

Saracen

**ASX 100 GOLD PRODUCER**

**THERE'S NOTHING LIKE TIER 1 GOLD**

AGM PRESENTATION - 6<sup>TH</sup> OCTOBER 2020



Safety



Communication



Delivery



Courage



Attitude



# Qualification



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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 A of this presentation for the relevant Competent Person statements. Resources are inclusive of Reserves.

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- 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
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This presentation has been authorised for release to the ASX by Jeremy Ryan, Manager Legal / Company Secretary

# Corporate overview



## Key metrics (ASX: SAR)

Shares on issue	1,107m	
Share price	A\$5.22	At 6 October 2020
Market cap	A\$5.8b	
Liquidity	30-day ADV 9.8m shares	
Major indices	ASX100, GDX/GDXJ, MSCI Small cap	
Cash and bullion	<b>A\$369m</b>	At 30 Jun 2020
Debt	<b>A\$321m</b>	
Hedging	493koz @ A\$2,094/oz	
Safety - LTIFR	1.0 (v WA gold industry average 1.5)	
Mineral Resources*	<b>17.0 Moz</b>	At 30 Jun 2020
Ore Reserves*	<b>8.6 Moz</b>	

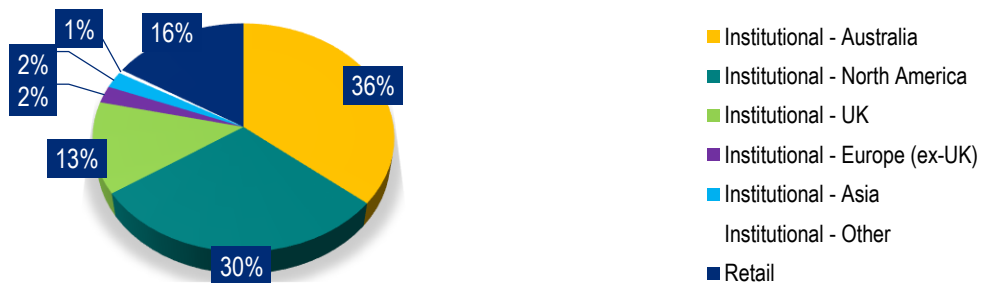
## Board

Non-Executive Chairman	Tony Kiernan
Managing Director	Raleigh Finlayson
Non-Executive Director	Sally Langer
Non-Executive Director	Martin Reed
Non-Executive Director	John Richards
Non-Executive Director	Dr Roric Smith
Non-Executive Director	Samantha Tough

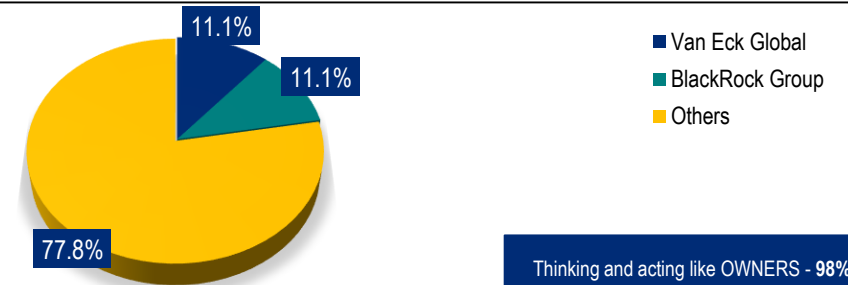
## Executive

Chief Financial Officer	Morgan Ball
Chief Operating Officer	Simon Jessop
Corporate Development Officer	Troy Irvin
Chief Geologist	Daniel Howe
GM People, Culture and Communications	Marianne Dravnieks

Ownership - Geographic



Ownership - Substantials



Thinking and acting like OWNERS - 98% of SAR employees own shares in our company

\*Refer to the following ASX announcements: 18<sup>th</sup> August 2020 "KCGM only - Reserves rise to almost 9.7Moz, 20 year mine life visibility", 4<sup>th</sup> August 2020 "Carosue Dam and Thunderbox only - Reserves rise to 3.7Moz"

# The all-Australian growth stock



▲ US\$750m acquisition of 50% of the Super Pit catapults **SAR** into the next league of gold miners

▲ **More group production and cash flow:**

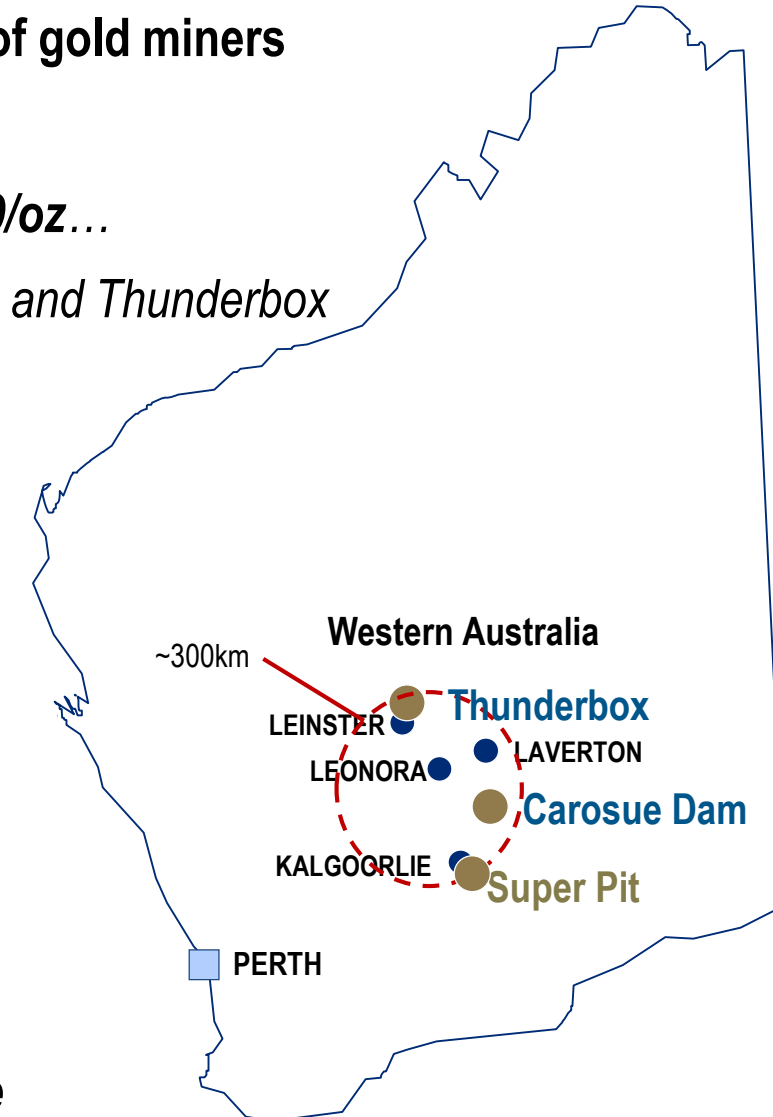
- *FY20 production 520koz, **FY21 guidance 600 - 640koz @ AISC A\$1,300 - 1,400/oz...***
- *...from **three operations within 300km of Kalgoorlie** - Super Pit, Carosue Dam and Thunderbox*
- *Net cash of A\$48m at 30 June 2020, up from net debt of A\$21m ~6 months ago*

