

Saracen Mineral Holdings Limited

ASX: SAR



Low cost growth

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MANAGING DIRECTOR

Investor Presentation October 2015

Qualification



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Doubling gold production to 300,000oz



- Transformation to **mid-tier gold producer** underway
- FY16 production outlook **150-160koz** (Carosue Dam only)
- Gold production to double to **~300koz** at AISC **~A\$1075/oz** within two years, driving substantial **increase in free cash-flow**
- **Two operational centres** in Western Australia:
 - *Carosue Dam (NE of Kalgoorlie) – Transitioning to multiple high-grade, high-margin underground mines, 2.4Mtpa plant, ~150-160kozpa*
 - *Thunderbox (SE of Leinster) – Re-development of large-scale open pit ahead of schedule, 2.5Mtpa plant, ~125kozpa production from June Q 2016*
- Large endowment – **7.6Moz** in Resources, **1.5Moz** in Reserves
- **Outstanding exploration upside:** Several emerging high-grade discoveries
- **A\$45M cash and bullion, no debt** (30 Sept)



The key value-drivers



1. Produce – Carosue Dam

FY15 record 167koz, FY16 outlook 150-160koz

2. Develop – Thunderbox

Running ahead of schedule (potential to add 20koz into FY16), Stage 1 adds ~125koz pa over ~4.5 years

3. Grow – Earnings visibility

Visibility on +4 year mine life at Karari, +10 year mine life at Thunderbox, other organic opportunities

4. Monetise – Build cash on balance sheet

Build a sustainable free cash-flow positive business

**Vision: Join the ranks of mid-tier ASX-listed gold miners
(~300koz pa, ~A\$1075/oz AISC, minimum five-year mine life, internally funded)**

Corporate overview



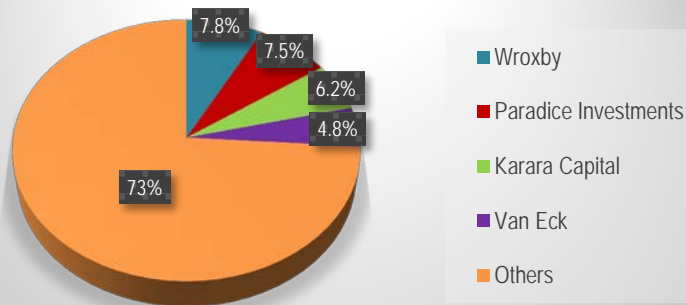
Corporate Structure

ASX Code	SAR	
Shares	792.8m	
Share Price	A\$0.55	At 14 Oct 2015
Market Cap	A\$436m	
Enterprise Value	A\$391m	
Cash and bullion	A\$45m	At 30 Sep 2015
Debt	Nil	
Hedging	302koz @ A\$1,523/oZ or -20% of Reserve	At 30 Sep 2015
Mineral Resources	7.6 Moz	As at 30 Jun 2015
Ore Reserves	1.5 Moz	

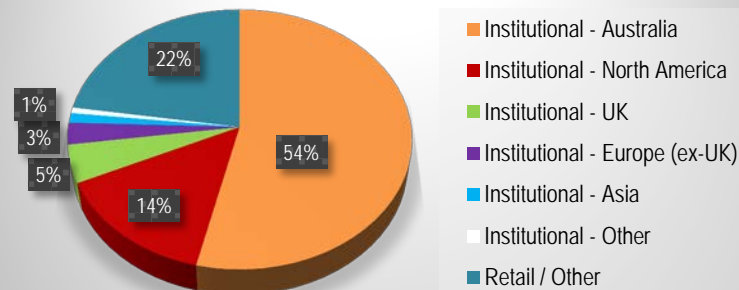
Board & Management

Non-Executive Chairman	Geoff Clifford
Managing Director	Raleigh Finlayson
Non-Executive Director	Mark Connelly
Non-Executive Director	Barrie Parker
Non-Executive Director	Martin Reed
Non-Executive Director	Samantha Tough
Chief Financial Officer	Gerry Kaczmarek
Chief Operating Officer	Craig Bradshaw
Chief Geologist	Daniel Howe
Chief Corporate Development Officer	Troy Irvin

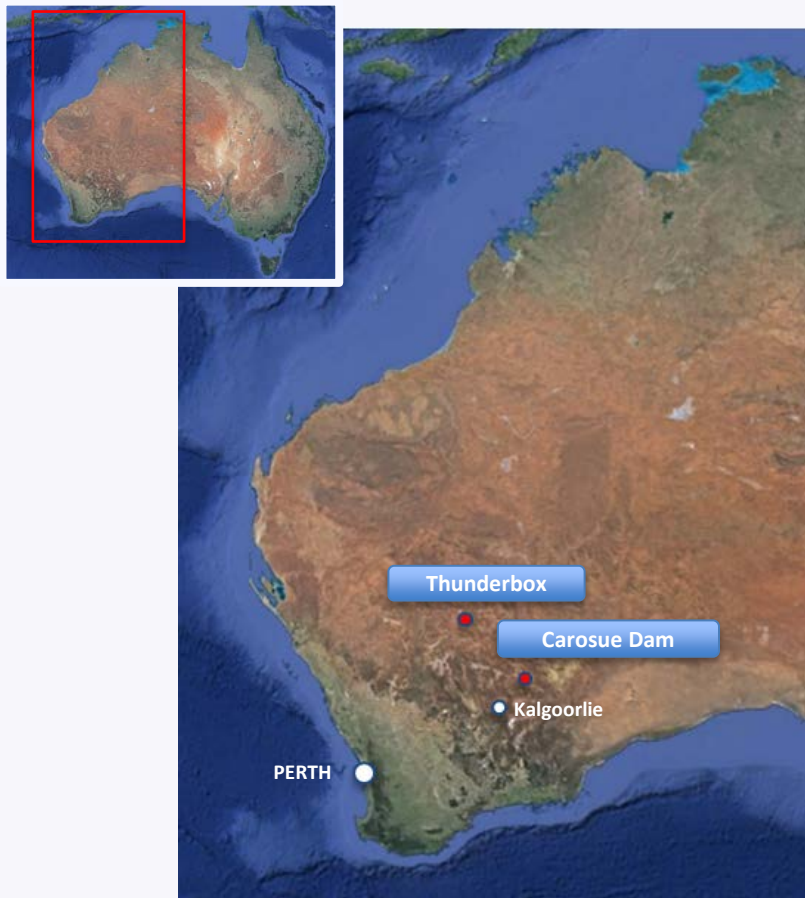
Substantial Shareholders



Ownership Geographic



High grade, low cost WA production



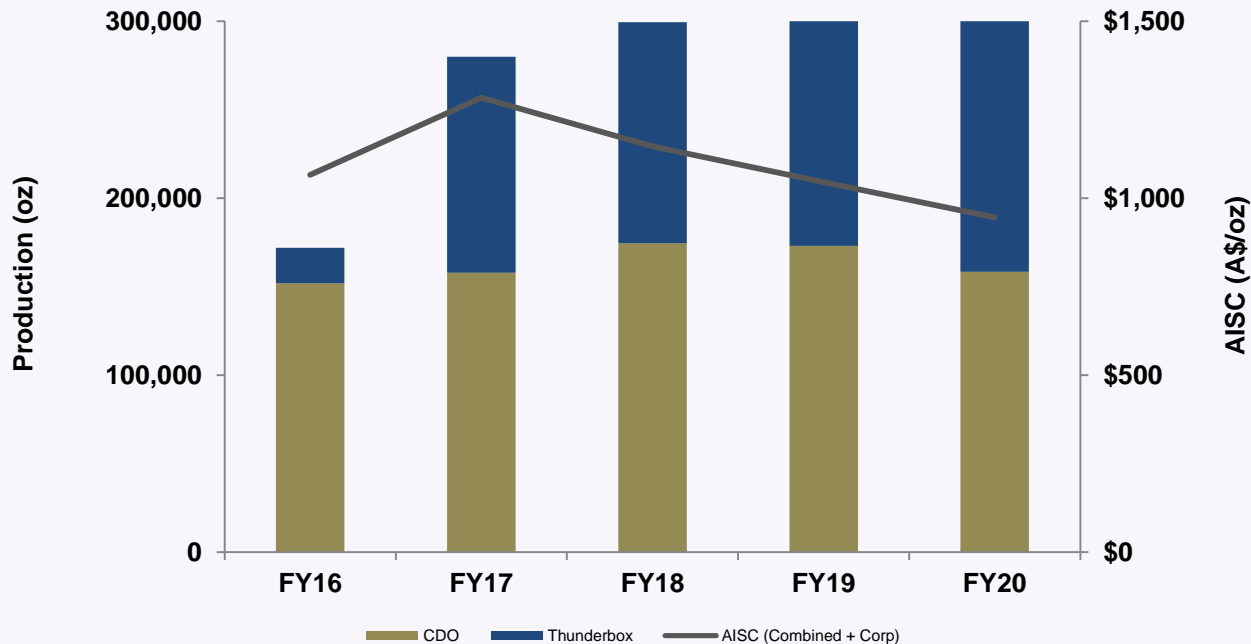
Carosue Dam Operations, NE of Kalgoorlie

- Strong operational track record since 2010
- Producing at ~150-160kozpa

Thunderbox Project, SE of Leinster

- Acquired from Norilsk in 2014
- Development progressing ahead of schedule
- Low-cost, long-life open pit producing ~125kozpa from FY 2017 with underground potential
- AISC of A\$1032/oz
- Recent acquisition of Kailis and King of the Hills increases Resources within trucking distance of the plant to 3.5Moz

Five year production & cost outlook



Notes:

- Refer to ASX announcements "2015 Mineral Resources & Ore Reserves" dated 15/10/15, "Robust five-year Outlook" dated 15/10/15 and "Thunderbox Project Feasibility and Development Approval" dated 23/3/15 for full details of the production & cost outlook by source
- 75% of total production in the five-year outlook is from Ore Reserves, 2% of production is sourced from Indicated Resources and 23% of production is sourced from Inferred Resources
- CDO = Carosue Dam
- Thunderbox = Thunderbox open pit Ore Reserves

Saracen has a clear strategy to become a ~300kozpa low-cost, high-margin Australian gold producer.

