koz
- Milling - Processed 695kt of ore @ 2.0g/t with a 93.5% recovery

## Quarterly highlights:

### Mining



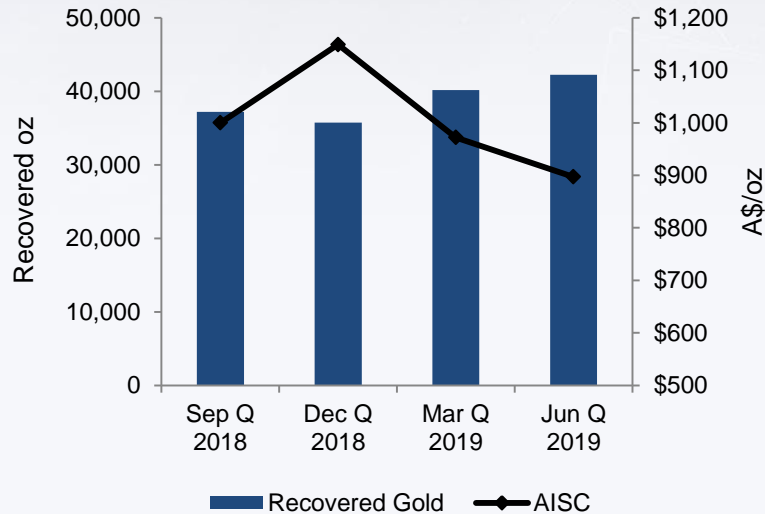
### Milling



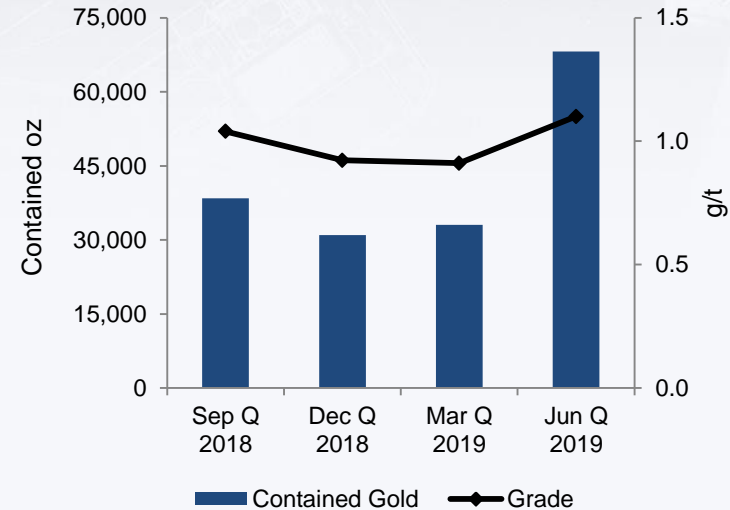


## Quarterly highlights:

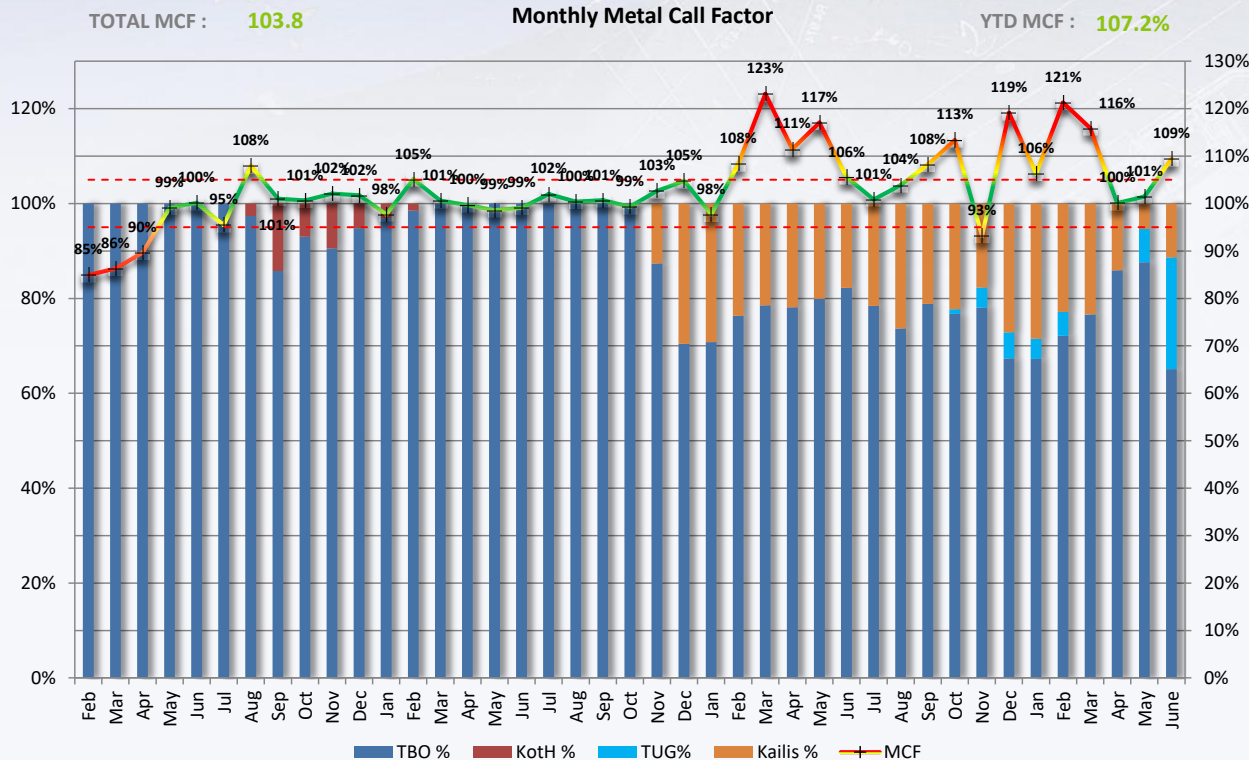
### Production and AISC



### Closing ore stockpile



## Mill reconciliation:



- Average MCF pre-Kailis 99% (homogeneous orebody)
- Average MCF including Kailis 108% (positive impact of high nugget ore)

# Discovery and growth - Carosue Dam



Karari paste fill plant - Commissioned and first pour during the June quarter 2019:





# Discovery and growth - Carosue Dam



Drilling well underway in the corridor - More results imminent:



# Discovery and growth - Carosue Dam

Expanded core farm fully utilised:



The Australian growth stock



# Discovery and growth - Carosue Dam

3D seismic survey carried out during the June quarter 2019:



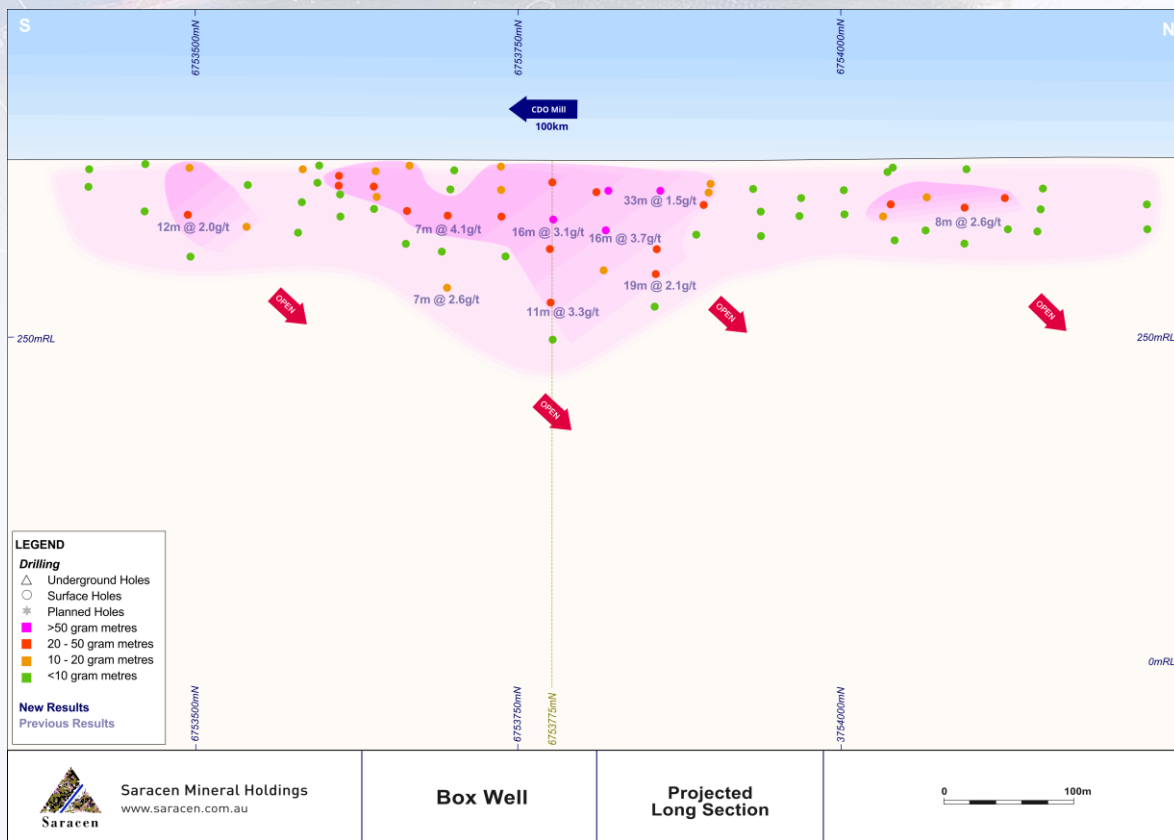


# Discovery and growth - Carosue Dam



## M&A focus on near mill “bolt-ons”:

- Acquired Box Well (and other tenements) for A\$14.1m cash
- Total 192koz Resources
- Box Well 95% soft oxide / transitional ore source ~100km north of Carosue Dam mill
- High grade shallow drill results include:
  - **16m @ 3.7g/t**
  - **16m @ 3.1g/t**
  - **33m @ 1.5g/t**
- Open in all directions



# TALO - Future proofing our business



## Thinking and acting like owners - Initiatives implemented during the quarter:

- **Dervish in-pit ore pad:**
  - Reduction in haulage distance for underground trucks with ore tipped in pit (close to underground portal)
  - Ore transferred by contract surface fleet (larger trucks) to mill ROM pad as required
  - **RESULT** = Savings of **~A\$2.7m p.a.**
- **Carosue Dam mill trommel:**
  - Downtime associated with scale on trommel reduced by application of anti-scalant
  - Trommel re-designed to improve life and also throughput
  - **RESULT** = An increase of 80ktpa equates to an **additional 6,500ozpa produced** (assuming FY19 mill grade and recovery)
  - Being replicated at Thunderbox mill

