

Saracen Mineral Holdings Limited

ASX: SAR



## Defining the future

DANIEL HOWE – Chief Geologist  
RIU Fremantle Presentation – February 2016



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# Corporate overview



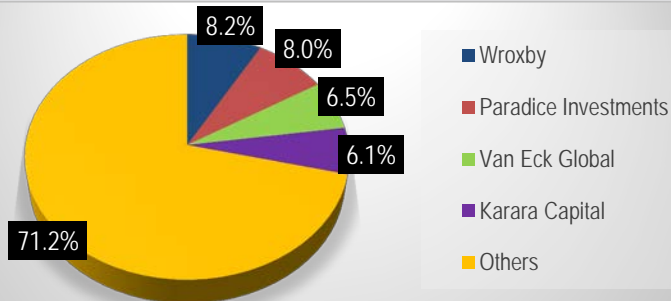
## Corporate Structure

ASX Code	SAR	
Shares	792.8m	
Share Price	A\$1.00	At 23 Feb 2016
Market Cap	A\$793m (US\$563m)	
Liquidity	30-day ADV 4.2m shares	
Cash and bullion	<b>A\$42m (US\$30m)</b>	At 31 Dec 2015
Debt	<b>Nil</b>	
Hedging	282koz @ A\$1,518/oz or -19% of Reserve	At 22 Feb 2016
Mineral Resources	7.6 Moz	As at 30 Jun 2015
Ore Reserves	1.5 Moz	

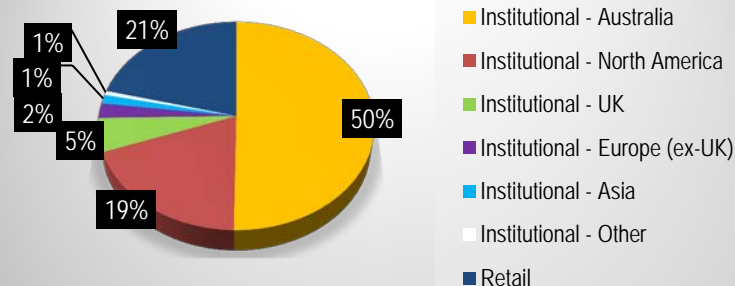
## Board & Management

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

### Substantial Shareholders



### Ownership Geographic



\* Australian dollars converted at an exchange rate of A\$0.71 per \$1US

# The key value-drivers



## 1. Produce – Carosue Dam

*FY15 record 167koz, FY16 outlook 150-160koz @ AISC A\$1025-1075/oz (~US\$728-763/oz)*

## 2. Develop – Thunderbox

*First gold poured **ahead of schedule / under budget**, commissioning continues, Stage 1 ~125koz pa over ~4.5 years*

## 3. Grow – Earnings visibility

*Potential +5 year mine life at Karari, +10 year mine life at Thunderbox, other organic opportunities*

## 4. Monetise – Build cash on balance sheet

*Retired all debt, 100% internally funded Thunderbox, building a sustainable free cash-flow positive business*

Delivering

# On the cusp of doubling production to 300kozpa



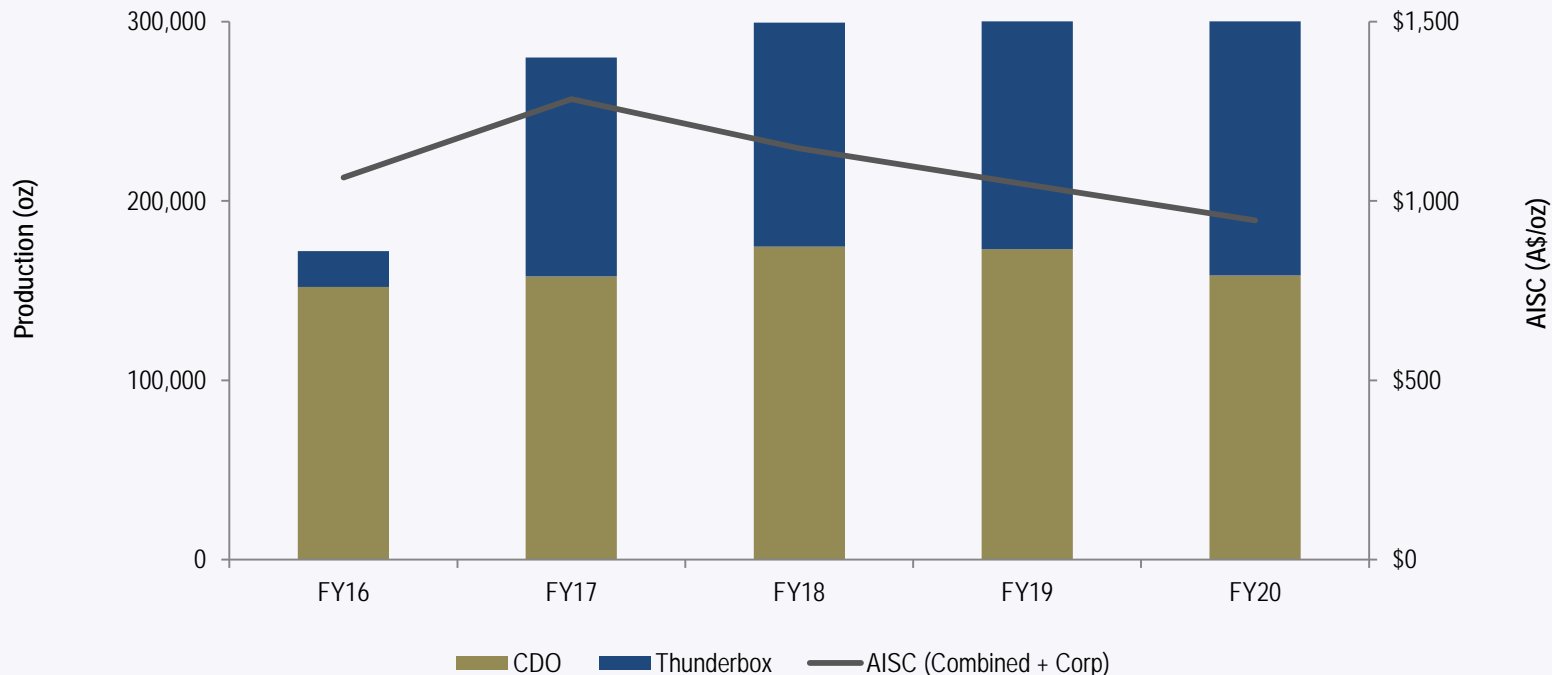
- Transformation to **mid-tier gold producer** imminent
- Production to double to **~300koz** at AISC **<A\$1075/oz** (**<US\$763/oz**), driving substantial **increase in cash-flow**
- **Two operational centres** in Western Australia:
  - *Carosue Dam (NE of Kalgoorlie) – Outstanding operational track record, transitioned to multiple high-grade, high-margin underground mines, ~150-160kozpa*
  - *Thunderbox (SE of Leinster) – Acquired from Norilsk, re-development of large-scale open pit ahead of schedule, ~125kozpa production from June Q 2016, multiple growth opportunities including bulk underground mining potential*
- Large endowment – **7.6Moz Resources, 1.5Moz Reserves**
- **High impact exploration upside:** Multiple extensional opportunities, plus greenfields discovery potential