▲ **More mine life:**

- ▲ **+10 years based on 8.6Moz Reserves at 30 June 2020...**
- ▲ *...>90% within 500m of three processing centres*

▲ **Conservative management building a more sustainable Saracen:**

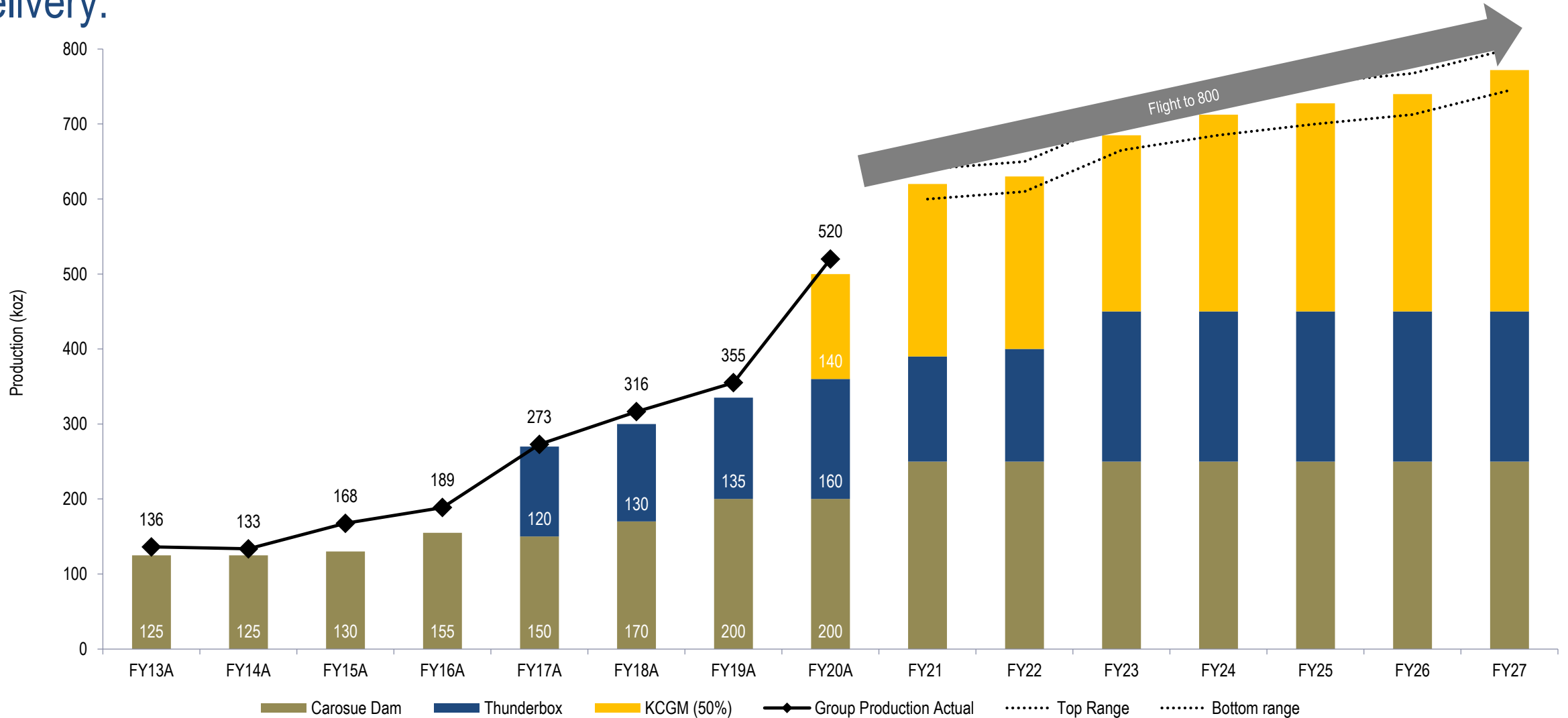
- ▲ **8 year track record of beating guidance**
- ▲ **Future-proofing the business**
- ▲ **Committed to ESG**
- ▲ **Hedge book moderating (to ~25% of production) to reflect lower risk profile**



# The all-Australian growth stock



## Delivery:



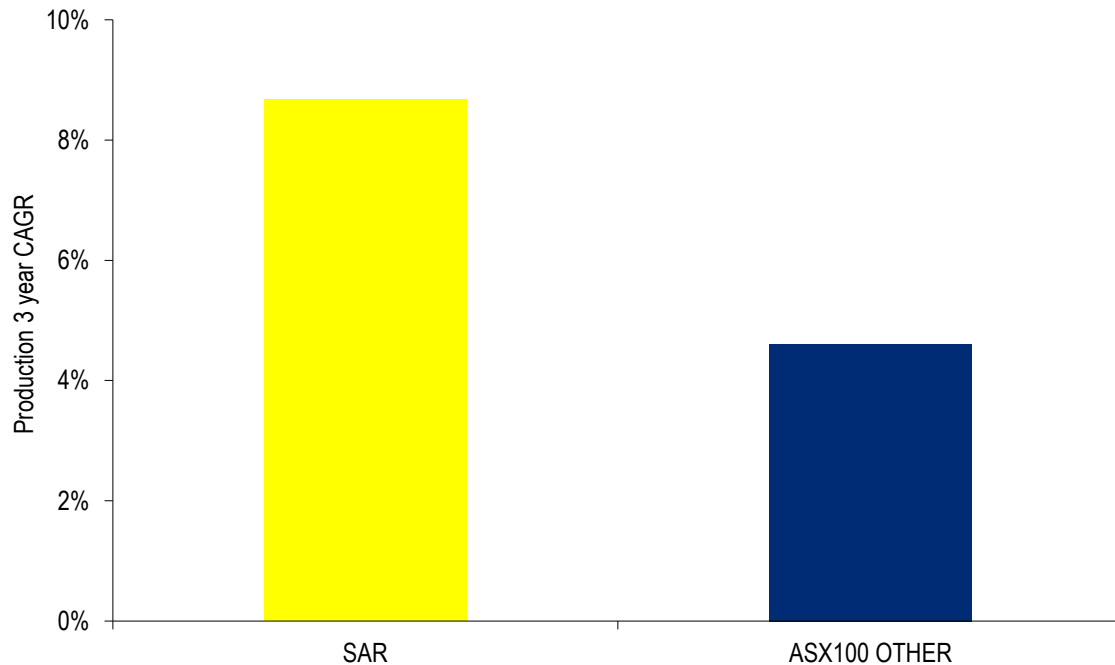
# The all-Australian growth stock



Flat is the new up:

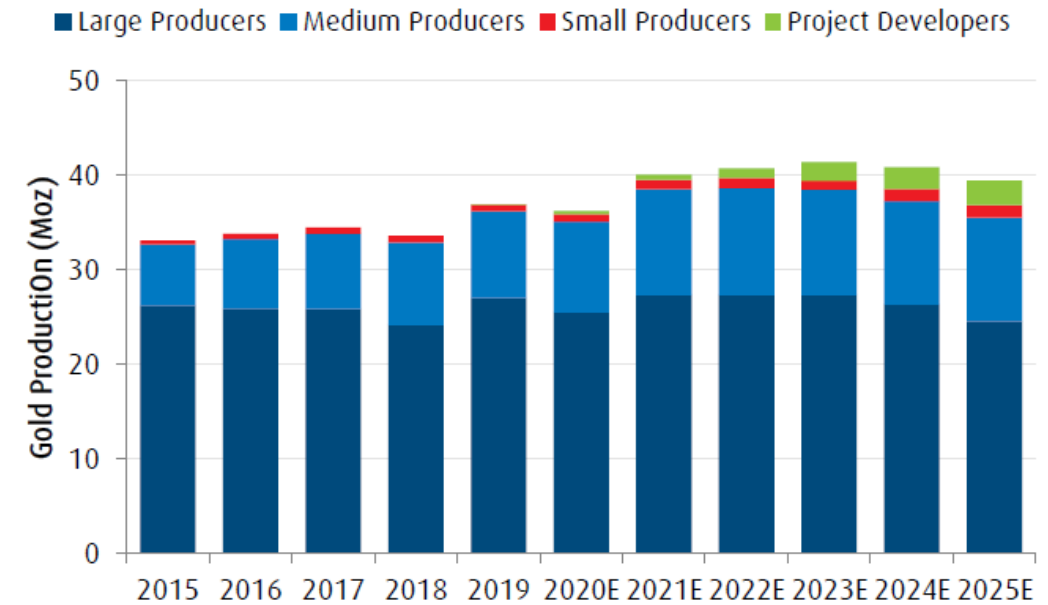
▲ A lack of growth is the gold sector's Achilles heel, especially for the larger global producers

SAR v ASX 100 gold peers



Based on broker consensus

Global landscape



Source: BMO Capital Markets

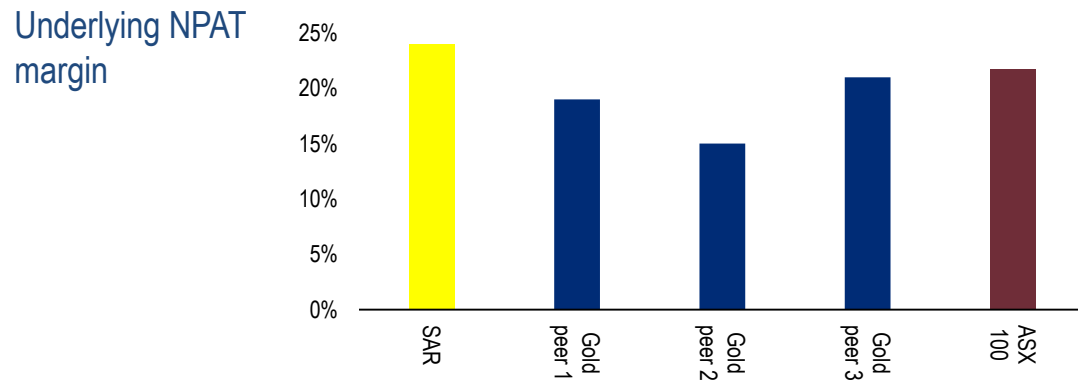
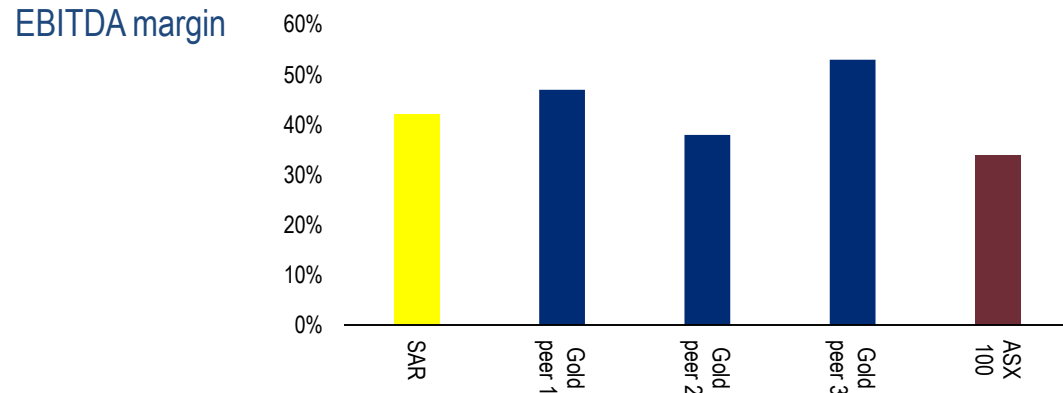
▲ **Profitable growth remains a big part of “brand SAR” and will continue to drive sector-best TSR**

# The all-Australian growth stock

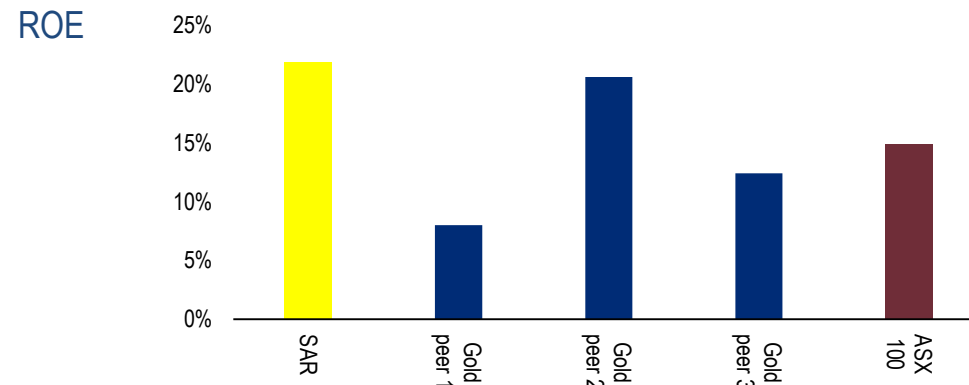
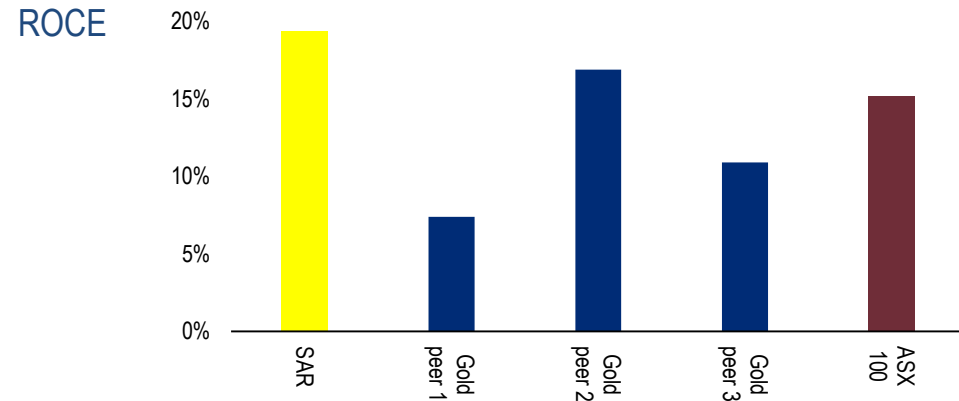


