



Australian gold – Outstanding growth

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Corporate Presentation
February 2017

Qualification



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Corporate overview



Corporate structure (ASX:SAR)

| | | |
|-------------------|------------------------------|----------------|
| Shares | 807.5m | At 21 Feb 2017 |
| Share price | A\$1.28 | |
| Market cap | A\$1.03b (US\$783m) | |
| Liquidity | 30-day ADV 9.5m shares | |
| Major indices | ASX200, GDXJ, MSCI Small cap | At 31 Dec 2016 |
| Cash and bullion | A\$44m (US\$33m) | |
| Debt | Nil | |
| Hedging | 278koz @ A\$1,556/oz | At 30 Jun 2016 |
| Mineral Resources | 8.4 Moz | |
| Ore Reserves | 1.5 Moz | |

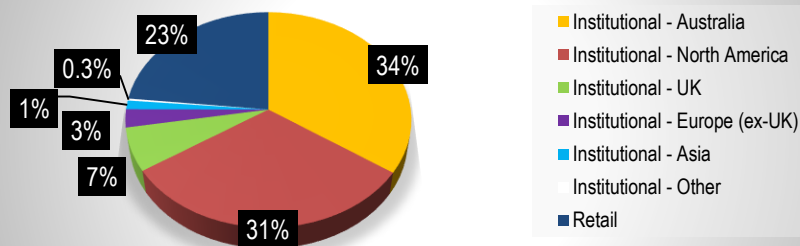
Board

| | |
|------------------------|-------------------|
| Non-Executive Chairman | Geoff Clifford |
| Managing Director | Raleigh Finlayson |
| Non-Executive Director | Mark Connelly |
| Non-Executive Director | Martin Reed |
| Non-Executive Director | Samantha Tough |

Executive

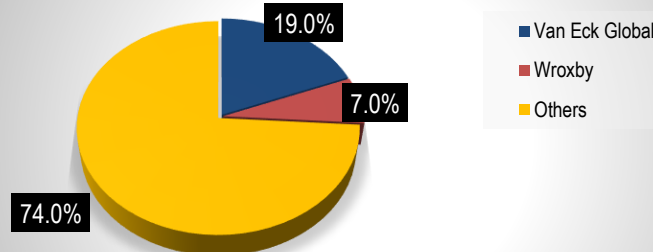
| | |
|-------------------------------|-------------|
| Chief Financial Officer | Morgan Ball |
| Chief Geologist | Daniel Howe |
| Corporate Development Officer | Troy Irvin |

Ownership geographic



Note - Australian dollars converted at an exchange rate of A\$0.76 per \$1US

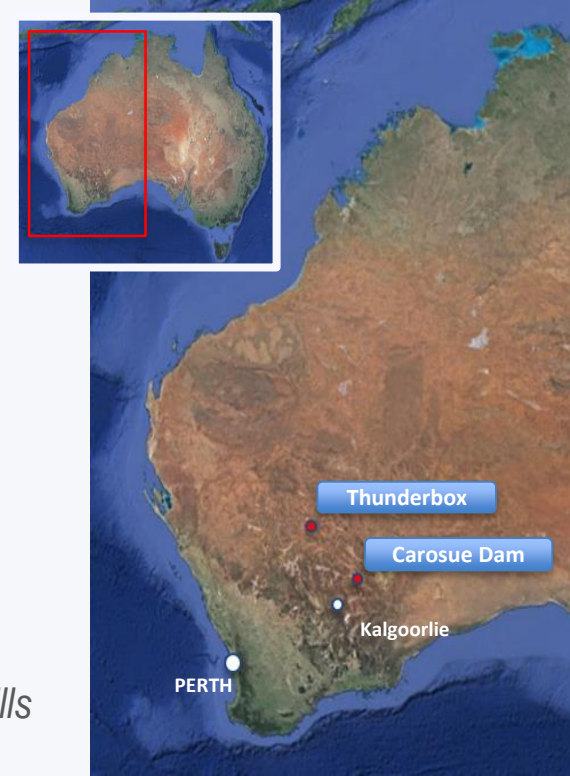
Substantial shareholders



Growing volume, margin and life



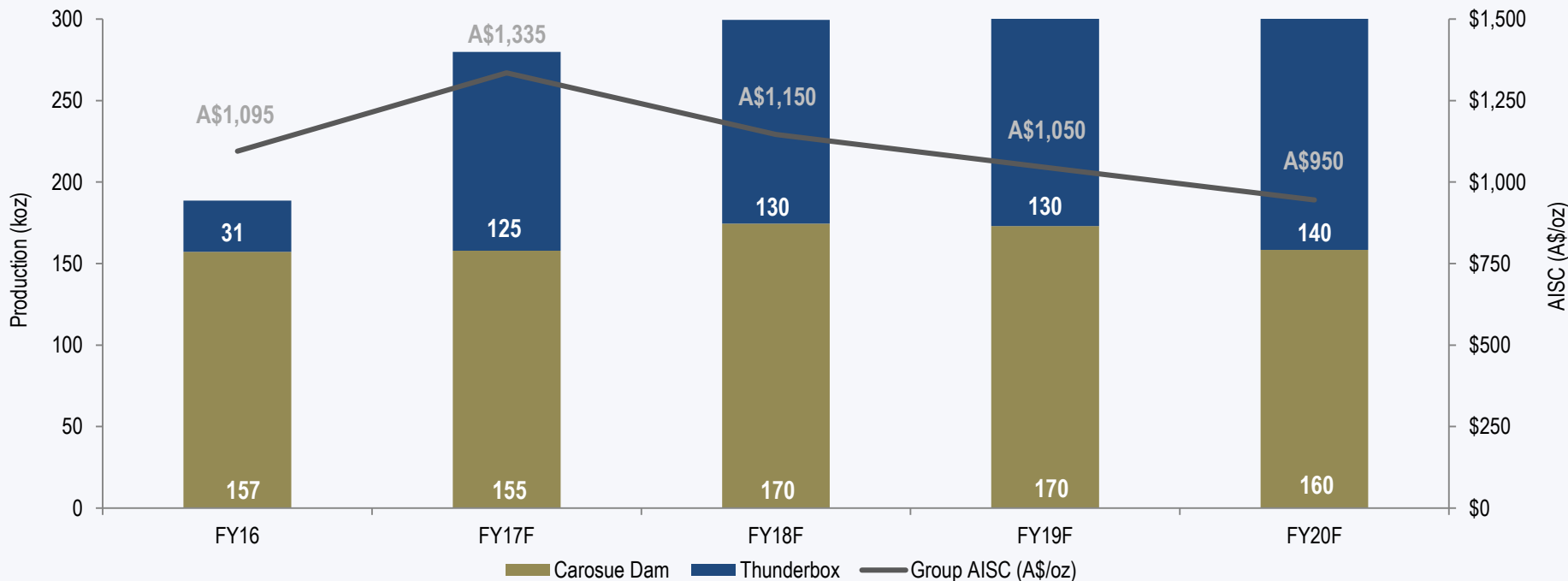
- **Successful production ramp-up** – On track to exit FY17 with a production rate of ~300kozpa, AISC declining to A\$950/oz in FY20
- **Two operational centres** near Kalgoorlie in Western Australia:
 - **Carosue Dam** – *New high-margin underground mines, ~160-170koz pa*
 - **Thunderbox** – *Large-scale open pit, ~130-140koz pa, multiple growth opportunities include bulk underground mining and high grade satellites*
- **Successful investment in drilling** – Outstanding drill results point to significant increases in inventory and mine life
- **Portfolio optimisation initiatives** to capitalise on recent production, drilling and M&A success:
 - *A\$16m committed to new growth projects in the current June half*
 - *Strategic review (including potential sale) of non-core mines King of the Hills (Thunderbox) and Red October (Carosue Dam)*