# Five year production outlook



High confidence level: 75% classified as Ore Reserves



Notes:

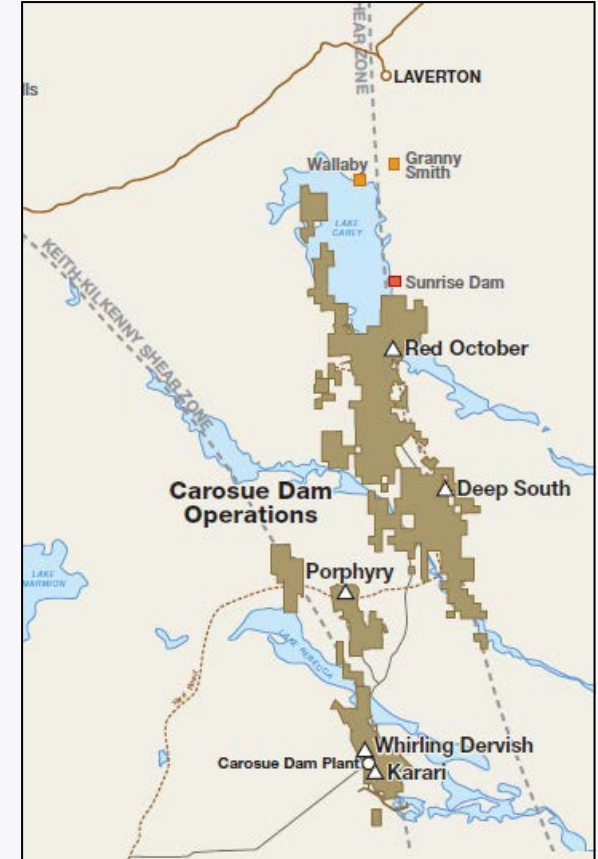
- Refer to the ASX announcement dated 27<sup>th</sup> October 2015 – “Robust five-year outlook - Revised”

Saracen is on the cusp of becoming a ~300kozpa low-cost, high-margin Australian gold producer

# 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 – ~60koz contained, mining cost sunk*
- Deep South – Shallow, high-grade, low capex, production-ready, 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

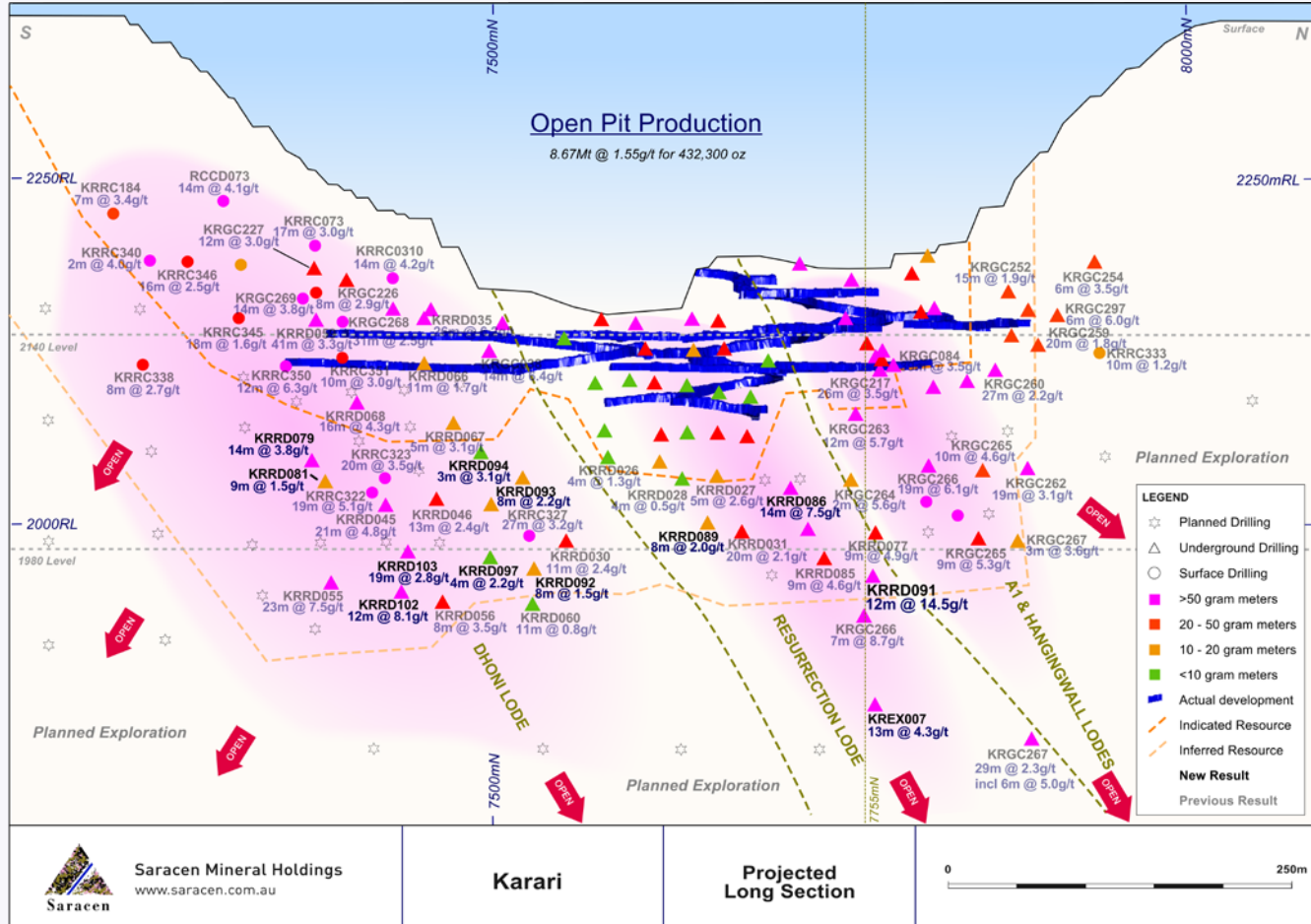


# Karari – A major gold system



Potential >5 years:

- Drilling only commenced March quarter 2015
- Multiple lodes
- Attractive widths
- Shallow
- New discoveries
- Much bigger than previously understood



