

# Saracen Mineral Holdings

SAR-ASX

 Rating  
**Outperform**

 Price: Jan-17  
**A\$1.61**

 Target  
**A\$2.00**

 Total Rtn  
**24%**

## SAR Production Results

**Bottom Line:** Saracen reported its December 2017 quarter production results of 77.5 koz Au, in line with our estimate of 77.8 koz. An underground drill platform is being planned for Thunderbox with an expected start in the June 2018 quarter, subject to approval. Saracen ended the quarter with a stronger cash balance of A\$82.9M (up from A\$60.5M), which included the receipt of A\$5M of cash proceeds for its sale of King of the Hills.

### Key Points

**Saracen reported 77.5 koz Au of production in the December quarter, in line with our estimate of 77.8 koz.** Carosue Dam produced 40.4 koz Au, slightly missing our estimate of 44.7 koz, while Thunderbox produced 37.2 koz Au, slightly beating our estimate of 33.1 koz. Saracen reported all-in-sustaining costs of A\$1,176/oz, slightly higher than our estimate of A\$1,035/oz, but still mostly in line with annual guidance of A\$1,150/oz.

**Saracen is planning to start development of an underground drill platform at Thunderbox in the June 2018 quarter.** The underground drill platform, which is still subject to approval, would allow for further resource definition work for the proposed underground mine.

**Saracen ended the quarter with a cash balance of A\$82.9M, up from A\$60.5M.**

Part of the increase is attributable to the receipt of \$5M of cash proceeds for the sale of King of the Hills. Saracen is expected to receive another \$1M of cash proceeds from its pending sale of Red October.

Key Changes				
	Estimates	1H/18E	2018E	2019E
Revenue		249	487	501
Previous		259	500	507
EPS			0.13	
Previous			0.15	
CFPS				0.24
Previous				0.23

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## Metals & Mining

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Company Data			in AUD
Dividend	AUD0.00	Shares O/S (mm)	812.8
Yield	0.0%	Market Cap (mm)	AUD1,313
NAV	\$0.65	P/NAV	2.6x

BMO Estimates				in AUD
(FY-Jun.)	2016A	2017A	2018E	
Revenue	277	424	487	↓
EPS	0.04	0.04	0.13	↓
CFPS	0.14	0.16	0.24	
Gold Prod (koz)	189	273	302	↓
AISC (\$/oz)	\$1,138	\$1,513	\$1,077	↑

Consensus Estimates			
	2016A	2017A	2018E
EPS			0.11

Valuation			
	2016A	2017A	2018E
P/E		40.5x	13.4x
P/CFPS		11.0x	7.0x
EV/EBITDA		12.5x	5.7x

Semi-Annual EPS		H1	H2
2016A		0.01	0.02
2017A		0.02	0.02
2018E		0.05	0.08

### Our Thesis

As SAR grows to a production base of ~300 kozpa and exploration adds to the reserve/resource base, we expect investors to reward the company with a premium valuation, since the company operates two assets in a premium mining jurisdiction.

## Saracen Mineral Holdings - Block Summary Model

Income Statement		2016A	2017A	2018E
Revenue		277.2	423.6	486.8
Operating Costs		191	297	242
G&A		8	10	17
Depreciation		34	75	74
EBITDA		73	108	220
Tax		12	5	46
Adjusted Net Earnings		30	34	102
EPS		0.04	0.04	0.13
Cash Flow Statement		2016A	2017A	2018E
CFO		110	126	197
CFI		(112)	(118)	(109)
CFF		(2)	(8)	0
Free Cash Flow		(2)	8	79
FCF/Share		(0.00)	0.01	0.10
Balance Sheet		2016A	2017A	2018E
Cash & Equivalents		34	34	122
Long-Term Debt		0	0	0
Total Assets		362	404	527
Total Liabilities		101	110	132
Total Shareholders' Equity		261	294	394
Attrib. Production & Cash Costs		2016A	2017A	2018E
Gold Production - Carosue Dam (koz)		157	156	161
Gold Production - Thunderbox (koz)		31	117	141
Total Gold Prod'n (koz)		189	273	302
Total Gold Eq. Production (koz)		189	273	302
Total Cash Costs (\$/oz)		606	761	629
AISC (\$/oz)		\$1,138	\$1,513	\$1,077
Price Assumptions		2016A	2017A	2018E
Gold Price (US\$/oz)		1,168	1,258	1,281
Silver Price (US\$/oz)		15.33	17.86	17.31
Copper Price (US\$/lb)		2.22	2.44	2.96
USD:AUD		0.728	0.755	0.780