Growing production and margin



On the cusp of 300koz pa



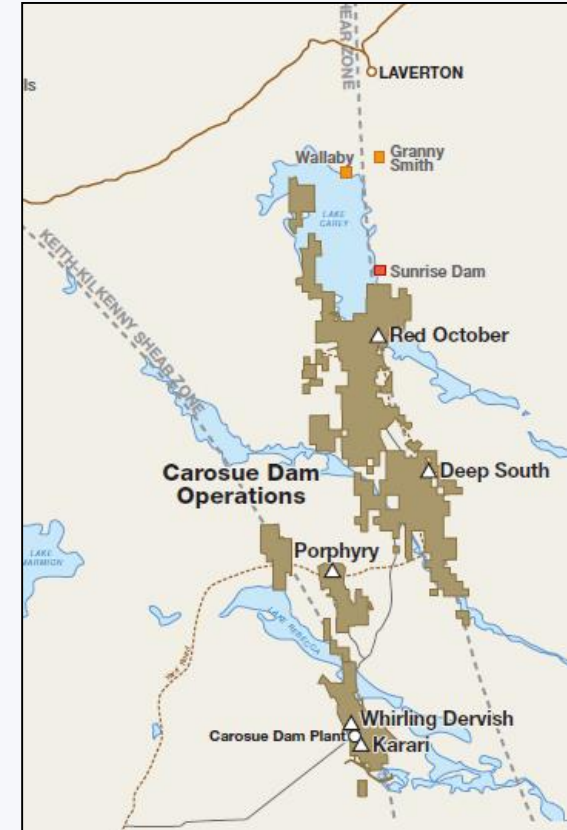
Refer to the ASX announcements dated 27th July 2016 – “Tripling of exploration budget to grow production and life” and 21st February – “December 2016 half year results”

Production growth, margin growth

Carosue Dam - Overview



- 2.4Mtpa plant, operated since 2010
- FY17 outlook 155koz
- Ore sources include:
 - *Karari – Shallow, growing deposit next to the plant, open in all directions*
 - *Deep South – Shallow, growing deposit, open in all directions*
 - *Ore stockpile – ~17koz contained, mining cost sunk*
- The next growth leg = Whirling Dervish, next to the plant, UG drill drive brought forward (new growth capital A\$3m June H)
- Stellar exploration ~23Moz gold camp, AngloGold A\$25m farm-in
- Red October mining until June Q – Strategic review underway including potential sale