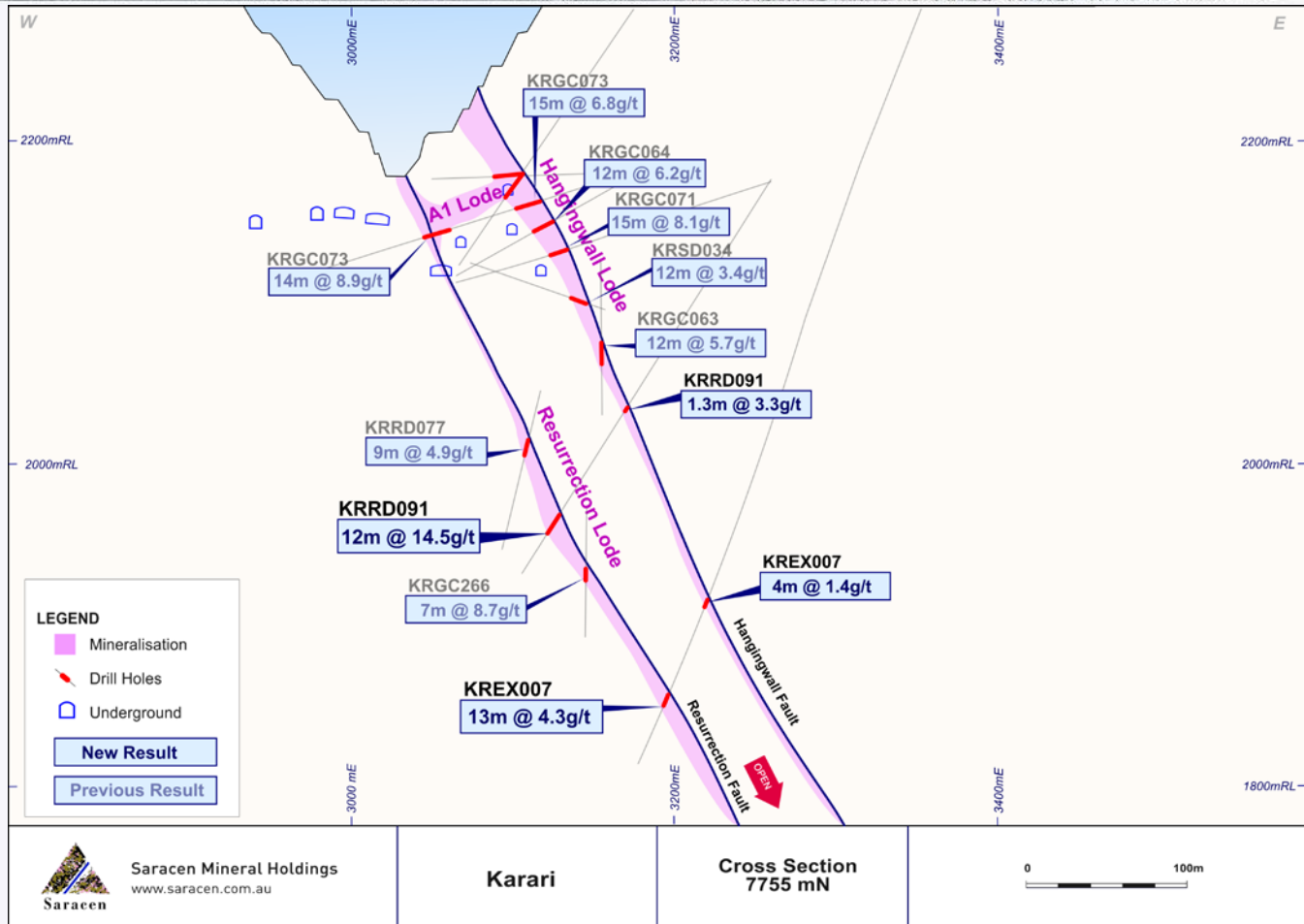


# Karari – A major gold system



Potential >5 years:

- Stopping commenced September
- Open down-plunge, and along strike (south and north)
- Aiming to prove up a >5 year mine life adjacent to the mill

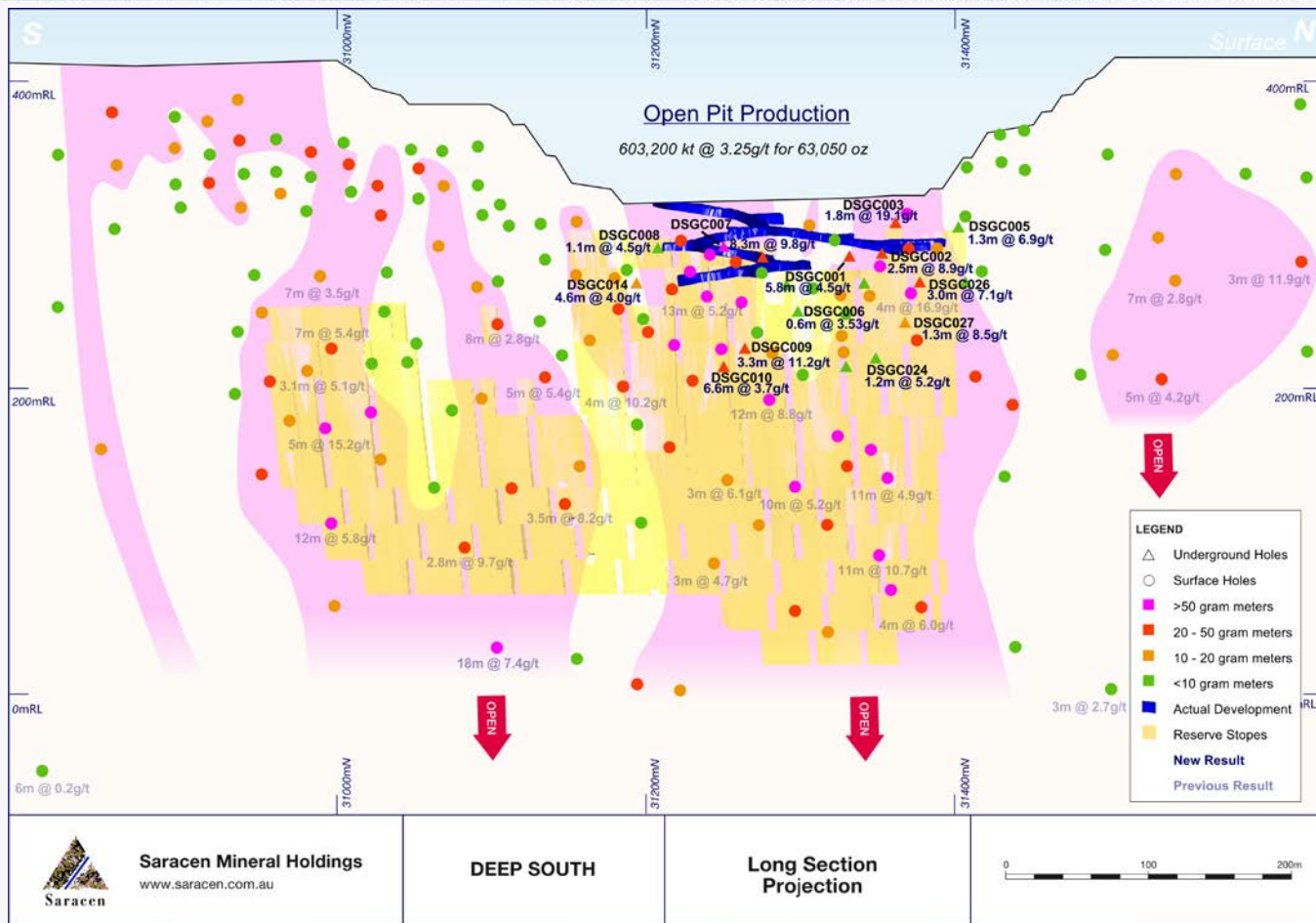


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# Deep South – Production ready