## Production success translating into...

### ▲ ...financial success



### ...and leading returns / capital stewardship



Source: FY20A ASX 100 company financial reports

# A more sustainable Saracen

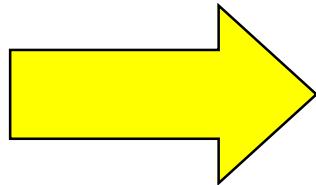


## Future-proofing strategy:

### NEAR-TERM

Exercising the option to bring forward capital investment

FY21 peak year for growth capital  
- Group guidance A\$429m (gross)^



### LONG-TERM

De-risked production growth and earnings

Structurally lower costs

More resilience to the gold price cycle / “black swan” shocks

Capital allocation re-weighted to shareholder returns

Higher trading multiples to reflect consistency

The preferred “through-the-cycle” gold stock

^ Includes A\$165m of revenue realised from gold sales relating to pre-commercial activities assuming a gold price of A\$2,500/oz i.e. FY21 net capital guidance is A\$264m



## 2020 Sustainability Report

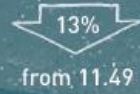
**16 HSEC POSITIVES**  
issued during the year



**LTIFR**  
0.98



**TRIFR**  
8.70



**SARACEN EMPLOYEES**  
= **493** ↑ from 433

**18.3% FEMALE WORKFORCE** ↑ from 18.0  
**95.6% OF EMPLOYEES EMPLOYED FROM WA**  
**1% OF EMPLOYEES INDIGENOUS**



**CO<sub>2</sub> EMISSIONS**  
RELATIVELY STEADY  
AT **33.96kg**  
per ore tonne processed

**0.37% OF ENERGY PRODUCED FROM RENEWABLE RESOURCES**



**% water**  
allocation used:  
**48%**

**MODERN SLAVERY STATEMENT RELEASED**



**\$1.2M**  
Total Community  
Investment  
↑ **100%**  
from FY19



**COMMUNITY**  
spend in WA  
**99%**

**68% SPEND**  
**REGIONALLY**

**MACA fundraising \$126k raised** ↑ from \$63k in FY19



**98.3%** of employees own shares

**80% OF**  
PROCUREMENT  
SPEND IS IN WA



**20% procurement**  
spend rest of Australia  
↓ from 32% in FY19

# A more sustainable Saracen



## Grow our people, leverage our culture:

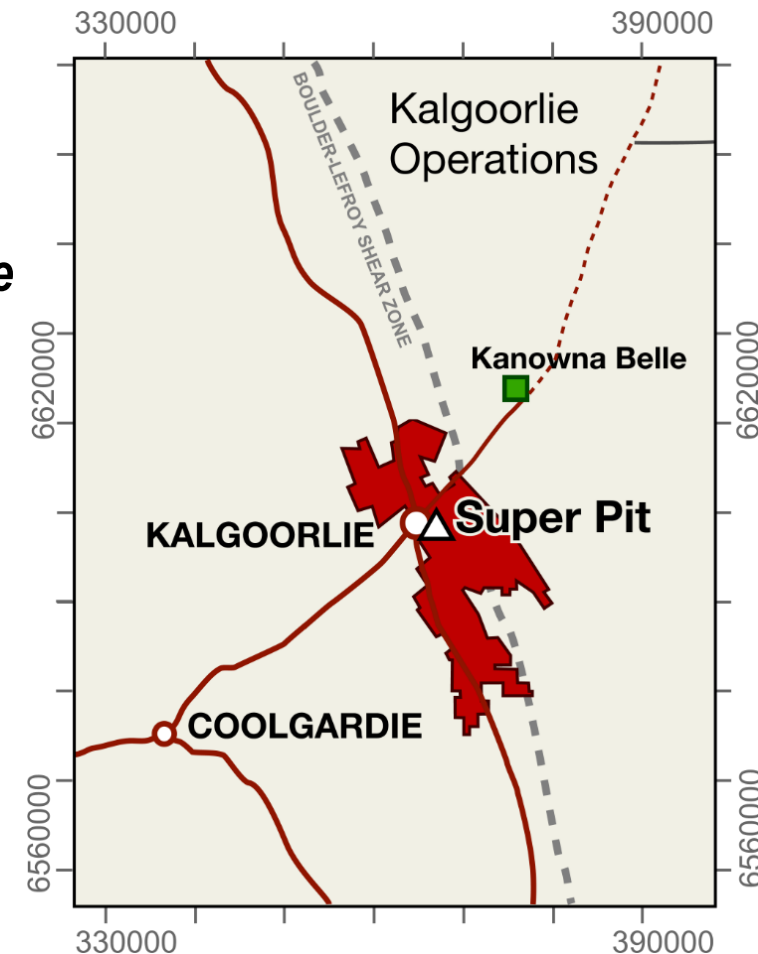
- ▲ We are proud of our identity - **Grounded, committed, delivery-centric**
- ▲ Our **core values** guide our **culture and leadership**
- ▲ **Expanding our talent pool** to underwrite **further growth**:
  - *Career development, succession planning for key roles*
  - *Improved annual turnover - 15% (v 23% 12 months ago)*
  - *Seizing the diversity opportunity - Females 18%, Aboriginal and Torres Strait Islanders 1%, focus on non-traditional talent pools for mining*
- ▲ **Creating opportunities to boost mining industry engagement**
  - *Innovative Gap Year Program - 12 months of an industry placement*
  - *School and University support - Camps, scholarship, support for aligned not-for-profit organisations*



