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Saracen

SEPTEMBER QUARTER 2020

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Presentation
22nd October 2020

Qualification

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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 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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Highlights

Solid start to FY21, strong cash flow:

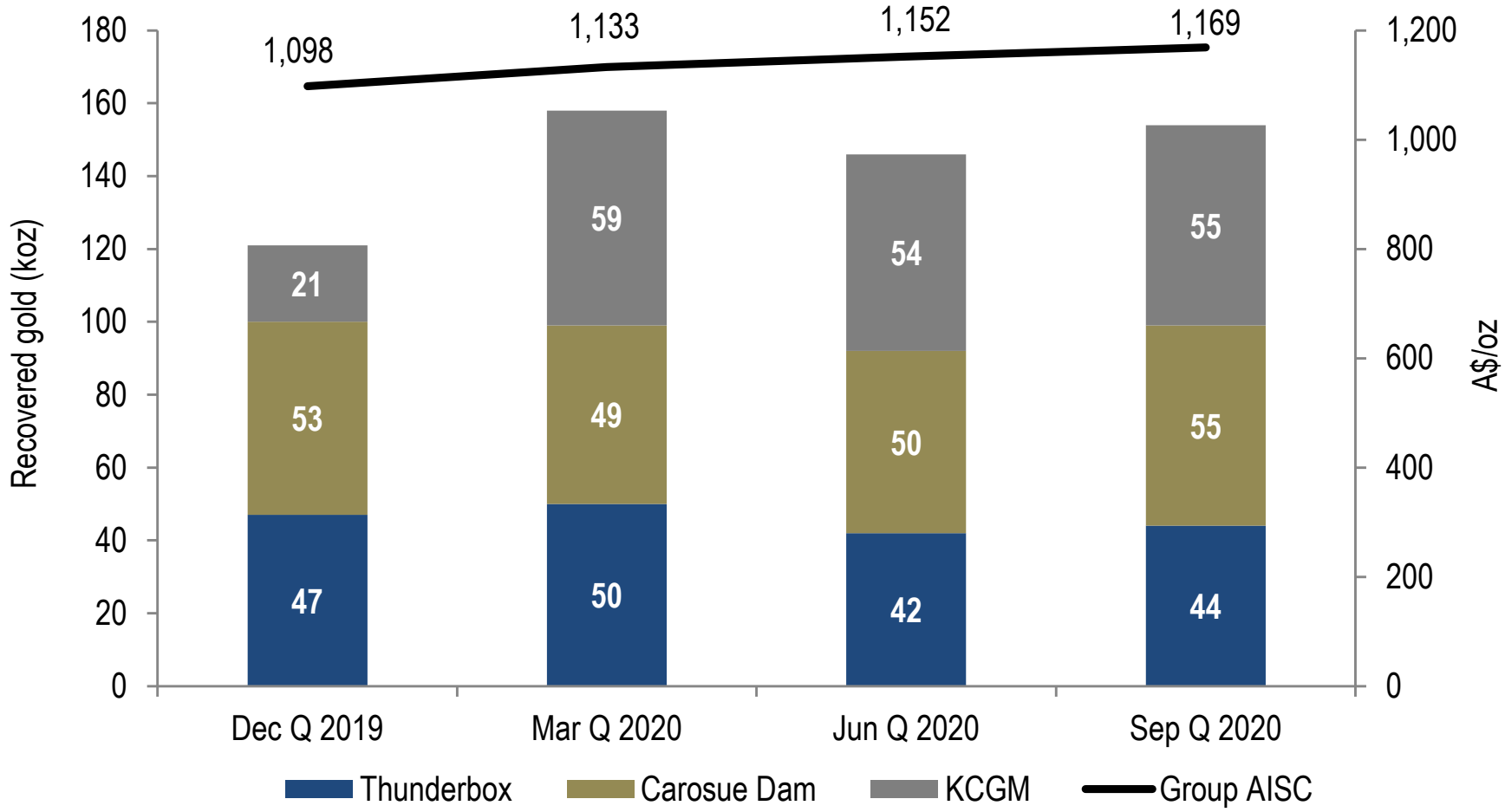
- **Safety - LTIFR at 1.4**
- **Quarterly gold production - 154,388oz at AISC A$1,169/oz**
- **At 30 September - Cash / liquids A$467m, debt A$321m**
- **Quarterly cash build - A$98m**
- **Record quarterly unaudited NPAT - A$70m to A$80m**
- **Growth projects:** Carosue Dam mill expansion, Thunderbox Underground development accelerated, Thunderbox D Zone, KCGM Morrison and OBH open pits
- **A$14m invested in exploration, Group Reserves and Resources updated to 8.6Moz and 17.0Moz respectively**

All reported KCGM metrics are attributable to Saracen i.e. 50% share unless stated otherwise

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Highlights

Group production and AISC:



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Highlights

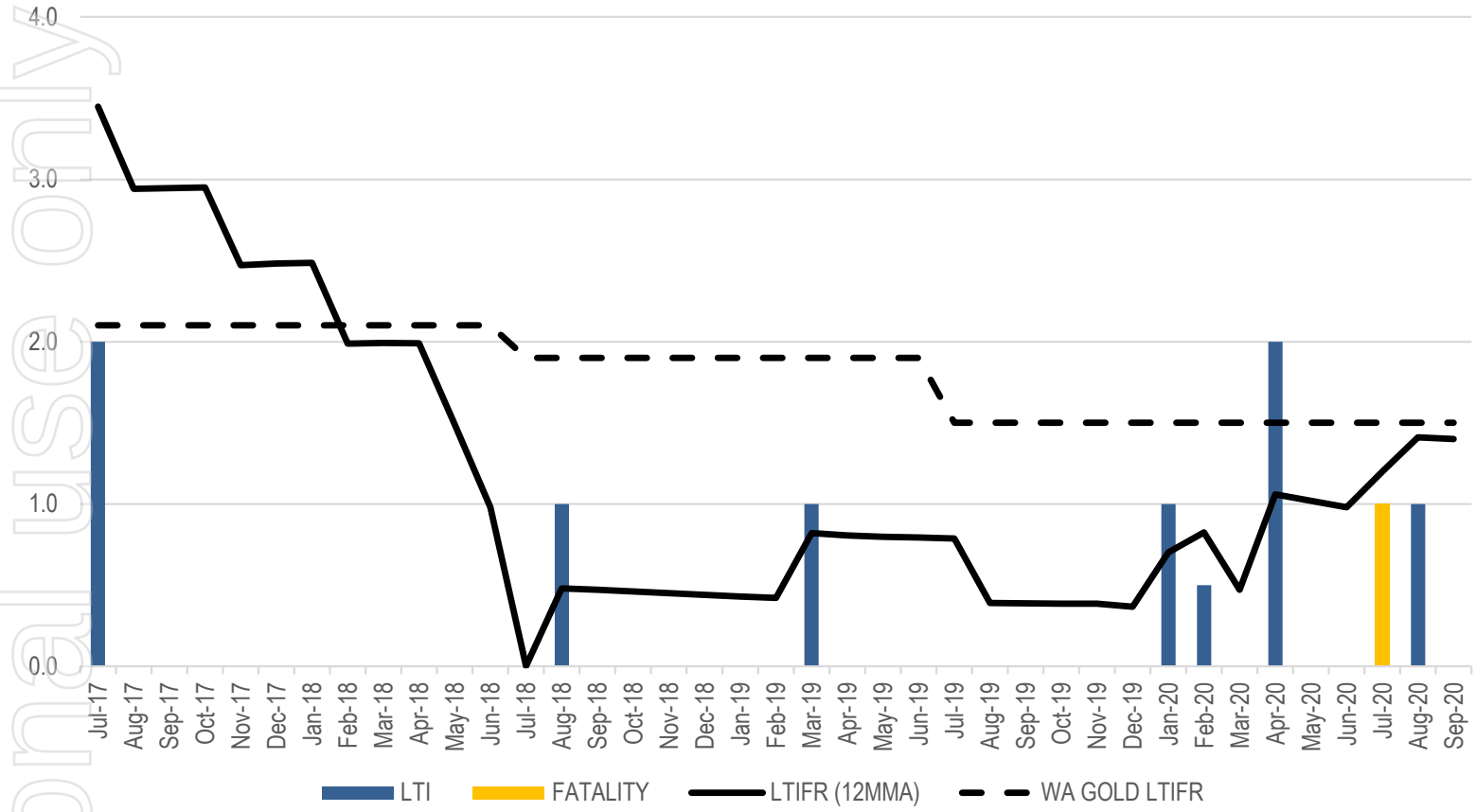
Outlook:

- SAR FY21 guidance of **600 - 640koz at an AISC of A$1300 - A$1400/oz unchanged**
- **“Future-proof" the business strategy continues** i.e. investing capital in the short term to de-risk production and lower costs in the future; Saracen FY21 growth capital and exploration budget of A$484m
- Post quarter end, **Saracen and Northern Star agreed to a merger-of-equals** via a SAR Scheme of Arrangement under which NST will acquire 100% of the shares in SAR
- **Unique, highly accretive transaction** that will generate A$1.5-2b in synergies and create a Top-10 global gold company targeting 2Mozpa production from Tier 1 locations
- Saracen will pay a **special, fully franked A3.8cps dividend**, conditional on the Scheme becoming effective and banking consents

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Sustainability

“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
From December 2019 LTIFR includes 50% of incidents from KCGM
LTIFR WA gold average http://dmp.wa.gov.au/Documents/Safety/MSH_Stats_Reports_SafetyPerfWA_2018-19.pdf

- **Focused on principal hazard management**:
  - Positive safety behaviors and interactions
  - Critical risk identification
  - Critical control verification
  - Near miss reporting and investigation
  - Workplace and equipment inspections and audits
- Lag indicators:
  - LTIFR 1.4
  - TRIFR 8.4

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Community & Sustainability

Clontarf Employment Forum



$42k raised for the MACA200 Ride to Conquer Cancer



Intake of Vacation Students





Rescue of Baz the Bungarra

FROM LITTLE THINGS BIG THINGS GROW
clontarf foundation

Royal Flying Doctor Service

FOOD BANK

Lifeline

ShootingStars

Workplace Giving Program Announced

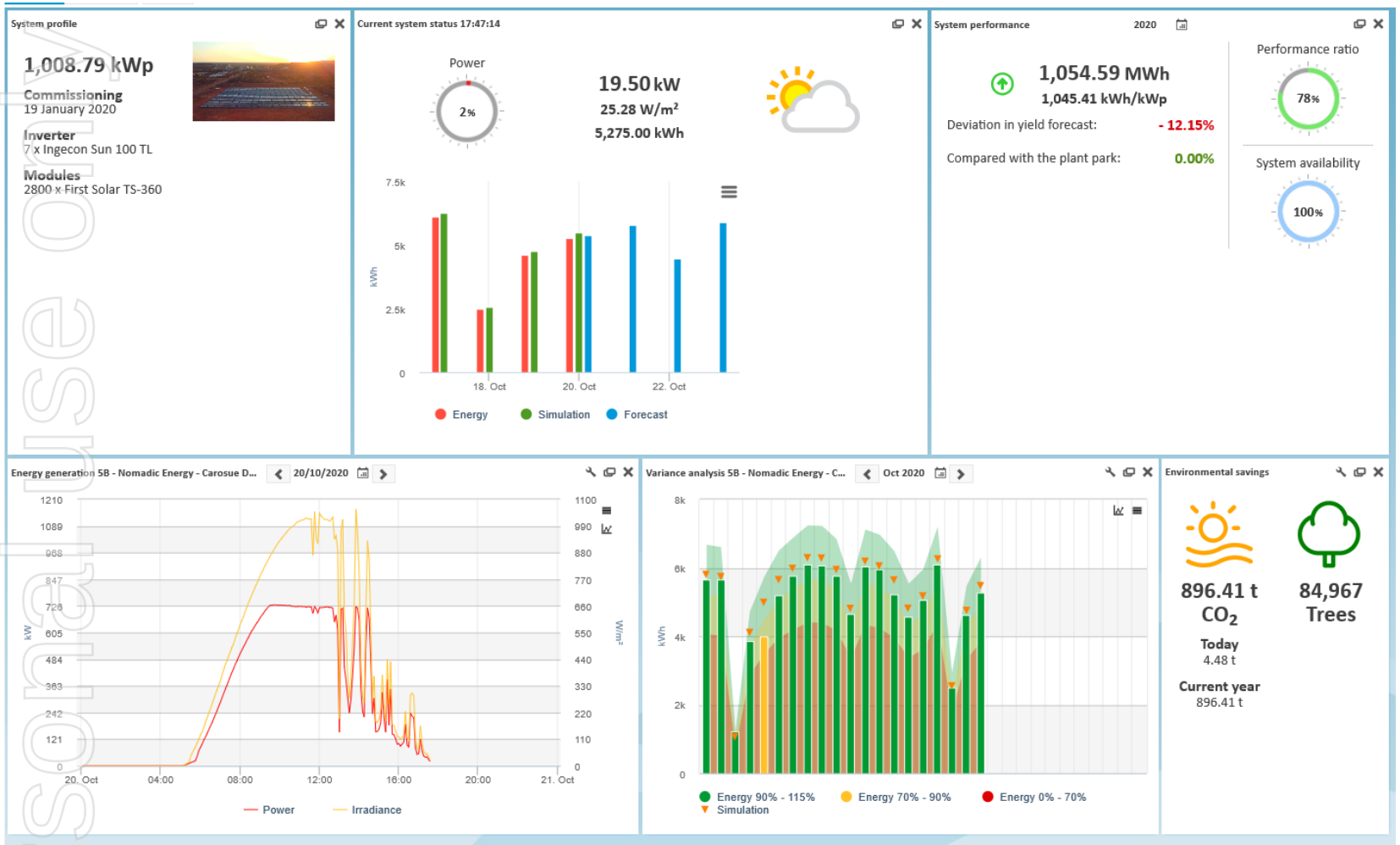


Sustainability Report Released

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Sustainability

Carosue Dam - Solar Farm:



- New 1MW array delivering **early results**
- **Environmental savings since late January** include:
  - 896t of CO_2
  - 84,967 trees
- **40% cheaper than current power generation**
- More to come…

Operations - KCGM (50%)

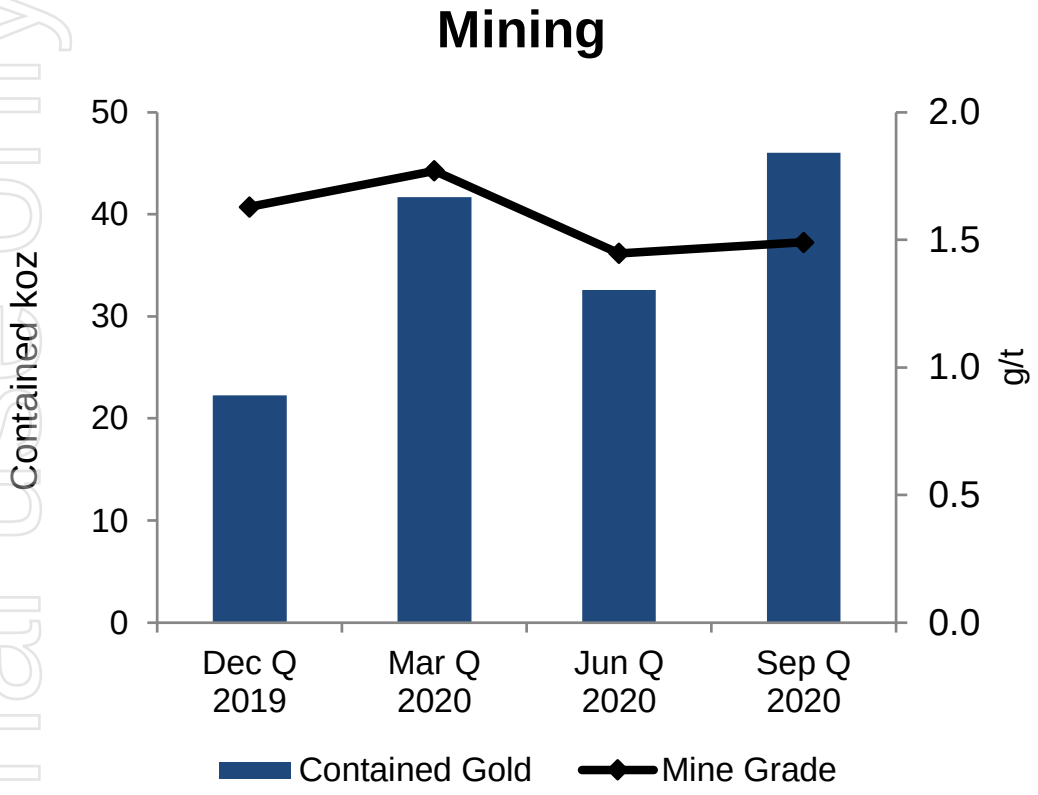
Quarterly highlights:

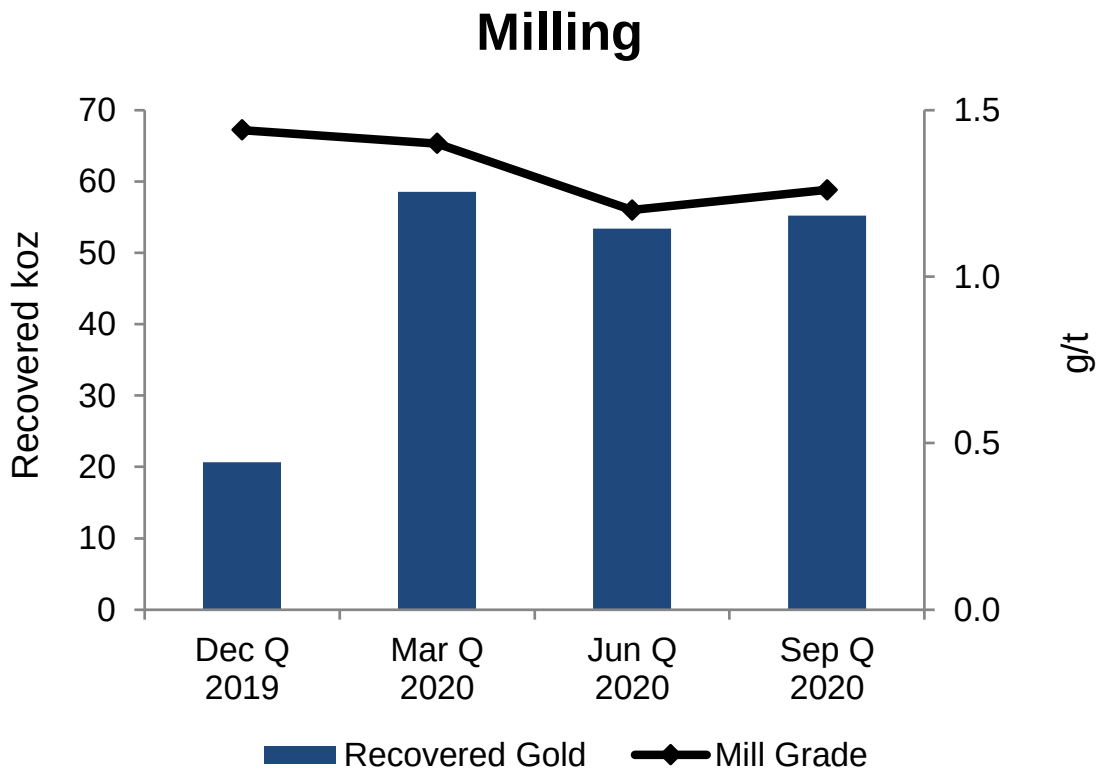
- **Gold production - 55,190oz at an AISC of A$1,423/oz**
- **Mine operating cash flow - A$77.3m**
- **Net mine cash flow - A$43.3m (after growth capital of A$34.0m)**
- Open Pit gold mined - 33.3koz @ 1.4g/t
- Underground gold mined - 12.7koz @ 1.7g/t
- Closing ore stockpile (inventory awaiting processing) - 1.5Moz
- Milling - Processed 1,632kt of ore @ 1.3g/t with 83.6% recovery
- Post quarter, **key environmental approval received for Fimiston South Stage 2**

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Operations – KCGM

Quarterly highlights:

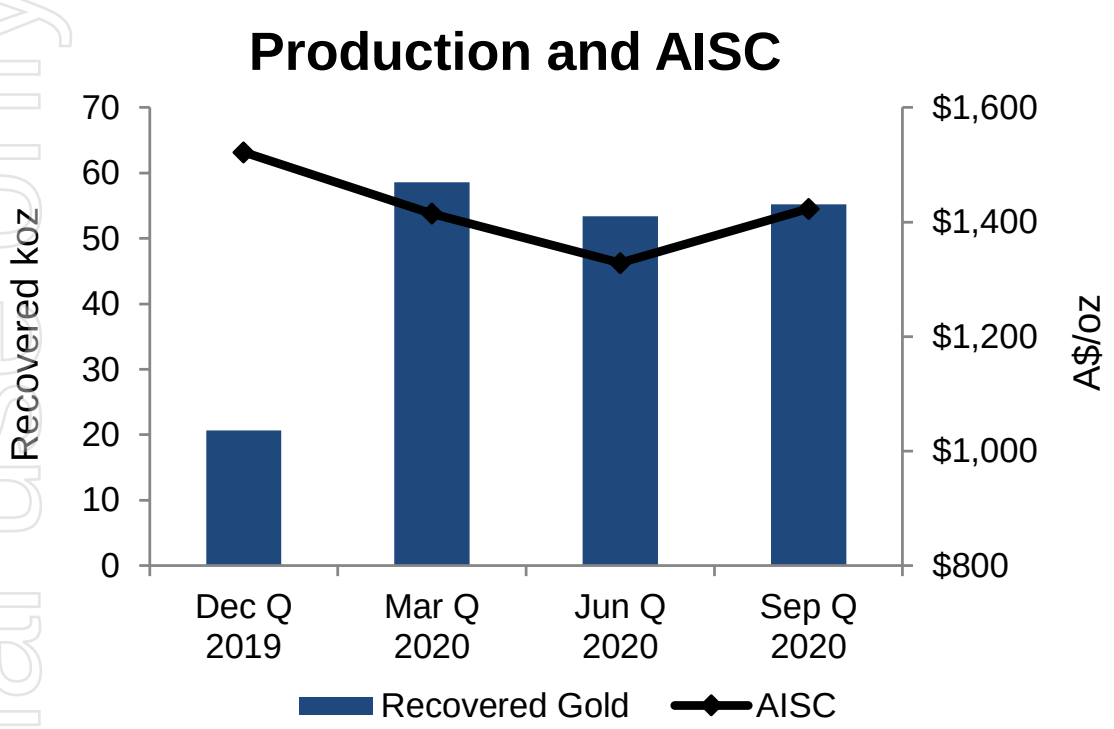


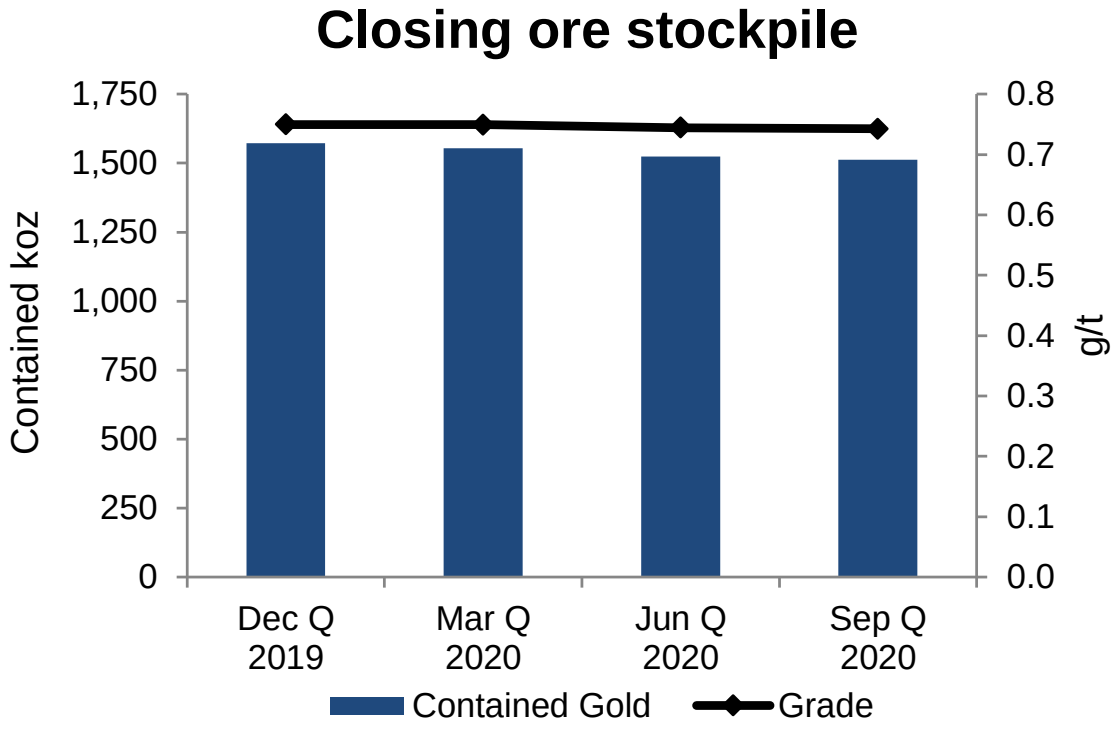


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Operations - KCGM

Quarterly highlights:

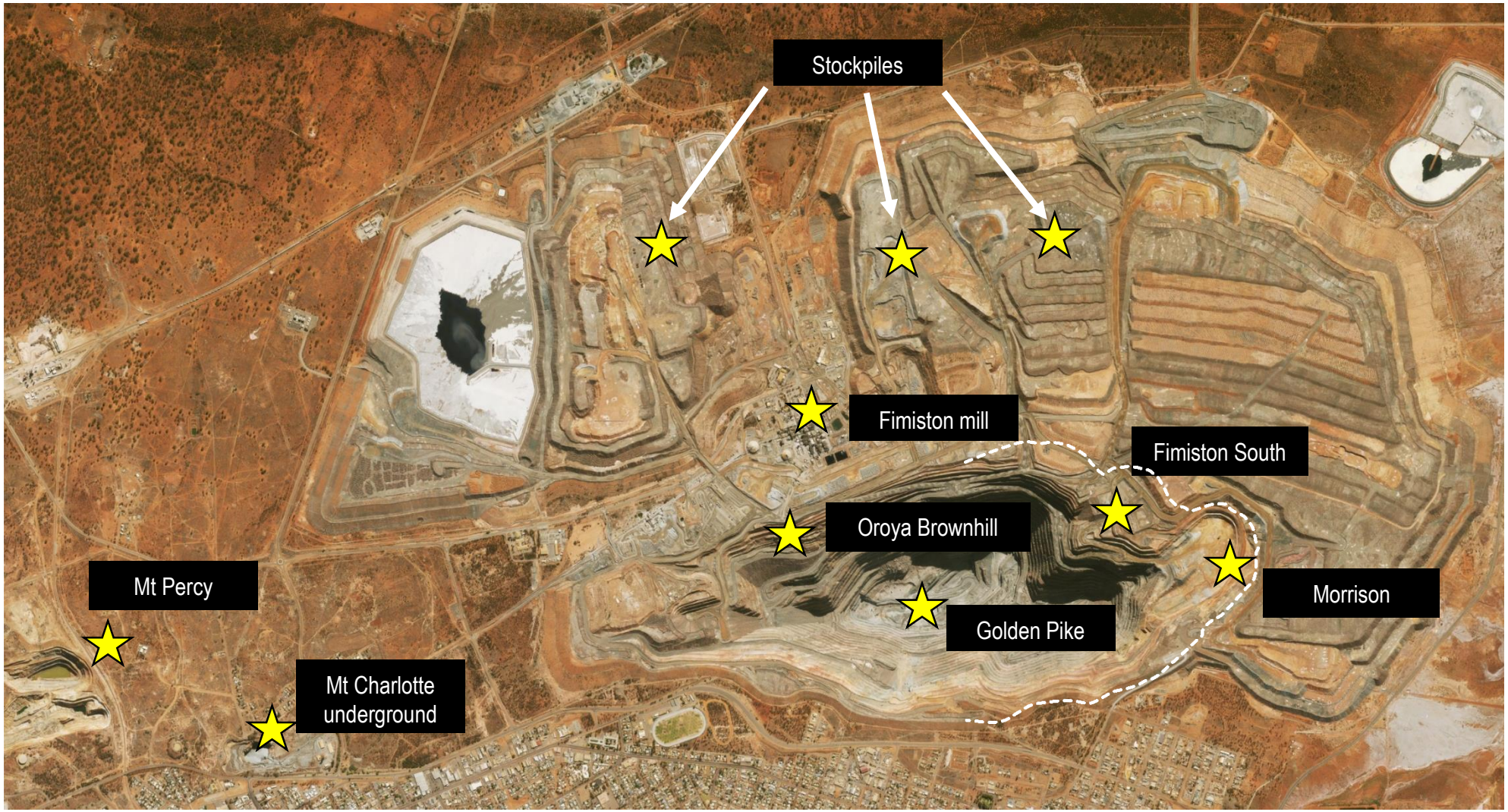




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Discovery and Growth - KCGM (50%)

- Active open pit mining in 4 areas:
  - Oroya Brownhill (OBH)
  - Fimiston South
  - Golden Pike
  - Morrison
- Fimiston South Stage 2 cutback (dashed line) environmental approval received



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Operations - Carosue Dam

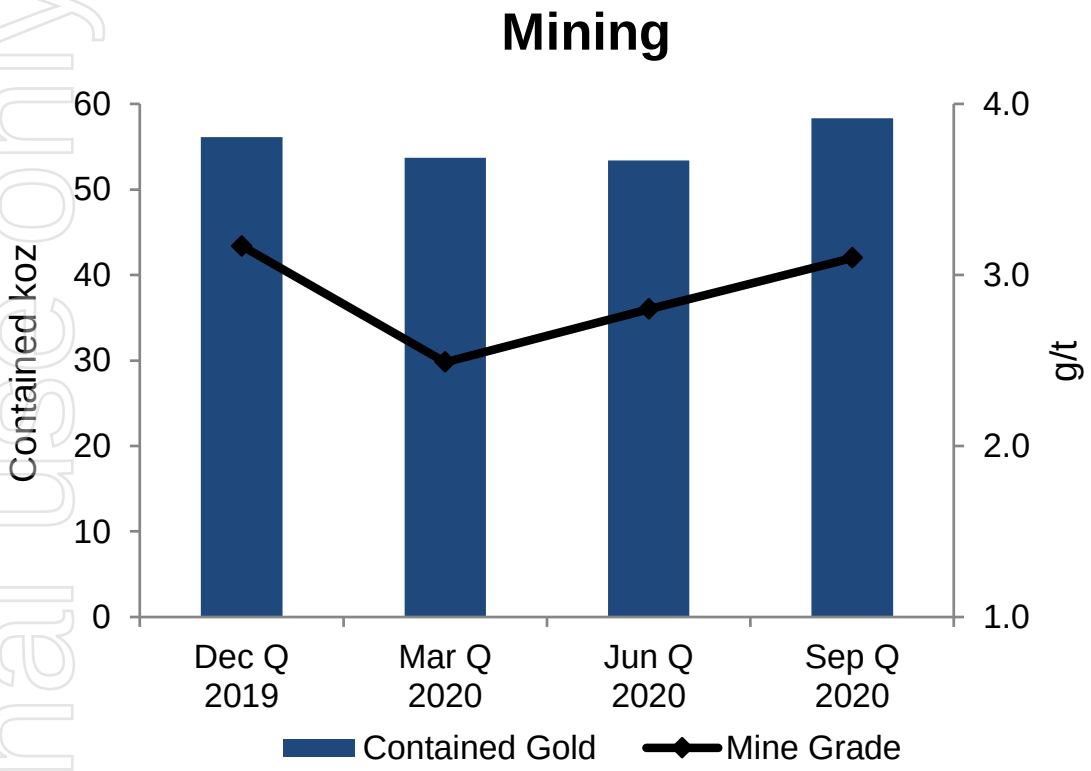
Quarterly highlights:

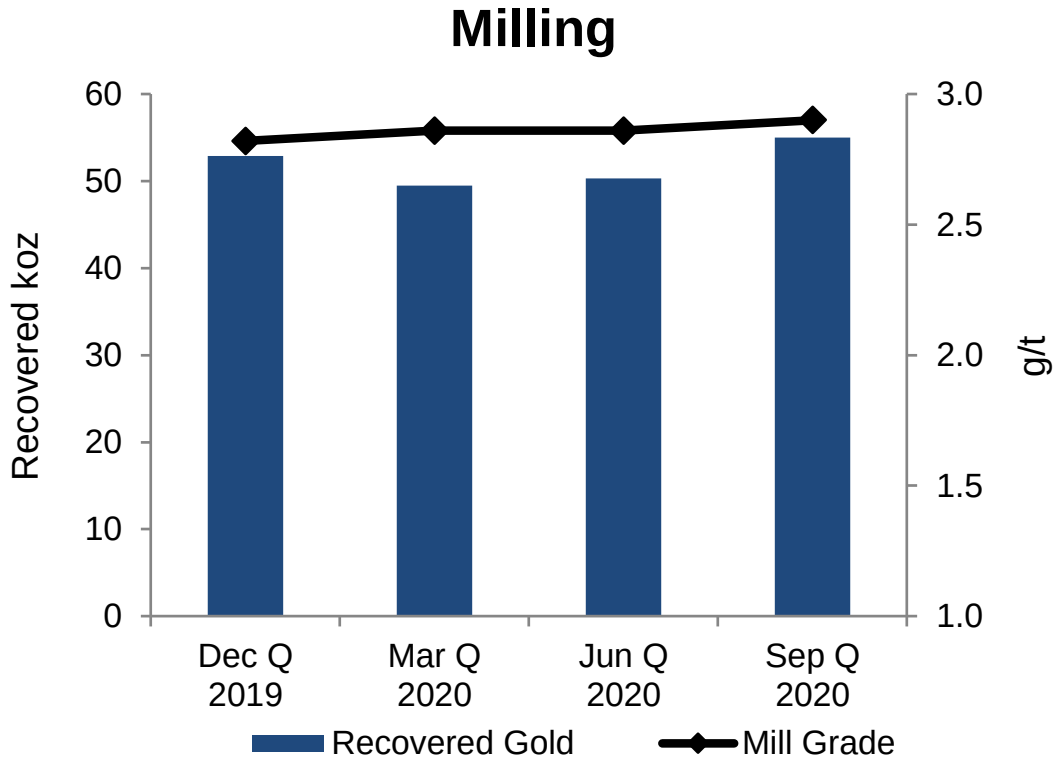
- **Gold production - Record 54,987oz at an AISC of A$1,262/oz**
- **Mine operating cash flow - A$60.8m**
- **Net mine cash flow - A$27.1m (after growth capital of A$33.7m)**
- Karari - Dervish underground gold mined - 52.6koz @ 3.2g/t
- Open pit gold mined – 2.3koz @ 0.9g/t
- Closing ore stockpile (inventory awaiting processing) - 49koz
- Milling - Processed 636kt of ore @ 2.9g/t with 93.1% recovery

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Operations - Carosue Dam

Quarterly highlights:

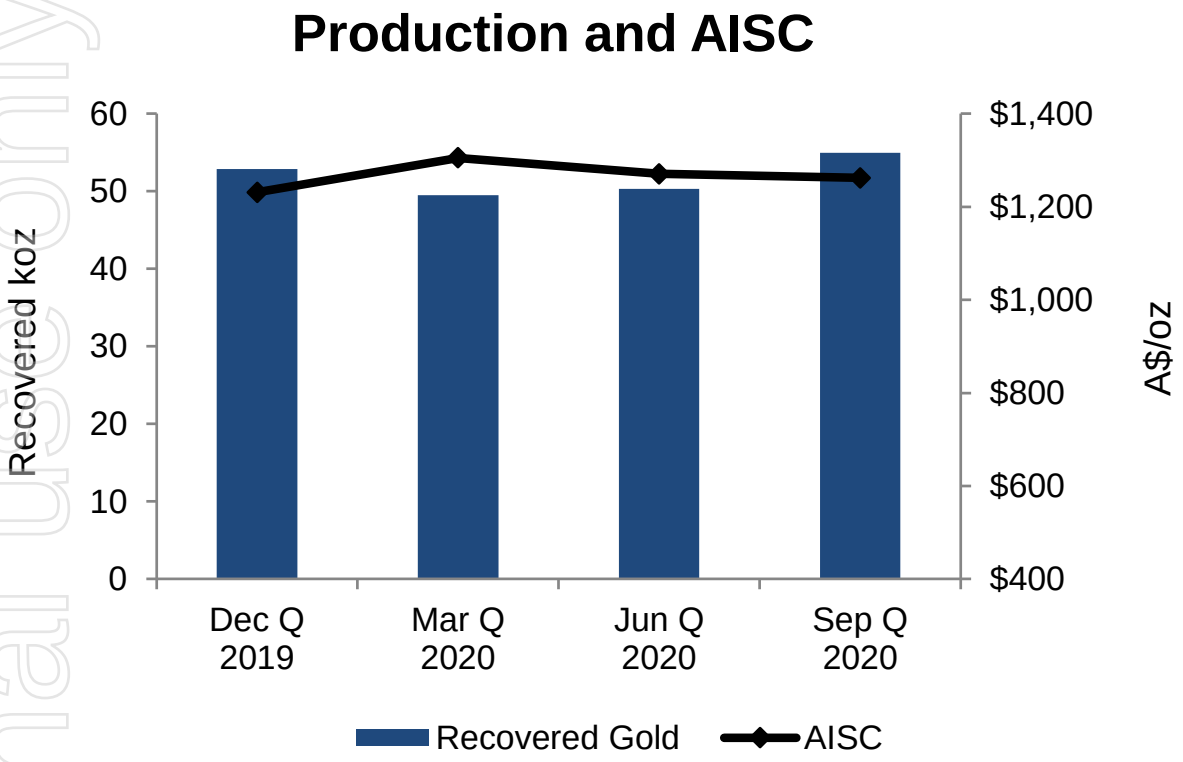


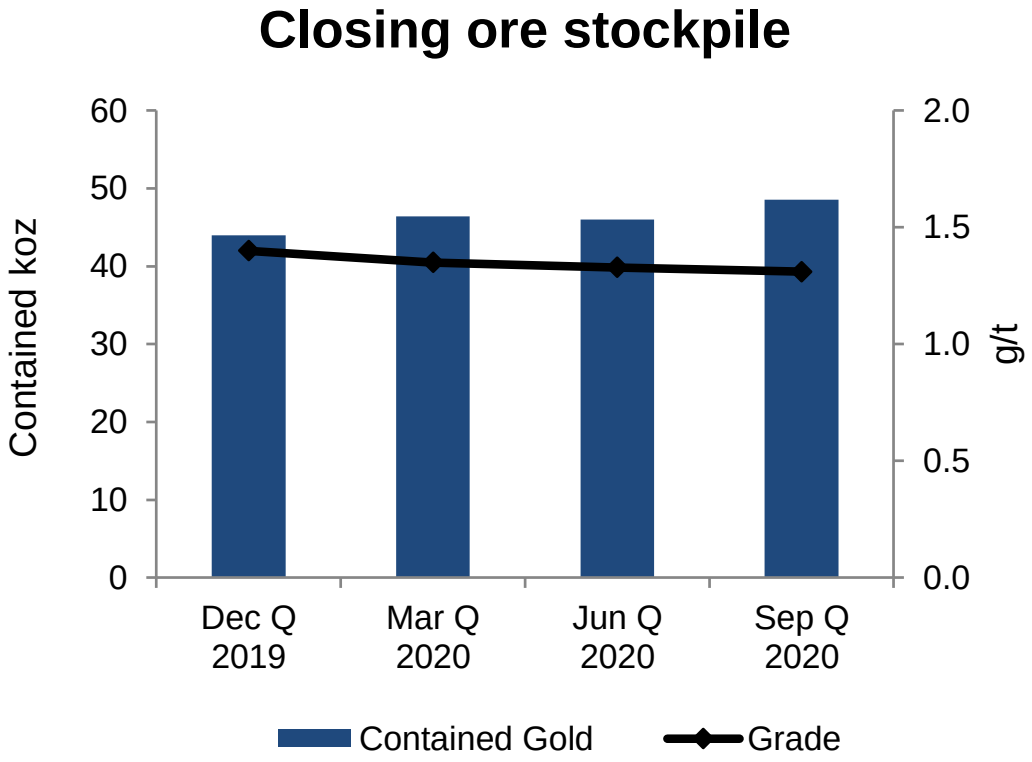


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Operations - Carosue Dam

Quarterly highlights:





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Discovery and Growth - Carosue Dam

A$34m mill expansion - Commissioning imminent:





- Throughput increases to 3.2Mtpa (from 2.4Mtpa), recovery increases to 94% (from 93%), unit costs reduce by up to A$2.50/t
- Additional 800ktpa of mill capacity will be filled with open pit Reserves, now >17Mt in three discrete mining areas

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Operations - Thunderbox

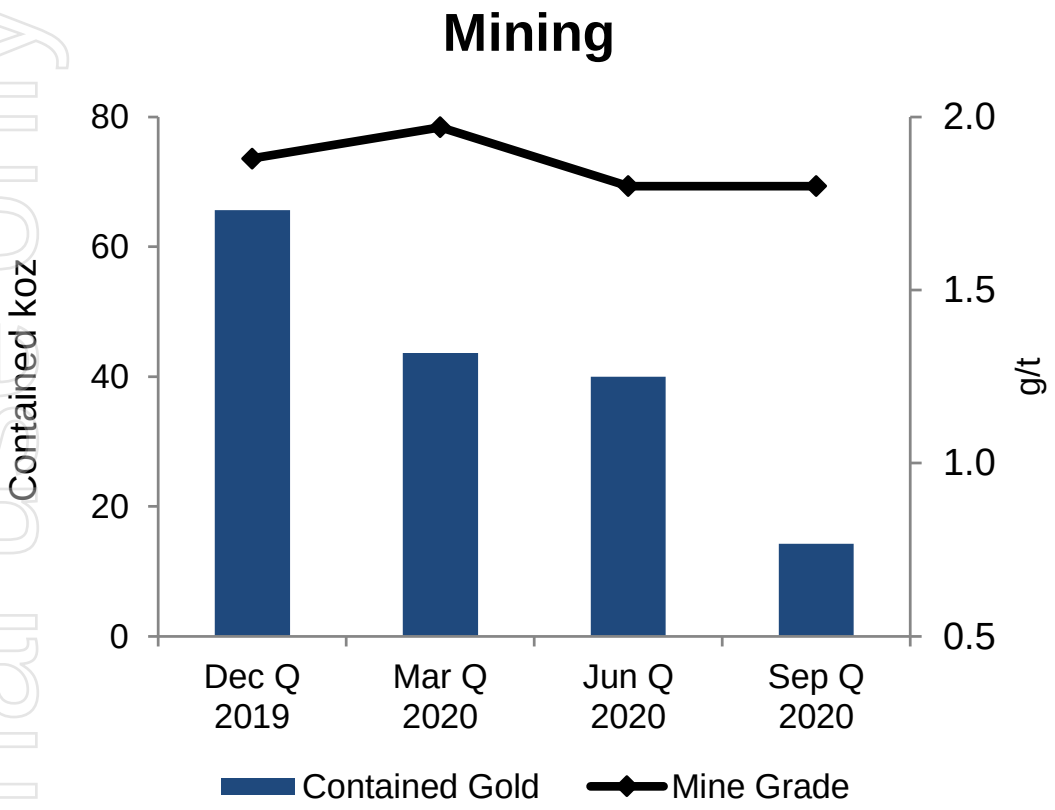
Quarterly highlights:

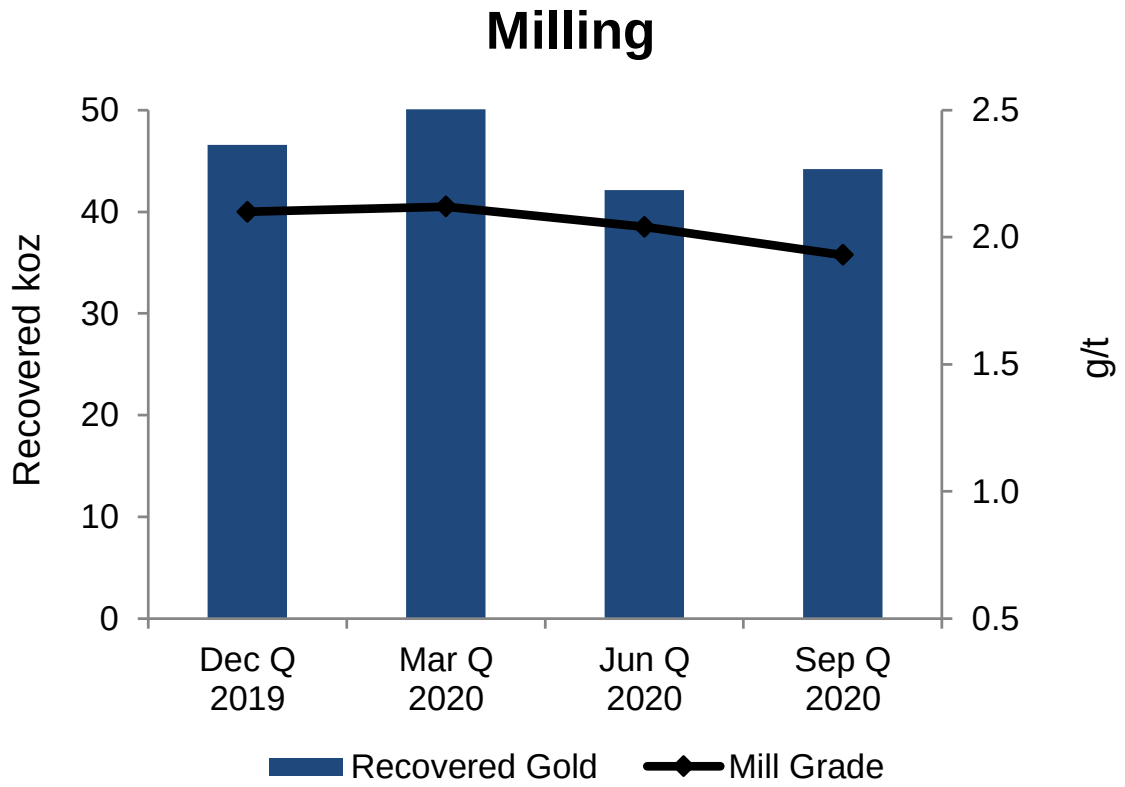
- **Record gold production - 44,211oz at an AISC of A$790/oz**
- **Mine operating cash flow - A$85.8m**
- **Net mine cash flow - A$47.1m (after growth capital of A$38.8m)**
- Total open pit material movement - 1.2 million BCM
- Open pit gold mined – 14.3koz @ 1.8g/t
- Underground gold mined – 5.9koz @ 1.9g/t
- Closing ore stockpile (inventory awaiting processing) - 82koz
- Milling - Processed 758kt of ore @ 1.9g/t with 94.1% recovery

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Operations - Thunderbox

Quarterly highlights:

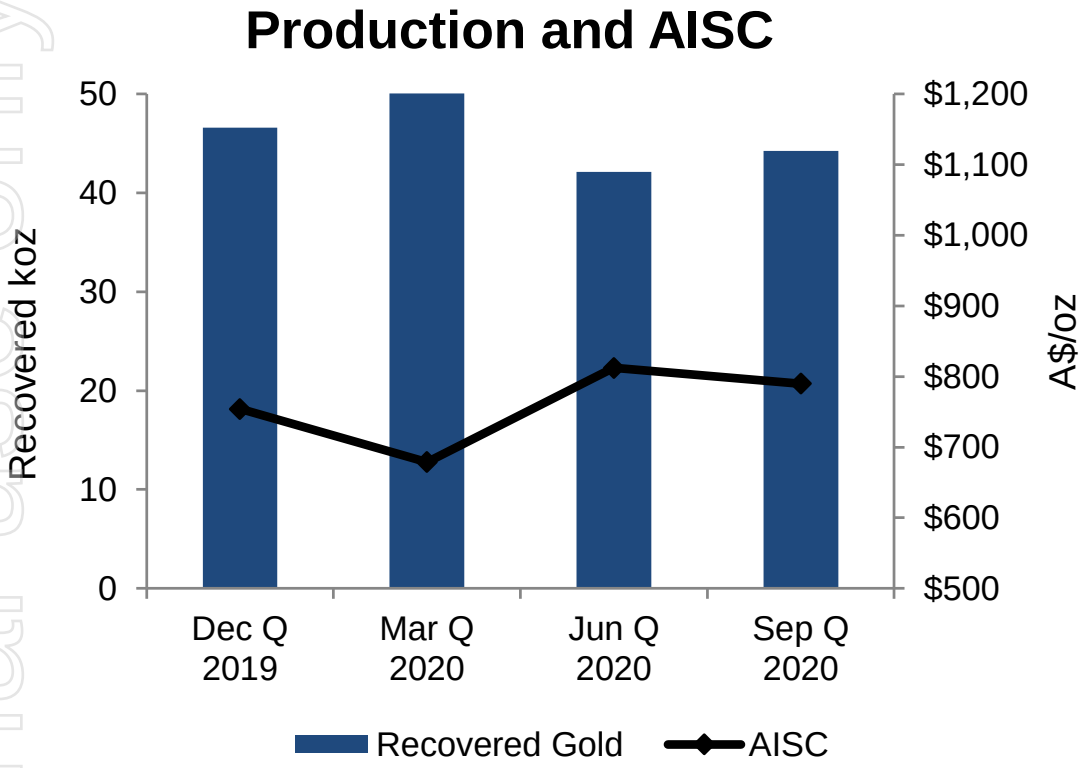




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Operations - Thunderbox

Quarterly highlights:

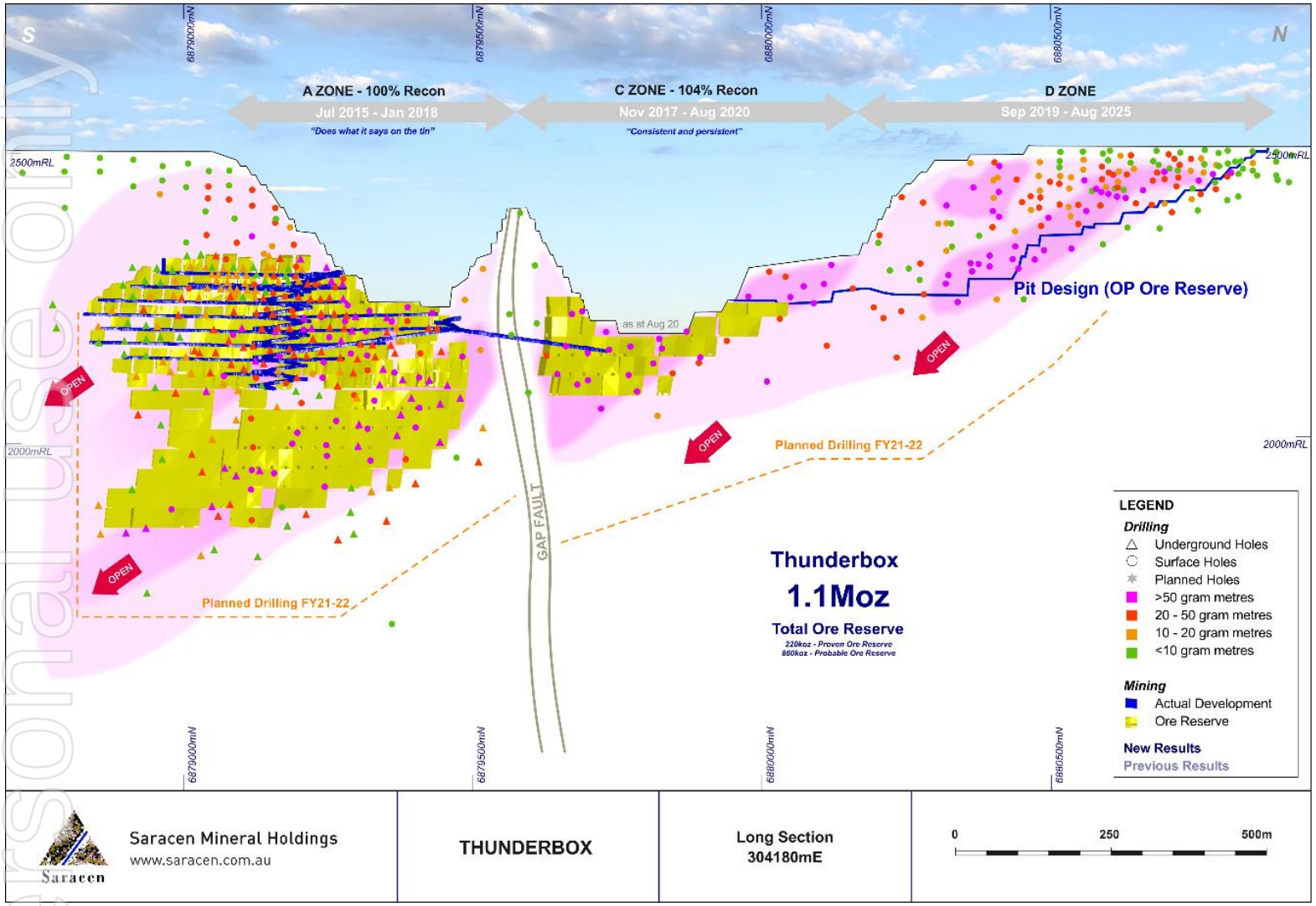




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Discovery and Growth - Thunderbox

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

Please refer to the ASX releases dated 4th August 2020 - "Carosue Dam and Thunderbox only - Reserves rise to 3.7Moz"

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Discovery and Growth - Thunderbox

D Zone ramping-up:

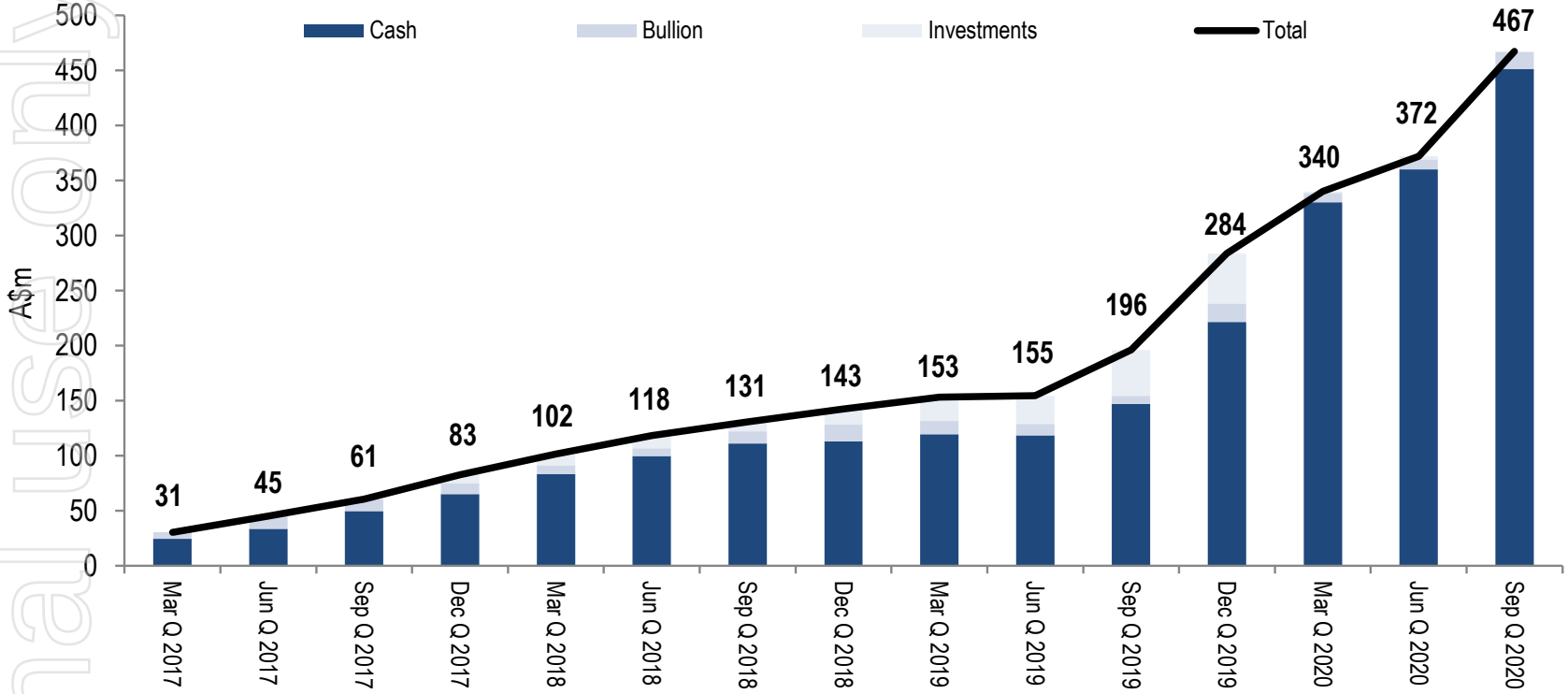
- High productivity / low cost mining, top-down perimeter-to-perimeter sequence (no pit staging)