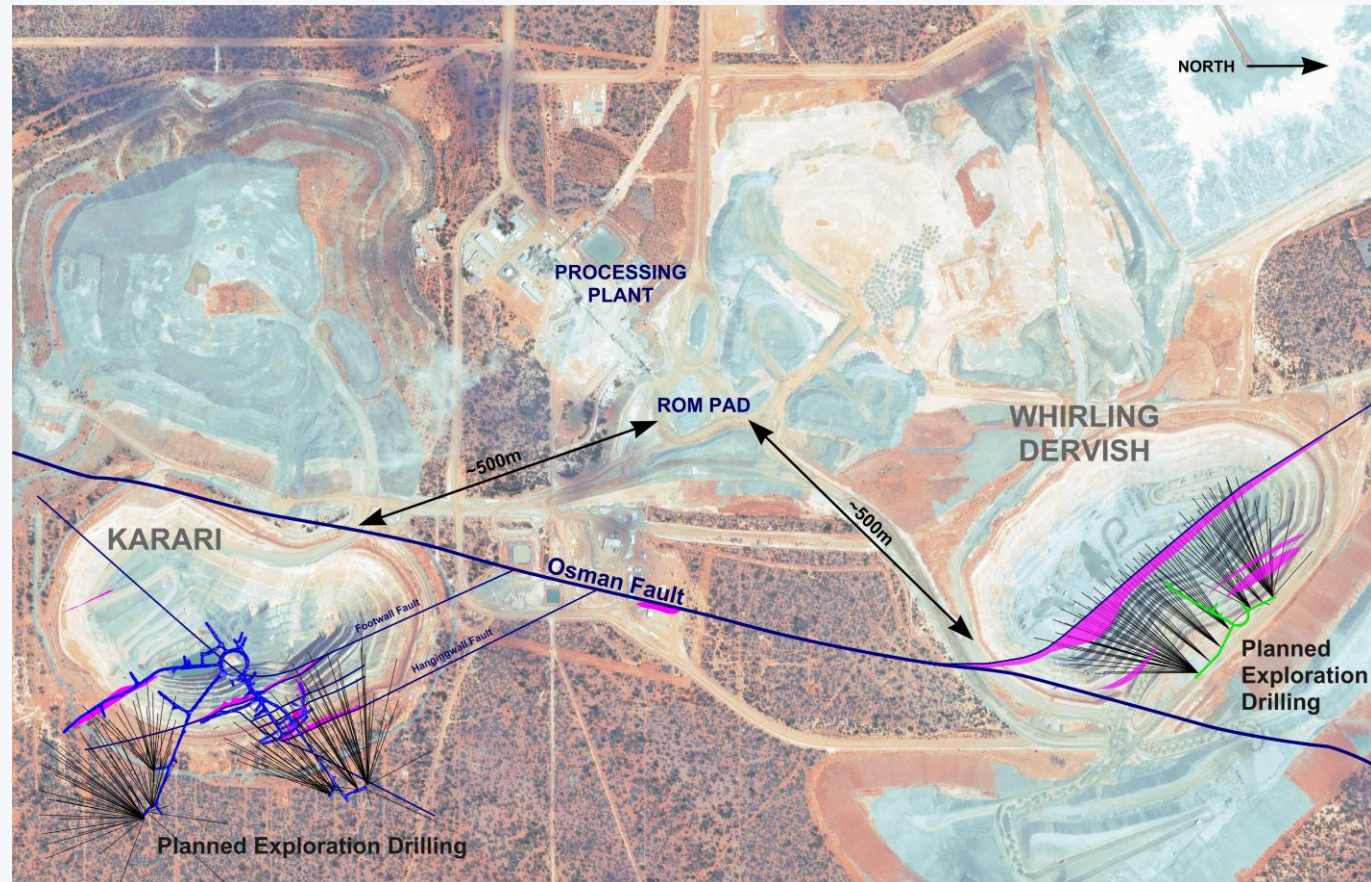


Consistent performer with growth opportunities straddling the mill

Carosue Dam – We have base load!

Unveiling Project Nucleus:

- Driven by the outstanding Karari success story
- Focus on bulk tonnage / low cost mines within 500m of installed 2.4Mtpa mill
 - Karari UG - Second decline boosting annual production to >100koz
 - Whirling Dervish – Accelerated UG drill drive
- Lower costs
- Less moving parts

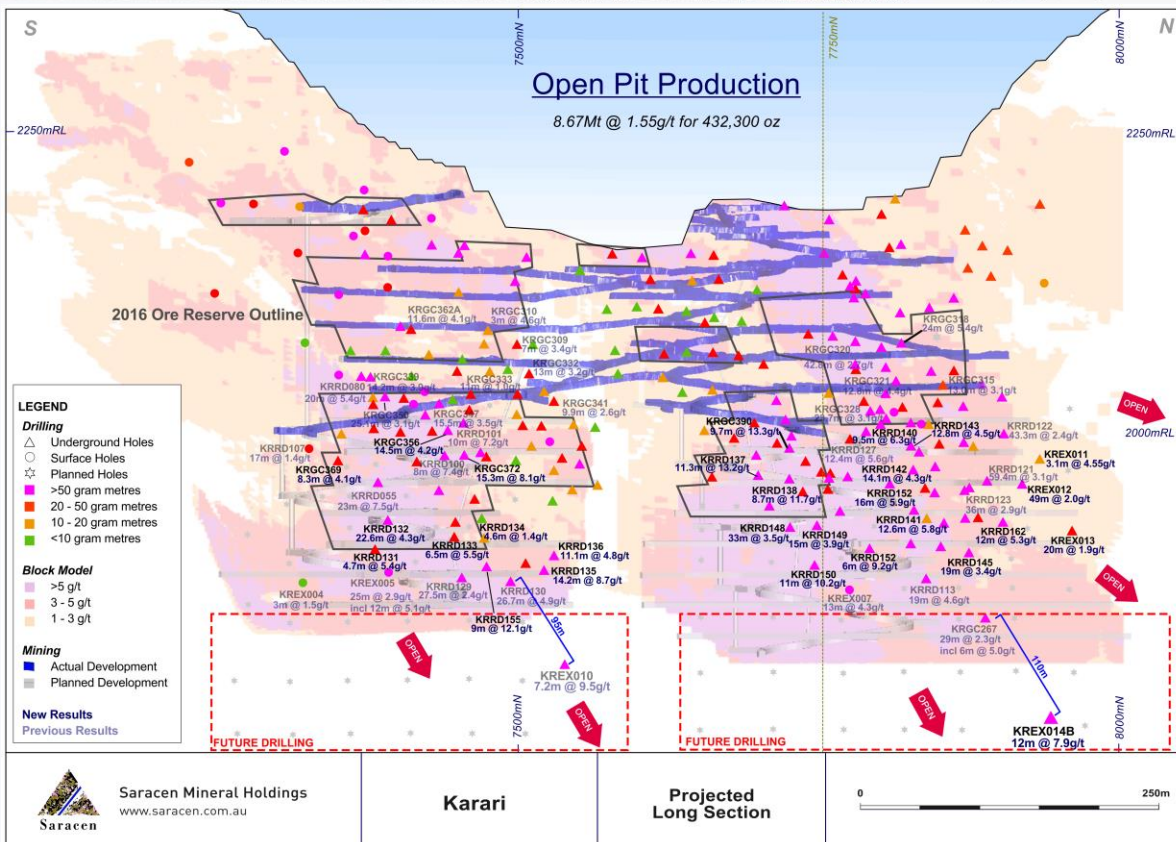


Carosue Dam – Drill momentum



Karari:

- Aggressive drilling continues
- Twin drill platforms with “shelf life”
- Deepest hole 12m @ 7.9g/t (270m below Reserves - Current annual mining rate is ~60 vertical metres)
- Other new extensional drill results include:
 - 14.2m @ 8.7g/t (45m below Reserves)
 - 11.0m @ 10.2g/t (60m below Reserves)
- Reserves are building - Open at depth and along strike