# TALO - Future proofing our business



## Thinking and acting like owners - Initiatives implemented during the quarter:

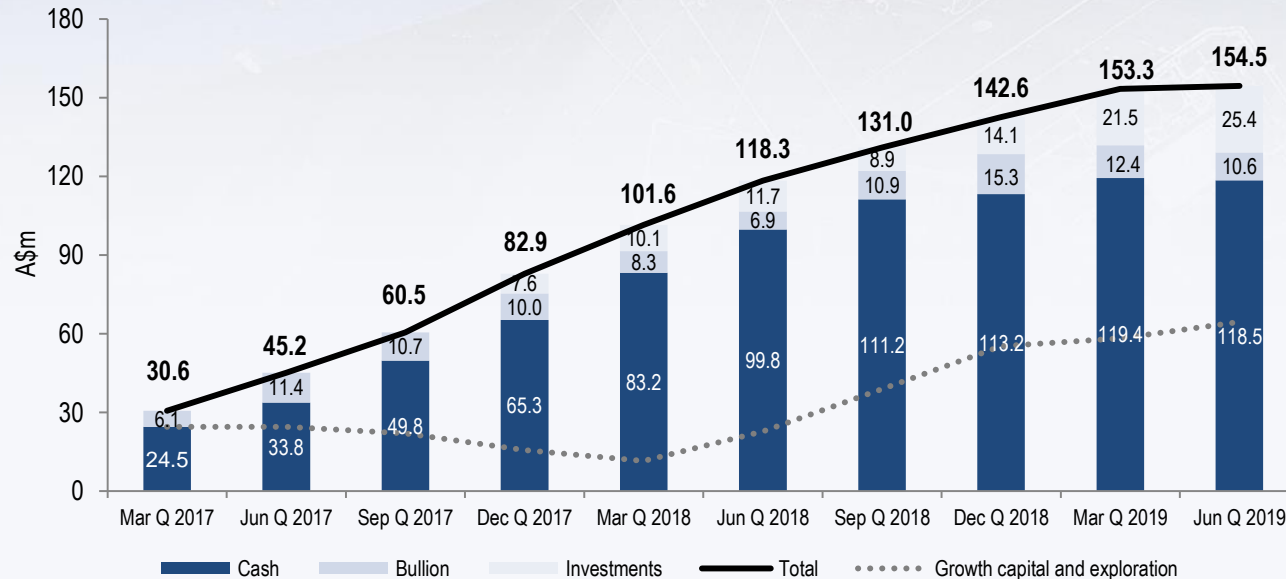
- **Karari underground development optimisation:**
  - Mine level lateral development design at Karari was reviewed
  - The level designs were optimised, and where suitable were changed from a transverse design (perpendicular to the strike) to a longitudinal design (along strike)
  - This resulted in 1,100m of lateral development being removed from the mining plan over FY19 and FY20
  - **RESULT** = Savings ~\$5.1m over 2 years
- **Thunderbox mine to mill:**
  - Thunderbox mill bottleneck is the SAG mill throughput
  - This constraint can be eased by increasing the amount of oxide and fines in the first pass feed
  - Improving proportion of oxide and fines is most efficiently achieved via drill and blast activities, not crushing
  - A 10% increase in drill and blast costs is outweighed by a 1% increase in throughput
  - **RESULT** = Additional cash flow of ~\$1.3m p.a



# June quarter 2019 highlights



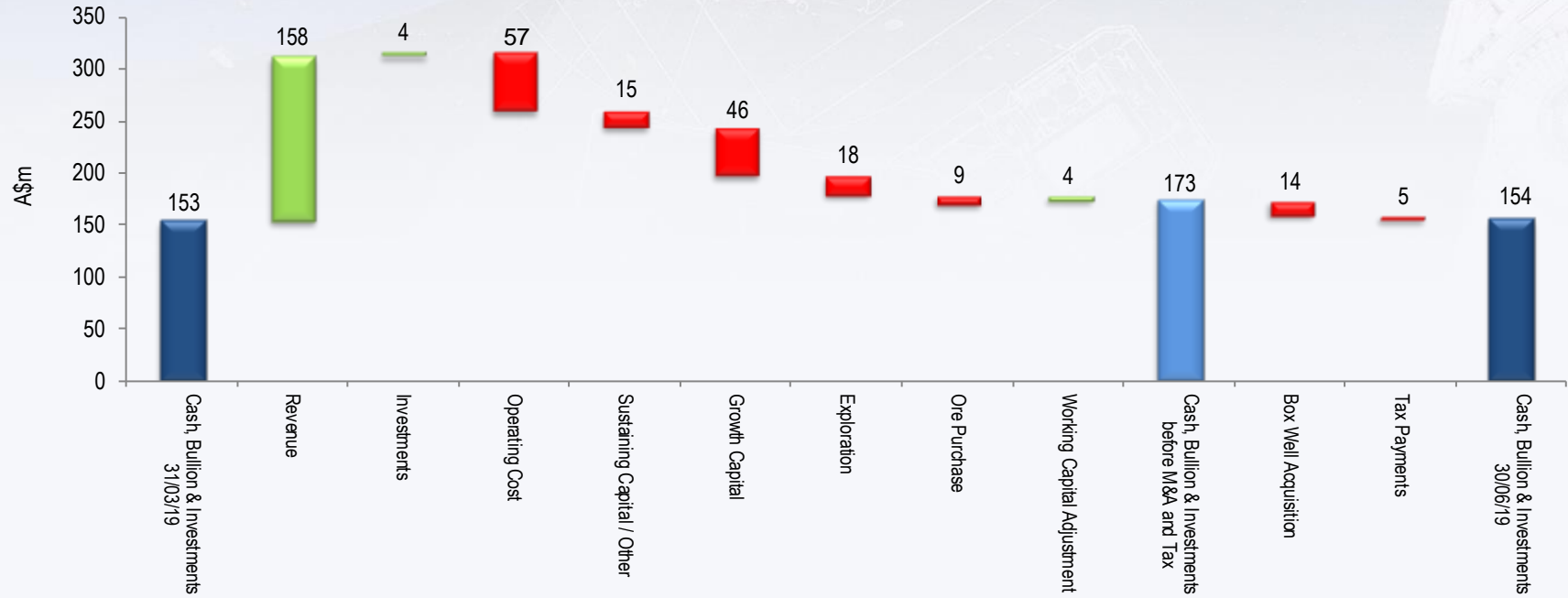
## Effective cash build A\$20 million:



- Cash and equivalents of **A\$154.5m** at 30 June...
- ...despite spending:
  - A\$14.1m on the Box Well acquisition
  - A\$4.7m on tax payments
  - Record A\$64.4m on growth capital and exploration
- The **effective cash build** was **A\$20.1 million** after the acquisition of Box Well and tax payments

# Cash flows

A\$154m cash and equivalents at 30 June 2019:



# Hedge book

Vastly improved:

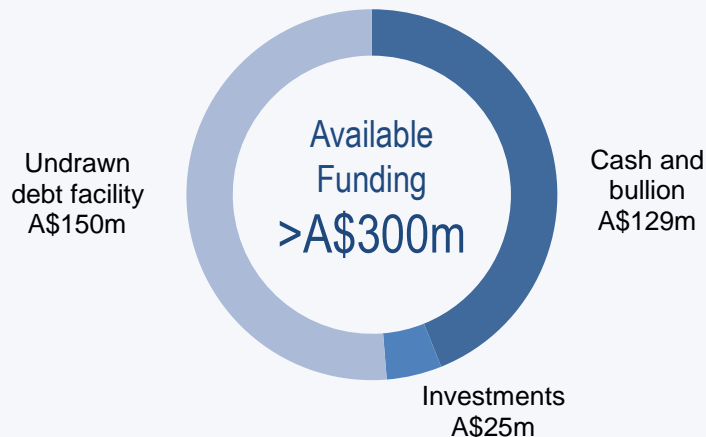


Quarter	Quantity	Price
	oz	A\$/oz
Sep-19	56,000	\$1,837
Dec-19	49,000	\$1,782
Mar-20	47,000	\$1,800
Jun-20	48,500	\$1,809
Sep-20	45,000	\$1,827
Dec-20	35,500	\$1,849
Mar-21	34,500	\$1,854
Jun-21	31,500	\$1,867
Sep-21	24,000	\$1,870
Dec-21	24,000	\$1,911
Mar-22	15,500	\$1,951
Jun-22	8,500	\$1,997
<b>Total</b>	<b>419,000</b>	<b>\$1,840</b>



## Growth! Increasing production and mine life:

- **FY20 group production guidance 350-370koz at AISC A\$1,025-1,075/oz**
  - **Ounces increase / costs decrease over the 12 month period** - Driven by Dervish ramp-up (Carosue Dam), Kailis Stage 2 ramp-up (Thunderbox) and progressive Thunderbox C Zone grade increase / strip ratio decrease
- **Long term group production outlook will be revised in the coming weeks**
- **Funded for growth** - Available funding **>A\$300m** (plus operating cash flows / ore stockpiles):



- We have a simple business plan – We **mine where we mill**
- We **deliver - Beat** FY18 guidance, **Beat** FY19 (twice upwardly revised) guidance
- We have an outstanding platform for growth – **People, assets, balance sheet**
- We are a **growth business – More to come:**
  - FY20 production guidance - 350 - 370koz at AISC of A\$1,025 - 1,075/oz
  - Long term production outlook - To revise in the coming weeks
- We are **fully funded** to deliver our next chapter of **growth**

