



Saracen

DECEMBER QUARTER 2020

RALEIGH FINLAYSON - Managing Director

MORGAN BALL - Chief Financial Officer

SIMON JESSOP - Chief Operating Officer

TROY IRVIN - Corporate Development Officer

Presentation

21st January 2021

Qualification



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You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in Australia in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) ("JORC Code"). You should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

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.

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

- a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- 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
- c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Combined Group's gold production

The information underpinning the combined Group's combined gold production guidance in this announcement has been extracted from:

- i. the ASX release by Northern Star entitled "Resources and Reserves, Production and Cost Guidance Update (ex-KCGM)" dated 13 August 2020, available at www.nsrld.com and www.asx.com (Northern Star Announcement);
- ii. the ASX release by Saracen entitled "Carosue Dam and Thunderbox only – Reserves rise to 3.7Moz" dated 4 August 2020, available at www.saracen.com.au and www.asx.com (Saracen Announcement), and
- iii. Northern Star's and Saracen's joint ASX announcement entitled "KCGM Reserves, Resources and Guidance Update" dated 18 August 2020, available at www.nsrld.com and www.asx.com (KCGM Announcement).

For the purposes of ASX Listing Rule 5.19:

- Northern Star confirms that all the material assumptions underpinning the production target in the Northern Star Announcement continue to apply and have not materially changed. Northern Star confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement,
- Saracen confirms that all the material assumptions underpinning the production target in the Saracen Announcement continue to apply and have not materially changed. Saracen confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement, and
- both Northern Star and Saracen confirm that all the material assumptions underpinning the production target in the KCGM Announcement continue to apply and have not materially changed. Saracen and Northern Star confirm that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

All forward looking statements contained in the Presentation Materials are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein. The Presentation Materials do not purport to be all inclusive or to contain all information about the Company.

This presentation is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction. This presentation is not intended to provide the sole or principal basis of any investment or credit decision or any other risk evaluation and may not be considered as a recommendation by Saracen or its officers. Any investor reading the Presentation Materials should determine its interest in acquiring securities in Saracen on the basis of independent investigations that it considers necessary, prudent or desirable.

Highlights



Record half year production:

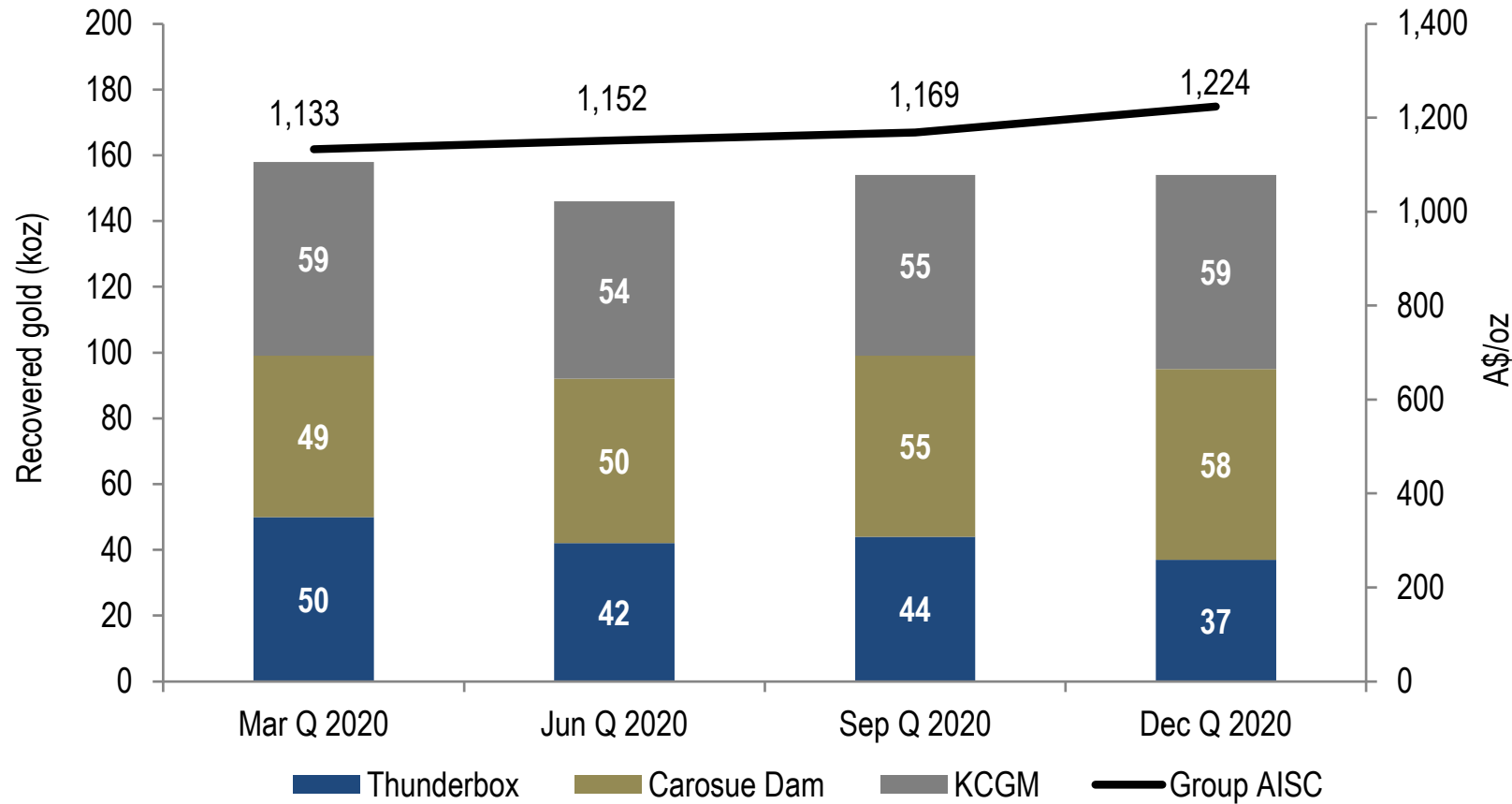
- ▲ **Safety - LTIFR at 1.7**
- ▲ **Quarterly gold production - 155,122oz at AISC A\$1,224/oz**
- ▲ **At 31 December - Cash / liquids A\$466m, debt A\$283m; net cash A\$183m (up from net debt of A\$21m just 9 months prior)**
- ▲ **Half year unaudited NPAT - A\$115m to A\$125m**
- ▲ **Growth projects:** Thunderbox Underground development and paste plant, Thunderbox D Zone, Million Dollar and Deep South mine development, KCGM pre-strip
- ▲ **A\$113m invested in growth capital and exploration**

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

Highlights



Group production and AISC:



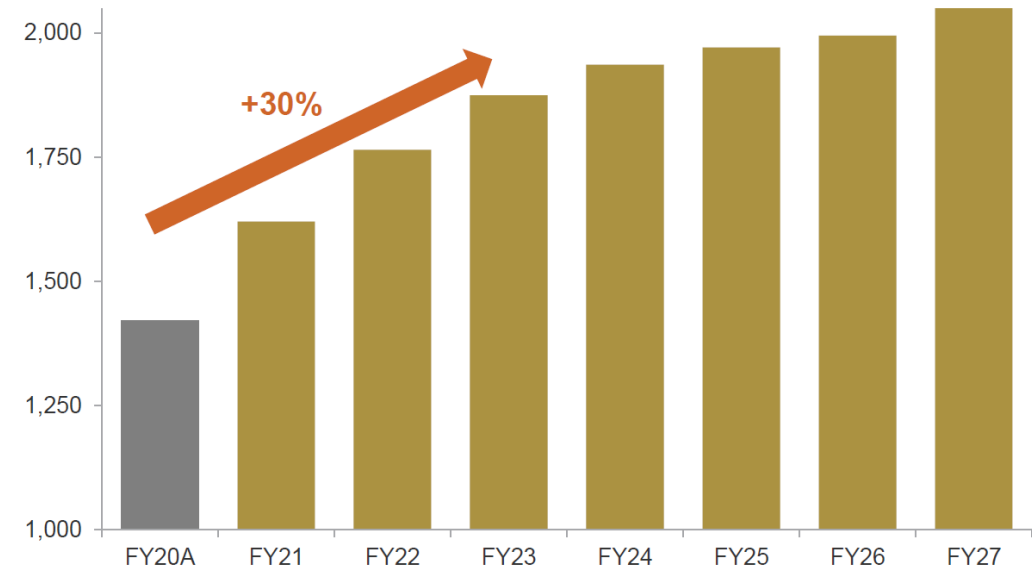
Highlights



Outlook:

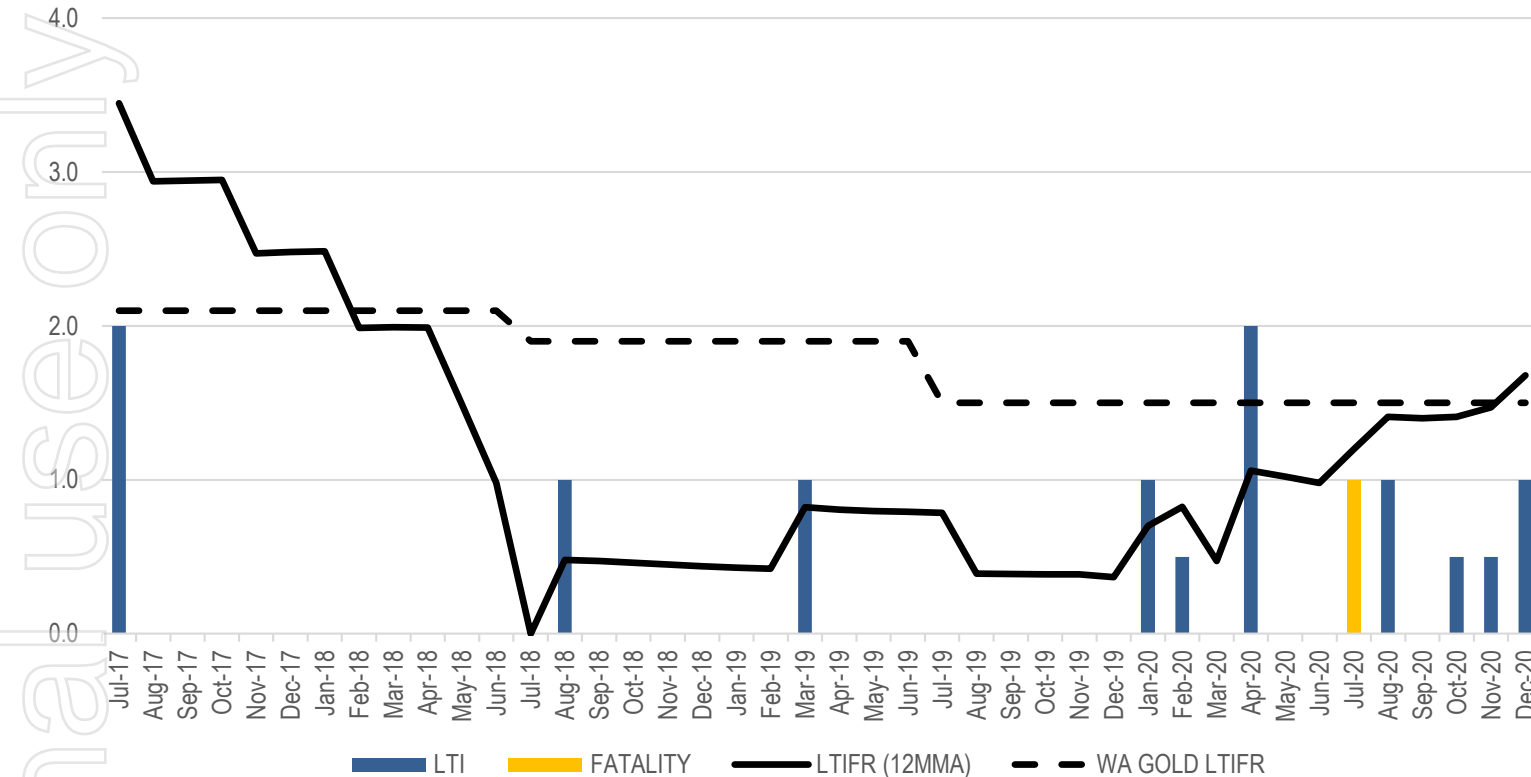
- ▲ On track to meet SAR FY21 guidance of **600 - 640koz at an AISC of A\$1,300 - A\$1,400/oz**
- ▲ FY21 growth capital and exploration budget of **A\$484m**
- ▲ Saracen shareholders **overwhelmingly vote in favour of merger with Northern Star...**
- ▲ ...creating a Top-10 global gold miner **targeting 2Mozpa* production exclusively from Tier 1 locations**

Combined Group's production profile*



*Previously disclosed production target as per Combined Group's gold production on Slide 2

“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

▲ Focus on **safety leadership skills**, and ongoing **principal hazard focus**:

- Leadership engagement and ownership
- Field leadership interaction skills
- Critical risk awareness and communications
- Verification of competency strengthening
- Resource and structure amendments to support improvement strategies

▲ Lag indicators:

- LTIFR 1.7
- TRIFR 9.9

Community & Sustainability



Leonora High Art Competition



SAR-sponsored WASM EFY Student Camp



Christmas in the Park



KBCCI Forum



\$48k raised in the MACA Cancer200



Clontarf Student Visit

Carosue Dam - Phase 2 Solar Expansion wins Clean Energy Future Fund grant:

Kalgoorlie Miner | Regional WA | Goldfields

Goldfields mine site renewable power projects first in line for State Government's clean energy fund



- ▲ Phase 1 installed:
 - 1MW solar farm
 - Generates ~3% of site power
- ▲ **Enter Phase 2** (A\$1m CEFF grant):
 - Nomadic Energy to install 5MW of modular, re-deployable solar panels
 - Will generate ~15% of site power
 - Commissioning late 2021
- ▲ **Environmental win** - Reduces carbon emissions
- ▲ **Financial win** - “Green” energy ~40% cheaper than traditional fossil fuels
- ▲ **More to come...**

Operations - KCGM (50%)

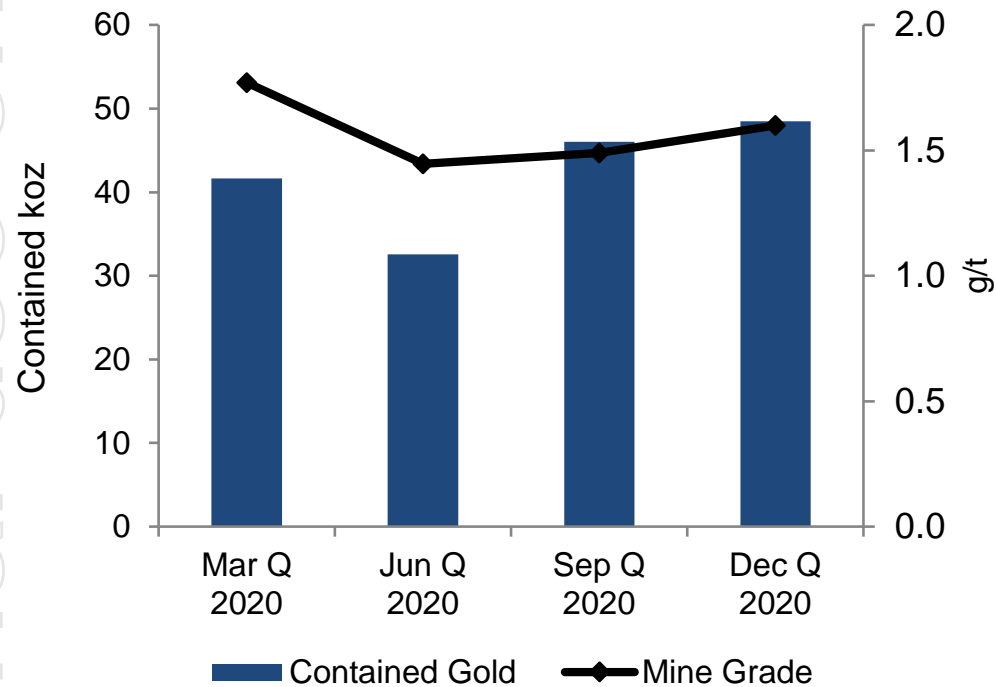


Quarterly highlights:

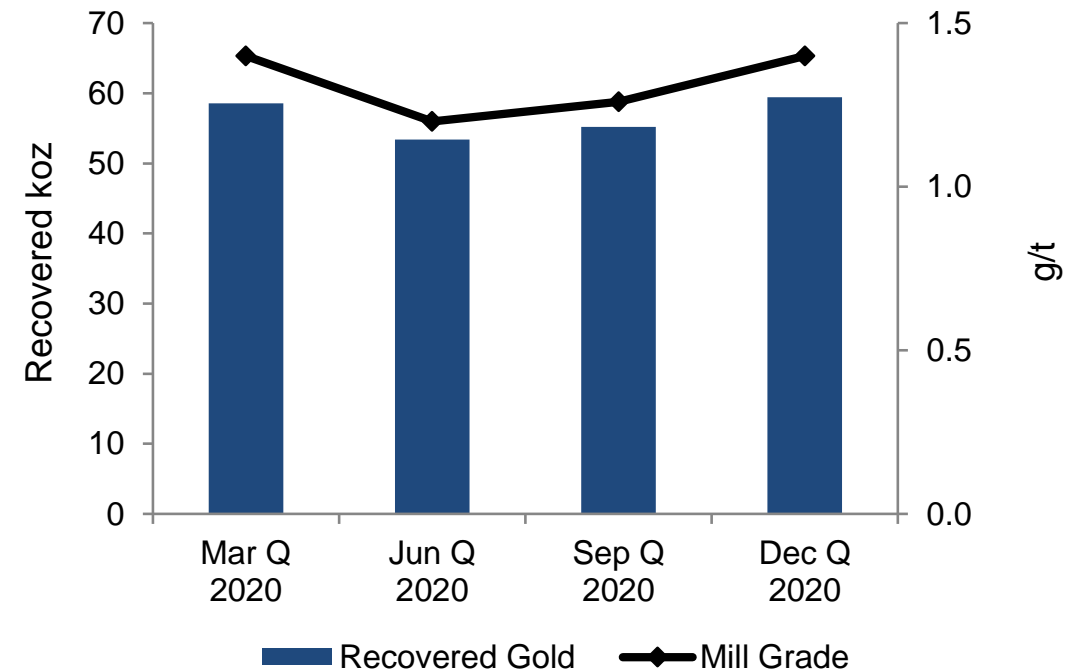
- ▲ **Gold production - 59,446oz at an AISC of A\$1,324/oz**
- ▲ **Mine operating cash flow - A\$66.7m**
- ▲ **Net mine cash flow - A\$55.6m (after growth capital of A\$11.1m)**
- ▲ **Open Pit gold mined - 38.9koz @ 1.6g/t**
- ▲ **Underground gold mined - 9.5koz @ 1.5g/t**
- ▲ **Closing ore stockpile (inventory awaiting processing) - 1.5Moz**
- ▲ **Milling - Processed 1,645kt of ore @ 1.4g/t with 82.1% recovery**

Quarterly highlights:

Mining

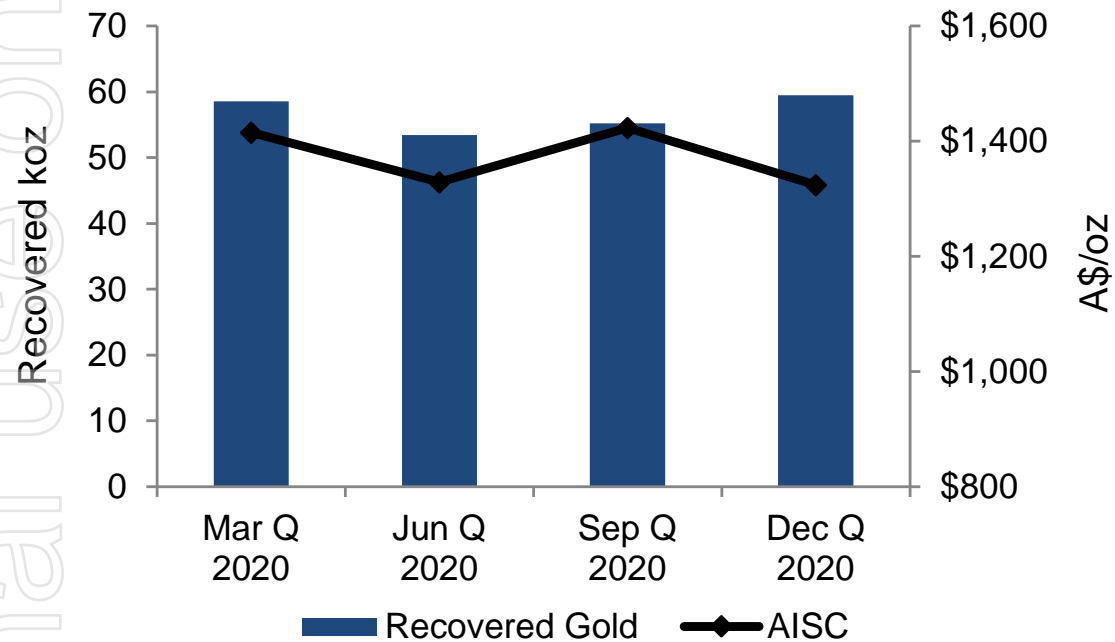


Milling

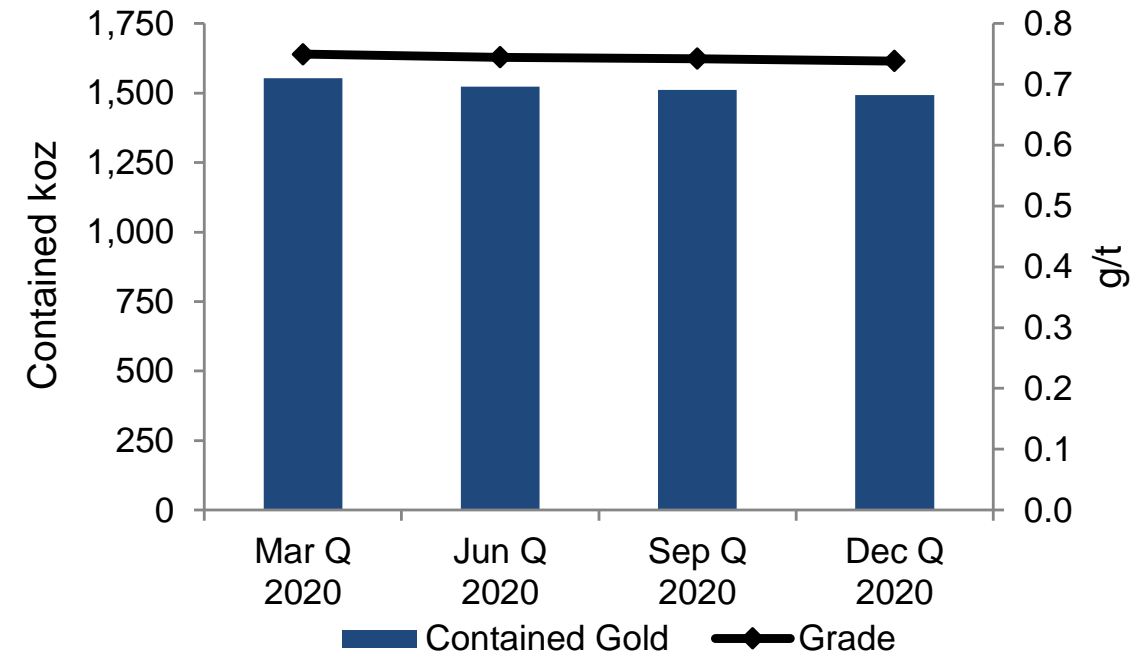


Quarterly highlights:

Production and AISC



Closing ore stockpile

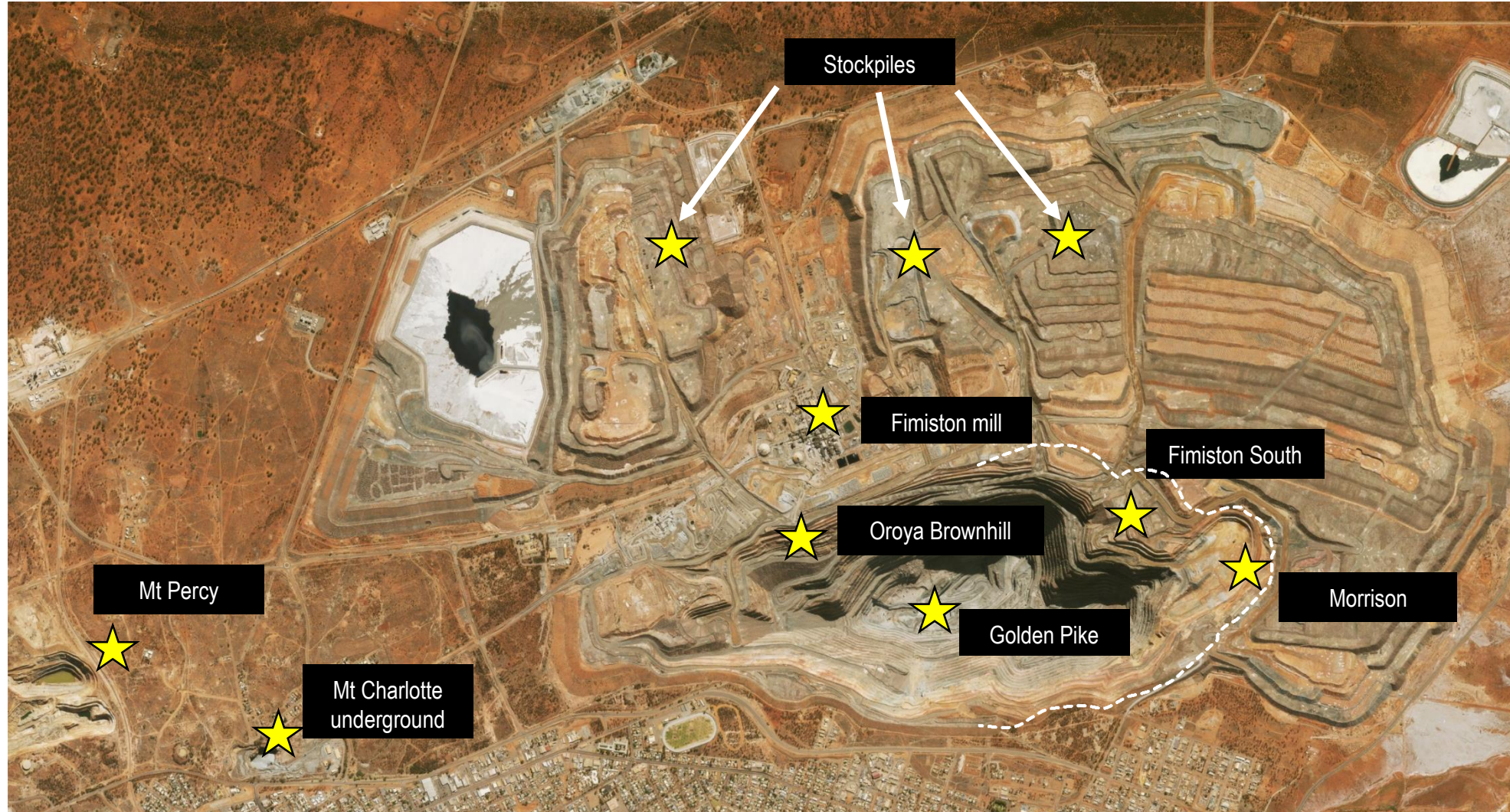


Discovery and Growth - KCGM (50%)



▲ Active open pit mining in 4 areas:

- Oroya Brownhill (OBH)
- Fimiston South
- Golden Pike
- Morrison
- Fimiston South cutback (dashed line)
- key environmental approval received



Operations - Carosue Dam



Quarterly highlights:

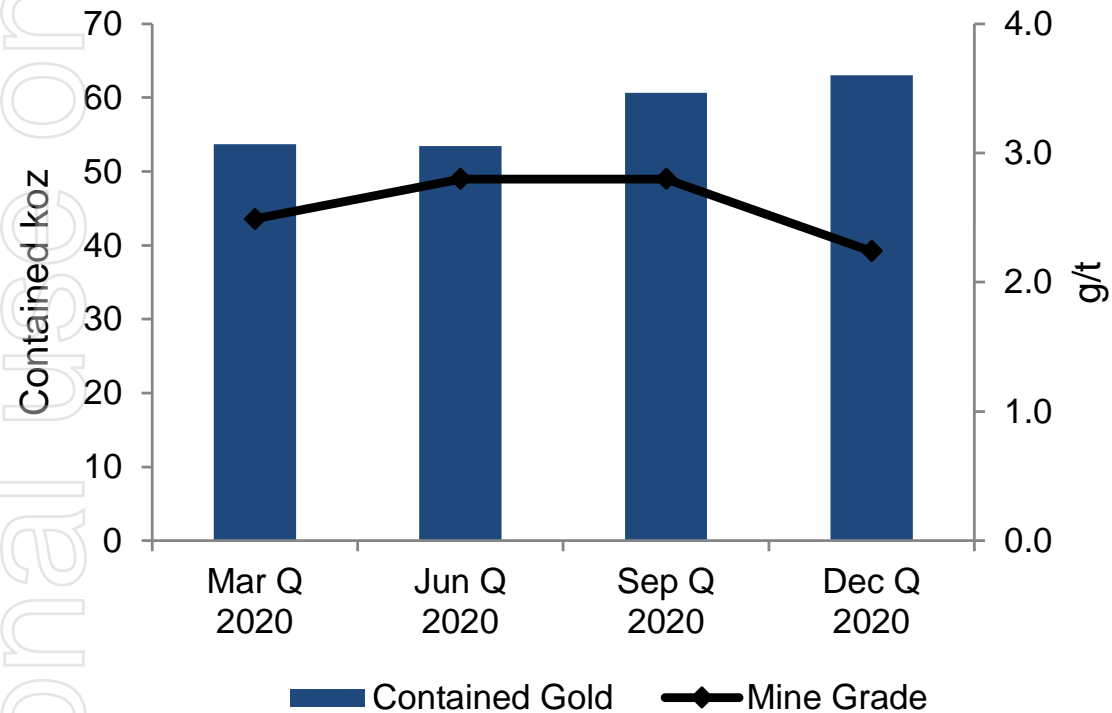
- ▲ **Gold production - Record 58,388oz at an AISC of A\$1,285/oz**
- ▲ **Mine operating cash flow - A\$62.8m**
- ▲ **Net mine cash flow - A\$25.0m (after growth capital of A\$37.8m)**
- ▲ **Underground gold mined - 56.5koz @ 2.7g/t**
- ▲ **Open pit gold mined - 6.5koz @ 0.9g/t**
- ▲ **Closing ore stockpile (inventory awaiting processing) - 50koz**
- ▲ **Milling - Processed 785kt of ore @ 2.5g/t with 93.7% recovery**

Operations - Carosue Dam

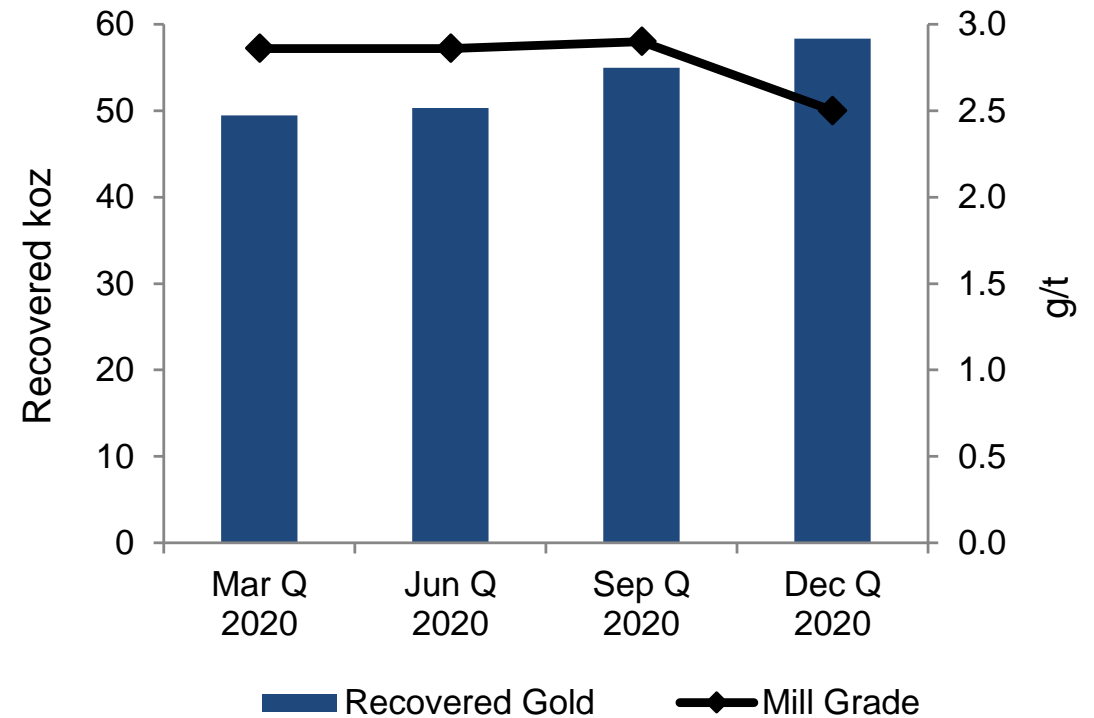


Quarterly highlights:

Mining



Milling

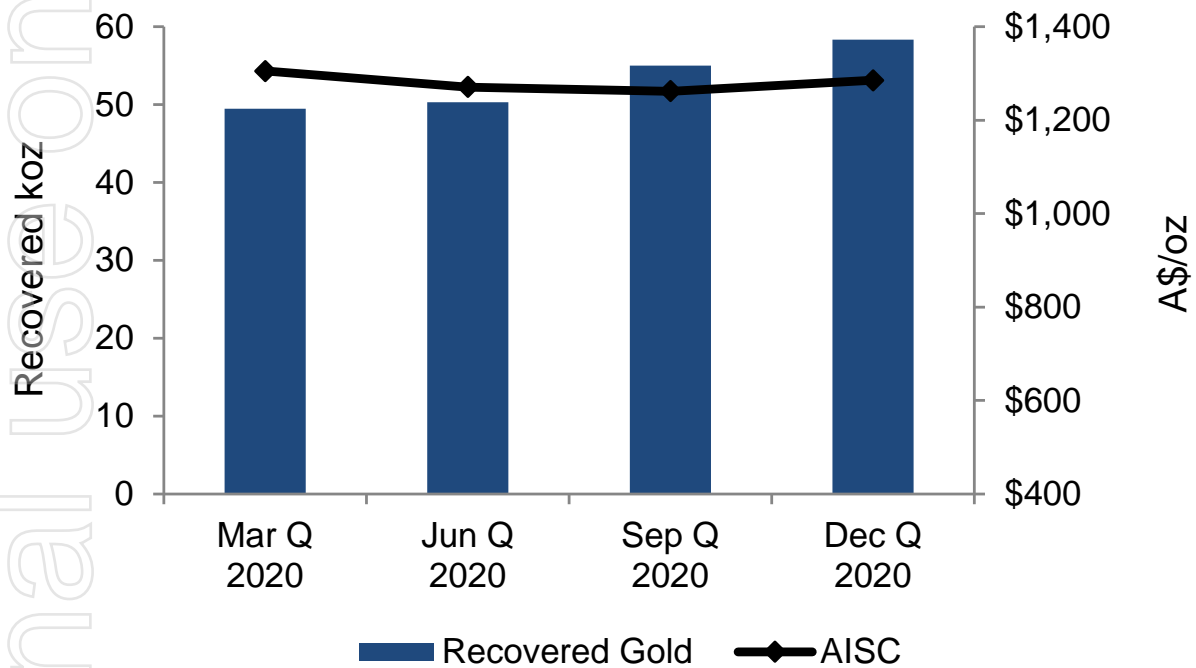


Operations - Carosue Dam

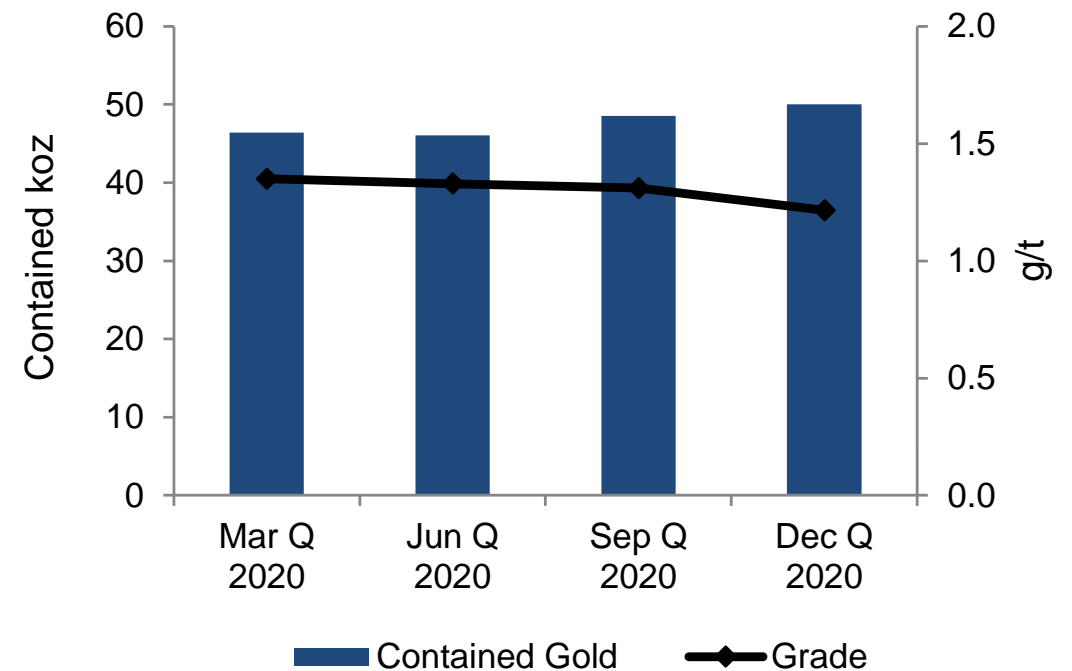


Quarterly highlights:

Production and AISC



Closing ore stockpile



Discovery and Growth - Carosue Dam



A\$34m mill expansion - Commissioned!



- ▲ Throughput increases to 3.2Mtpa (from 2.4Mtpa), recovery increases to 94% (from 93%), unit costs reduce by up to A\$2.50/t
- ▲ Performing better than expected and driving record gold production

Quarterly highlights:

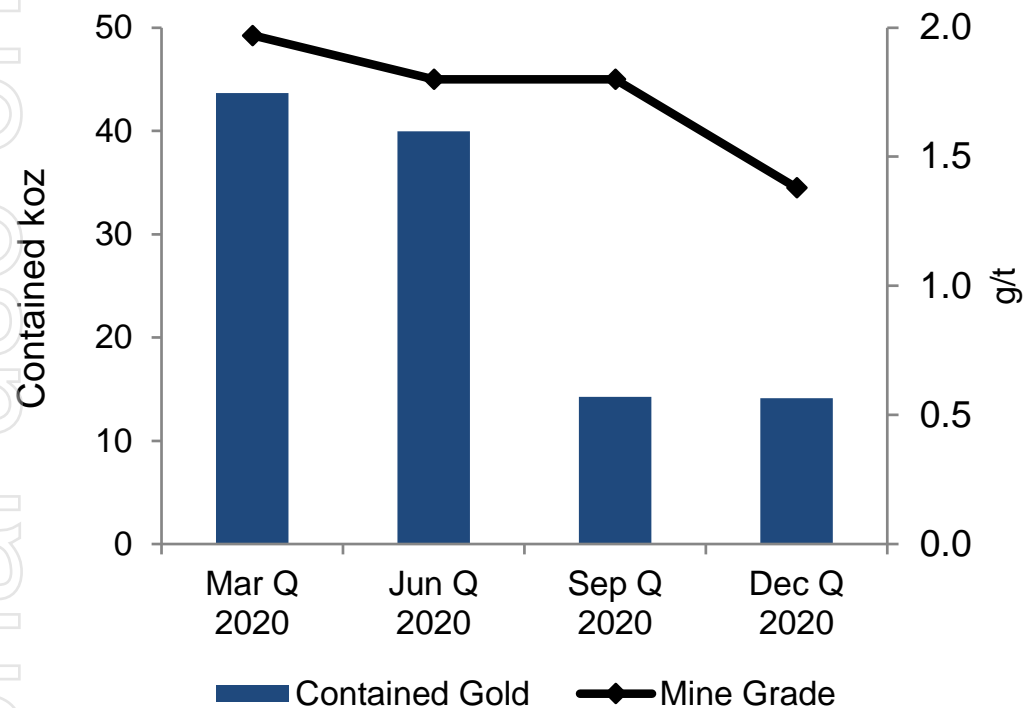
- ▲ **Gold production - 37,338oz at an AISC of A\$870/oz**
- ▲ **Mine operating cash flow - A\$69.1m**
- ▲ **Net mine cash flow - A\$18.4m (after growth capital of A\$50.7m)**
- ▲ **Total open pit material movement - 2.6 million BCM (114% improvement on Sep Q)**
- ▲ **Open pit gold mined - 3.4koz @ 0.8g/t**
- ▲ **Underground gold mined - 10.7koz @ 1.8g/t**
- ▲ **Closing ore stockpile (inventory awaiting processing) - 56koz**
- ▲ **Milling - Processed 757kt of ore @ 1.6g/t with 94.1% recovery**