First ore March Q 2016:

- 2 high grade parallel lodes (Butler, Scarlett)
- Average ore width 4m
- Strike length up to 500m
- Open along strike and at depth
- Regional structure open over several km e.g. SAR's Deep Well located on the same structure to the north



# Deep South – Production ready

First ore March Q 2016:

- Low capex
- Shallow
- Development underway
- Fixed costs shared with Red October
- Deep South / Red October operated as one mine
- Highly visual orebody

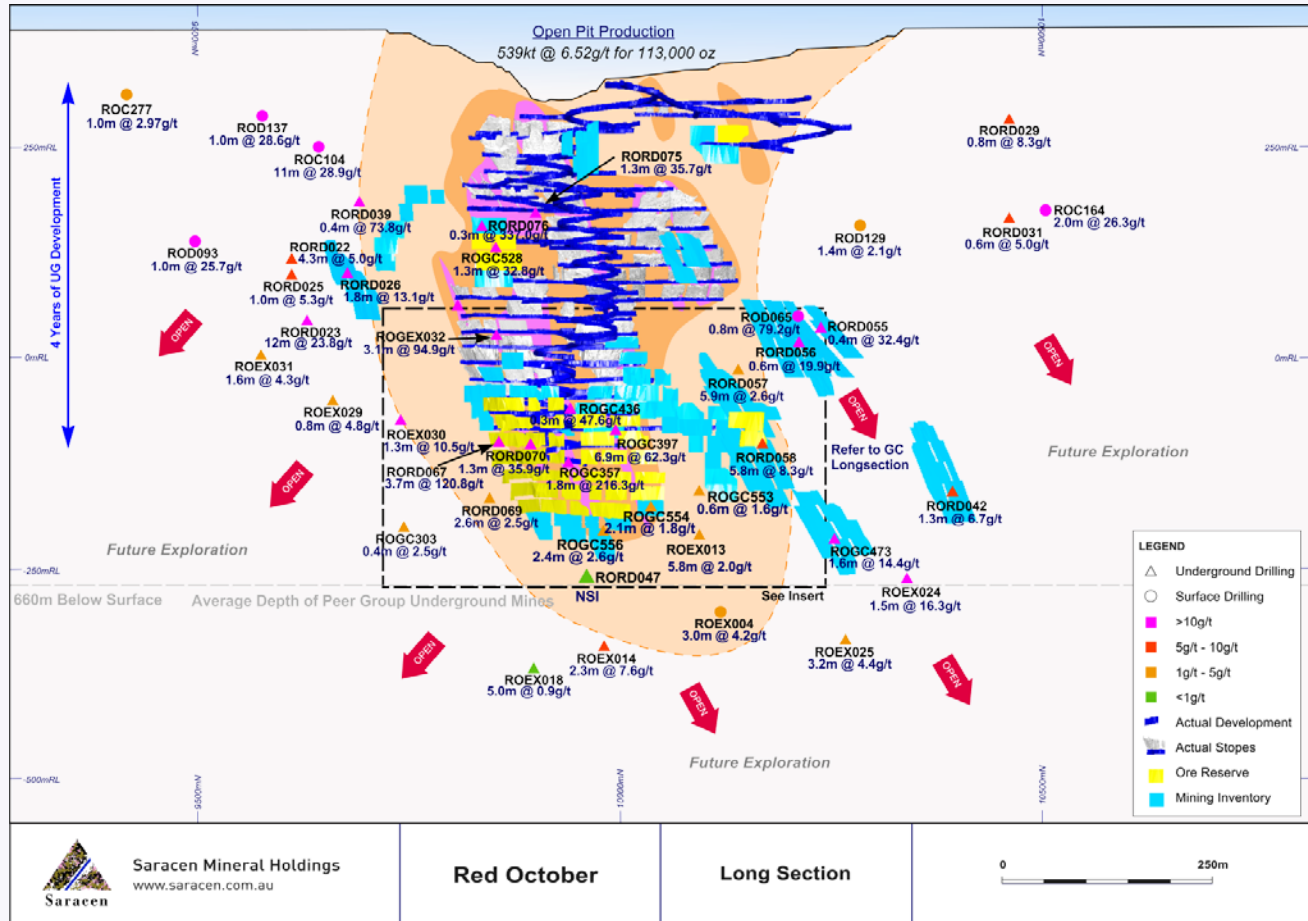


# Red October – Quality producer



High grade performer:

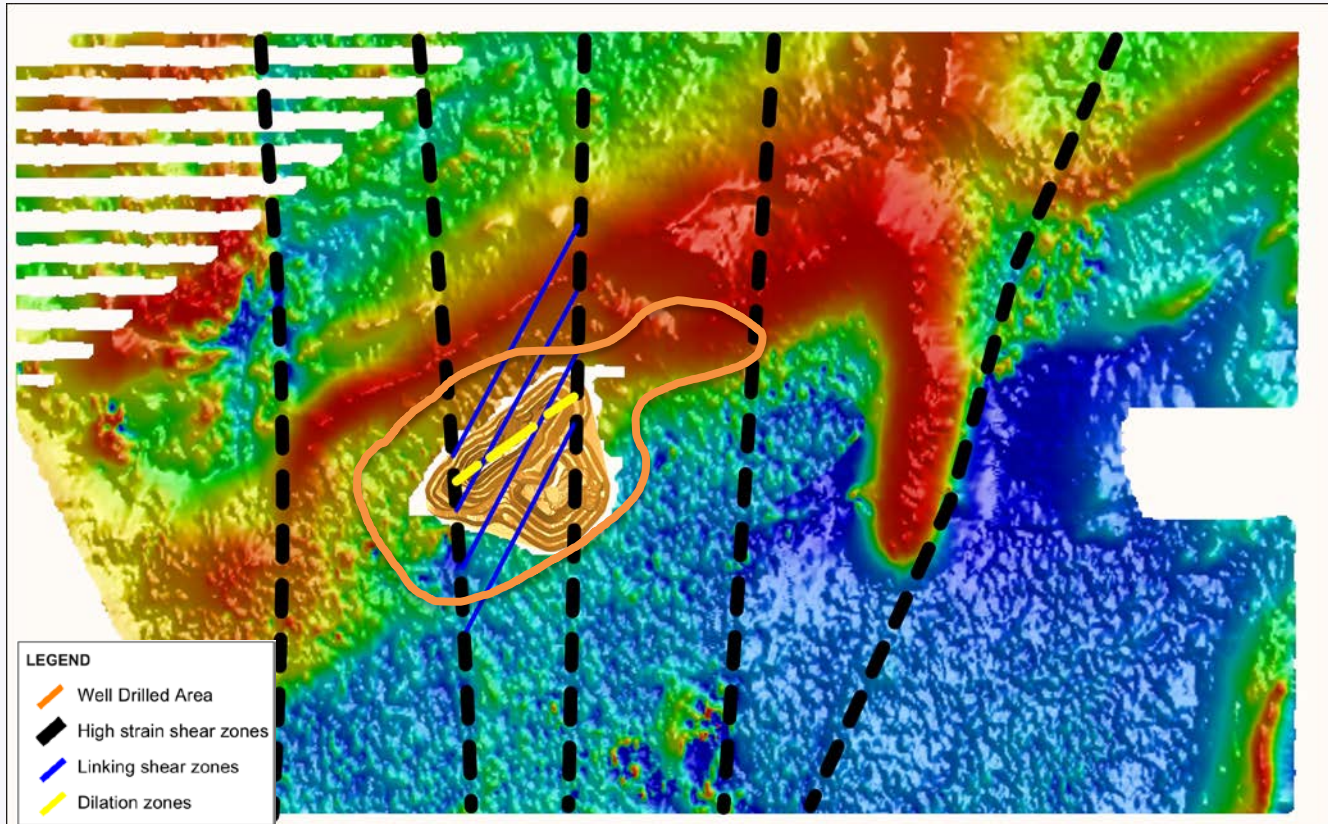
- FY15 65koz mined, 6.7g/t, AISC A\$971/oz
- Deep South base load enables optimisation
- Reconfigure to a lower vertical advance rate
- Evaluate alternative narrow mining methods
- Lateral and vertical extensions near decline
- De-risked higher grade / higher quality production



# Red October Opportunities

High grade performer:

- Surrounded by Lake Carey
- Poorly tested outside immediate mine area
- Local geology reflected in larger scale
- Stratigraphy favourably orientated
- Zones of dilation form between high strain shear zones

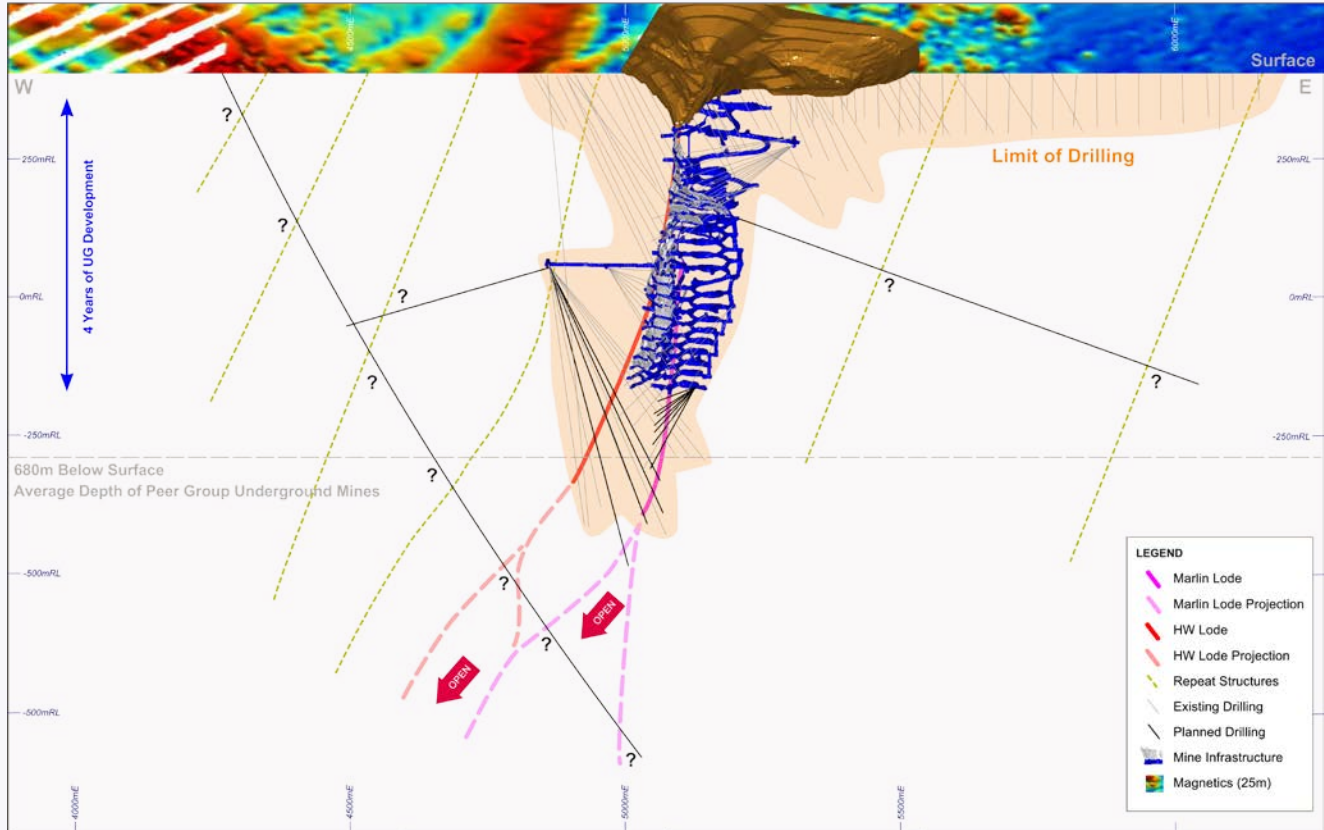


# Red October Drill Plan



High grade performer:

- Exploration program (\$1.8M) Board Approved
- Commencing Mar Q
- 11,860m of UG Diamond
- 3,200m of surface RC and Diamond
- Initial focus on down plunge Marlin
- Stratigraphic step out to test over 1.5km