# Kalgoorlie Super Pit - Overview (SAR 50%)



- ▲ **Tier 1 asset in a Tier 1 mining jurisdiction**, previously “hidden” in global major miners... **enter Saracen**
- ▲ **Future proofing** our business with an established long life asset:
  - **Landmark increase in Reserves to 9.7Moz** (100%) supporting **15 year mine life**
  - **Production to rise to +675koz pa** (100%)
  - *Operation being de-risked and productivities are increasing with multiple production sources*
  - *Pipeline of further growth opportunities underpinned by a size increase in Resources to 19.0Moz* (100%)...
  - *...and exploration upside from an 84Moz gold camp*
- ▲ FY21 guidance 440 - 480koz at AISC of A\$1,470 - 1,570/oz (100% basis)
- ▲ **Outstanding relationship with Northern Star Resources (NST AU) - A like-minded JV partner with complementary skills to unlock latent value**

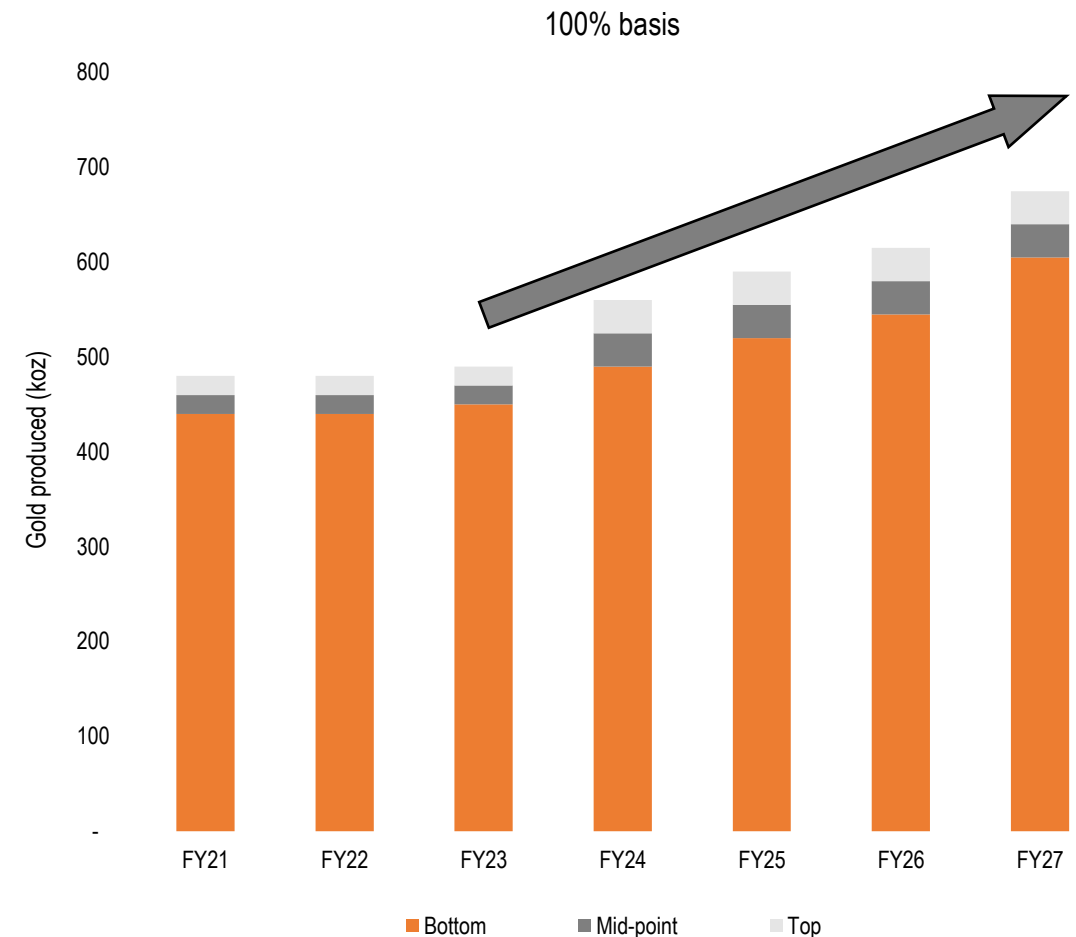


# Kalgoorlie Super Pit - Large, long life



## Robust plan to deliver profitable production growth:

- ▲ **15 year mine life** based on **9.7Moz Reserve** (100%)
- ▲ Production to rise towards **675,000ozpa**, key drivers:
  - Focus on **large, low cost mining areas** that **maximise fleet productivity**
  - **East wall remediation**, integrated with the expedited Oroya Brownhill (OBH, additional ounces offset remediation cost)
  - **Fimiston South ramp-up** (baseload supply, maiden Reserve 3.9Moz)
  - **Increased access to Golden Pike North** (high grade, low strip ratio)
  - **Displacing lower grade stockpile feed**
- ▲ Excludes Fimiston Underground (Maiden Resource 2.2Moz), A\$10m allocated in FY21 for initial development

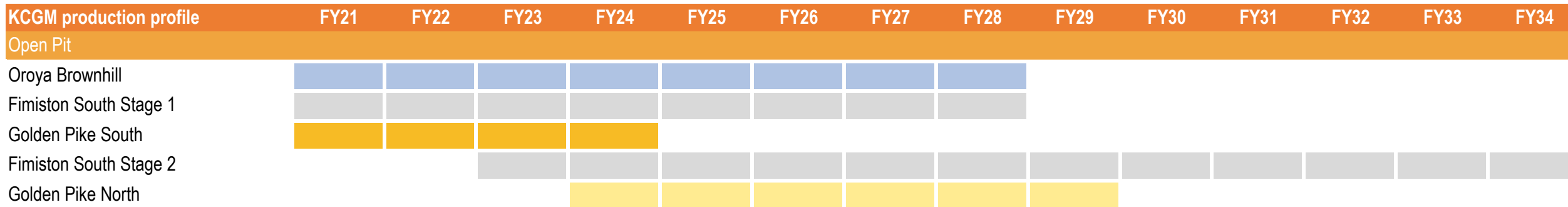


# Kalgoorlie Super Pit - Large, long life



## Open pit makeover:

- ▲ **Mining areas doubling from two to four:**
  - Golden Pike South - Underway
  - Morrison (Fimiston South starter) - Underway
  - OBH - Underway
  - Fimiston South - From June H 2021
- ▲ **Targeting material movements of 70-80Mt p.a.**  
(v 2018 / 2019 <30Mt)