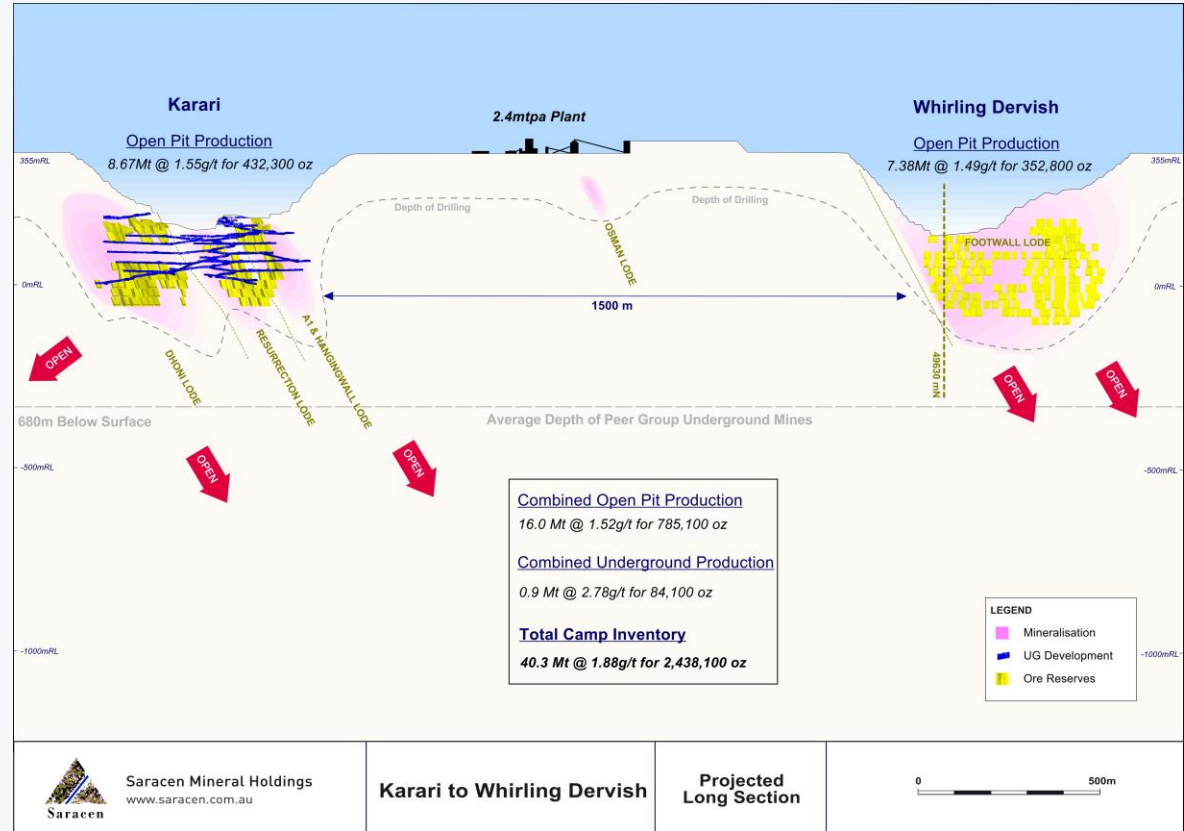
Think big... aiming to extend by +300m

Carosue Dam – Mind the gap



Karari – Whirling Dervish mill corridor:

- High quality mineralised camp
- Under-explored
- Significant potential for new discoveries along strike and depth
- Additional prospects close to the mill include:
 - Juba
 - Karari North



The best place to find more gold

Thunderbox – Overview



- 2.5Mtpa plant, A\$63m capex funded from cash flows
- Stage 1 open pit - ~600koz contained, ~A\$1000/oz AISC (US\$750/oz), 4-5 year mine life
- Plethora of growth opportunities beyond the initial open pit:
 - *Bulk underground potential - Open down-plunge, ~30-50m wide at ~2.3-3.0g/t, Feasibility Study advanced*
 - *Kailis high grade – 2.7g/t open pit, soft ore, AISC ~A\$880/oz, OP brought forward (new capital A\$6m June H)*
 - *Bundarra high grade – Open pit, soft ore*
 - *Thunderbox D Zone – Near surface northern cut-back*
- Mining has ceased at King of the Hills (one-off cost ~A\$3m March Q) – Strategic review underway including potential sale



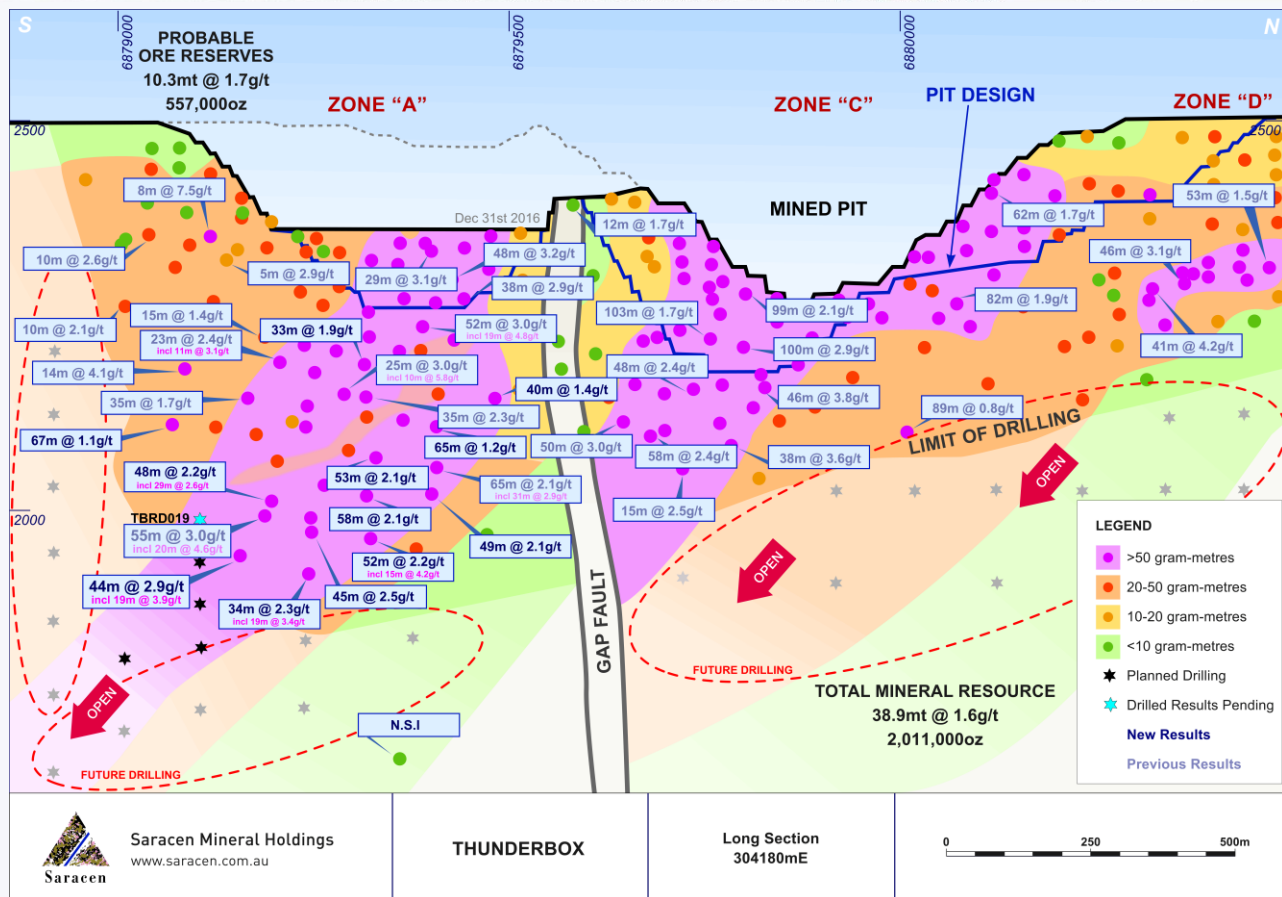
Robust, long-life open pit operation with outstanding underground potential