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Red October

Cross Section  
9920 mN

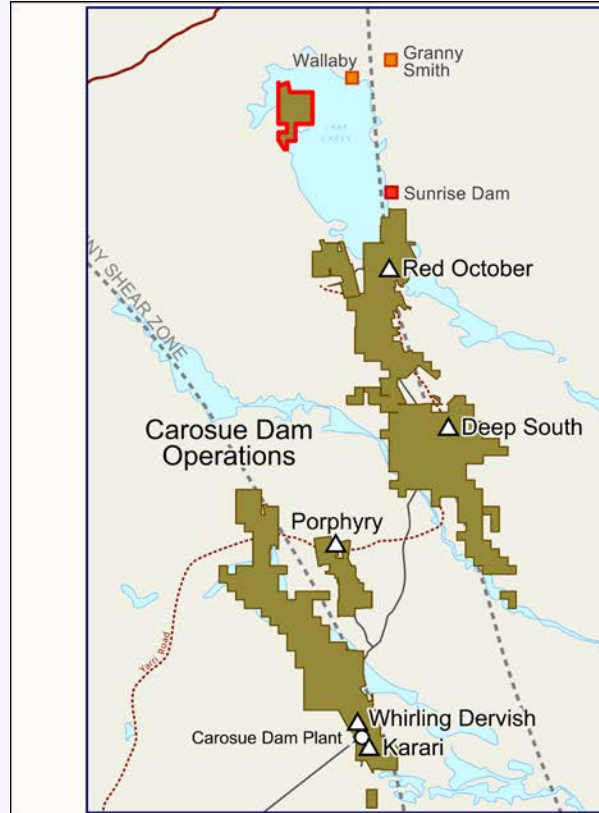


# North Lake Carey



## Emerging Project:

- Well endowed district
- Challenging environment
- No previous drilling
- Low resolution magnetics indicate area of structural complexity
- Lithology – unknown
- Alteration – unknown
- Structures - unknown



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North Lake Carey

Plan View

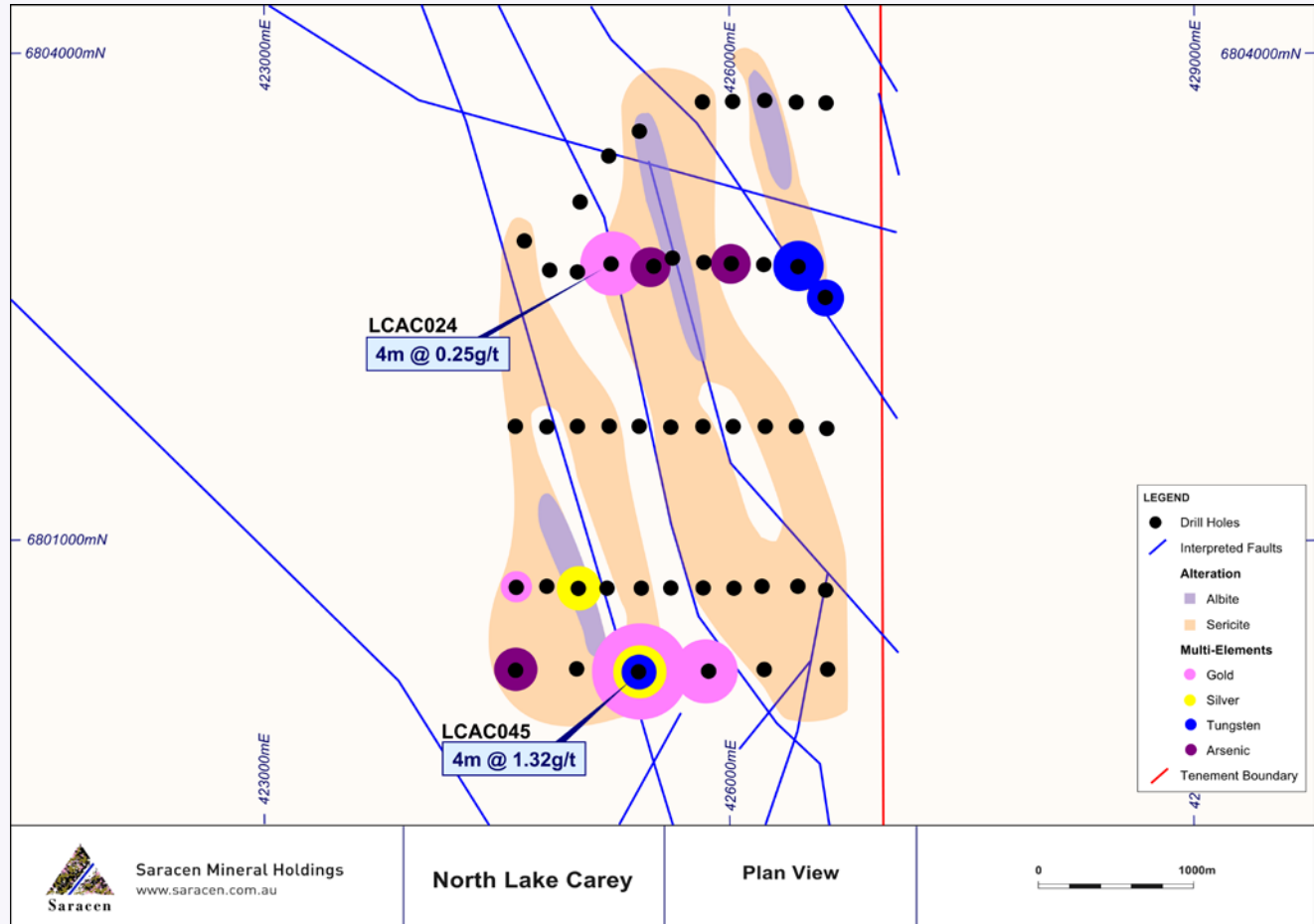


# North Lake Carey



## Emerging Project:

- Predominate stratigraphy volcanoclastic sandstones, minor graphitic shales
- Sericite – Albite alteration identified in BOH samples
- Intense strain / shear zones identified
- Anomalous Gold and pathfinders