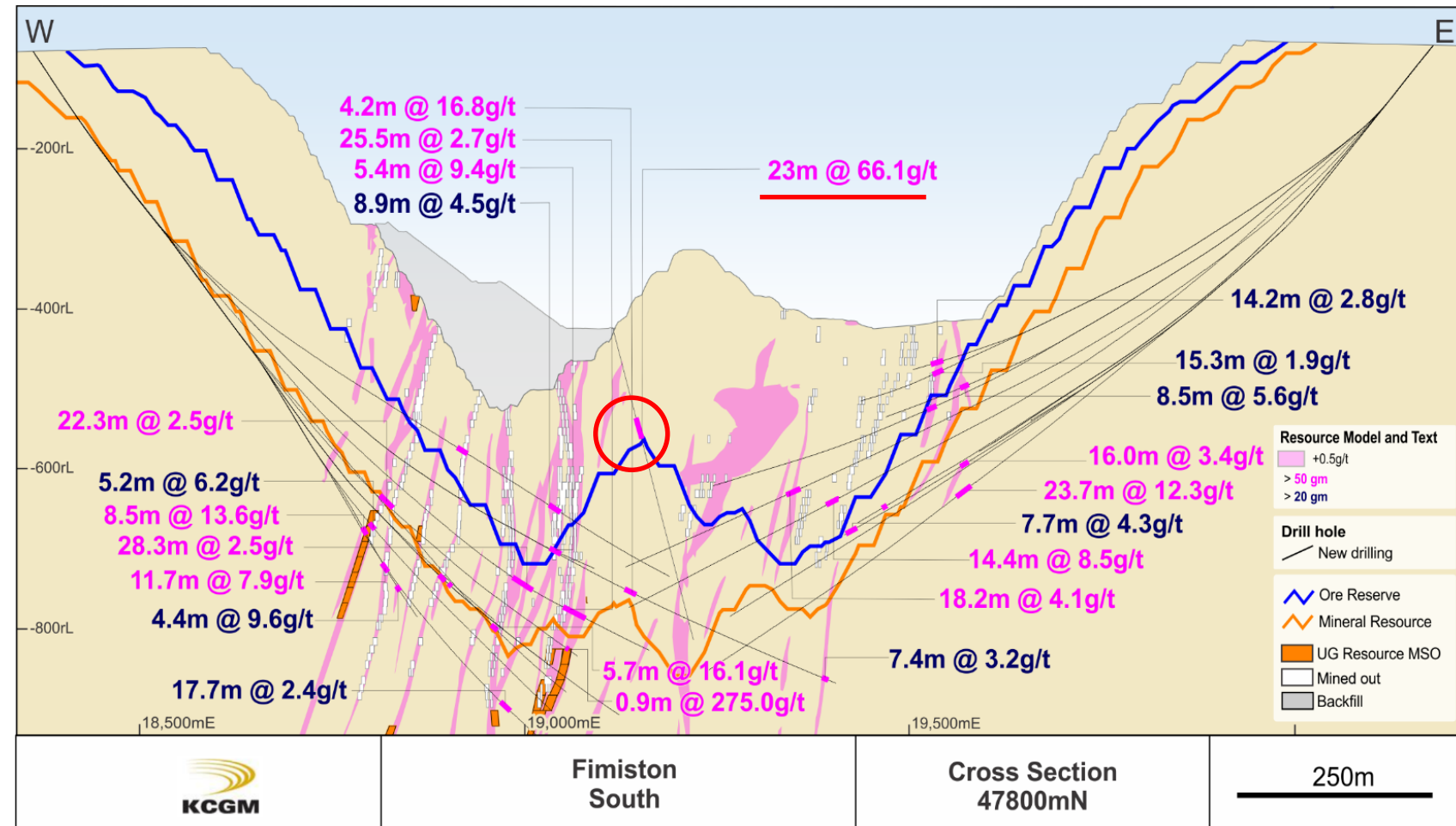


...with a lot more to come



## Scale, longevity and growth:

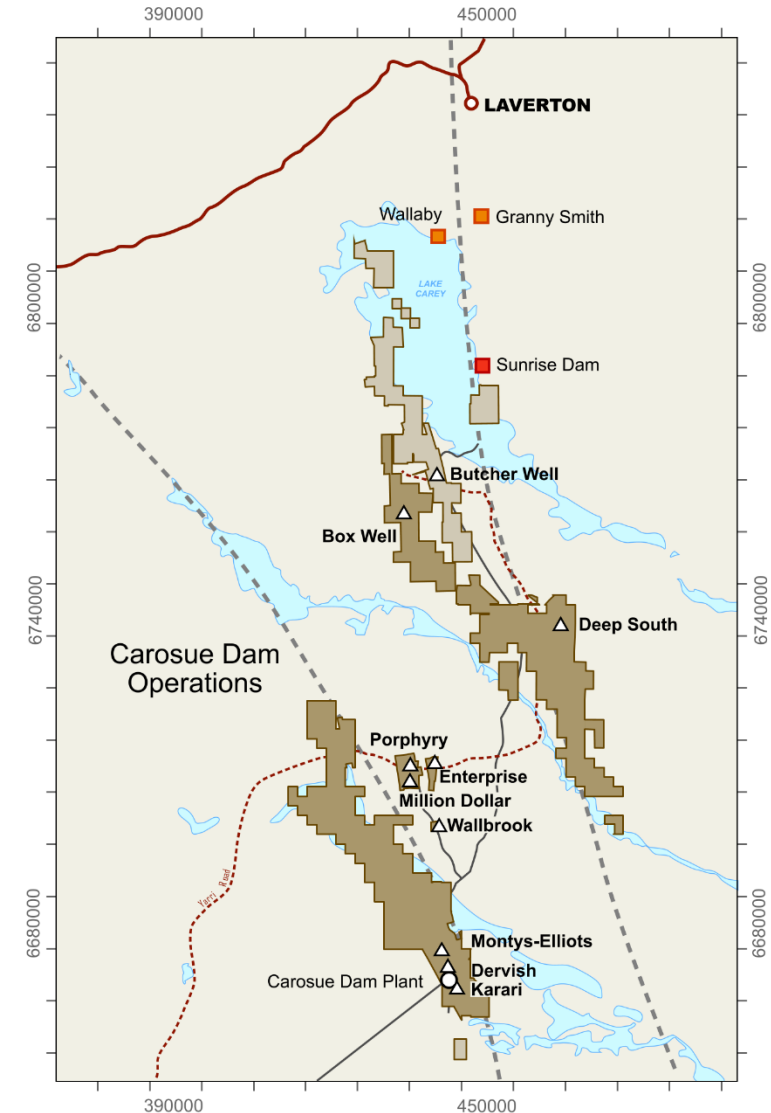
- ▲ More growth supported by **vast quantity of significant drill results...**
- ▲ ...**outside Reserves**, including:
  - Fimiston South open pit (includes an influential **23m @ 66g/t** in the “saddle” of the pit design)
  - OBH open pit
  - Fimiston South underground
  - Mt Charlotte underground (Mt Ferrum, Kal East, Little Wonder)
- ▲ Resource averages a **globally leading 45,000oz per vertical m**