Thunderbox – Consistent and persistent



Potential >10 year mine life:

- Aggressive drilling continues
- Targeting down-plunge A Zone
- New wide extensional drill results include:
 - 44m @ 2.9g/t (including 19m @ 3.9g/t)
 - 52m @ 2.2g/t (including 15m @ 4.2g/t)
 - 48m @ 2.2g/t (including 29m @ 2.6g/t)
 - 58m @ 2.1g/t (including 24m @ 2.4g/t)
 - 53m @ 2.1g/t (including 11m @ 3.3g/t)
 - 34m @ 2.3g/t (including 19m @ 3.4g/t)
- Defining a multi-year bulk underground mine (Feasibility Study advanced)



Thunderbox – Gets better every day



Simple, robust open pit:

- A Zone
- High productivity, low cost
- Top down method (no pit staging)
- As the mine progresses:

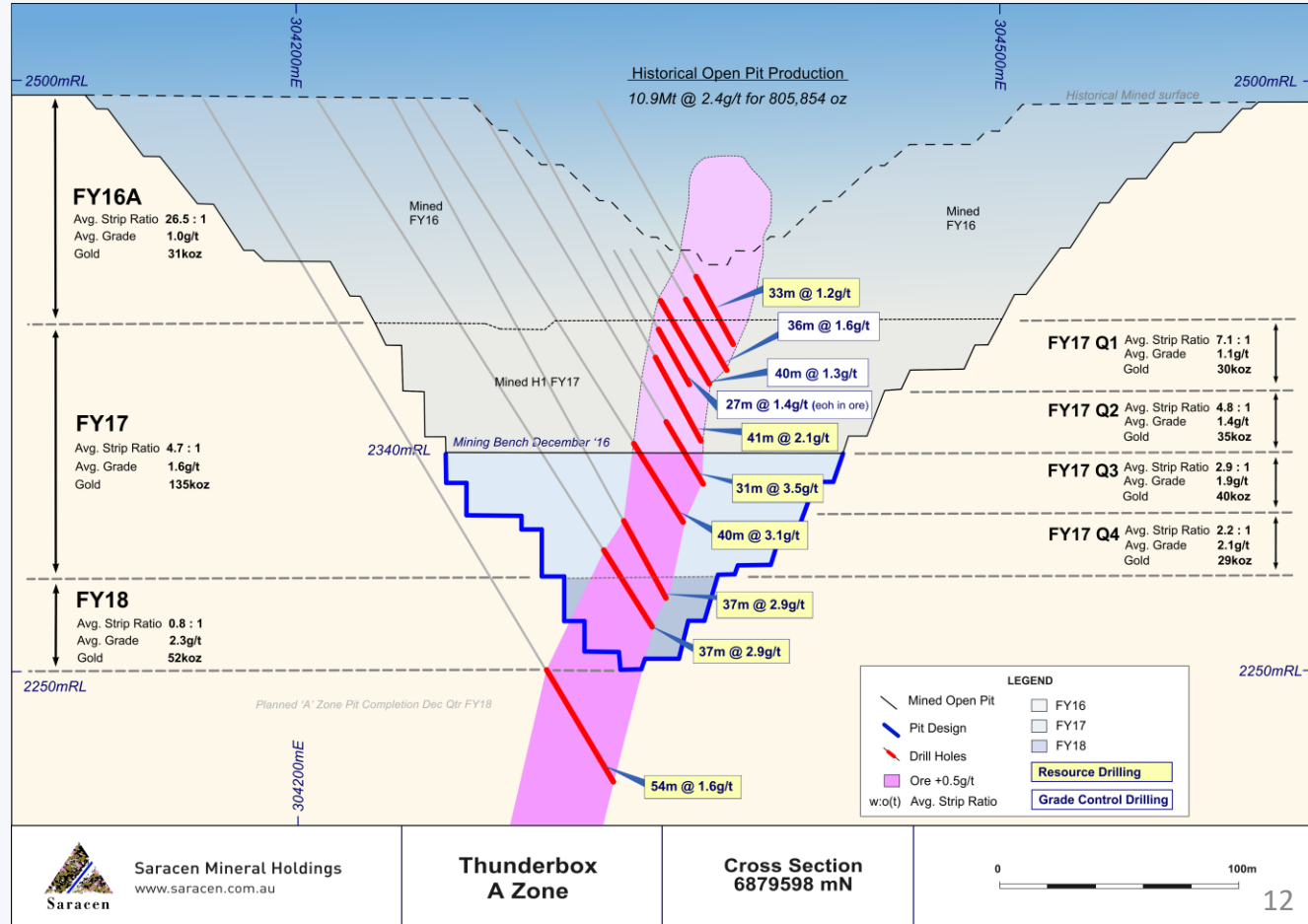
Strip ratio falls (waste:ore)