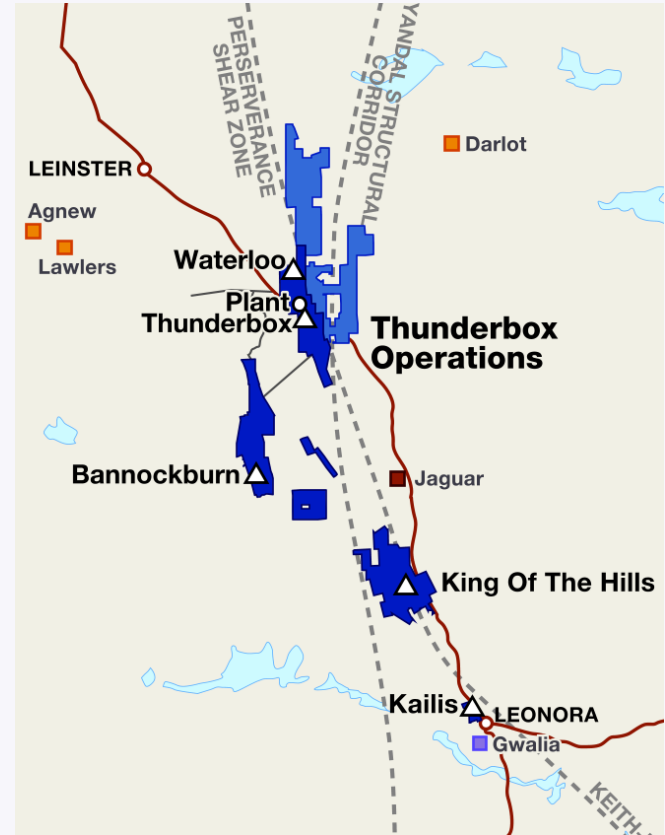




# Thunderbox – Australia's newest gold mine

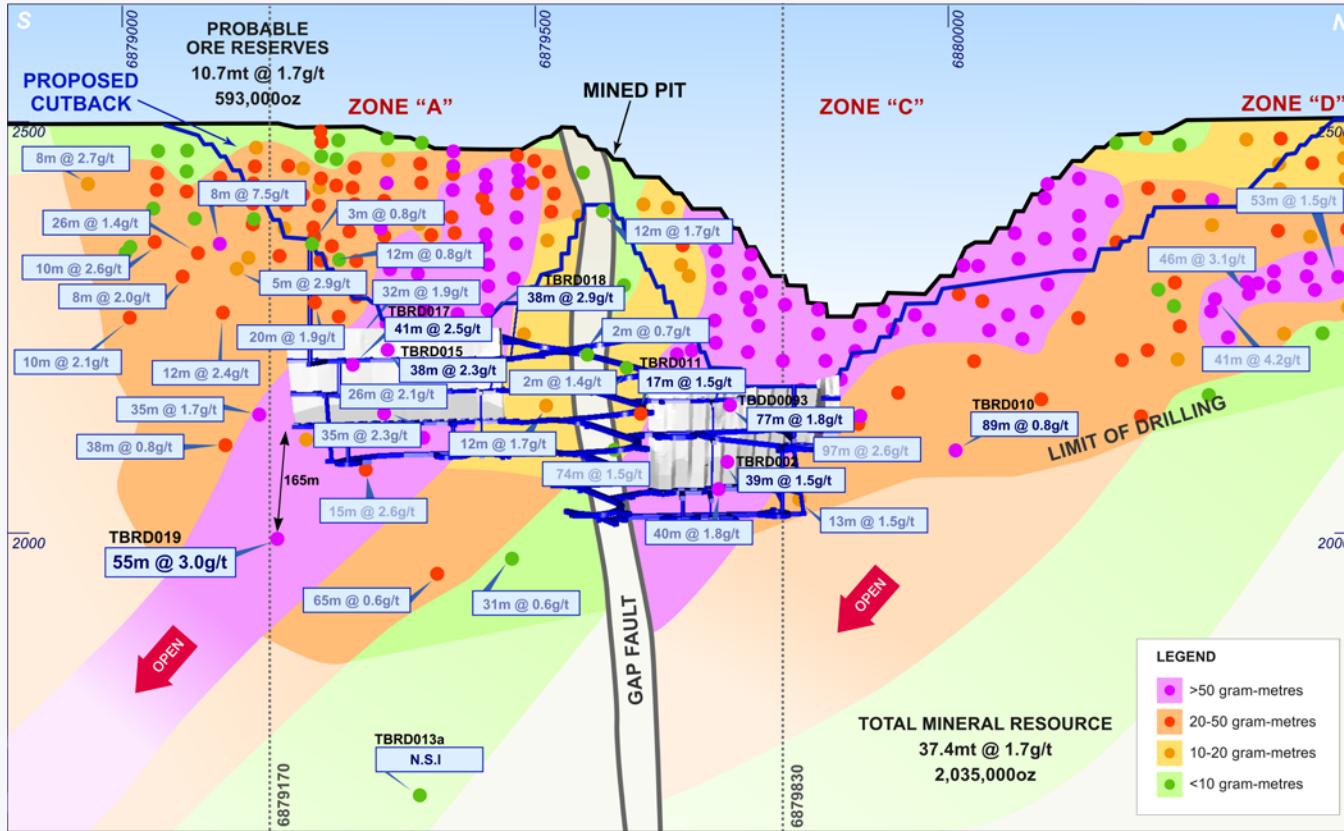


- First gold poured four months ahead of schedule, just two years after acquisition
- Commissioning of 2.5Mtpa CIL plant underway
- A\$65M (US\$46m) pre-production capex (internally funded)
- Stage 1 OP – 596koz contained, A\$1032/oz AISC (US\$733/oz), 4-5 year mine life
- Margins to be sweetened by 99koz Kailis 2.5g/t OP cutback – Low AISC of A\$915/oz (US\$650/oz)
- 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

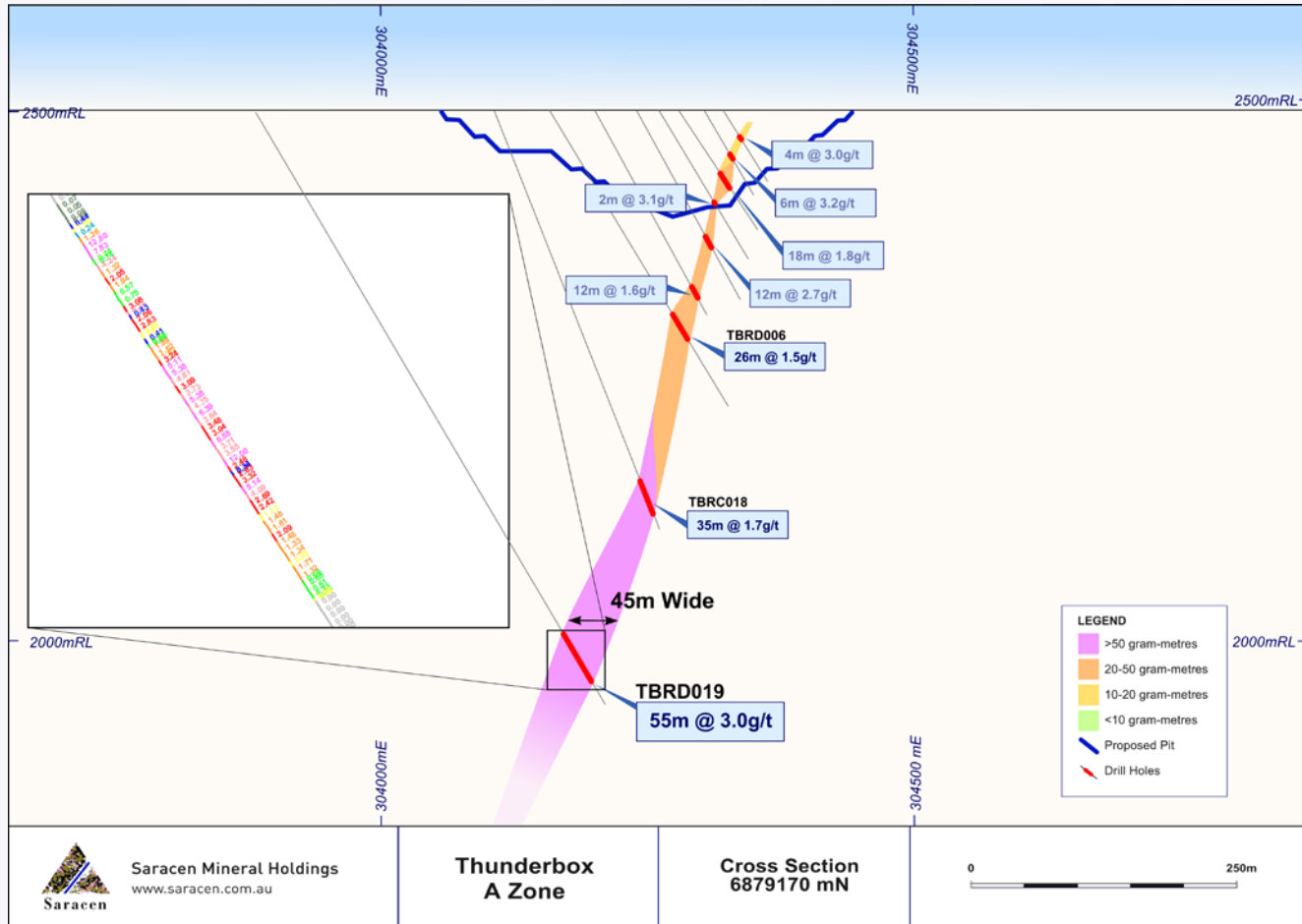
# Thunderbox – Potential >10 year mine life