Production – Deliver, deliver, deliver



FY13 - 136koz @ A\$1072/oz C1 (120-130koz @ A\$1075/oz C1 Guidance)

FY14 - 133koz @ A\$1515/oz AISC (130-140koz @ A\$1500/oz AISC Guidance)

FY15 – What we said:

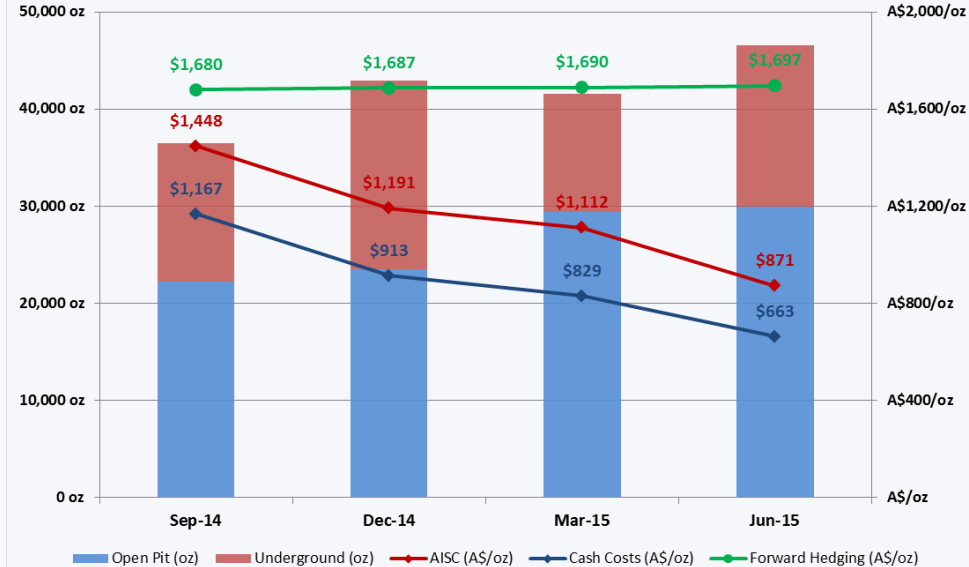
FY15 - What we delivered:

Carosue Dam Operations - Mill Production (rec oz) by Source



FY15 Guidance: 145-155koz @ A\$1150/oz AISC

Carosue Dam Operations - Mill Production (rec oz) by Source

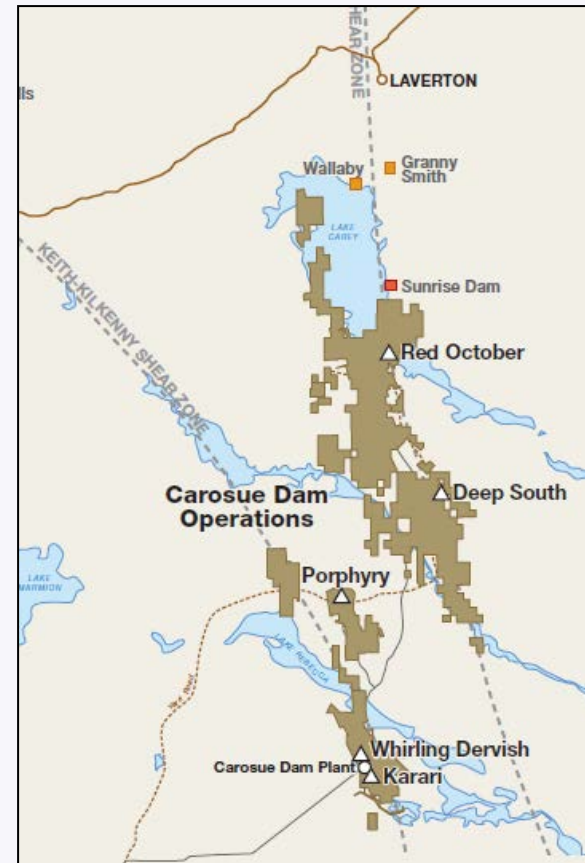


FY15 Actual: 167koz @ A\$1139/oz ASIC

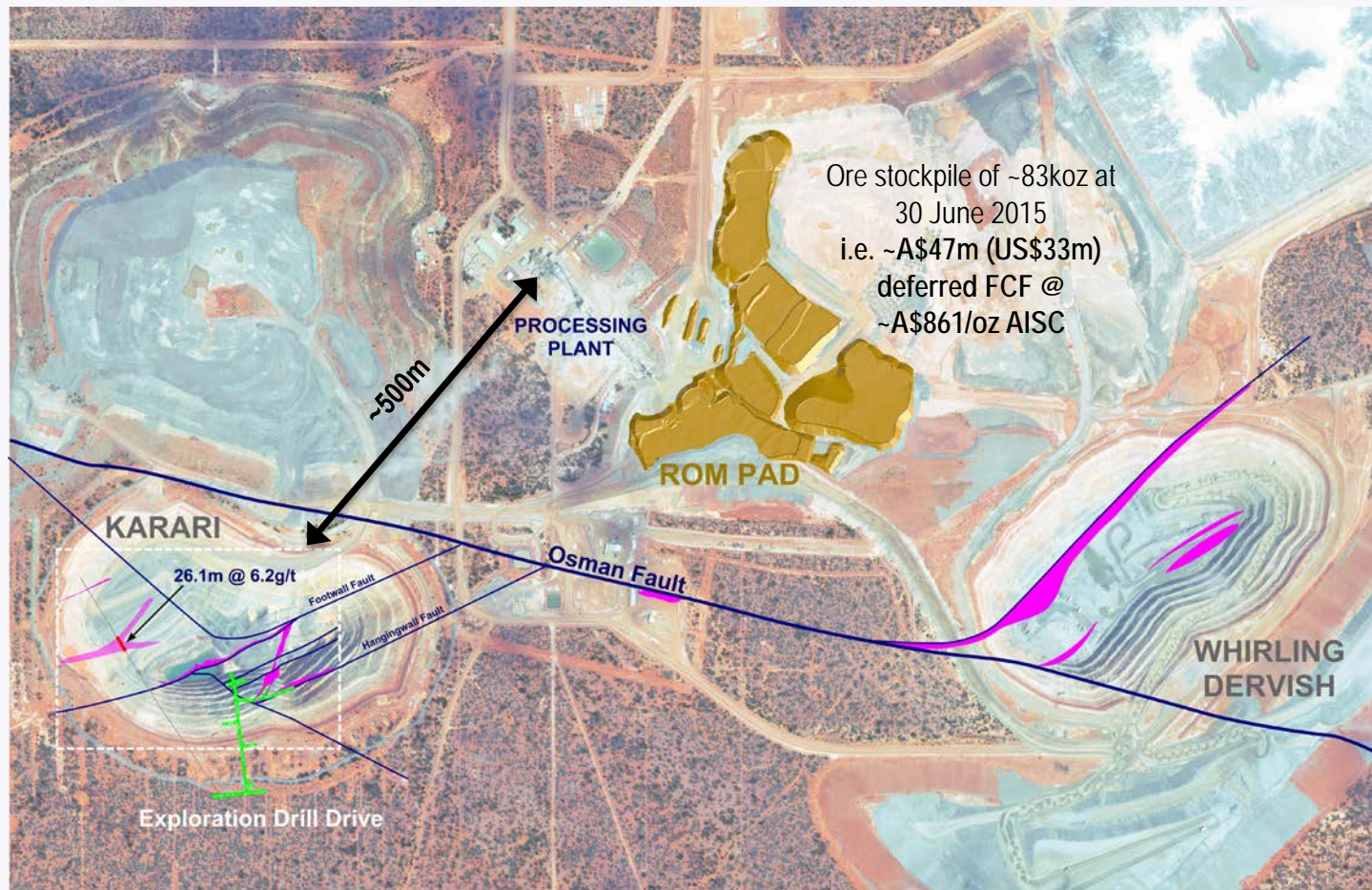
Carosue Dam – The engine room



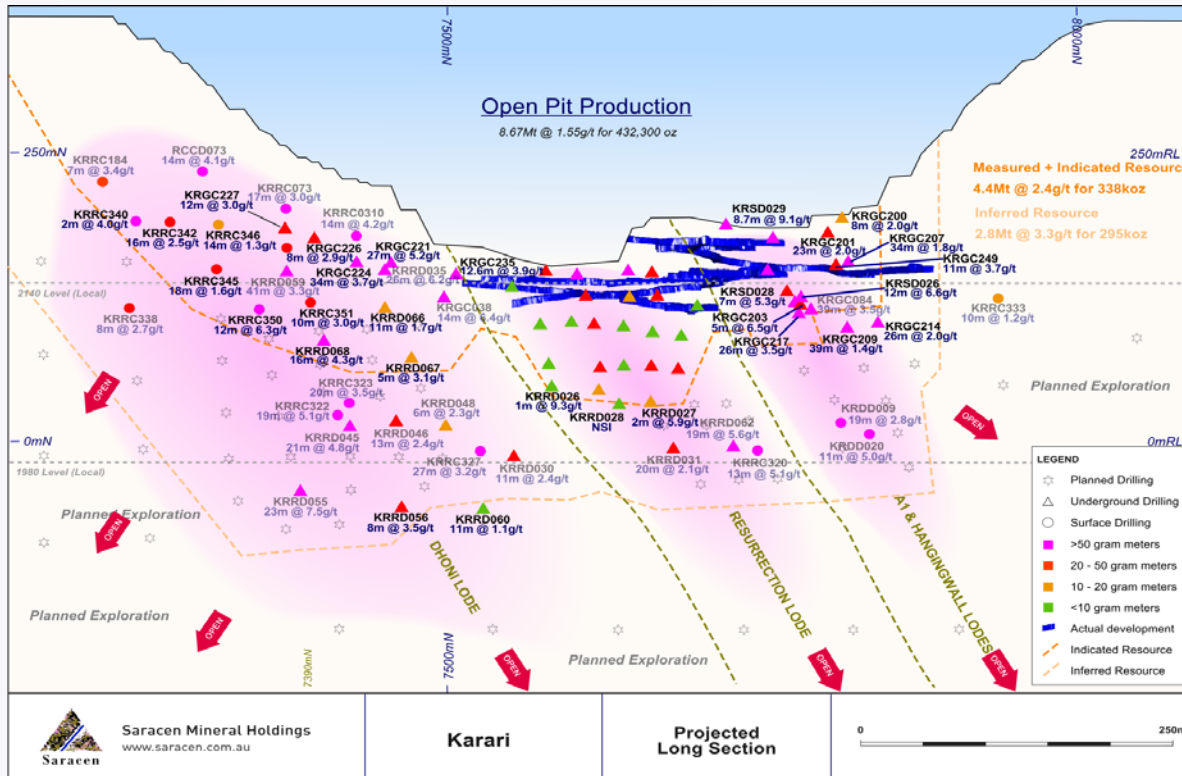
- 2.4Mtpa CIL plant, operated since 2010
- FY16 outlook 150-160koz @ AISC A\$1025-1075/oz, ore sourced in ~equal portions from:
 - *Karari UG – Multiple high-grade lodes, exciting new discovery, intensive drilling continuing, long hole stoping underway*
 - *Red October UG – Very high grade ~6-7g/t Au*
 - *Ore stockpile – ~83koz contained, mining cost sunk*
- Deep South – Shallow, high-grade, low capex, development imminent, mineralisation open in all directions
- Outstanding exploration upside – Extensive tenement holding in world-class ~23Moz Laverton District, 180km strike length of two key regional structures



Karari – Emerging high-grade discovery



Karari – A major gold system



>4 years visibility:

- UG drilling only commenced in the March Q 2015
- Mineral Resource has more than doubled from 311koz to 633koz (~2,500ppm)
- Maiden UG Ore Reserve of 98koz
- Open down-plunge and to the south
- Mining Inventory will continue to grow with ongoing drilling...

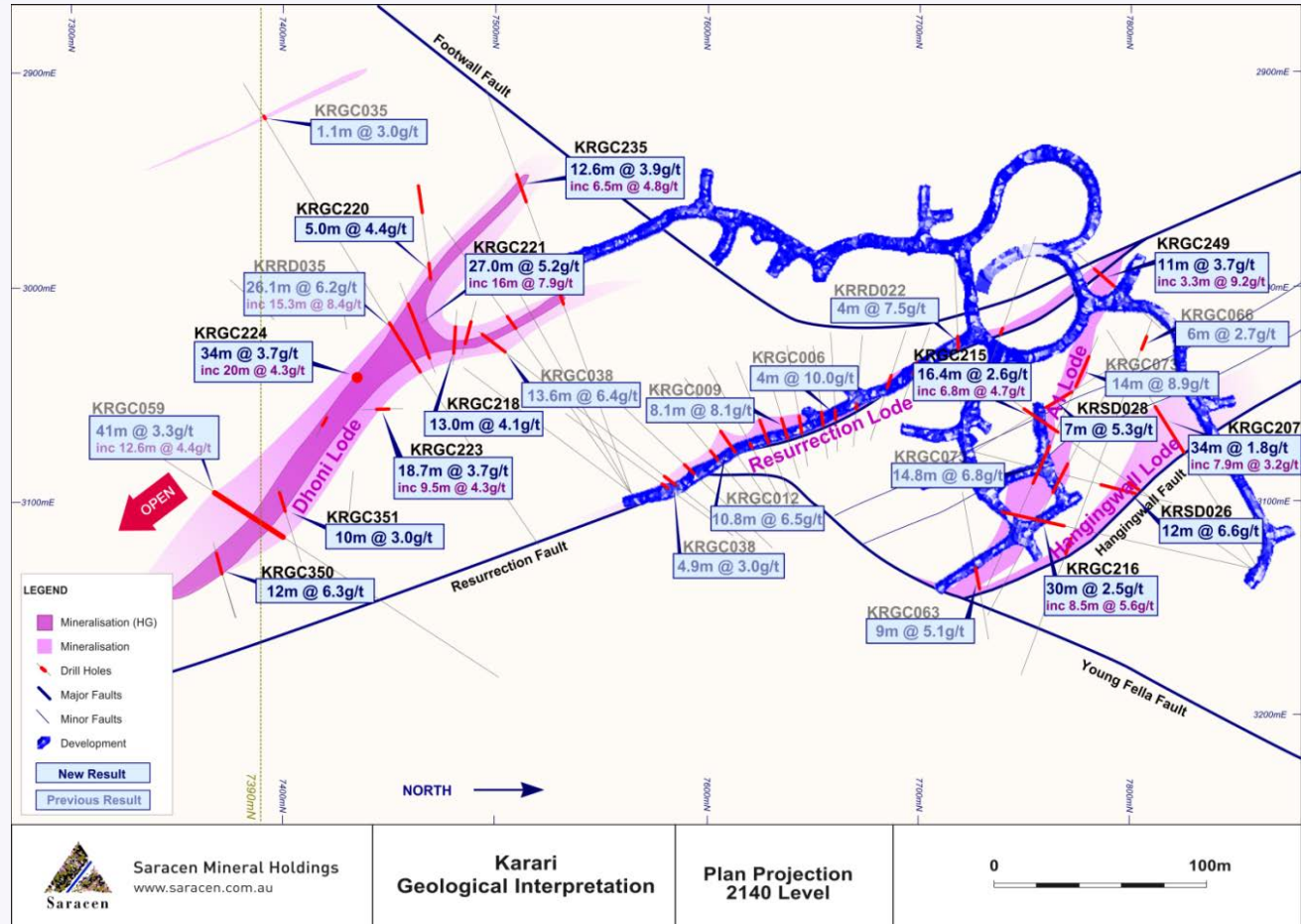
Karari	Measured			Indicated			Inferred			Total		
	tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Karari O/P				136,000	1.2	5,000	191,000	1.5	9,000	327,000	1.3	14,000
Karari U/G	26,000	2.7	2,000	4,234,000	2.4	331,000	2,602,000	3.4	286,000	6,862,000	2.8	619,000
Karari - Total	26,000	2.7	2,000	4,370,000	2.4	336,000	2,793,000	3.3	295,000	7,189,000	2.7	633,000