Operations - Thunderbox

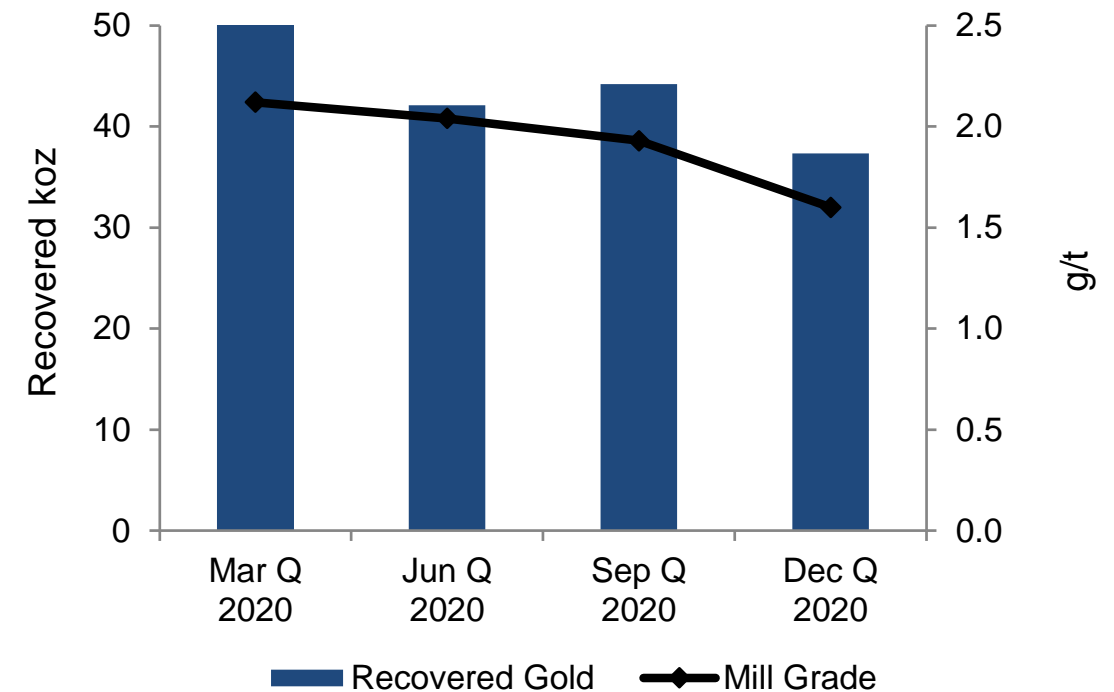


Quarterly highlights:

Mining



Milling

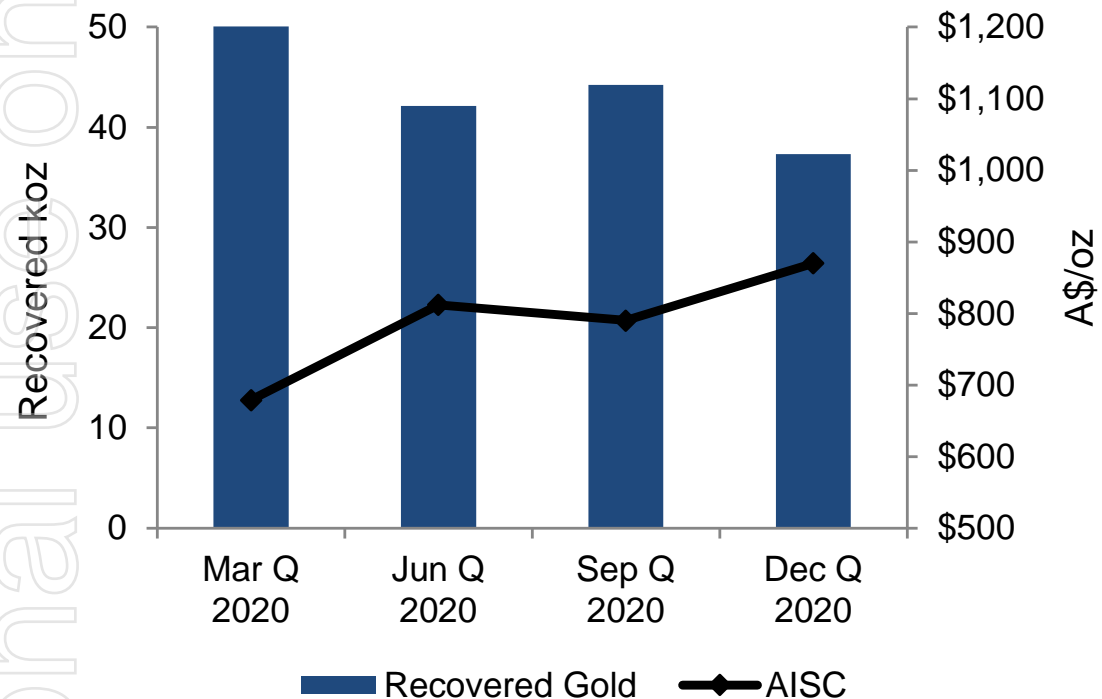


Operations - Thunderbox

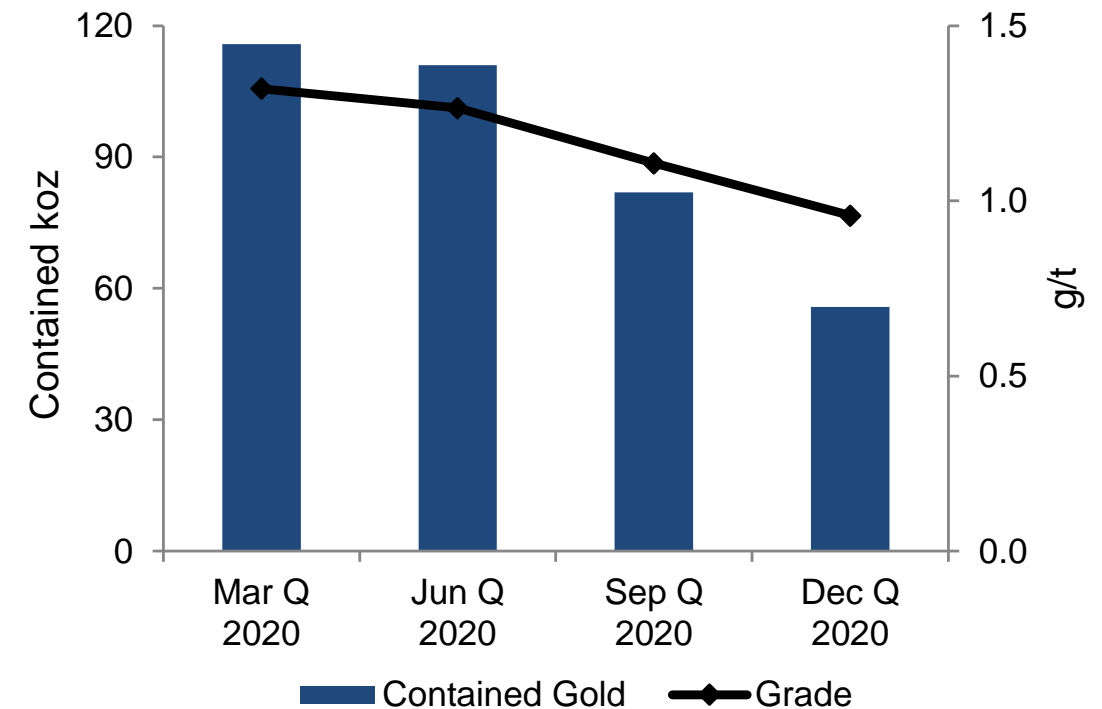


Quarterly highlights:

Production and AISC



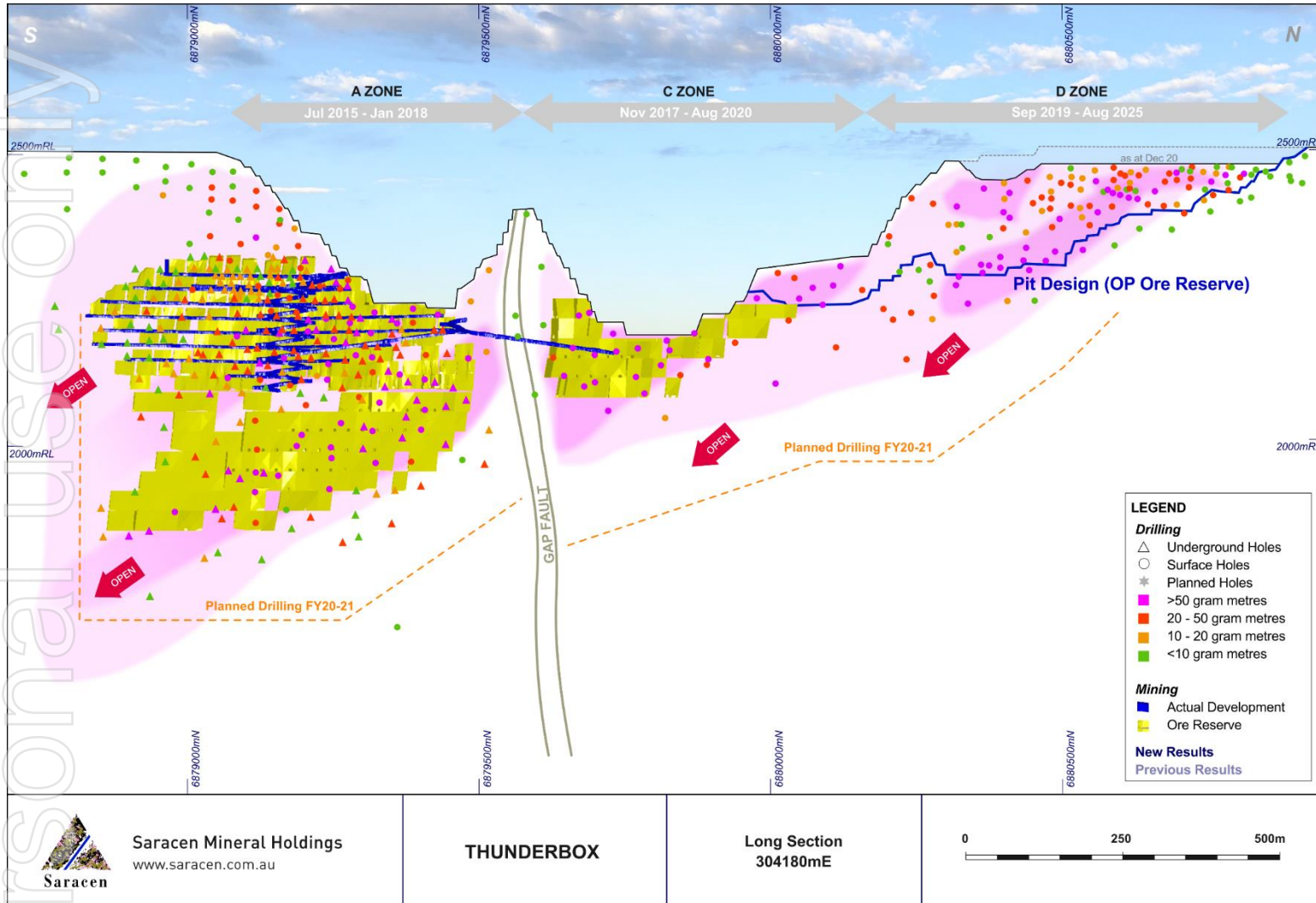
Closing ore stockpile



Discovery and Growth - Thunderbox



The long game:

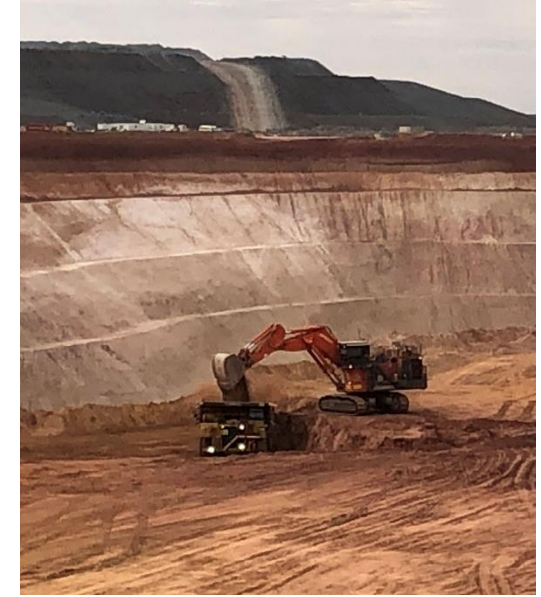


- ▲ **D Zone open pit ramping-up:**
 - Simple, low cost, robust
 - Progressively lower strip / higher grade
 - >2 years of soft oxide (benefiting mill throughput / unit costs)
- ▲ **“Thunderground”... Ramping up to >2Mtpa ore; grade increases at depth**
- ▲ **All zones open down plunge**
- ▲ **Satellite pits** e.g. Wonder North, Otto Bore to sweeten mill feed with higher grade and / or soft oxide

Discovery and Growth - Thunderbox



D Zone:



- ▲ Current open pit focus is ramping up D Zone
- ▲ Commissioning on larger excavator drives significant improvements in total material movement
- ▲ D Zone = The northern extension of C Zone using same game plan - Top down mining, no staging, progressively lower strip ratio and higher grade

Discovery and Growth - Thunderbox



Paste plant construction progressing:

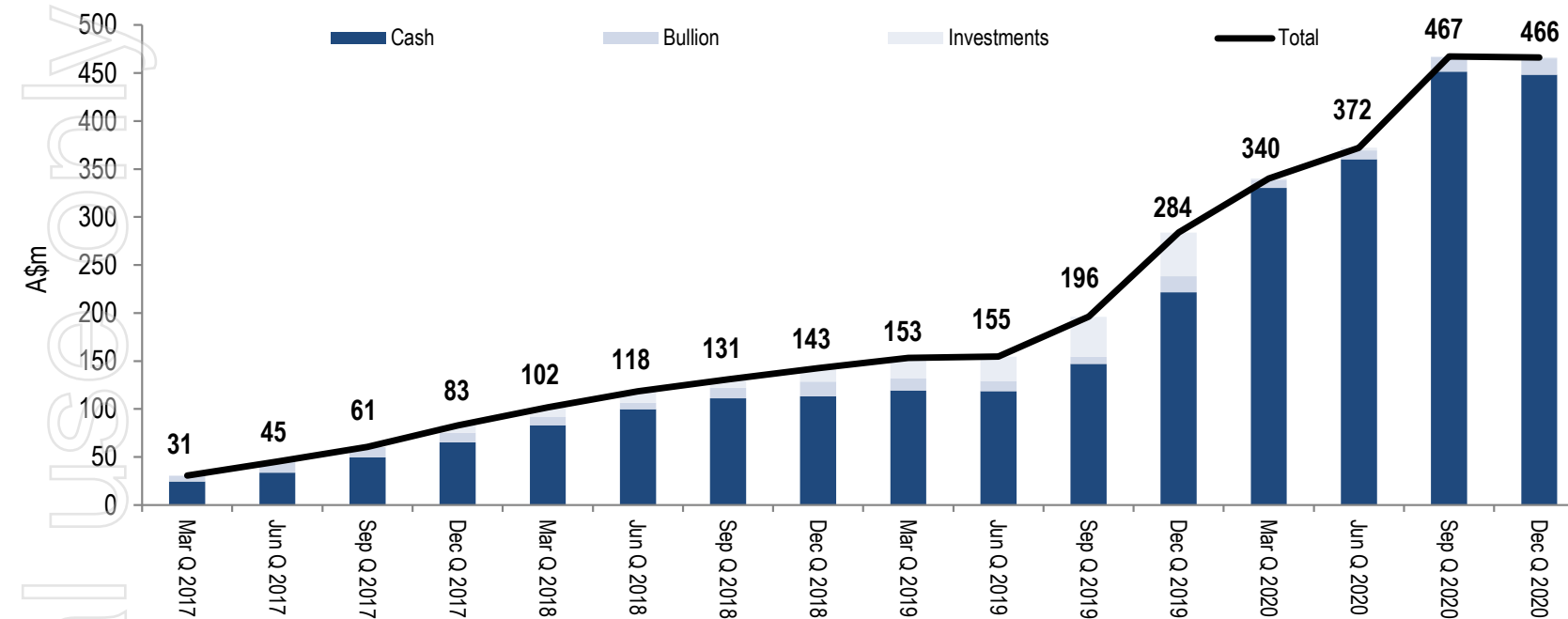
- ▲ Paste plant enables higher extraction of Reserves and increases mine life
- ▲ Enables more sustainable mining by returning processing tails back underground
- ▲ Near carbon-copy of the operational paste fill plant at Carosue Dam, same EPC firm GR Engineering (ASX: GNG)