Source: BMO Capital Markets, Company Reports

## New Scenarios

**Valuation**

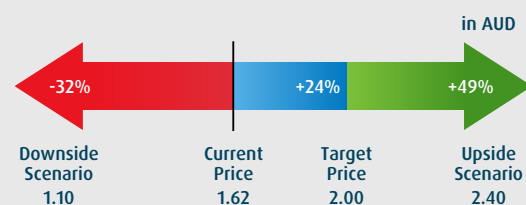
Our A\$2.00 target price is based on a 50% weighting assigned to a 1.5x P/NPV multiple (BMO metal prices, 5% discount rate) and a 50% weighting given to a 12.0x 2018E CFPS multiple. SAR currently trades at 2.6x P/NPV and 7.0x P/2018E CFPS versus the group, which trades at 1.5x P/NPV and 6.0x P/2018E CFPS.

**Upside Scenario** AUD2.40

The company has had great success in delineating reserves and resources at both Carosue Dam and Thunderbox at relatively shallow depths. The discovery of new mineralized zones, especially if they are higher grade, could move valuations significantly higher.

**Downside Scenario** AUD1.10

Saracen is currently transitioning from an open-pit-centric producer to an underground-centric producer. Any significant stumbles on this path could have a dramatic effect on the production profile and financial health of the company.


**Key Catalysts**

A successful completion of the Thunderbox Open-Pit would aid in increasing the long-term production profile for the company.

**Company Description**

Saracen Mineral Holdings is an ASX-listed company that operates the Carosue Dam and Thunderbox mines in Western Australia.


 SAR-ASX  
Research

 Industry  
Research

 Company  
Models

**Exhibit 1: SAR Block Model at BMO Metal Price Assumptions**

SARACEN MINERAL HOLDINGS			SAR
Recommendation	<b>OP</b>	Analyst	BQ
As at	16-Jan-18	BMO Capital Markets	
Year End	December		
Share Price	\$1.71 A\$/share	\$1.36	US\$/share
Target Price	<b>\$2.00</b> A\$/share	<b>\$1.59</b>	US\$/share
Net Present Value	5% \$0.65 A\$/share	\$0.51	US\$/share
	0% \$0.77 A\$/share	\$0.61	US\$/share
Market Cap	1,376.1 A\$M	1,095.1	US\$M
Ordinary Shares	807.1 M		
Options & Warrants	0.0 M		

PRICE ASSUMPTIONS - BMO PRICES						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
Exchange Rate	AUD:USD	0.84	0.73	0.75	0.78	0.80
Gold	US\$/oz	1,225	1,168	1,258	1,281	1,263
Silver	US\$/oz	17.38	15.33	17.86	17.31	17.80
Copper	US\$/lb	2.90	2.22	2.44	2.96	2.96
Zinc	US\$/lb	1.00	0.80	1.15	1.44	1.37
Oil	US\$/bbl	70.05	46.20	49.45	51.04	50.99

