

## COMPANY OVERVIEW

- SAR recently commissioned its Carouse Dam Gold Project, 120km NE of Kalgoorlie, WA and has produced 19.3koz for the first two months to the end of May for a cash cost of \$607/oz.
  - Carouse Dam will be a 120koz producing mine (Stage 1) when fully ramped up.
  - Reserves of 875koz allow for ~9 years of operations while Resources of ~3moz give us confidence mine lives will be extended.

RESERVES	mt	g/t	Au koz
Carouse Dam	16.7	1.6	875
<b>Total</b>	<b>16.7</b>	<b>1.6</b>	<b>875</b>
RESOURCES	mt	g/t	Au koz
Carouse Dam	54.8	1.7	3,040
<b>Total</b>	<b>54.8</b>	<b>1.7</b>	<b>3,040</b>

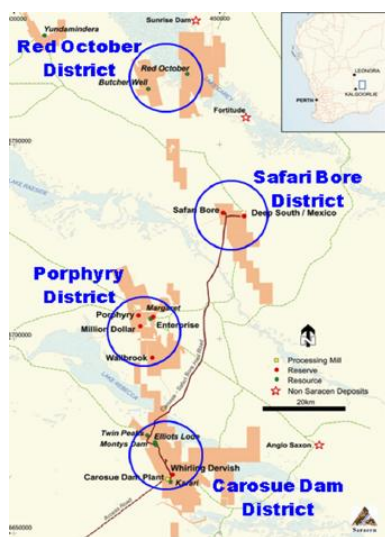
## KEY PROJECTS & PROSPECTS

- Carouse Dam** is being investigated for a second stage underground development to extend the mine life > 5 years. The project has robust economics including:

- Mid curve cash costs at ~A\$640/oz;
- Capex of \$21m;
- 2.4mtpa plant;
- Margins underpinned by A\$1,250 puts in place over 175koz and calls sold over 103koz.

- A staged production profile is planned as follows:

- Stage 1:** 3-5 years at 100-120koz sourced primarily from open pit mining at Whirling Dervish and Porphyry; and
- Stage 2:** 3-5 years at open cut production at Karara and by accessing underground ore at Porphyry, Red October and Deep South.



- The high grade Red October prospect is currently being tested through an extensive underground drill program in an effort to expand the current 200koz resource. A PFS on Red October is expected in the near term.

## FSB VIEW

- We consider SAR to be de-risked following successful commissioning of the process plant and two full months of steady production.
- With an EV of less than \$200m and production ramping up to >100kozpa, we believe SAR represents great value at these price levels.
- Consistent production and steady cash costs will be the key to unlocking value in our view.

## Company Snapshot

Share Price	\$0.44
On Issue	399.7m
Market Capitalisation	\$175.9m
Net Debt/(Cash)	(\$0.4m)
Enterprise Value	\$175.4m
Cash at Bank	\$9.9m
Operations	Australia
Resource	3,040koz
Reserve	875koz
EV/Resource	\$58
EV/Reserve	\$201

## Board & Management

Guido Staltari	Chairman
Ivan Hoffman	Non-Exec Director
Barrie Parker	Non-Exec Director
Carl Thompson	Non-Exec Director

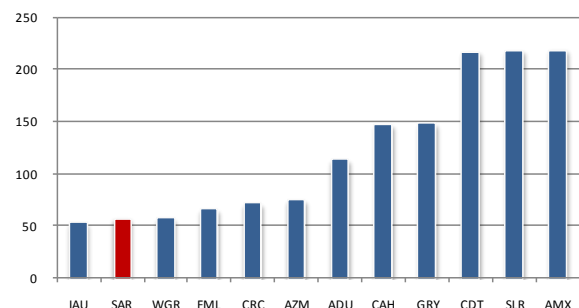
## Register

Baker Steel	8%
Clodene	8%
Sprott Asset Management	7%

## Share Price Performance



## EV/Resource Ranking



## Key Milestones

June Quarterly Report	Q3 2010
Red October PFS	Q3 2010
Karari BFS	Q3 2010