



Saracen

Saracen Mineral Holdings Limited

Transformational acquisition of 50% of Super Pit and A\$796m equity raising

Underwrites Saracen's future as one of Australia's largest, longest life gold producers with three mines in close proximity to Kalgoorlie

Not for release or distribution in the United States

18th November 2019

Saracen Mineral Holdings Ltd ACN 009 215 347 (**ASX: SAR**) ("Saracen" or "Company") is pleased to announce that it has entered into a binding sale agreement ("Sale Agreement") with Barrick Gold Corporation ("Barrick") to acquire its 50% interest in the Kalgoorlie Consolidated Gold Mines Joint Venture ("KCGM JV") through the purchase of 100% of the shares in Barrick (Australia Pacific) Pty Limited ("Target") for a price of US\$750 million¹ (the "Transaction"). KCGM JV owns and operates the Super Pit gold mine in Kalgoorlie-Boulder, Western Australia.

The Super Pit is a large, high quality, long-life open-pit and underground gold mine located in the globally renowned Golden Mile Region of Kalgoorlie-Boulder, Western Australia. The Golden Mile has produced in excess of 60Moz of gold. The Super Pit is a large scale operation with 490koz of gold produced in FY2019² (100% basis), making it one of the largest gold mines in Australia.

Newmont Goldcorp Corporation ("Newmont Goldcorp"), the world's leading gold company, will be Saracen's joint venture partner at the Super Pit and will retain its 50% ownership interest in the KCGM JV and operatorship of the Super Pit.

Saracen intends to raise approximately A\$796 million ("Equity Raising") via an underwritten institutional placement and an underwritten 1 for 5.75 pro-rata accelerated non-renounceable entitlement offer to partly fund the Transaction. The balance of the purchase price will be funded from a new A\$450 million senior secured term loan.

Transaction Highlights

- ▲ Acquisition consistent with Saracen's strategic objective to "future proof the business"
- ▲ Large scale, long life, Tier 1 gold mine with 7.3Moz³ non-JORC Ore Reserves (based on NI 43-101 guideline) representing a Reserve life of ~12 years, at historical production rates
- ▲ During the 5 year period to FY2019, Super Pit has produced on average ~660koz per annum at an all-in sustaining cost (AISC⁴) of ~A\$1,100/oz
- ▲ First class joint venture partner in Newmont Goldcorp, who has extensive knowledge of the asset and significant experience in open-pit and underground operations
- ▲ Proven operation with world-class infrastructure and strong focus on safety and environmental stewardship
- ▲ Successful track record of replacing and growing Resources and Reserves

¹ Purchase price of ~A\$1,100 million using Bloomberg AUD:USD exchange rate of 0.68 as at 15 November 2019.

² 12 months to 30 June 2019.

³ KCGM JV NI 43-101 mineral reserves on a 100% basis (refer to the KCGM - Foreign Estimate Disclosures below). Saracen cautions that the NI 43-101 mineral resources and mineral reserves for the KCGM JV are foreign estimates and are not reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to classify the NI 43-101 mineral resources as JORC Code Mineral Resources or to classify the NI 43-101 mineral reserves as JORC Code Ore Reserves in accordance with the JORC Code 2012.

⁴ AISC (All-in Sustaining Cost) includes cash costs, royalties, sustaining capital expense, general corporate expenses and adjusted for movements in ore inventory.

Registered Office:
Level 11/40 The Esplanade
Perth WA 6000

ASX:SAR

- ▲ Further growth in the mine life underpinned by a large Resource base and outstanding exploration upside
- ▲ Establishes Saracen as one of Australia's largest gold producers with three mines in close proximity to Kalgoorlie, anticipated to produce in excess of 600koz per annum⁵, with combined Reserves of ~7.0Moz⁶ underpinning a +10 year group mine life
- ▲ Highly accretive acquisition for Saracen shareholders across a broad range of metrics including earnings per share, cash flow per share and net asset value per share. It is also accretive on an EV / Resource and EV / Reserve basis

Saracen Managing Director, Raleigh Finlayson, said the acquisition was consistent with Saracen's strategic objectives.