# Thunderbox – Consistent and persistent



...and wide



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Thunderbox  
A Zone

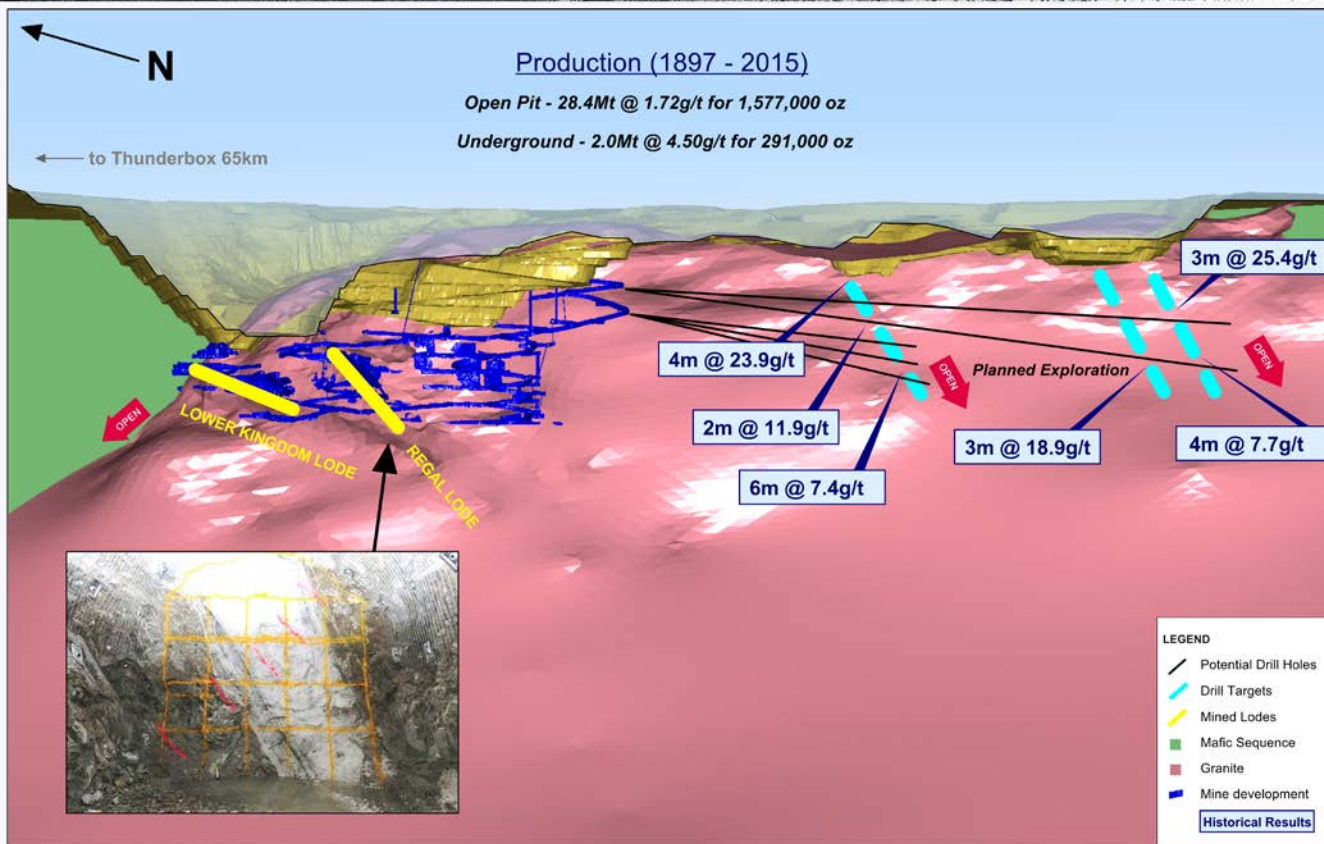
Cross Section  
6879170 mN



# King of the Hills – Sleeping Giant

## Detailed evaluation:

- Review of current data
- Phase 1 of detailed structural study completed
- Review remnant mining opportunities
- Domain higher grade zones south of the UG development
- Propose drill program to test southern opportunities in 2016



## Our Focus

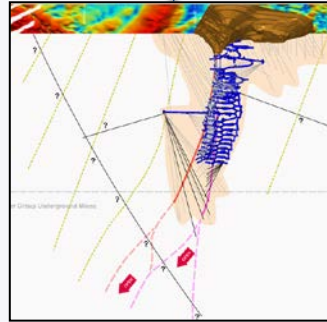
Produce



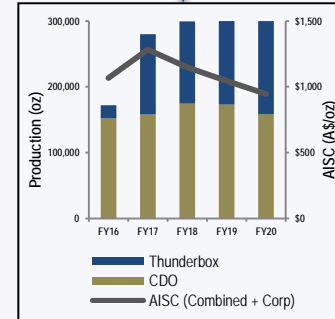
Develop



Grow



Sustainable Free  
Cash-flow



Aiming for gold sector leadership



## Contact Details

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