Karari – A major gold system

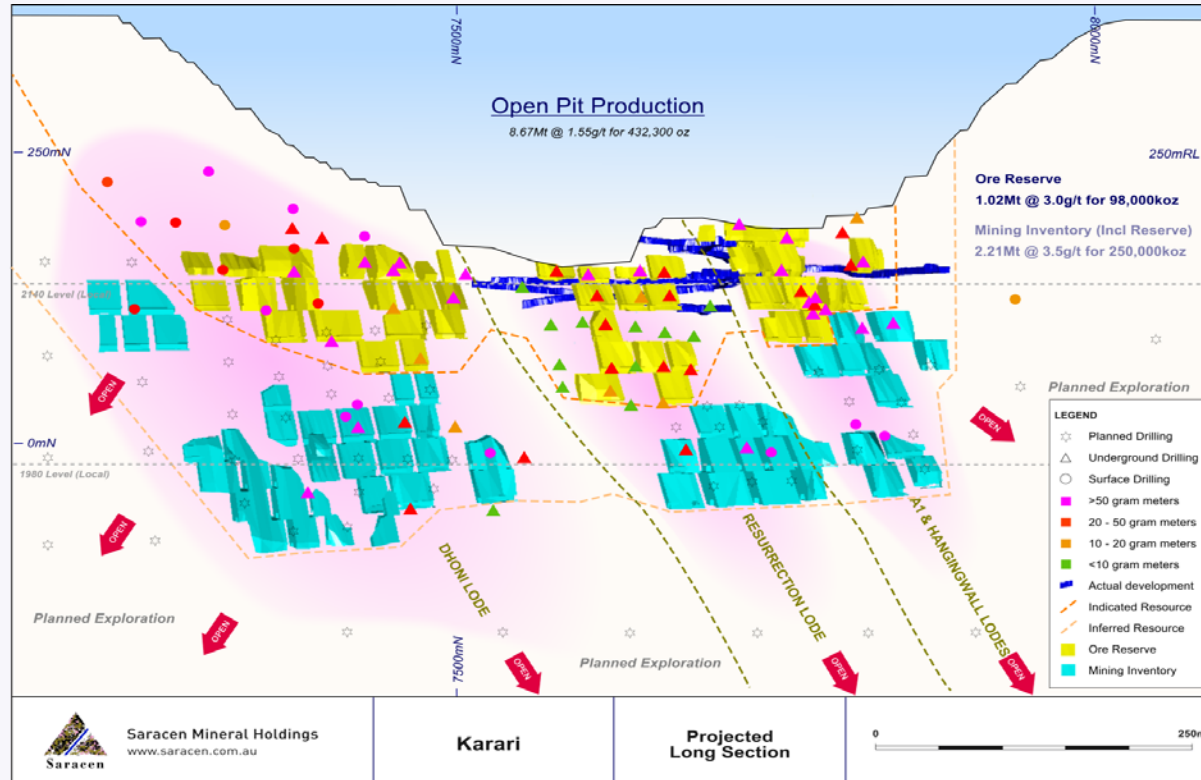


>4 years visibility:

- Multiple HG lodes
- Attractive widths
- Selective mining optionality
- Stope production commenced in September
- Ore development into the Dhoni lode to commence this month



Karari – A major gold system



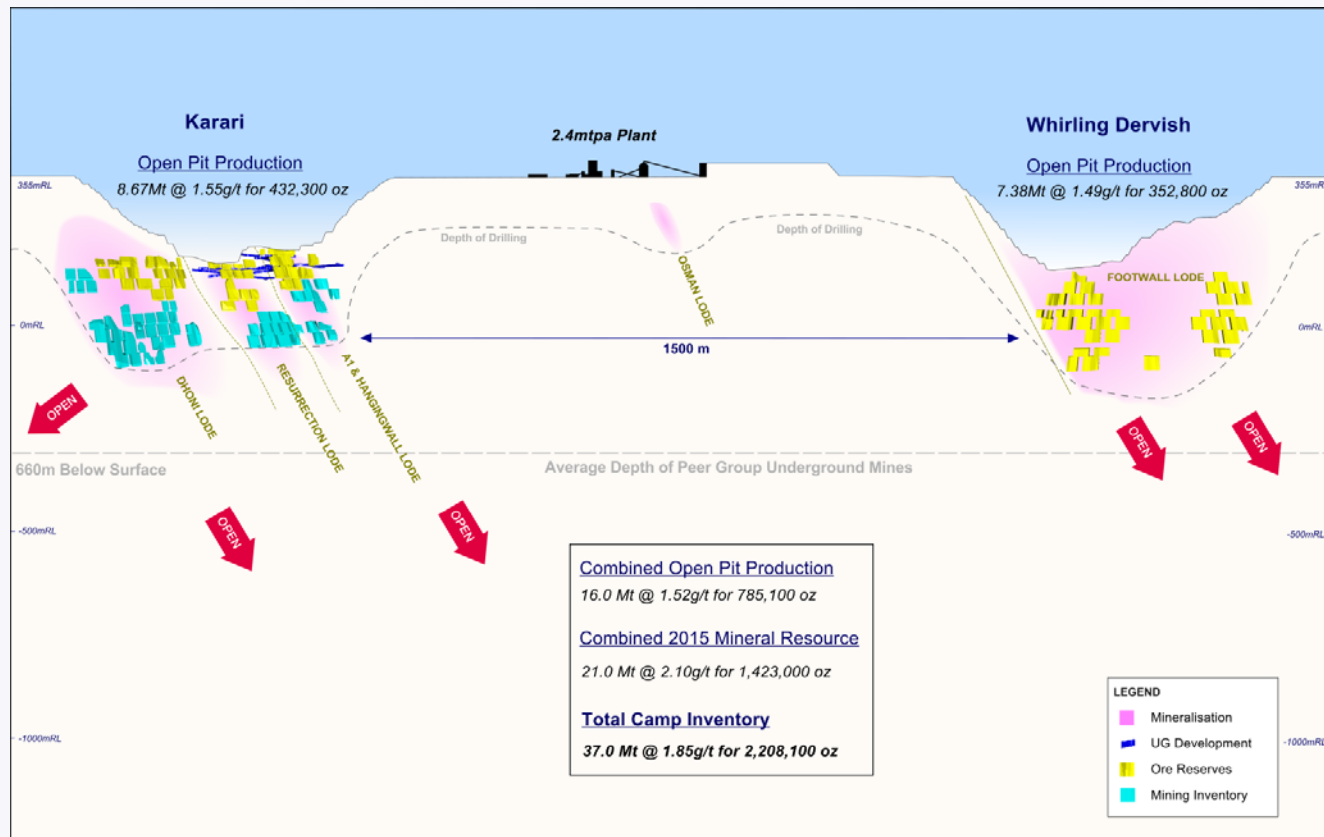
>4 years visibility:

- Maiden UG Ore Reserve of 98koz
- Mining Inventory (derived from Inferred Mineral Resources) of an additional 152koz*
- Conversion of Mining Inventory to Ore Reserve over the next 6-9 months

*It should be noted that, in general, there is a lower level of geological confidence associated with Inferred Mineral Resources (in this case due to limited current density of drilling). There is no certainty that further exploration work will result in the determination of Measured or Indicated Mineral Resources or that the production target will itself be realised.

Deposit	Mine Type	Ore Reserves			Mining Inventory			Total Mining Inventory		
		tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Karari	UG	1,025,000	3.0	98,000	1,190,000	4.0	152,000	2,215,000	3.5	250,000

Karari – A major gold system



Rapidly evolving ore system:

- Over 2.2 Moz Camp < 400m below surface
- Average depth of peer UG mines of 660m
- Exploration potential exists to significantly grow the resource base < 500m from the plant
- Targeting +3Moz in medium term with extensive drilling



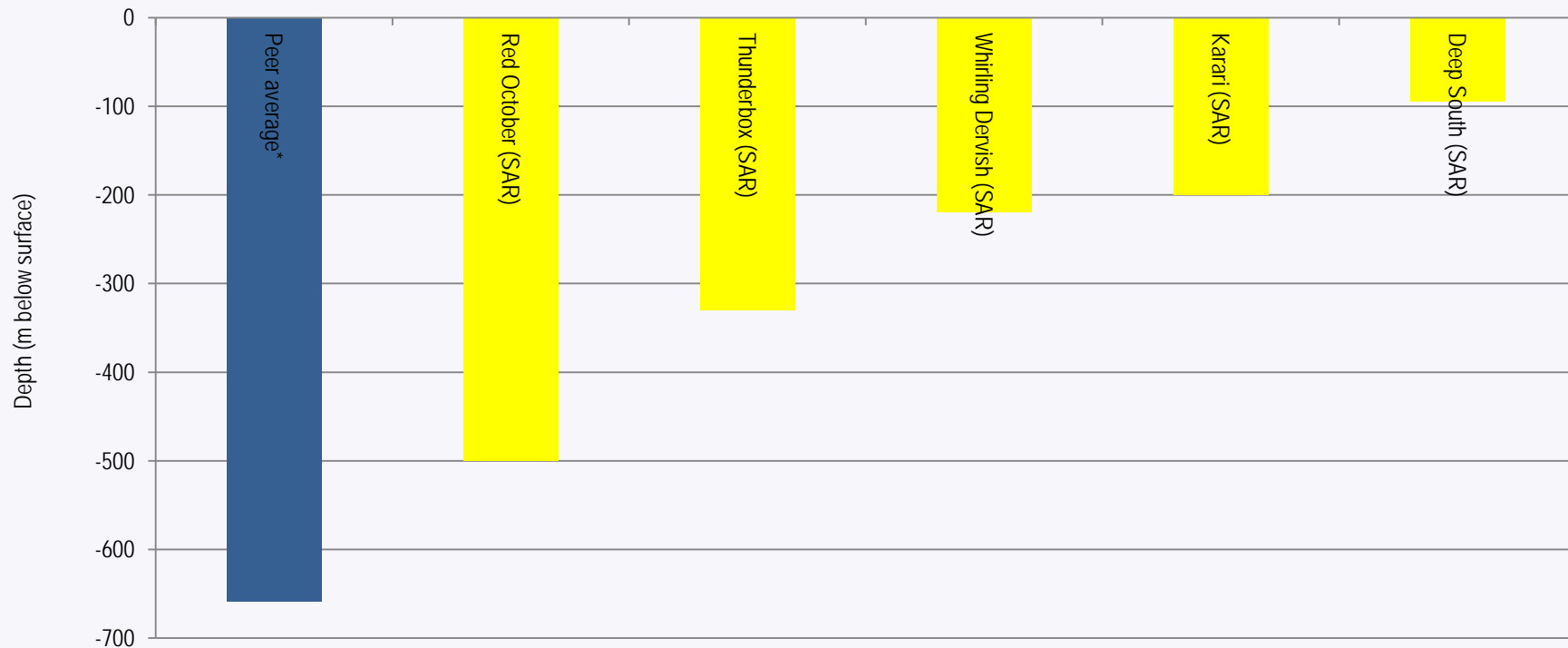
Saracen Mineral Holdings
www.saracen.com.au