FINANCIAL SUMMARY						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
<b>NPAT (pre-Abs)</b>	<b>(AUD\$M)</b>	<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>102.3</b>	<b>116.6</b>
ADJUSTED EPS	(AUD\$/share)	0.01	0.04	0.04	0.13	0.14
PER	(x)	na	45.9x	40.5x	13.4x	11.8x
<b>EBITDA</b>	<b>(AUD\$M)</b>	<b>66.7</b>	<b>73.1</b>	<b>108.1</b>	<b>220.5</b>	<b>239.0</b>
EBITDA/share	(AUD\$/share)	0.08	0.09	0.13	0.27	0.30
EV/EBITDA	(x)	0.0x	18.3x	12.5x	5.7x	4.7x
<b>Cash Flow</b>	<b>(AUD\$M)</b>	<b>65.4</b>	<b>109.8</b>	<b>125.6</b>	<b>196.5</b>	<b>193.0</b>
Cash Flow/share	(AUD\$/share)	0.08	0.14	0.16	0.24	0.24
P/Cash Flow	(x)	20.7x	12.3x	11.0x	7.0x	7.1x
<b>Dividend</b>	<b>(AUD\$/share)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ordinary Shares</b>	<b>(M)</b>	<b>792.8</b>	<b>794.3</b>	<b>806.8</b>	<b>807.1</b>	<b>807.1</b>

PROFIT AND LOSS STATEMENT - AUD\$M						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
Sales Revenue		249.9	276.5	423.1	486.8	501.4
Other Revenue		0.8	0.7	0.5	0.0	0.0
Operating Costs		(173.8)	(191.3)	(296.8)	(242.4)	(247.6)
Depreciation		(49.5)	(33.9)	(74.7)	(74.2)	(76.4)
Interest		(1.0)	(0.9)	(0.8)	0.0	0.0
Exploration		(0.4)	(1.0)	(2.5)	0.0	0.0
Corporate		(9.1)	(8.2)	(10.3)	(17.0)	(17.5)
Other Costs		0.0	0.0	0.0	(4.8)	4.6
Operating Profit Before Tax		16.8	42.0	38.5	148.2	164.6
Income Tax		(5.0)	(12.4)	(4.6)	(45.9)	(48.0)
<b>Operating Profit After Tax</b>		<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>102.3</b>	<b>116.6</b>
Minorities		0.0	0.0	0.0	0.0	0.0
<b>Net Profit After Tax</b>		<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>102.3</b>	<b>116.6</b>
Abnormals		(0.6)	(3.6)	(5.6)	(2.0)	(2.0)
Tax on Abnormals		0.0	0.0	0.0	0.0	0.0
<b>Reported Profit</b>		<b>11.1</b>	<b>25.9</b>	<b>28.4</b>	<b>100.3</b>	<b>114.6</b>

SARACEN MINERAL HOLDINGS						
		2015A	2016A	2017A	2018E	2019E
Cash Operating Costs	AUD\$/oz	695	768	958	759	737
Total Cash Costs	AUD\$/oz	763	832	1,009	806	779
All-In-Sustaining-Costs	AUD\$/oz	1,007	1,138	1,513	1,077	941
All-In-Costs	AUD\$/oz	1,172	1,634	1,696	1,227	1,046
Gold Price Received	AUD\$/oz	1,437	1,621	1,664	1,619	1,577
EBIT to Total Assets		-8.0%	1.9%	-7.2%	10.4%	9.2%
NPAT to Shareholders Equity		4.9%	9.9%	9.7%	25.4%	22.5%

CASH FLOW ANALYSIS - AUD\$M					
(December Year End)					
	2015A	2016A	2017A	2018E	2019E
<b>Cash Flows From Operating Activities</b>					
Net Income	0.0	0.0	0.0	100.3	114.6
Non-Cash Items	0.0	0.0	0.0	96.2	78.4
Re-invested in Working Capital	0.0	0.0	0.0	0.0	0.0
<b>Cash Flows From Investing Activities</b>					
Property and Business Activities	0.0	0.0	0.0	9.0	8.3
Acq. of Property, Plant and Equip.	(47.0)	(111.9)	(117.9)	(117.6)	(75.5)
Other	(2.2)	0.0	0.0	0.0	0.0
<b>Cash Flows From Financing Activities</b>					
Proceeds From Borrowings	0.0	0.0	0.0	0.0	0.0
Repayment of Borrowings	(13.6)	(2.0)	(8.4)	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
<b>Net Increase In Cash Held</b>	<b>2.5</b>	<b>(4.1)</b>	<b>(0.6)</b>	<b>88.0</b>	<b>125.7</b>
Cash At Beginning of Year	35.9	38.4	34.3	0.0	0.0
Cash At End of Year	38.4	34.3	33.7	121.7	247.4