# APPENDIX A - Competent persons



## Competent Persons Statements

The information on Mineral Resources and Ore Reserves has been extracted from the ASX announcements titled "Reserves grow by 20% to 2.5Moz" dated 1 August 2018. This report is available to view on the ASX Website at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.saracen.com.au](http://www.saracen.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources related to Gold is based upon information compiled by Mr Daniel Howe, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Daniel Howe is a full-time employee of the Company. Daniel Howe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Daniel Howe consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources related to Nickel is based upon information compiled by Mr Lynn Widenbar, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Lynn Widenbar is a consultant to Saracen Mineral Holdings. Lynn Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lynn Widenbar consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to underground Ore Reserves at Deep South, Karari and Whirling Dervish is based upon information compiled by Stephen King, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Stephen King is a full-time employee of the Company. Stephen King has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen King consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to all open pit Ore Reserves relating to Gold based upon information compiled by Hemal Patel, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Hemal Patel is a full-time employee of the Company. Hemal Patel has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Hemal Patel consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information in the report to which this statement is attached that relates to underground Ore Reserves at Thunderbox is based upon information compiled by Brad Watson, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Brad Watson is a consultant to Saracen Mineral Holdings through AMC Consultants. Brad Watson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Brad Watson consents to the inclusion in the report of matters based on his information in the form and context in which it appears.



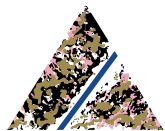
# APPENDIX B - Ore Reserves



Location	Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
			tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Carosue Dam	Karari	UG				7,000,000	3.1	700,000	7,000,000	3.1	700,000
	Dervish	UG				3,500,000	2.7	300,000	3,500,000	2.7	300,000
	Million Dollar	OP				2,800,000	1.1	100,000	2,800,000	1.1	100,000
	Wallbrook	OP	230,000	1.1	8,000	1,300,000	1.2	51,000	1,500,000	1.2	59,000
	Enterprise	OP	170,000	2.0	11,000	140,000	2.4	11,000	310,000	2.2	22,000
	Deep South	UG				430,000	3.0	42,000	430,000	3.0	42,000
	Stockpiles	S	820,000	0.8	22,000				820,000	0.8	22,000
	Carosue Dam Operations Sub-Total		1,200,000	1.1	41,000	15,000,000	2.5	1,200,000	16,000,000	2.3	1,200,000
	Thunderbox	Thunderbox*	OP	1,100,000	1.3	46,000	8,500,000	1.5	410,000	9,600,000	1.5
Thunderbox		UG				8,100,000	2.0	520,000	8,100,000	2.0	520,000
Bannockburn		OP				4,200,000	1.5	200,000	4,200,000	1.5	200,000
Kailis		OP				750,000	1.9	46,000	750,000	1.9	46,000
Stockpiles		S	1,300,000	1.2	51,000				1,300,000	1.2	51,000
Thunderbox Operations Sub-Total		2,400,000	1.3	97,000	22,000,000	1.7	1,200,000	24,000,000	1.7	1,300,000	
Total Ore Reserves			3,600,000	1.2	140,000	37,000,000	2.0	2,400,000	40,000,000	1.9	2,500,000