Karari to Whirling Dervish

Projected
Long Section

0 500m

Average Depth

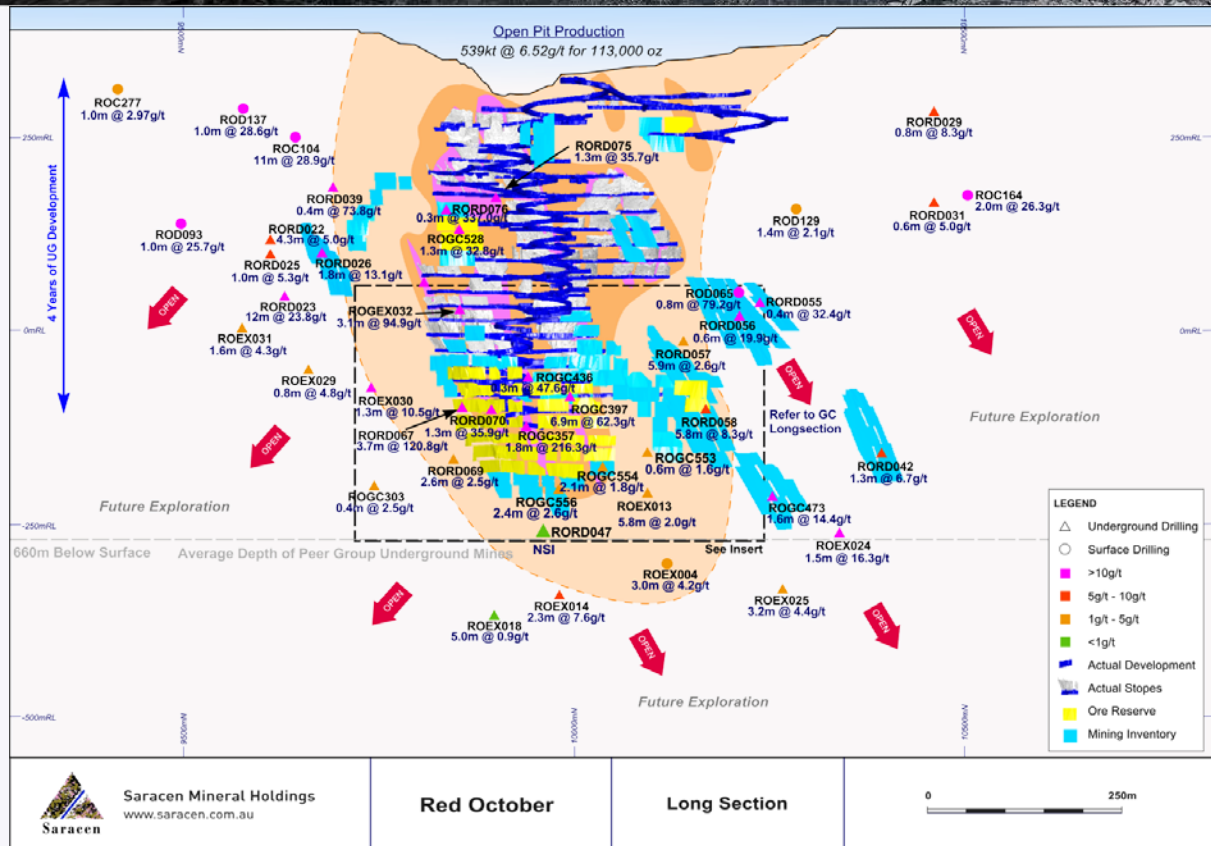


Notes:

* Yellow bars = Saracen (SAR) underground mines

* Peers average includes underground mines owned by NST, EVN, SBM, RSG, KCN, TRY, DRM, SLR, UML

Red October – High grade production



Record FY15:

- 300kt @ 6.7g/t for 65,000oz mined
- AISC of A\$971/oz
- Recent drilling highlights include:
 - RORD079 – 1.1m @ 47.1g/t
 - ROGC508 – 0.4m @ 132.0g/t
 - ROGC514 – 2.8m @ 21.3g/t
 - ROGC515 – 2.1m @ 15.7g/t
 - ROGC535 – 0.3m @ 99.3/t
 - ROGC537 – 0.5m @ 105.0g/t
 - ROGC539 – 0.3m @ 103.0g/t
 - ROGC542 – 0.3m @ 90.3g/t
 - ROGC554 – 0.5m @ 61.1g/t
 - ROGC559 – 0.6m @ 42.7g/t
 - ROGC565 – 0.7m @ 162.1g/t
 - ROGC566 – 1.9m @ 58.0g/t
 - ROGC567 – 0.7m @ 841.6g/t

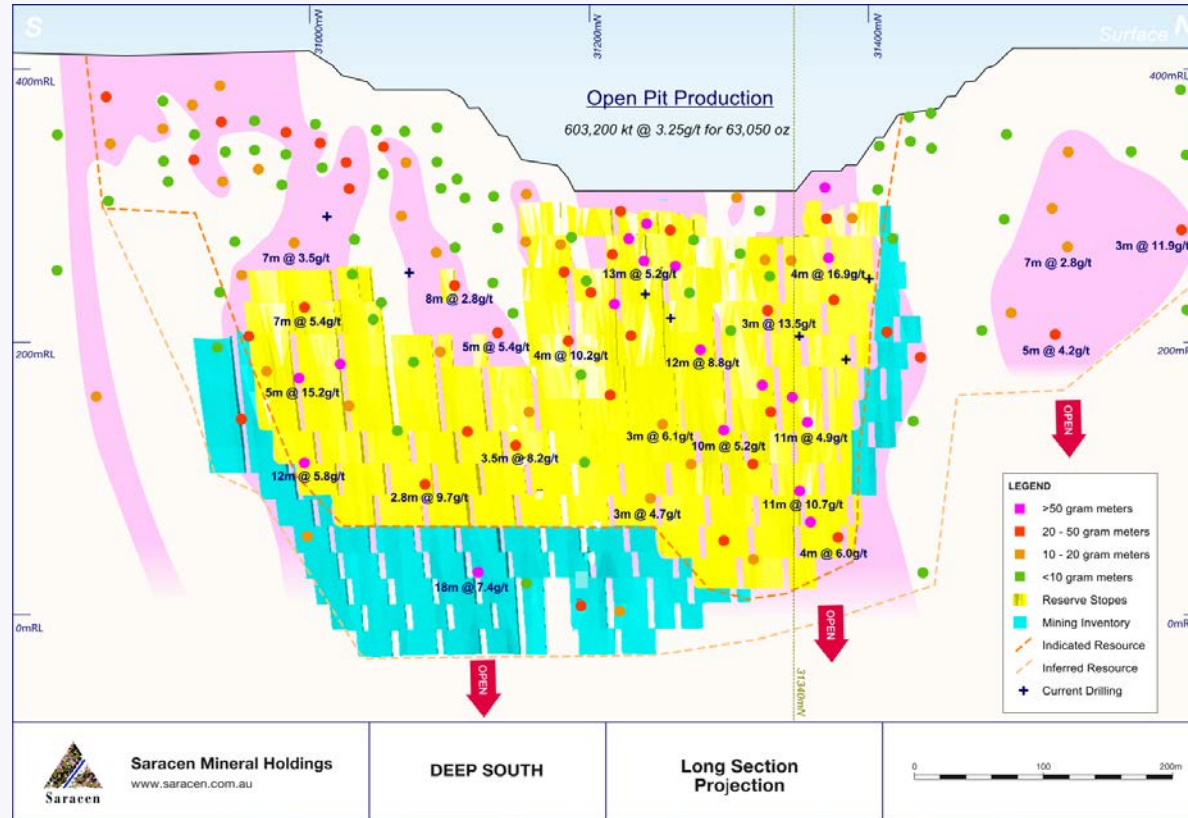
Deposit	Mine Type	Ore Reserves			Mining Inventory			Total Mining Inventory		
		tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Red October	UG	225,000	6.0	43,000	131,000	6.9	29,000	356,000	6.3	72,000