# Carosue Dam - Overview

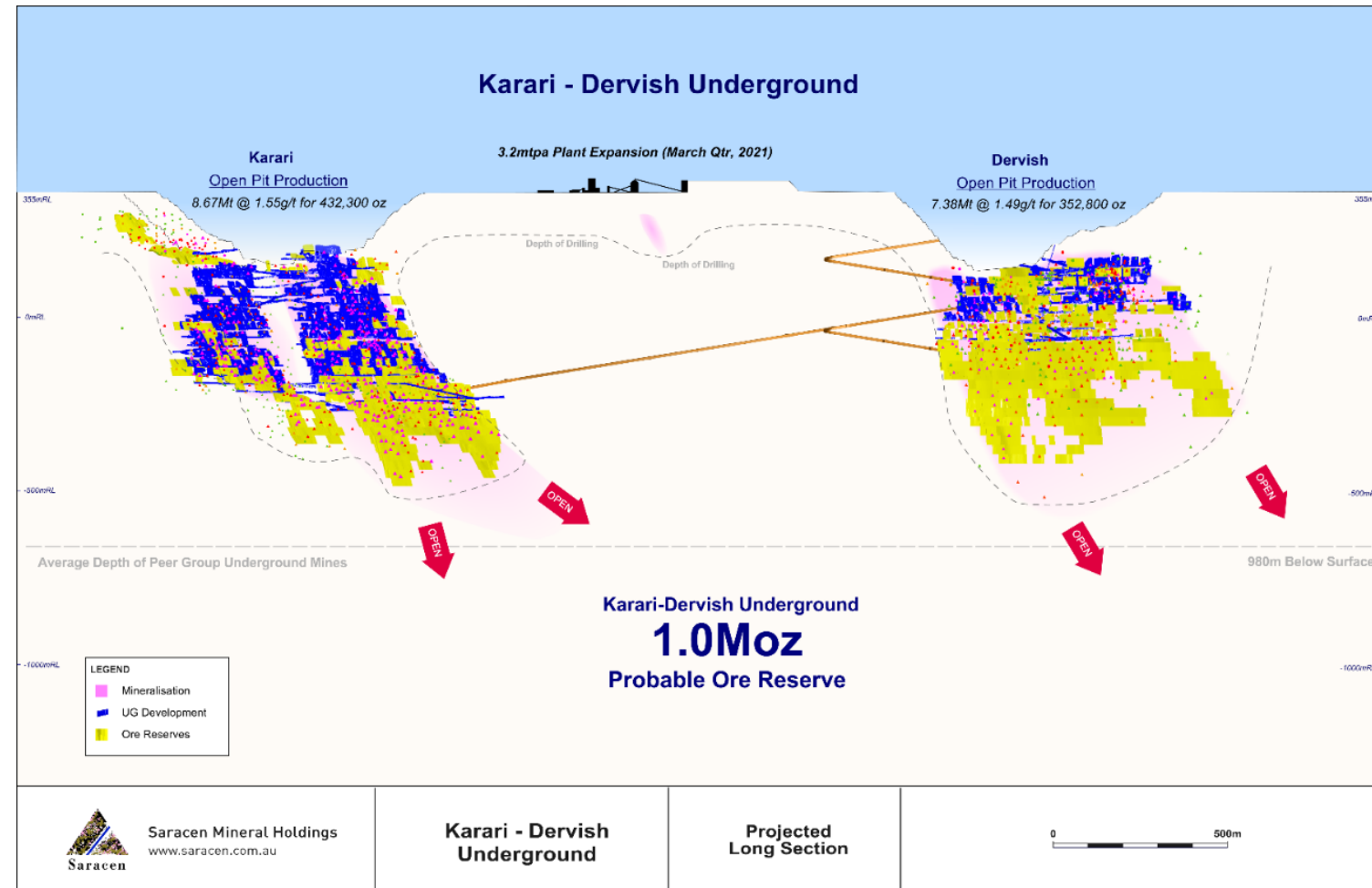


- ▲ **Production doubling to 250kozpa...**
- ▲ ...afforded by the **transformational growth of Karari - Dervish**
- ▲ **2.0Moz in Reserve** (including **baseload Karari - Dervish 1.0Moz**)
- ▲ **Mill expansion** imminent - Throughput rises to 3.2Mtpa (currently 2.4Mtpa), recovery increases to 94%, unit costs reduce by >A\$2/t
- ▲ Additional 800ktpa of mill capacity will be filled with **+17Mt open pit Reserves...**
- ▲ ...**open pit mining resumed at Million Dollar** in September quarter 2020
- ▲ **Under-explored mine corridor** presents opportunity for repeat deposits e.g. **Atbara discovery within 4km of the mill**
- ▲ **Stellar regional exploration upside** from a **~23Moz gold camp**



## Karari - Dervish baseload:

- ▲ 11Mt Reserves = **One of the largest tonnage underground gold mines in Australia...**
- ▲ ...investigation continues into materials handling initiatives to further increase productivity / lower costs
- ▲ **Remains a growth asset**, open along strike and at depth
- ▲ **Ounces per vertical metre increasing below current stoping fronts...**
- ▲ ...pointing to robust production in the coming reporting periods



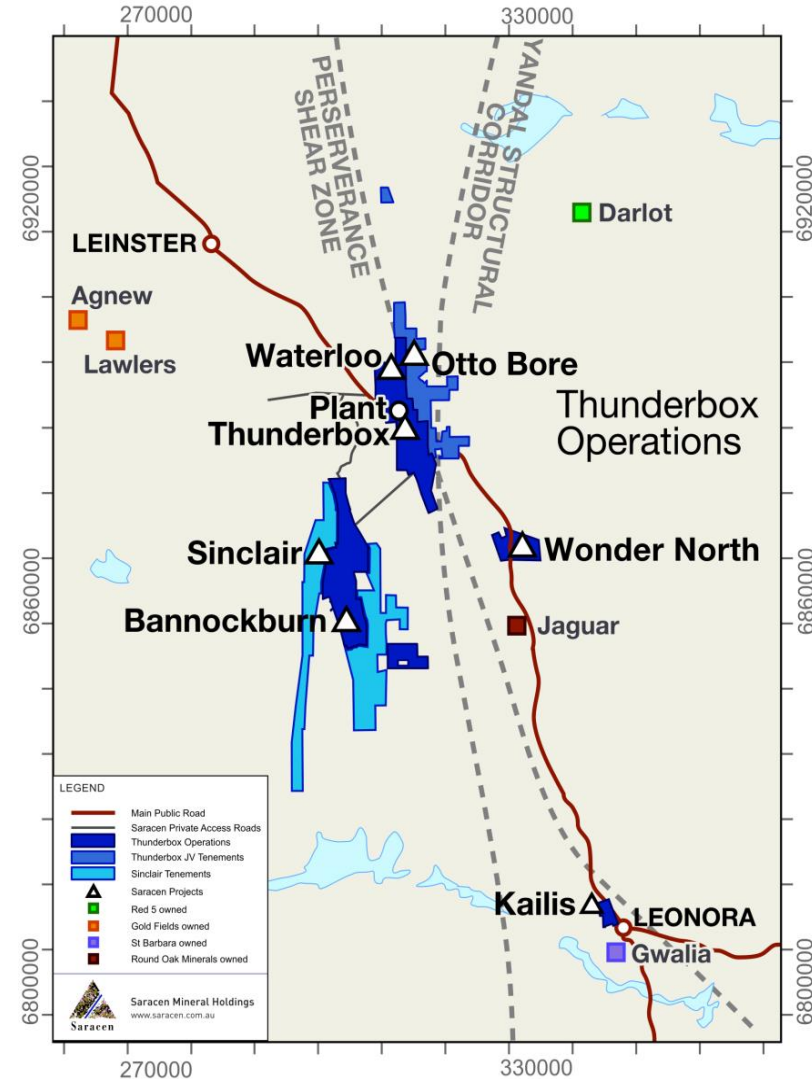
Refer to the ASX releases dated 4<sup>th</sup> August 2020 - "Carosue Dam and Thunderbox only - Reserves rise to 3.7Moz"