BALANCE SHEET ANALYSIS - AUD\$M					
(December Year End)					
	2015A	2016A	2017A	2018E	2019E
<b>Current Assets</b>					
Cash and Cash Equivalents	38.4	34.3	33.7	121.7	247.4
Other	71.3	36.2	62.6	62.6	62.6
<b>Non-Current Assets</b>					
Investments	0.0	0.0	0.0	0.0	0.0
Fixed Assets	184.3	291.6	308.1	342.4	333.3
Other	116.0	70.5	96.4	184.3	310.0
<b>Current Liabilities</b>					
Borrowings	0.8	1.4	0.0	0.0	0.0
Creditors	17.9	27.3	39.3	39.3	39.3
Other	4.9	5.1	22.7	22.7	22.7
<b>Non-Current Liabilities</b>					
Borrowings	0.6	2.4	0.0	0.0	0.0
Other	70.5	99.0	110.4	132.4	134.4
<b>Shareholders Funds</b>	<b>229.2</b>	<b>260.7</b>	<b>294.0</b>	<b>394.3</b>	<b>508.9</b>
Net Debt to Equity	-16.1%	-11.7%	-11.5%	-30.9%	-48.6%

PROJECT	NPV		GOLD PRODUCTION (koz)				
	0%	5%	2015A	2016A	2017A	2018E	2019E
	AUD\$M	AUD\$M					
CAROSUE DAM	193.2	186.4	167.5	157.2	156.0	161.1	189.5
THUNDERBOX	414.9	295.9	0.0	31.5	116.8	140.5	128.3
			0.0	0.0	0.0	0.0	0.0
<b>Total Production</b>			167.5	188.7	272.8	301.7	317.8
<b>Total Sales</b>			128.0	188.0	266.6	300.7	317.8
<b>Gold Equiv Sales</b>			128.0	188.0	266.6	300.7	317.8
Exploration Credit	31.0	31.0					
Hedge Book	1.4	0.7					
Corporate	(99.8)	(75.1)					
Net Cash	82.9	82.9					
Investments/Bullion	0.0	0.0					
Options & Warrants	0.0	0.0					
<b>Total NPV</b>	<b>623.5</b>	<b>521.7</b>					
Per Share	\$0.77	\$0.65	IRR = -11.6%		P/NPV 2.6x		

Co-Product Cash Cost (US\$/oz)					
	2015A	2016A	2017A	2018E	2019E
CAROSUE DAM (AUSTRALIA)	640	615	848	728	721
THUNDERBOX (AUSTRALIA)	0	552	645	516	479
<b>QUARTERLY SUMMARY</b>		<b>H1/18E</b>	<b>H2/18E</b>	<b>H1/19E</b>	<b>H2/19E</b>
ADJUSTED EPS	(AUD\$/sh)	0.05	0.08	0.08	0.07
CFPS	(AUD\$/sh)	0.12	0.12	0.12	0.12
FCFPS	(AUD\$/sh)	0.02	0.08	0.07	0.07

Source: BMO Capital Markets.