Deep South – Ready for production



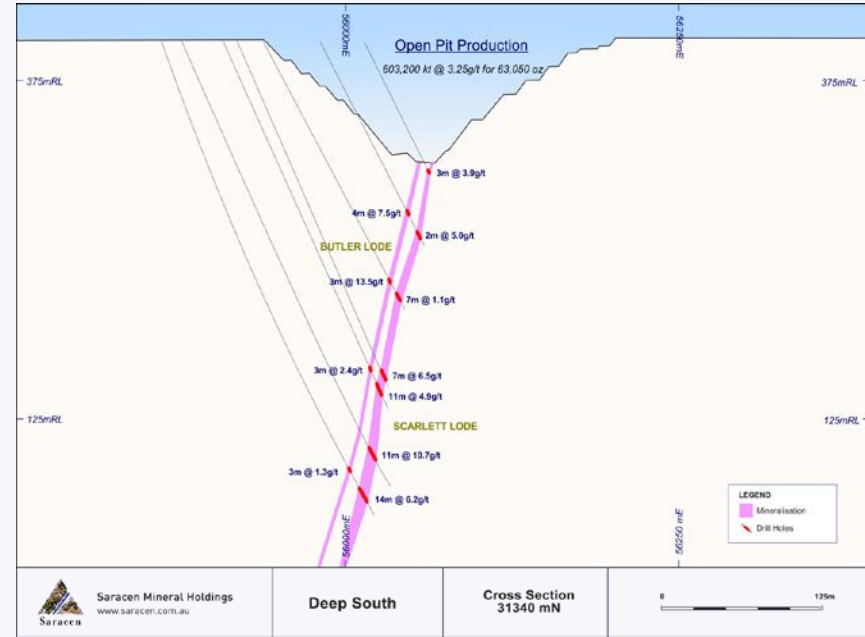
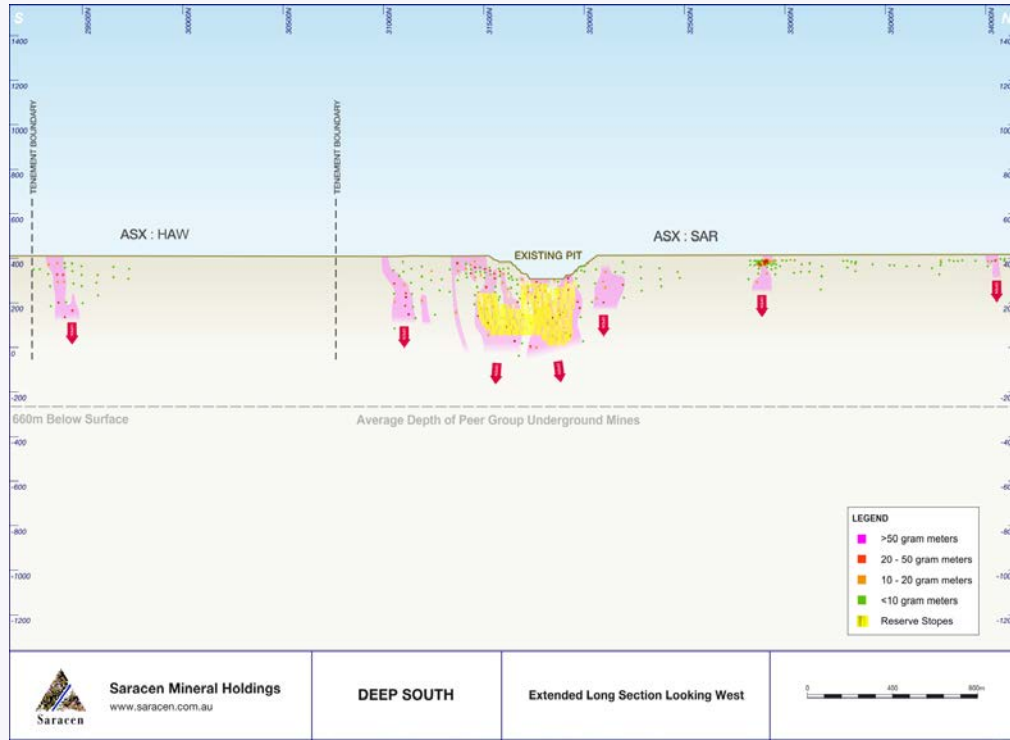
First production building from 2H FY16:

- 125koz Ore Reserve
- Low capex
- 2 shallow, high grade parallel lodes
- Open along strike and at depth (~400m below surface)
- Fixed costs shared with Red October
- Planning to cut portal this month



Deposit	Mine Type	Ore Reserves			Mining Inventory			Total Mining Inventory		
		tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Deep South	UG	979,000	4.0	125,000	329,000	4.6	48,000	1,308,000	4.2	174,000