Grade rises

AISC falls

Cash flow increases dramatically

i.e. AISC falls and cash flow increases dramatically as the mine progresses



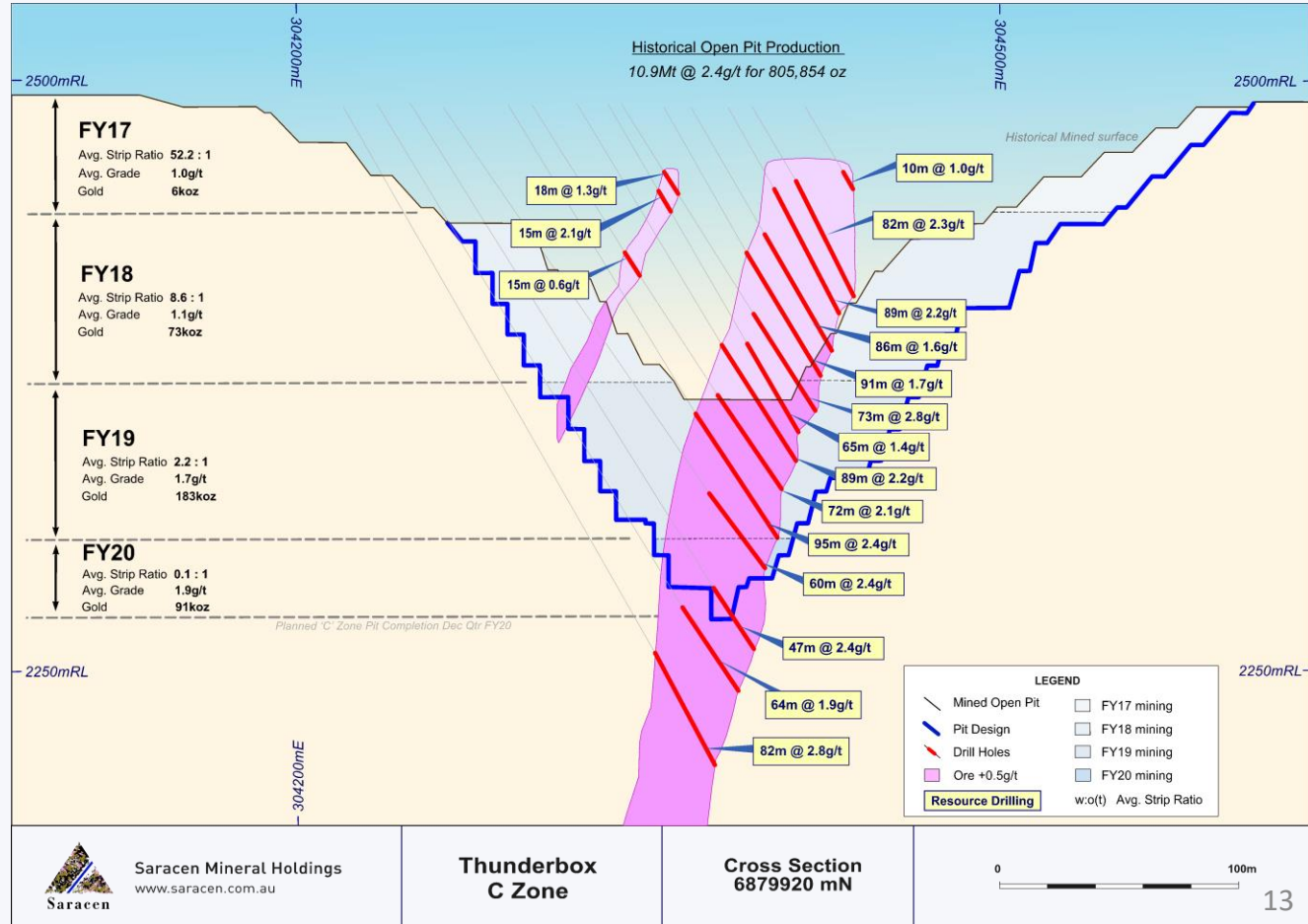
Thunderbox – Gets better every day



Simple, robust open pit:

- Ditto C Zone

i.e. AISC falls and cash flow increases dramatically as the mine progresses

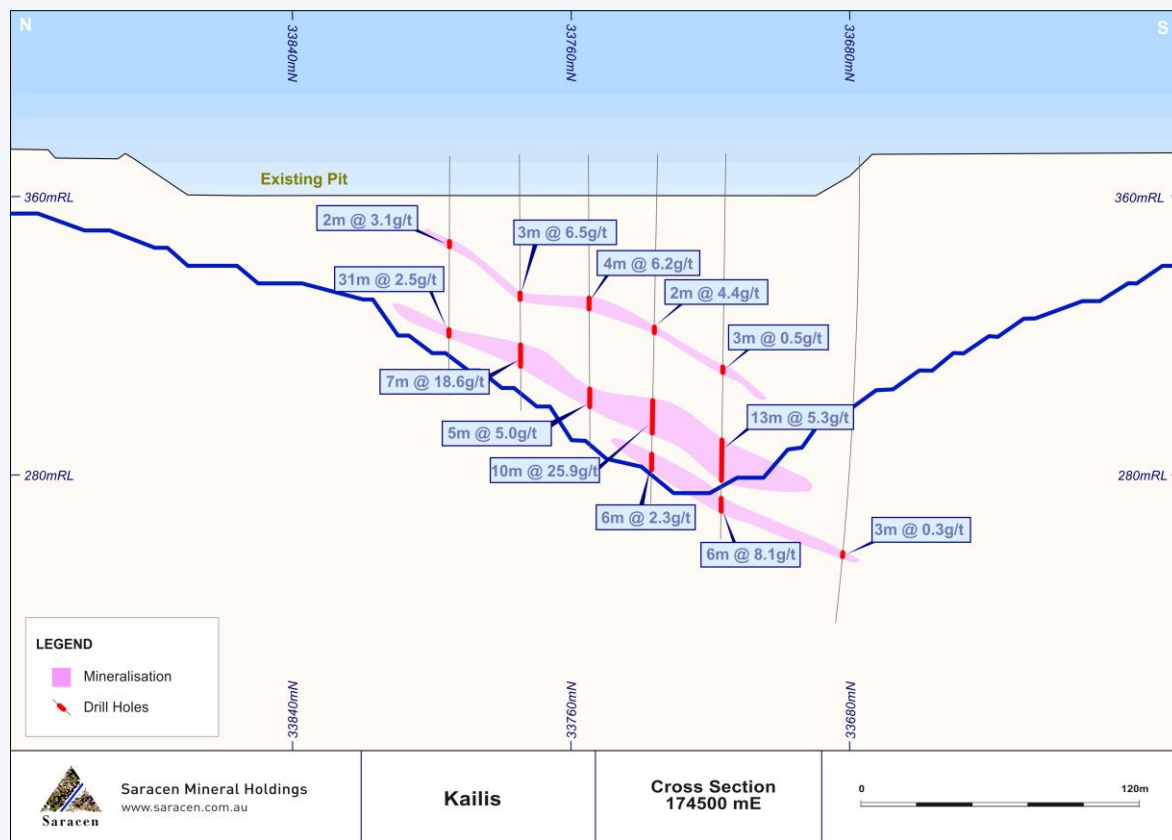


Thunderbox growth – Kailis



High grade “sweetener”:

- 80km south of Thunderbox mill
- Extends mine life / optionality
- 1990's small high grade OP mined 250kt @ 6.2g/t for ~50koz
- Reserves 1.2Mt @ 2.7g/t for 106koz
- Development brought forward (new growth capital A\$6m June H)
- Blending agent for Thunderbox LOM plan