**Exhibit 2: SAR Block Model at Spot Metal Prices**

SARACEN MINERAL HOLDINGS			SAR
Recommendation	<b>OP</b>	Analyst	BQ
As at	16-Jan-18	BMO Capital Markets	
Year End	December		
Share Price	\$1.71 A\$/share	\$1.36	US\$/share
Target Price	<b>\$2.00</b> A\$/share	<b>\$1.59</b>	US\$/share
Net Present Value	5% \$0.92 A\$/share	\$0.73	US\$/share
	0% \$1.17 A\$/share	\$0.93	US\$/share
Market Cap	1,376.1 A\$M	1,095.1	US\$M
Ordinary Shares	807.1 M		
Options & Warrants	0.0 M		

PRICE ASSUMPTIONS - SPOT PRICES						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
Exchange Rate	AUD:USD	0.84	0.73	0.75	0.80	0.80
Gold	US\$/oz	1,225	1,168	1,258	1,339	1,339
Silver	US\$/oz	17.38	15.33	17.86	17.21	17.21
Copper	US\$/lb	2.90	2.22	2.44	3.26	3.26
Zinc	US\$/lb	1.00	0.80	1.15	1.58	1.58
Oil	US\$/bbl	70.05	46.20	49.45	64.26	64.26

FINANCIAL SUMMARY						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
<b>NPAT (pre-Abs)</b>	<b>(AUD\$M)</b>	<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>103.7</b>	<b>131.1</b>
ADJUSTED EPS	(AUD\$/share)	0.01	0.04	0.04	0.13	0.16
PER	(x)	na	45.9x	40.5x	13.3x	10.5x
<b>EBITDA</b>	<b>(AUD\$M)</b>	<b>66.7</b>	<b>73.1</b>	<b>108.1</b>	<b>223.2</b>	<b>262.9</b>
EBITDA/share	(AUD\$/share)	0.08	0.09	0.13	0.28	0.33
EV/EBITDA	(x)	0.0x	18.3x	12.5x	5.6x	4.2x
<b>Cash Flow</b>	<b>(AUD\$M)</b>	<b>65.4</b>	<b>109.8</b>	<b>125.6</b>	<b>197.9</b>	<b>207.5</b>
Cash Flow/share	(AUD\$/share)	0.08	0.14	0.16	0.25	0.26
P/Cash Flow	(x)	20.7x	12.3x	11.0x	7.0x	6.6x
<b>Dividend</b>	<b>(AUD\$/share)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Ordinary Shares</b>	<b>(M)</b>	<b>792.8</b>	<b>794.3</b>	<b>806.8</b>	<b>807.1</b>	<b>807.1</b>

PROFIT AND LOSS STATEMENT - AUD\$M						
(December Year End)						
		2015A	2016A	2017A	2018E	2019E
Sales Revenue		249.9	276.5	423.1	491.5	534.7
Other Revenue		0.8	0.7	0.5	0.0	0.0
Operating Costs		(173.8)	(191.3)	(296.8)	(242.5)	(248.5)
Depreciation		(49.5)	(33.9)	(74.7)	(74.2)	(76.4)
Interest		(1.0)	(0.9)	(0.8)	0.0	0.0
Exploration		(0.4)	(1.0)	(2.5)	0.0	0.0
Corporate		(9.1)	(8.2)	(10.3)	(17.2)	(18.7)
Other Costs		0.0	0.0	0.0	(6.6)	(2.7)
Operating Profit Before Tax		16.8	42.0	38.5	151.0	188.5
Income Tax		(5.0)	(12.4)	(4.6)	(47.3)	(57.4)
<b>Operating Profit After Tax</b>		<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>103.7</b>	<b>131.1</b>
Minorities		0.0	0.0	0.0	0.0	0.0
<b>Net Profit After Tax</b>		<b>11.7</b>	<b>29.5</b>	<b>33.9</b>	<b>103.7</b>	<b>131.1</b>
Abnormals		(0.6)	(3.6)	(5.6)	(2.0)	(2.0)
Tax on Abnormals		0.0	0.0	0.0	0.0	0.0
<b>Reported Profit</b>		<b>11.1</b>	<b>25.9</b>	<b>28.4</b>	<b>101.7</b>	<b>129.1</b>

