



19 November 2019

**Address by the Chairman, Tony Kiernan**

**2019 Annual General Meeting of Saracen Mineral Holdings Limited**

The Company's performance over the past financial year met or exceeded our targets on every level. At the same time, we invested in those areas of the business which we believe will help underpin a strong long-term future for your Company. The announced acquisition of the Super Pit interest is a vital part now of our long term future substantially increasing our production profile and future proofing our business. As noted in the Investor Presentation released yesterday, the transaction will establish Saracen as one of Australia's largest gold producers with group Reserves of 7mozs and be an acquisition that will be highly accretive across a broad range of metrics including earnings, cash flow and net assets per share and Enterprise Value for Resources and Reserves.

Morgan Ball will expand on this later.

Obviously our share price over the last 4 years has been very pleasing and whilst we have benefitted from the Australian dollar gold price, a good deal of this is as a result of our exceptional operational performance. As a gold company, Saracen executes its operations exceptionally well and is very thorough in all it does.

Saracen's gold production rose 12 per cent in FY19 to a record 355,077oz while all-in-sustaining-costs fell to A\$1,030/oz.

This performance was reflected in the net profit after tax, which increased by 22 per cent to a record A\$92.5m.

The end result was that cash and equivalents rose to A\$154.4 million at 30 June 2019, up from \$118.3 million a year earlier. And this increase came after spending A\$216.9 million on exploration and growth.

One of the key achievements for the year was the growth in our gold inventory, with Reserves increasing by 30 per cent to 3.3 million ounces, a credit to Dan Howe and his team. As I mentioned earlier, with the acquisition of the interest in the Super Pit, our gold reserves will, at completion of that transaction, be at a staggering 7mozs from 3 mines all within proximity to Kalgoorlie. I cannot understate the importance of the geographical location of our mines both from a logistic and operational point of view but also from a cost perspective.

As shareholders will know, our previously stated long-stated objective was of growing annual production to 400,000oz. This now, as we can say, has been brought forward by the Super Pit deal.

September quarterly production was a record for the three months to 96,324oz which sits well within guidance from our current 2 mines for the current financial year of 350 - 370,000 ounces at an all-in sustaining cost of A\$1,025 - 1,075 per ounce. Obviously upon completion of the Super Pit transaction, we will see a substantial lift in our Group production and pushing it next year to an annualised + 600,000ozs.

Just on production and whilst enormous time and effort was devoted to the work on the Super Pit deal, I can say no one took the foot off the pedal on our day to day operations, a point Simon Jessop consistently emphasised to the Board and Raleigh. The September record production underscores this.

As miners we are conscious that what we mine is in fact a depleting asset. By that I mean the actual physical ounces mined go. We need to replace these and hence our strong focus on investing in exploration and development underpinned by the \$50m committed to exploration this year. You will also be aware of recent bolt-on acquisitions including Bligh Resources and as I mentioned earlier, the 30% increase in reserves from our current 2 mines to 3.3mozs.

This cycle is demonstrated by the mill expansion underway at Carosue Dam. Thanks to the growth in our inventory there, we are able to expand our production capacity while maintaining mine life. The plant expansion is due for commissioning in the December quarter of 2020.

So all in all last financial year was an excellent one for Saracen. As to the future, I've mentioned a few of the metrics the Super Pit deal will mean and giving Saracen a reserve base of 7mozs is truly transforming. In saying that, we should not lose sight of the fact that the exploration and development potential at the Super Pit remains excellent, a point made in the Investor Presentation released to ASX yesterday.

In conclusion and before we get on with the statutory part of the meeting, I'd like to touch briefly on sustainability, culture and acceptance of our obligations as a mining company. Our principal asset is our people and the culture within the Company. Our principal obligations, as well as to our employees and shareholders, are to operate in a sustainable and environmentally responsible manner which is something we do daily. As evidence of this, we have released our second full Sustainability Report which details our practices in those areas, practices which the Company and our employees are proud of.

I'll now go to the business of the meeting.

What a great time to be a shareholder of Saracen.

Tony Kiernan  
Chairman  
**Saracen Mineral Holdings Limited**