Deep South – Long Mine Life Potential

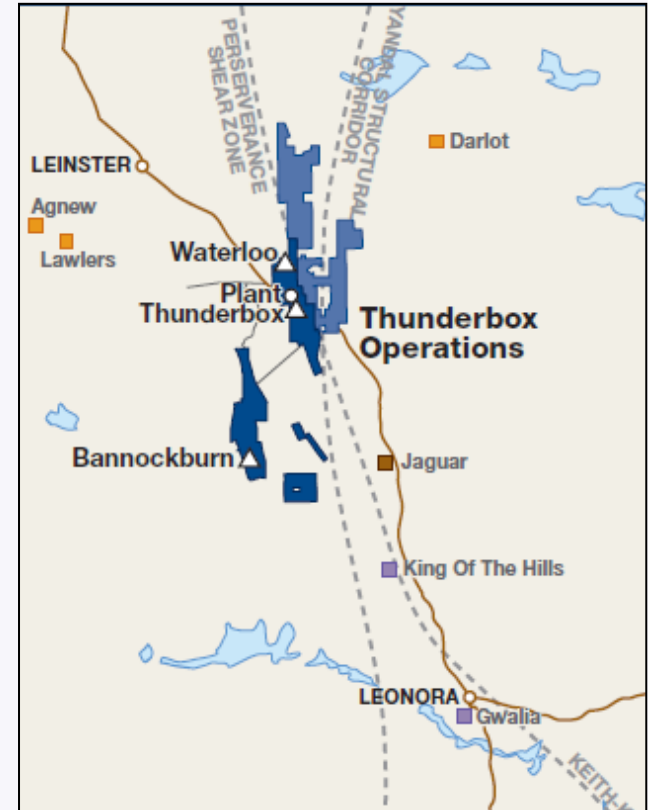


Thunderbox – Cornerstone asset

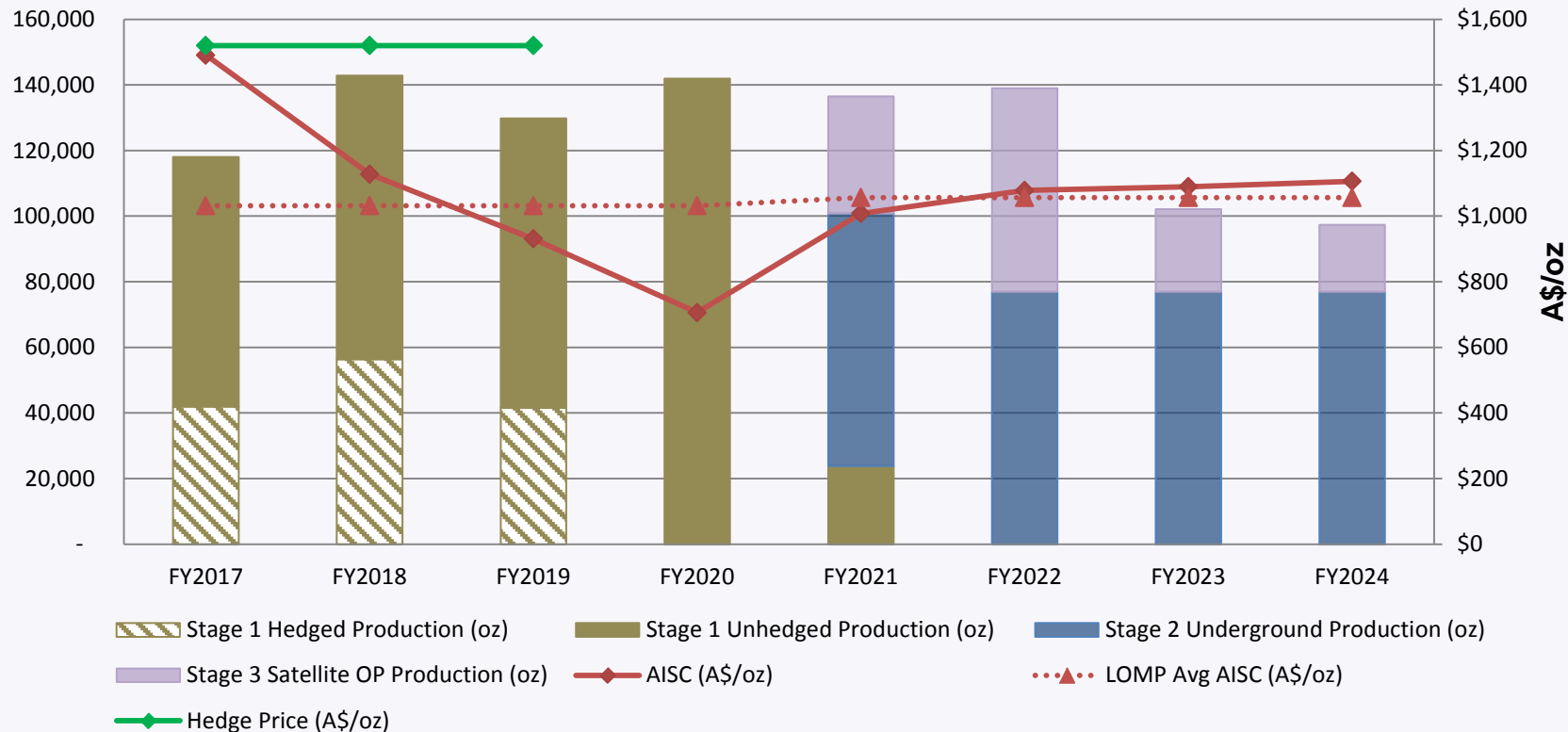


- Existing 2.5mtpa CIL plant to be refurbished
- A\$65m pre-production capex (internally funded)
- Resource recently upgraded from 1.6Moz to 2.0Moz
- Stage 1 OP – 596koz contained, A\$1032/oz AISC, 4-5 year mine life
- Outstanding future growth potential – Two main lodes open down-plunge with deepest hole 55m @ 3.0g/t Au
- Targeting a >10-year mine life at ~125kozpa

Robust, long-life open pit operation with future underground potential



Thunderbox – Potential >10 years



Notes:

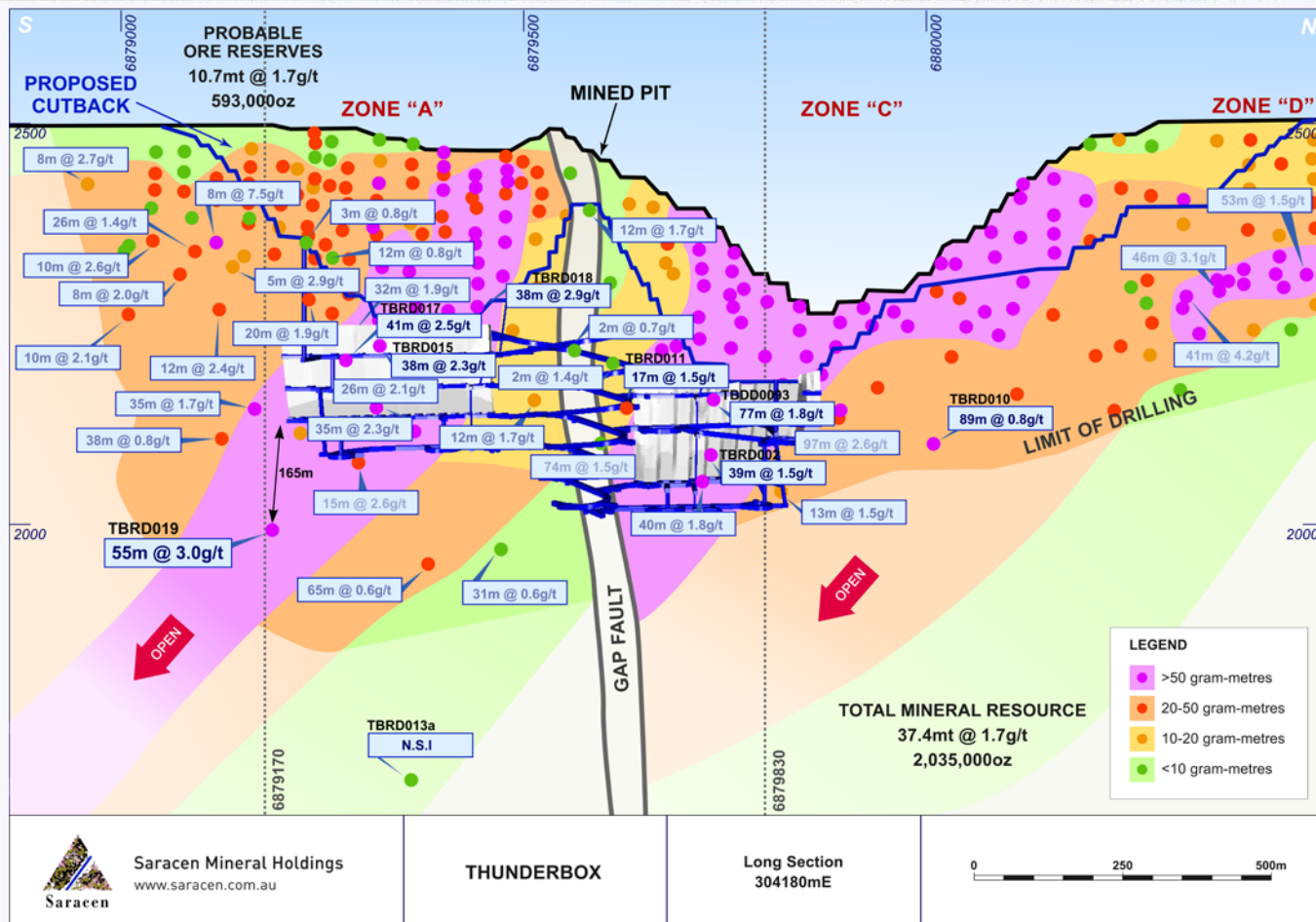
- Please refer to Appendix 1 - Production outlook notes