SARACEN MINERAL HOLDINGS						
		2015A	2016A	2017A	2018E	2019E
Cash Operating Costs	AUD\$/oz	695	768	958	759	737
Total Cash Costs	AUD\$/oz	763	832	1,009	807	782
All-In-Sustaining-Costs	AUD\$/oz	1,007	1,138	1,513	1,078	947
All-In-Costs	AUD\$/oz	1,172	1,634	1,696	1,228	1,052
Gold Price Received	AUD\$/oz	1,437	1,621	1,664	1,635	1,683
EBIT to Total Assets		-8.0%	1.9%	-7.2%	10.7%	11.4%
NPAT to Shareholders Equity		4.9%	9.9%	9.7%	25.7%	24.6%

CASH FLOW ANALYSIS - AUD\$M					
(December Year End)					
	2015A	2016A	2017A	2018E	2019E
<b>Cash Flows From Operating Activities</b>					
Net Income	0.0	0.0	0.0	101.7	129.1
Non-Cash Items	0.0	0.0	0.0	96.2	78.4
Re-invested in Working Capital	0.0	0.0	0.0	0.0	0.0
<b>Cash Flows From Investing Activities</b>					
Property and Business Activities	0.0	0.0	0.0	9.0	8.3
Acq. of Property, Plant and Equip.	(47.0)	(111.9)	(117.9)	(117.6)	(75.5)
Other	(2.2)	0.0	0.0	0.0	0.0
<b>Cash Flows From Financing Activities</b>					
Proceeds From Borrowings	0.0	0.0	0.0	0.0	0.0
Repayment of Borrowings	(13.6)	(2.0)	(8.4)	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
<b>Net Increase in Cash Held</b>	<b>2.5</b>	<b>(4.1)</b>	<b>(0.6)</b>	<b>89.3</b>	<b>140.2</b>
Cash At Beginning of Year	35.9	38.4	34.3	0.0	0.0
Cash At End of Year	38.4	34.3	33.7	123.1	263.3

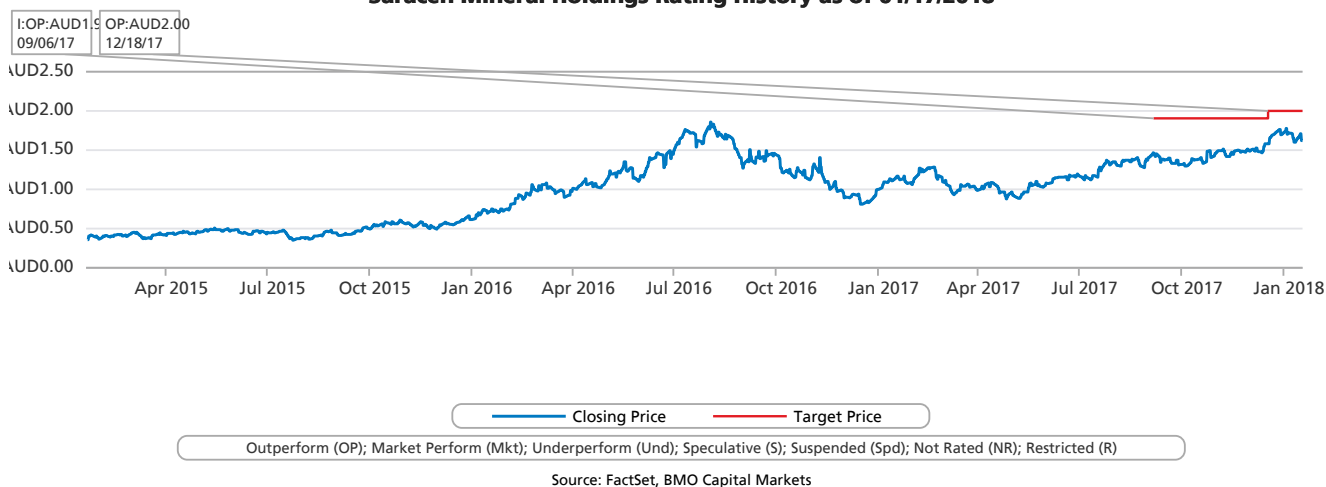
BALANCE SHEET ANALYSIS - AUD\$M					
(December Year End)					
	2015A	2016A	2017A	2018E	2019E
<b>Current Assets</b>					
Cash and Cash Equivalents	38.4	34.3	33.7	123.1	263.3
Other	71.3	36.2	62.6	62.6	62.6
<b>Non-Current Assets</b>					
Investments	0.0	0.0	0.0	0.0	0.0
Fixed Assets	184.3	291.6	308.1	342.4	333.3
Other	116.0	70.5	96.4	185.7	326.0
<b>Current Liabilities</b>					
Borrowings	0.8	1.4	0.0	0.0	0.0
Creditors	17.9	27.3	39.3	39.3	39.3
Other	4.9	5.1	22.7	22.7	22.7
<b>Non-Current Liabilities</b>					
Borrowings	0.6	2.4	0.0	0.0	0.0
Other	70.5	99.0	110.4	132.4	134.4
<b>Shareholders Funds</b>	<b>229.2</b>	<b>260.7</b>	<b>294.0</b>	<b>395.7</b>	<b>524.8</b>
Net Debt to Equity	-16.1%	-11.7%	-11.5%	-31.1%	-50.2%