# Thunderbox - Overview



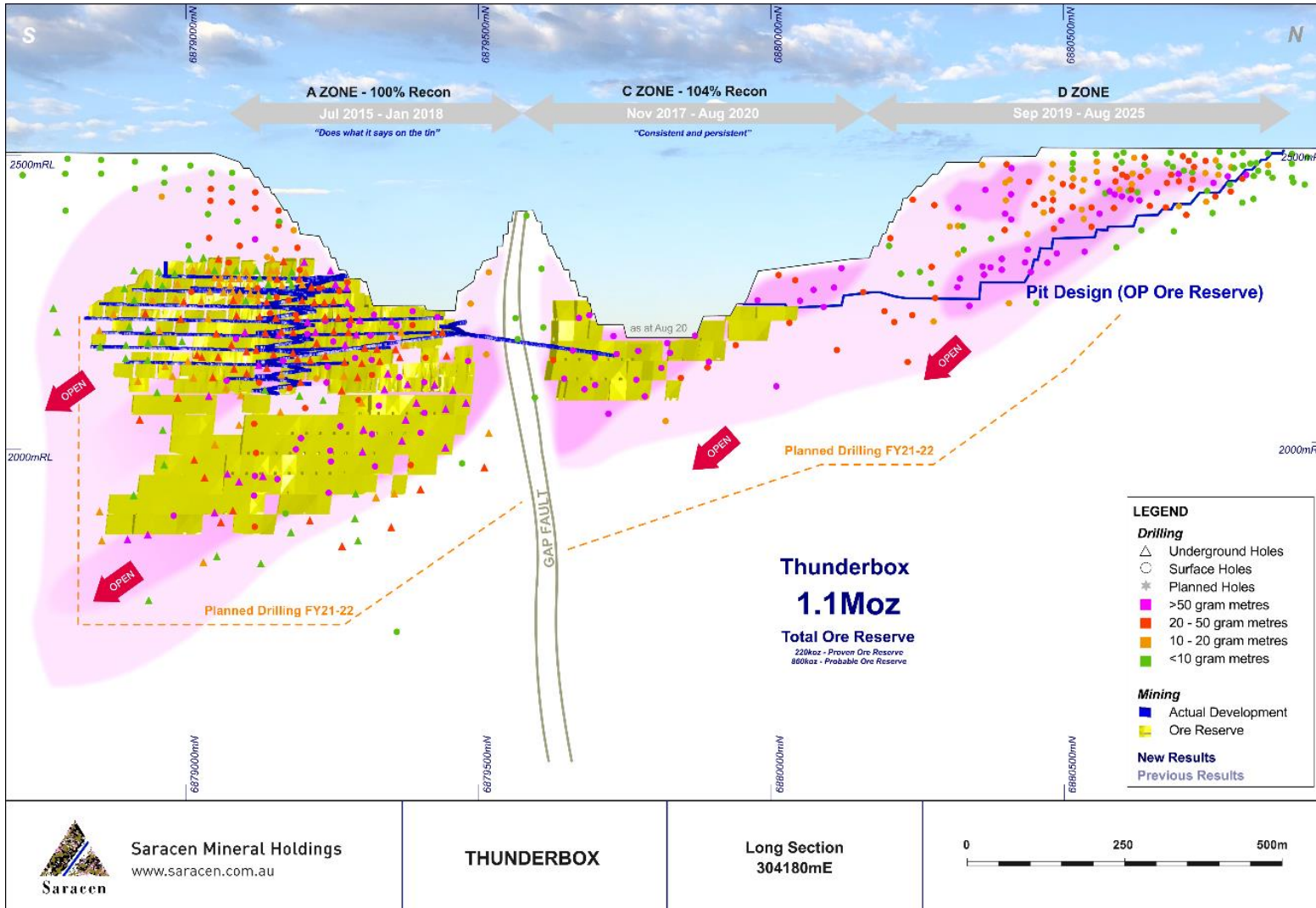
- ▲ **‘Does what it says on the tin’** (~100% reconciliation to date)
- ▲ **1.7Moz in Reserve**
- ▲ **Growth opportunities include:**
  - ▲ **“Thunderground”** - 720koz Reserve @ 2.0g/t, high productivity, low cost, long life simple underground mine, stoping underway, materials handling opportunities due to very large scale
  - ▲ **Thunderbox D Zone** - Growing near surface C / D Zone cut-back, upgraded by recent drilling including **43m @ 3.7g/t** and **73m @ 1.9g/t**
  - ▲ **Otto Bore** - 60koz Reserve @ 2.0g/t, shallow open pit, 9km from mill
  - ▲ **Wonder North** - “Bolt-on” acquisition, 320koz Resource, 30km from mill
- ▲ **Future proofing** - Ore stockpile >100koz, nine levels pre-developed at “Thunderground”, Kailis high grade oxide stockpile, D Zone pre-strip



# Thunderbox - It does what it says on the tin



## The long game:



### ▲ D Zone open pit ramping-up:

- Simple, low cost, robust
- Progressively lower strip / higher grade
- >2 years of soft oxide (benefiting mill throughput / unit costs)

### ▲ “Thunderground” ... Ramping up to >2Mtpa ore; grade increases at depth

### ▲ All zones open down plunge

### ▲ To expand Thunderbox mill to 3.5Mtpa during FY22 (currently 2.4Mtpa)

### ▲ Satellite pits e.g. Wonder North, Otto Bore to sweeten mill feed with higher grade and / or soft oxide

# There's nothing like Tier 1 gold



- ▲ We have a simple business plan - **We mine where we mill, within 300km of Kalgoorlie**
- ▲ We deliver - **8 year unbroken track record of beating guidance**
- ▲ We are a **global top 20 gold producer / ASX 100 company** following the acquisition of 50% of the world-class Super Pit
- ▲ We have an outstanding platform for **further growth - People, assets, balance sheet**
- ▲ We are building a more sustainable gold company - **Future proofing our business, seizing the ESG opportunity**
- ▲ **We are on the “flight to 800”**

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