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Balance sheet

Strong cash build:

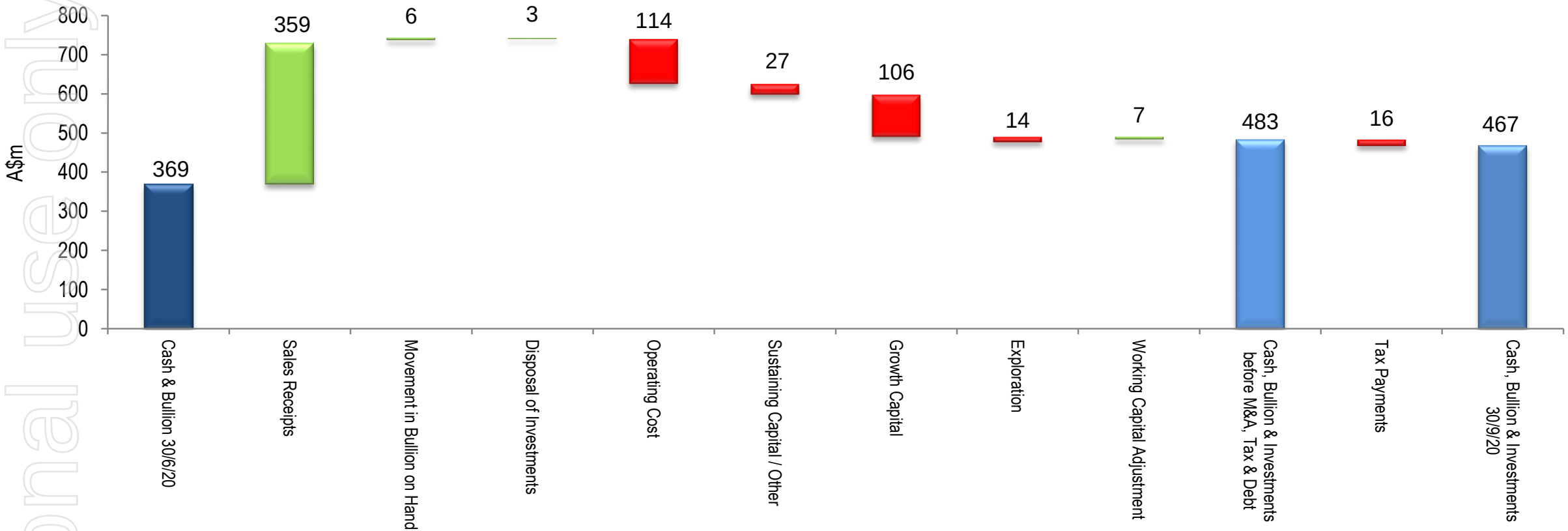


- Cash and equivalents A$467m after:
  - Paying A$16.3m tax
  - Investing A$121m in growth capital and exploration
- **Net cash of A$146m**
- Current December quarter outflows include:
  - A$38.5m scheduled debt repayment
  - A$20-30m FY20 remaining income tax payable (in addition to normal monthly tax instalments)

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Cash Flows

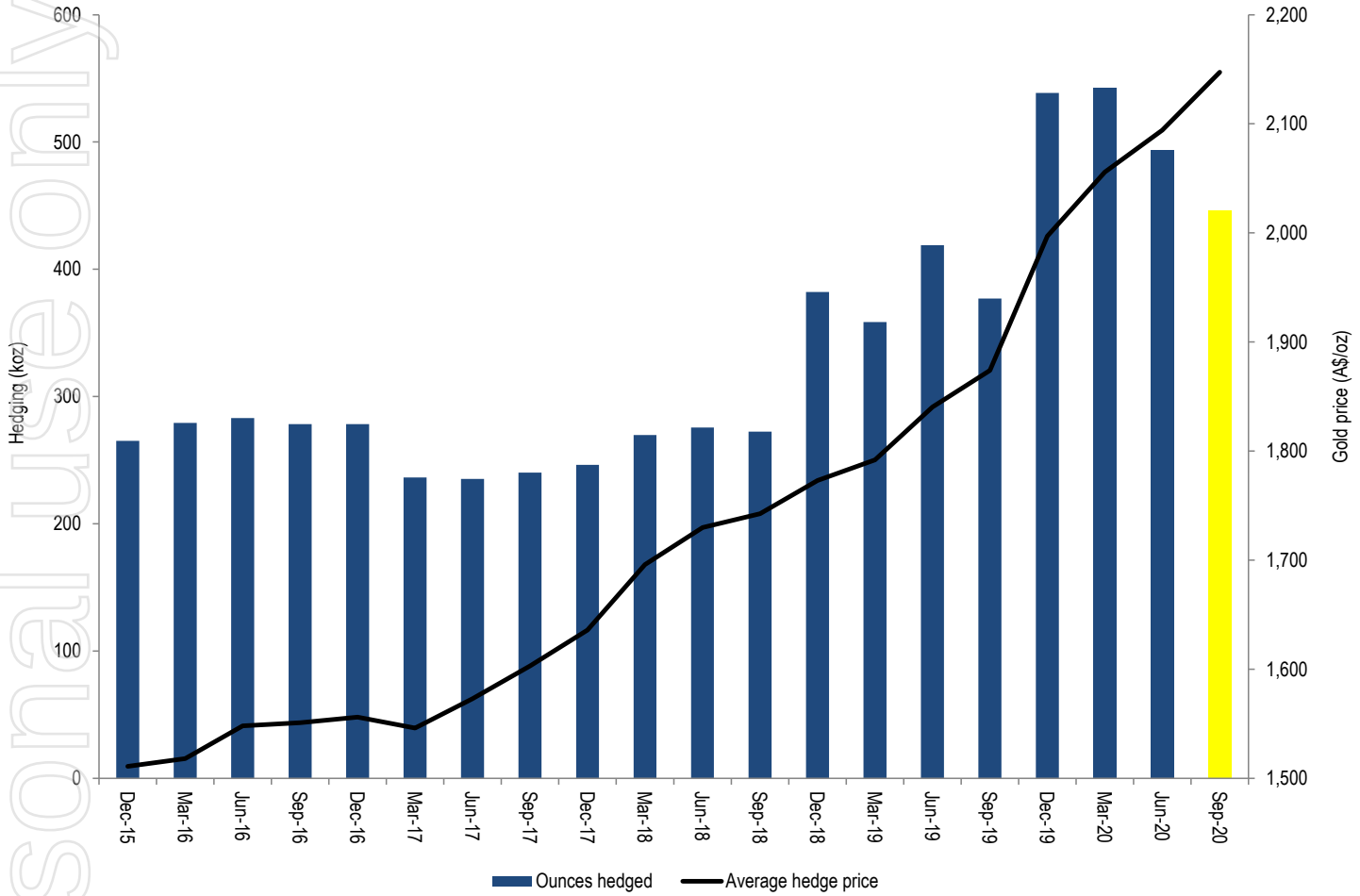
Cash build of A$98m (after tax):



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Hedge book

Easing to ~20-25% of production over the next 3 year period:



Quarter	Quantity	Price
	oz	A$/oz
Dec Q 2020	63,300	2,020
Mar Q 2021	61,800	2,039
Jun Q 2021	58,800	2,057
Sep Q 2021	54,300	2,114
Dec Q 2021	57,200	2,149
Mar Q 2022	48,500	2,206
Jun Q 2022	41,500	2,260
Sep Q 2022	29,000	2,311
Dec Q 2022	21,000	2,344
Mar Q 2023	7,000	2,587
Jun Q 2023	3,000	2,727
Sep Q 2023	1,000	2,726
Total	446,400	2,147

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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, proposed merger-of-equals with Northern Star**
- **Saracen's "flight to 800" is underway, proposed MergeCo targeting 2Mozpa**

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

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