



Saracen

Saracen Mineral Holdings Limited

ABN: 52 009 215 347

PO Box 2563

Perth WA 6001

Phone: +61 8 6229 9100

Fax: +61 8 6229 9199

**Address by the Chairman, Tony Kiernan
2018 Annual General Meeting of Saracen Mineral Holdings Limited**

Ladies and Gentlemen

Good morning and welcome to the 2018 Annual General Meeting of Saracen Mineral Holdings.

I'm Tony Kiernan the recently appointed Chairman of the Company.

I have been advised that a quorum is present and as such I officially declare the Meeting open.

I would ask all shareholders and visitors please ensure that they have signed the respective attendance registers for today's meeting.

Our General Meeting this morning is being held on the traditional lands of the Whadjuk Noongar People and I wish to acknowledge them as Traditional Owners. I would also like to pay my respects to their Elders, past and present.

Before proceeding, I would like to introduce the Directors and Management of the Company who are in attendance. With me at the front of the room are Saracen's Managing Director, Raleigh Finlayson and Directors Geoff Clifford, Martin Reed, Samantha Tough and Dr Roric Smith. Also here is Manager Legal and Company Secretary Jeremy Ryan.

Also present today are the Saracen Executive Team, our Chief Financial Officer Morgan Ball, Chief Operating Officer Simon Jessop, Corporate Development Officer Troy Irvin, General Manager – People, Culture and Communication Marianne Dravnieks and Chief Geologist Dan Howe.

I also acknowledge other staff who are present today ahead of an internal senior management meeting. At the conclusion of today's meeting the executives and staff will be around so please feel free to button hole them.

Also present are the Company's Auditors, Phillip Murdoch and Melissa Reid from BDO. They will be available to answer any questions on the conduct of the audit when we get to receiving and laying before the meeting the Financial Statements.

For personal use only

I would like to take this opportunity to particularly thank the previous Chairman of Saracen, Geoff Clifford, for his outstanding job over the past four years. I look forward to working with Geoff as we go forward.

Before we go too far today I think it's important to reflect briefly on where Saracen has come from in recent years. In particular the last 4 years we have seen Saracen's market capitalisation grow from \$200 million to \$2 billion and its annual production rise from 140,000 ounces to more than 300,000 ounces. Whilst we have been blessed with good resources and 2 operating mines, this sort of value and production appreciation doesn't arrive out of thin air. It requires application, expertise and diligence and an ability to execute mining plans in a safe and cost efficient manner. I think it's a pretty well recognised fact that Raleigh and the Saracen team, many of whom are in the room today, have done an outstanding job in this regard arriving at a point where Saracen is now highly-regarded as an efficient mid-tier ASX gold producer with an outstanding production record and outstanding growth prospects.

Just on leadership, Shareholders will be aware one of the Resolutions being proposed today is a retention arrangement to enable the Company to retain the services of Raleigh going forward : a Resolution strongly supported by the Board.

Coming to more recent times, the past financial year was one of exceptional achievement for Saracen.

Our safety record continued to improve, with the Lost Time Injury Frequency Rate dropping to 1 over the 12 months, well below the industry average. And Saracen's strong environmental track record continued with no significant environmental breaches across our operations.

Saracen posted record gold production during the year of 316,000 ounces from our two WA mines, Carosue Dam and Thunderbox.

The Company's relentless focus on costs saw all-in sustaining costs come in at a very competitive \$1,139/ounce.

Saracen finished the year with cash and equivalents of \$118m. It needs to be noted this was after outlaying \$71.8 million for growth capital and exploration. A further 73,532 ounces of gold was contained in closing stockpiles at year-end.

But while increases in production and cashflow were hallmarks of the year, Saracen remains unquestionably a come-growth stock.

Saracen's confidence in the outlook is reflected in the fact that we recently increased production guidance for FY2019 to 325-345,000 ounces.

And we are now focused on delivering our next chapter of growth, the “flight to 400”. This is a reference to our objective to grow production to 400,000 ounces per year.

As part of this strategy, we are investing a record \$60m in exploration across the group this financial year. This is aimed at growing our inventory, which will in turn underpin further increases in production, mine life and cashflow.

I'm also pleased to report that the past year featured the publication of our inaugural Sustainability Report. The Report is an acknowledgement of our responsibilities to all our stakeholders and the need to operate in a manner that fosters connections with our communities and the environment and promote their well-being and longevity.

Finally, I would like to thank our employees and contractors for their contributions over the past year and also each director for their personal contributions to what has been a very good year for Saracen Minerals.

Tony Kiernan
Chairman
22 November 2018