# APPENDIX C - Mineral Resources

Location	Deposit	Measured			Indicated			Inferred			Total		
		tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Carosue Dam	Karari O/P	21,000	1.3	900	2,100,000	1.5	100,000	230,000	1.4	10,000	2,400,000	1.4	110,000
	Karari U/G	2,000,000	3.3	210,000	7,700,000	3.4	840,000	2,500,000	3.2	260,000	12,000,000	3.4	1,300,000
	Dervish O/P				1,800,000	2.2	120,000	300,000	1.7	16,000	2,100,000	2.1	140,000
	Dervish U/G				7,100,000	2.3	530,000	1,100,000	2.7	98,000	8,200,000	2.4	630,000
	Monty's/Elliots	120,000	2.2	9,000	1,400,000	1.8	83,000	370,000	1.6	19,000	1,900,000	1.8	110,000
	Twin Peaks	40,000	2.3	3,000	560,000	3.4	61,000	80,000	2.8	7,000	680,000	3.2	71,000
	North West				330,000	0.8	9,000	690,000	0.8	18,000	1,000,000	0.8	27,000
	Pinnacles* (ASX:NXM JV)				260,000	4.8	40,000	290,000	4.7	42,000	550,000	4.6	82,000
	Blue Manna							1,100,000	1.5	51,000	1,100,000	1.4	51,000
	Porphyry O/P				4,200,000	1.3	170,000	2,100,000	1.2	84,000	6,300,000	1.2	250,000
	Porphyry U/G				3,000,000	3.3	310,000	1,600,000	3.3	170,000	4,600,000	3.2	480,000
	Million Dollar				5,600,000	1.3	230,000	2,100,000	1.5	99,000	7,700,000	1.3	330,000
	Wallbrook	1,300,000	1.1	44,000	6,800,000	1.0	220,000	4,000,000	1.1	140,000	12,000,000	1.0	400,000
	Margarets				48,000	1.4	2,000	630,000	1.1	22,000	680,000	1.1	24,000
	Enterprise	220,000	2.1	15,000	310,000	2.2	22,000	140,000	2.2	10,000	670,000	2.2	47,000
	Safari Bore	780,000	2.0	50,000	1,400,000	2.3	100,000	670,000	2.3	50,000	2,900,000	2.1	200,000
	Deep South O/P	36,000	4.0	5,000	230,000	1.9	14,000	380,000	1.6	19,000	650,000	1.8	38,000
	Deep South U/G	460,000	3.9	58,000	810,000	3.3	85,000	610,000	3.2	63,000	1,900,000	3.4	210,000
	Deep Well				68,000	2.2	5,000	15,000	2.0	1,000	83,000	2.2	6,000
	Thin Lizzie							330,000	1.3	14,000	330,000	1.3	14,000
	Tin Dog							1,300,000	1.3	54,000	1,300,000	1.3	54,000
	Bulldog							1,500,000	0.9	44,000	1,500,000	0.9	44,000
	Crimson Belle				970,000	1.8	55,000	570,000	1.4	26,000	1,500,000	1.7	81,000
	Butcher Well				2,700,000	1.7	140,000	2,300,000	1.7	130,000	5,000,000	1.7	270,000
	Ore Stockpiles	820,000	1.6	22,000							820,000	0.8	22,000
	Sub-grade stockpiles	1,900,000	0.6	32,000							1,900,000	0.5	32,000
	<b>Carosue Dam Mineral Resources</b>	<b>7,700,000</b>	<b>1.8</b>	<b>450,000</b>	<b>47,000,000</b>	<b>2.1</b>	<b>3,100,000</b>	<b>25,000,000</b>	<b>1.7</b>	<b>1,400,000</b>	<b>80,000,000</b>	<b>1.9</b>	<b>5,000,000</b>
Thunderbox	Thunderbox	3,100,000	1.6	160,000	31,000,000	1.7	1,700,000	7,000,000	1.4	310,000	41,000,000	1.7	2,200,000
	Otto Bore (Mangilla)				1,100,000	2.0	74,000	310,000	1.6	16,000	1,400,000	2.0	90,000
	Rainbow	230,000	1.5	11,000	590,000	1.2	23,000	910,000	1.0	30,000	1,700,000	1.2	64,000
	Bannockburn				9,000,000	2.0	560,000	3,200,000	1.6	160,000	12,000,000	1.9	720,000
	North Well				4,300,000	1.5	210,000	2,500,000	1.6	120,000	6,800,000	1.5	330,000
	Kailis				1,500,000	2.1	100,000	260,000	1.8	15,000	1,800,000	2.1	120,000
	Ore Stockpiles	1,300,000	1.1	51,000							1,300,000	1.2	51,000
	Sub-grade stockpiles	380,000	0.6	6,800							380,000	0.6	6,800
	<b>Thunderbox Mineral Resources</b>	<b>5,000,000</b>	<b>1.4</b>	<b>230,000</b>	<b>47,000,000</b>	<b>1.8</b>	<b>2,700,000</b>	<b>14,000,000</b>	<b>1.4</b>	<b>650,000</b>	<b>66,000,000</b>	<b>1.7</b>	<b>3,600,000</b>
Total													
	<b>Total Mineral Resources</b>	<b>13,000,000</b>	<b>1.6</b>	<b>680,000</b>	<b>94,000,000</b>	<b>1.9</b>	<b>5,800,000</b>	<b>39,000,000</b>	<b>1.7</b>	<b>2,100,000</b>	<b>150,000,000</b>	<b>1.8</b>	<b>8,600,000</b>



**Saracen**

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