PROJECT	NPV		GOLD PRODUCTION (koz)				
	0%	5%	2015A	2016A	2017A	2018E	2019E
	AUD\$M	AUD\$M					
CAROSUE DAM	321.2	291.6	167.5	157.2	156.0	161.1	189.5
THUNDERBOX	643.7	442.7	0.0	31.5	116.8	140.5	128.3
			0.0	0.0	0.0	0.0	0.0
			0.0	0.0	0.0	0.0	0.0
<b>Total Production</b>			<b>167.5</b>	<b>188.7</b>	<b>272.8</b>	<b>301.7</b>	<b>317.8</b>
<b>Total Sales</b>			<b>128.0</b>	<b>188.0</b>	<b>266.6</b>	<b>300.7</b>	<b>317.8</b>
<b>Gold Equiv Sales</b>			<b>128.0</b>	<b>188.0</b>	<b>266.6</b>	<b>300.7</b>	<b>317.8</b>
Exploration Credit	31.0	31.0					
Hedge Book	(22.4)	(21.9)					
Corporate	(112.1)	(83.7)					
Net Cash	82.9	82.9					
Investments/Bullion	0.0	0.0					
Options & Warrants	0.0	0.0					
<b>Total NPV</b>	<b>944.2</b>	<b>742.6</b>					
Per Share	\$1.17	\$0.92	IRR = -5.8%		P/NPV 1.9x		

Co-Product Cash Cost (US\$/oz)					
	2015A	2016A	2017A	2018E	2019E
CAROSUE DAM (AUSTRALIA)	640	615	848	744	721
THUNDERBOX (AUSTRALIA)	0	552	645	526	476
<b>QUARTERLY SUMMARY</b>		<b>H1/18E</b>	<b>H2/18E</b>	<b>H1/19E</b>	<b>H2/19E</b>
ADJUSTED EPS (AUD\$/sh)		0.05	0.08	0.08	0.08
CFPS (AUD\$/sh)		0.12	0.12	0.13	0.13
FCFPS (AUD\$/sh)		0.02	0.08	0.08	0.09

Source: BMO Capital Markets.

**Saracen Mineral Holdings Rating History as of 01/17/2018**



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**Risks:** Risks to the BMO Research target price include: commodity/currency, technical/operating, and litigation/political risks inherent to mining operations, as well as feasibility, permitting, and financing risks related to development of growth projects.

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Rating category	BMO rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	StarMine Universe
Buy	Outperform	47.2%	25.2%	58.2%	49.6%	58.8%	53.9%
Hold	Market Perform	49.6%	16.6%	40.2%	47.3%	40.2%	41.1%
Sell	Underperform	3.2%	10.5%	1.6%	3.1%	1.1%	5.0%

\* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

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