Thunderbox – Accelerated plans for first gold

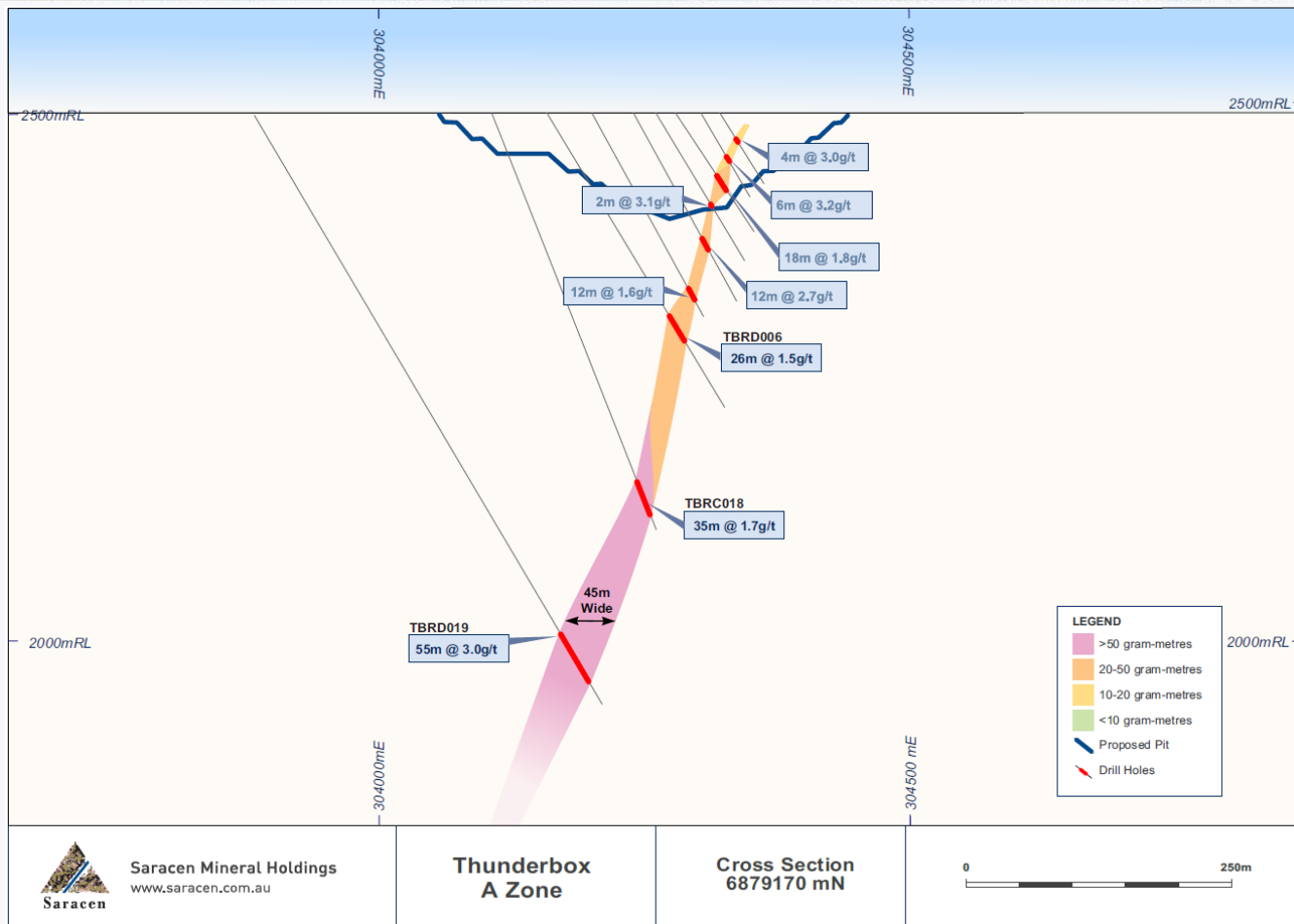


Thunderbox Operations	FY2015		FY2016				FY2017			
	Mar Q	Jun Q	Sep Q	Dec Q	Mar Q	Jun Q	Sep Q	Dec Q	Mar Q	Jun Q
Feasibility Study - Stage 1	✓									
Development Decision	✓									
Approvals		✓								
Implementation & Mobilisation		✓								
Pre-Strip Mining - Zone A			✓							
Mining - Zone A										
Pre-Strip Mining - Zone C										
Mining - Zone C										
Plant Refurbishment			✓							
Commissioning										
Mill Production										

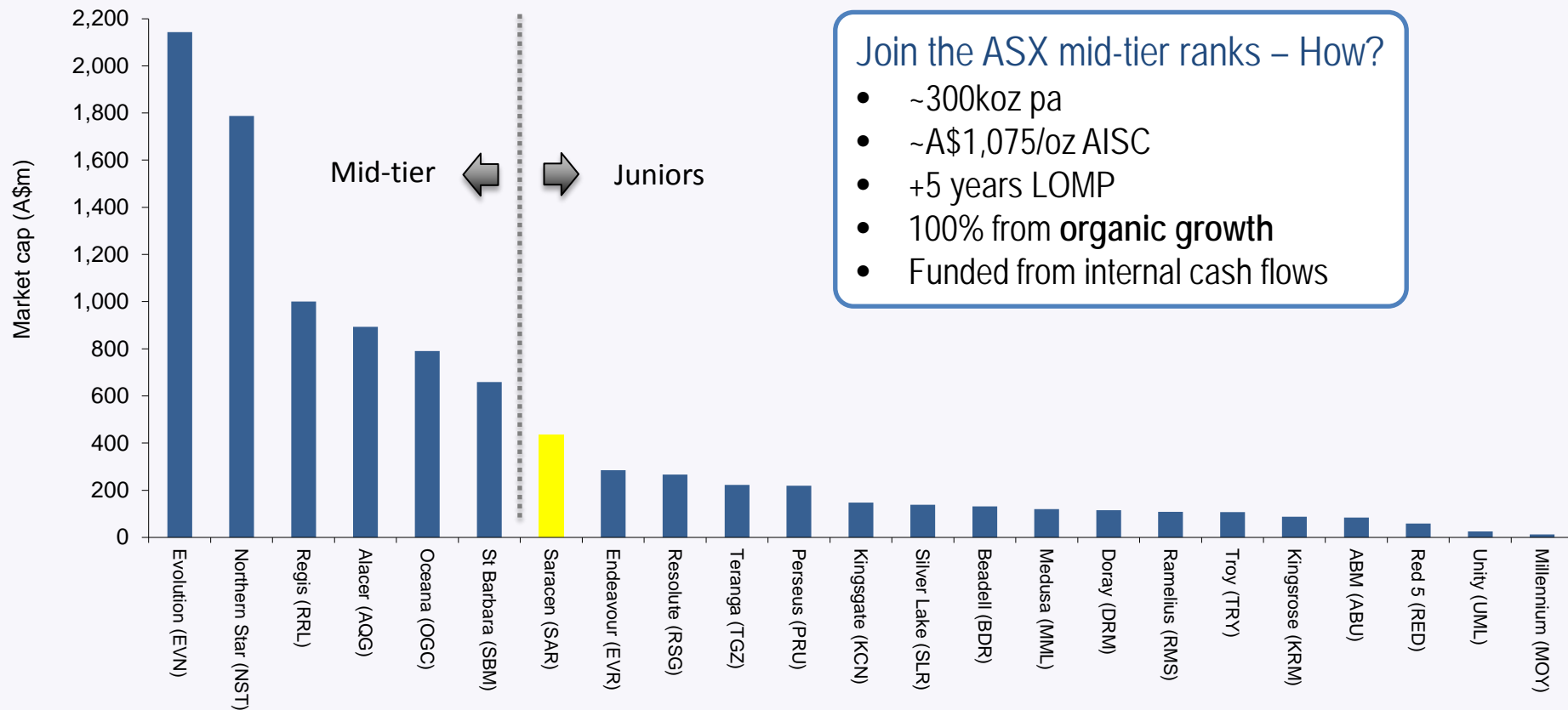
Thunderbox – Open down plunge



Thunderbox – Consistent and persistent



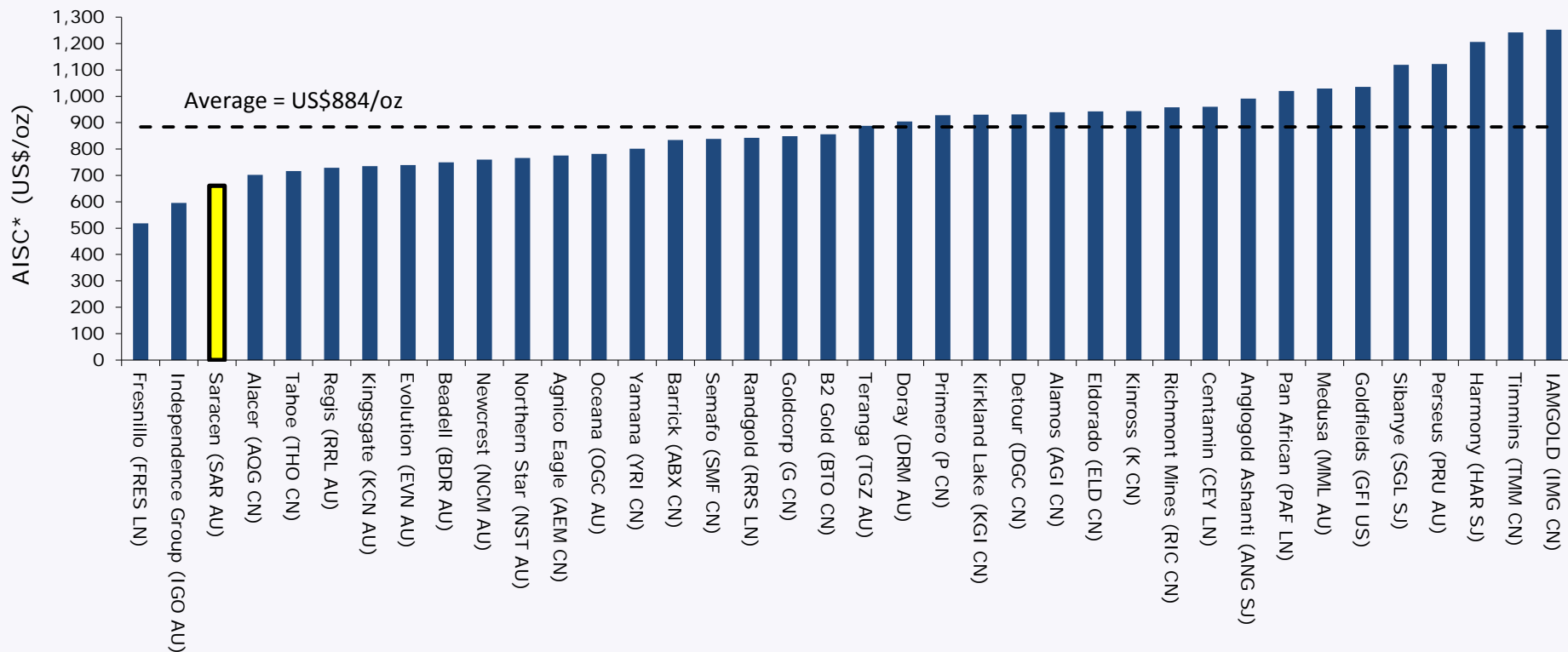
The vision



Saracen has a clear strategy to become a ~300kozpa low-cost, high-margin Australian gold producer

Low cost growth

2016 forecast AISC (US\$/oz)



Source: Macquarie Research September 2015 (cost data), Saracen

* AISC is operating costs + exploration + corporate G&A + sustaining capex



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