Targeting a 10 year mine life at Thunderbox

Growing mine life



Record A\$42m drilling investment in FY17

Target attributes:

| | |
|--------------------|--|
| Shallow | Average depth of SAR underground mines ~350m (v peers ~680m) |
| Consistent geology | Simple and well understood |
| Persistent geology | All deposits open along strike and at depth |
| Under-explored | Deposits discovered within last 30 years (v ~100 years Goldfields) |
| Readily monetised | Near existing mills / infrastructure |

Current half heavily weighted to extensional (growth) activities

Smart capital - \$ invested here

| | | Impact | | |
|-------------|------------|----------|---------|----------|
| | | Negative | Neutral | Positive |
| Probability | Probable | | | |
| | Possible | | | |
| | Improbable | | | |

Capital allocated to high impact / high probability drilling



Saracen

Contact Details

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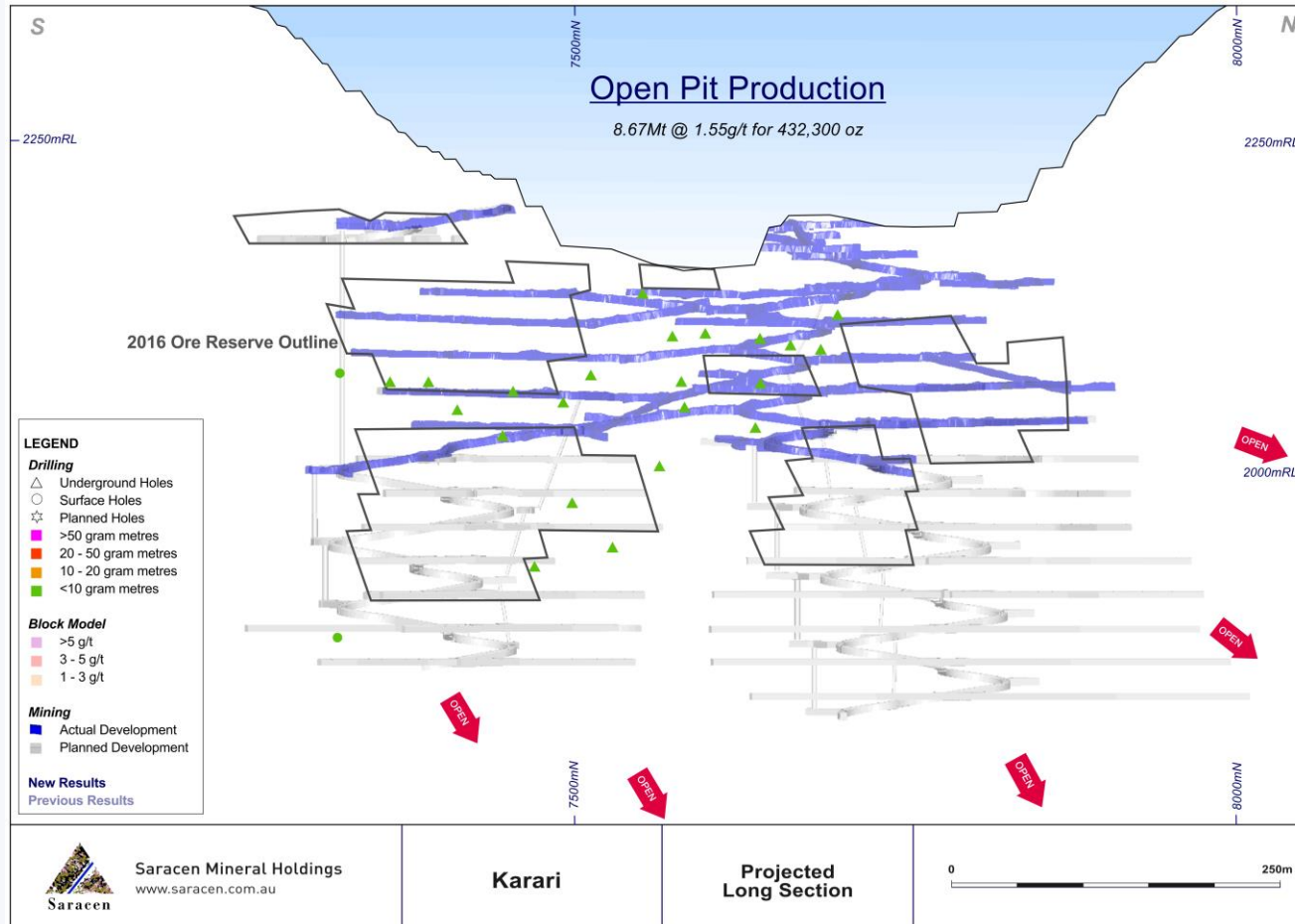
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Website: www.saracen.com.au