Balance sheet



Strong cash build:



▲ Cash and equivalents A\$466m after:

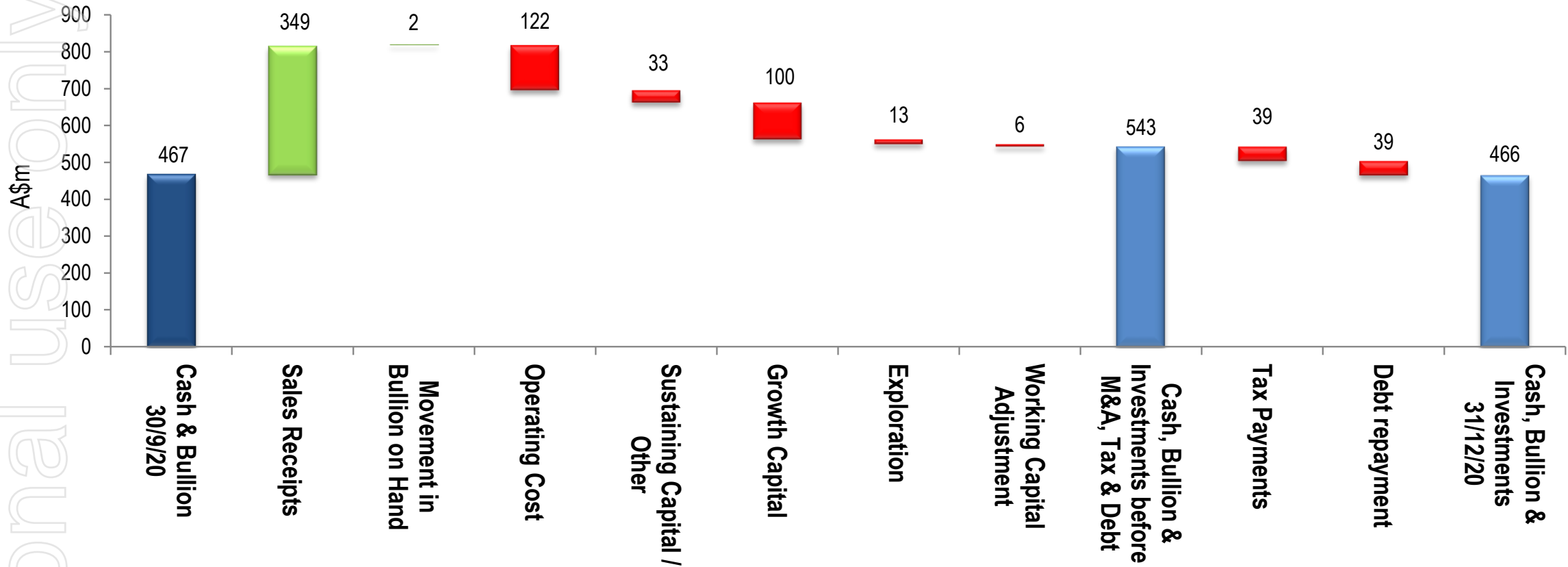
- Paying A\$39m tax
- Repaying A\$38m debt
- Investing A\$113m in growth capital and exploration

▲ Net cash of A\$183m, up from net debt A\$21m just 9 months prior

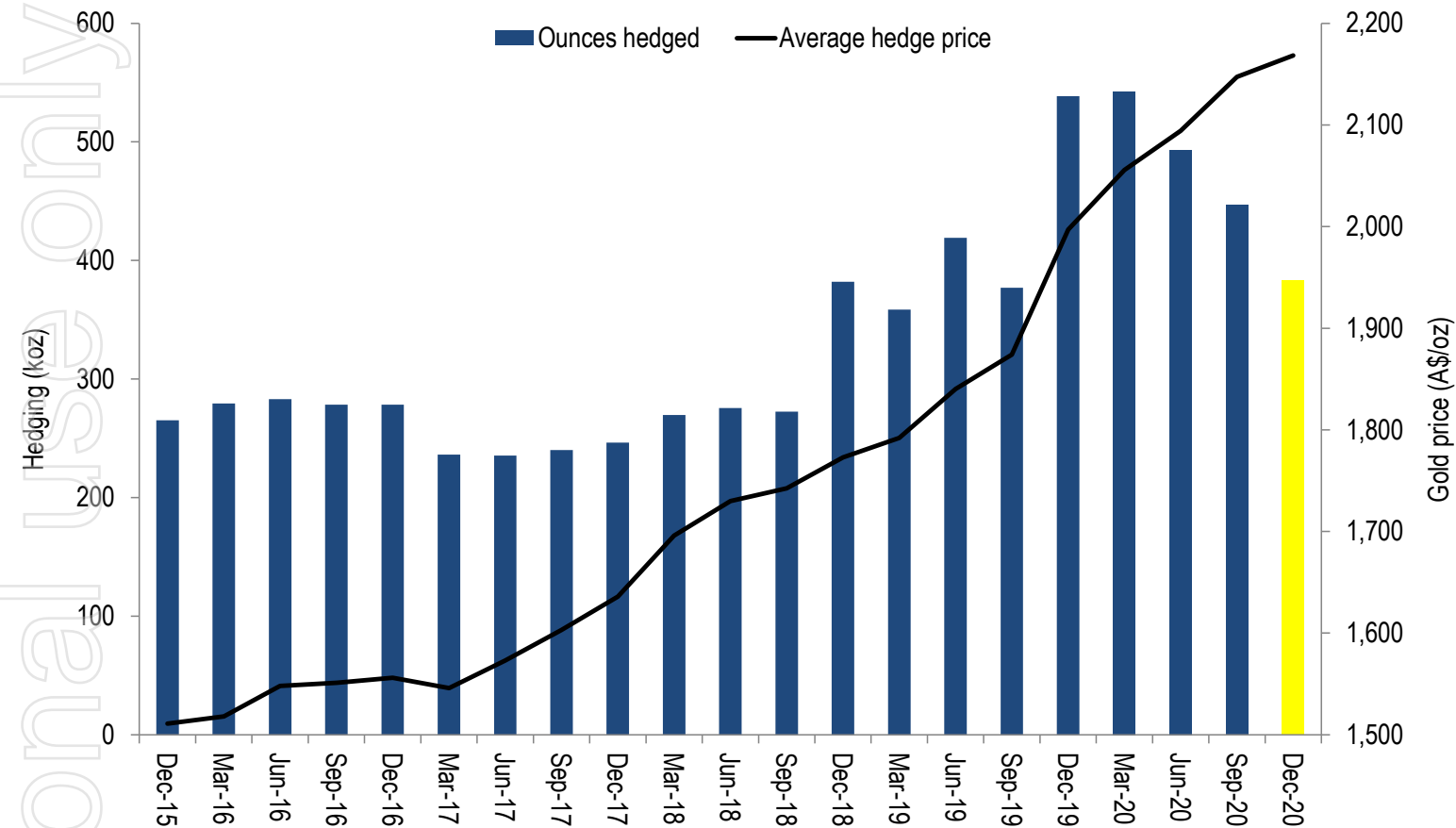
▲ Anticipated March quarter 2021 outflows include:

- A\$32m KCGM stamp duty
- A3.8c per share dividend

Cash Flows



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



Price increasing quarter-on-quarter

Quarter	Quantity	Price
	oz	A\$/oz
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	383,100	2,168

There's nothing like Tier 1 gold



- ▲ We have a simple business plan - **We mine where we mill, in Tier 1 locations**
- ▲ 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**
- ▲ **Virtually unanimous shareholder support for merger with Northern Star - The “flight to 2Moz*” is underway**

Contact Details:

Troy Irvin

Corporate Development Officer

phone: +61 8 6229 9100

email: info@saracen.com.au

www.saracen.com.au



Saracen

SARACEN.COM.AU

ABN: 52 009 215 347