APPENDIX A – Karari grade increasing with depth

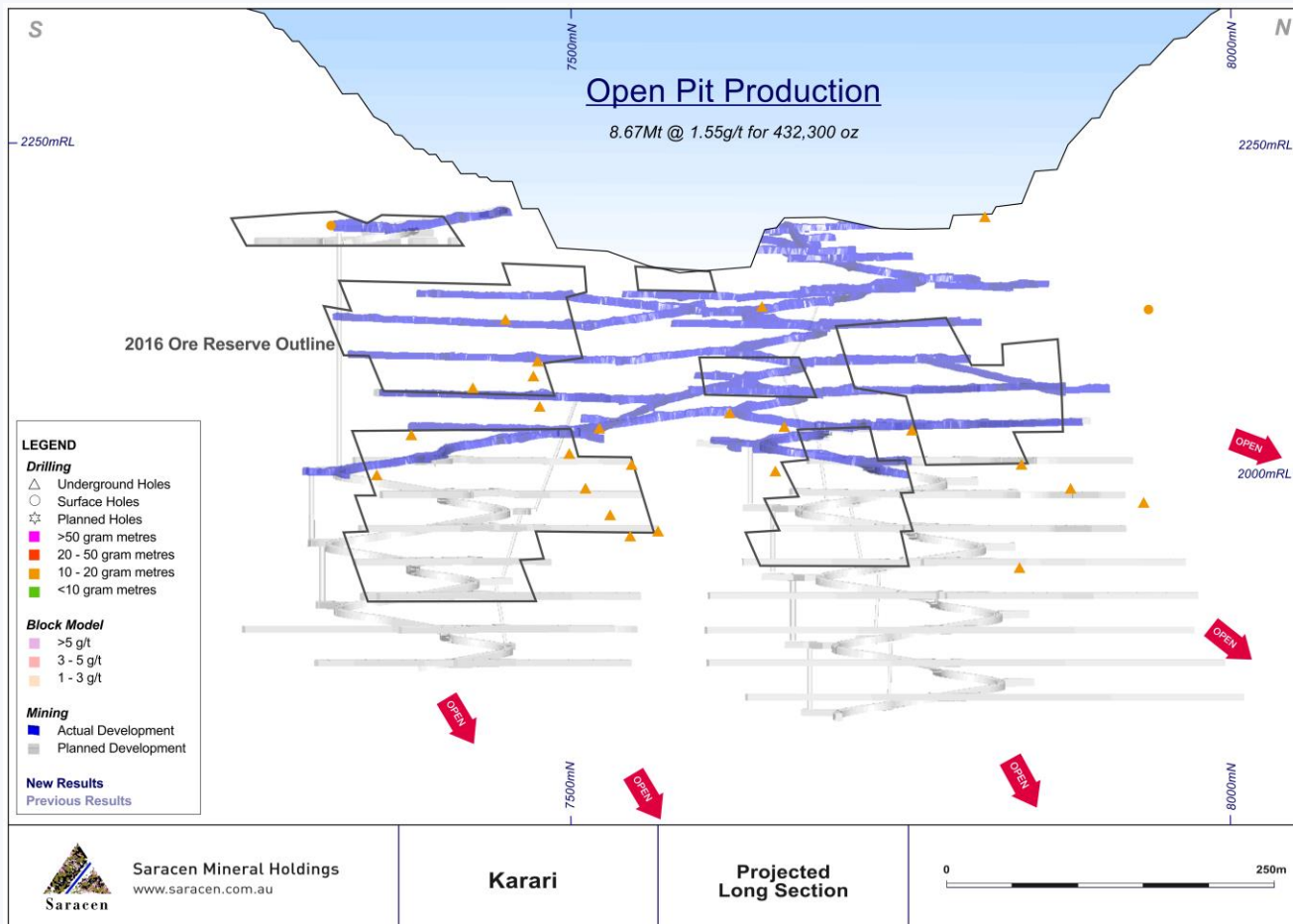
Only 7% of all drilling below current Reserves <10 gram metres

Majority of <10 gram metre intercepts have already been mined (proximal to actual development)



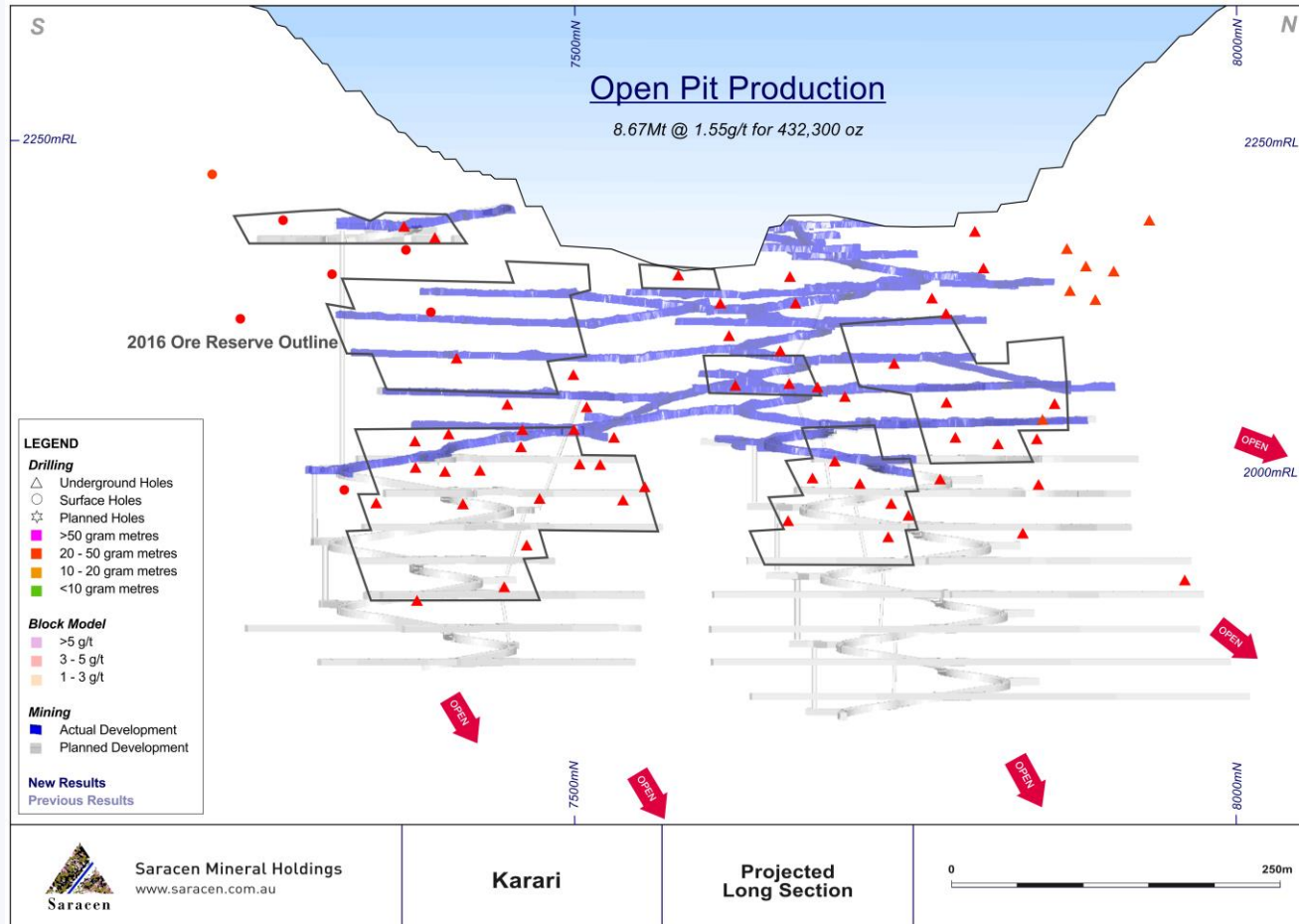
APPENDIX A – Karari grade increasing with depth

Only 13% of all drilling
below current
Reserves 10-20 gram
metres



APPENDIX A – Karari grade increasing with depth

11% of all drilling
below current
Reserves 20 - 50 gram
metres



APPENDIX A – Karari grade increasing with depth

70% of all drilling
below current
Reserves >50 gram
metres...

Majority of >50 gram
metre intercepts yet to
be mined (or included
in Reserve)