"We are proud to announce this acquisition which we believe will be transformational for Saracen and our shareholders. The Super Pit is a Tier 1 Australian gold mine with an outstanding track record of stable, large scale gold production and cash generation over many decades. It is an asset Saracen knows well and has admired for many years and we are confident it aligns with our clearly defined growth strategy."

We are excited to partner with Newmont Goldcorp who has extensive knowledge of the Super Pit and unrivalled experience in open-pit and underground operations. We believe there is significant exploration and development potential at the Super Pit and we look forward to working collaboratively with Newmont Goldcorp to ensure it is realised.

This transaction will enhance our business across a variety of key financial and operational metrics and provide our shareholders with exposure to a third high quality Western Australian gold asset. The transaction establishes Saracen as a leading gold miner with anticipated production in excess of 600koz per annum exclusively from the Goldfields region of Western Australia for many years to come."

Completion of the Transaction is subject only to approval by the WA Minister for Finance, Aboriginal Affairs and Lands. Saracen will keep shareholders updated as to the expected timing for completion. A summary of the key terms of the Sale Agreement is included in the annexures to this announcement.

Overview of the Super Pit gold mine

The Super Pit gold mine is located approximately 600km east of Perth, Western Australia in the globally renowned Golden Mile Region of Kalgoorlie-Boulder. The Super Pit is a high quality gold mine with a long history of stable, large scale production at competitive operating costs. Production is sourced from the Fimiston open-pit and Mt Charlotte underground mine and ore is processed through two milling circuits with 13Mtpa of combined capacity. Newmont Goldcorp acquired its 50% interest in the KCGM JV in 2002 and will, upon completion of the Transaction, be Saracen's 50% joint venture partner at the Super Pit. A summary of the key terms of the joint venture agreement is included in the annexures to this announcement.

As at 31 December 2018, the Super Pit had a NI 43-101 Mineral Resource (including NI 43-101 Mineral Reserves) of 273Mt grading 1.3g/t for 11.7Moz (on a 100% basis).⁷ Included within that amount are NI 43-101 Mineral Reserves of 193Mt grading 1.2g/t for 7.3Moz. Saracen cautions that the NI 43-101 Mineral Resources and Mineral Reserves for the Super Pit are foreign estimates and are not reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to classify the NI 43-101 Mineral Resources as JORC Code Mineral

⁵ Assuming Saracen completes the 50% KCGM acquisition.

⁶ Comprising existing Saracen JORC ore reserves and attributable (on a 50% basis) KCGM JV NI 43-101 mineral reserves (refer to the KCGM - Foreign Estimate Disclosures below). Saracen cautions that the NI 43-101 mineral resources and mineral reserves for the KCGM JV are foreign estimates and are not reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to classify the NI 43-101 mineral resources as JORC Code Mineral Resources or to classify the NI 43-101 mineral reserves as JORC Code Ore Reserves in accordance with the JORC Code 2012. Full details of Saracen's JORC Mineral Resources and Ore Reserve estimates are provided in the report titled "Reserves increase 32% to 3.3Moz" released to the ASX on 1 August 2019 and is available at www.saracen.com.au. Saracen confirms that it is not aware of any new information or data that materially affects the information included in that announcement and, in the case of estimates of ore reserves, that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

⁷ Saracen's interest in the Super Pit upon completion of the Transaction will be 50%.

Resources or to classify the NI 43-101 Mineral Reserves as JORC Code Ore Reserves in accordance with the JORC Code 2012.

It is uncertain that following evaluation and/or further exploration work that the NI 43-101 Mineral Resources or NI 43-101 Mineral Reserves will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

Super Pit FY2019 production of 490koz⁸ was impacted by a 2018 pit wall failure. Remediation is underway and anticipated to take ~3.5 years, over which time gold production is expected to average ~245koz (Saracen's 50% share), after which production is anticipated to revert to historical levels.

Acquisition Funding

The US\$750 million (~A\$1,100 million) cash consideration and associated transaction costs will be funded through a combination of:

- A\$369 million underwritten institutional placement ("Institutional Placement");
- A\$427 million via a 1 for 5.75 underwritten pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer"); and
- A\$400 million drawn from a new senior secured term loan with a maturity date of 31 December 2022 ("Term Loan").

Saracen also has existing cash and cash equivalents of A\$196 million (as at 30 September 2019) and a A\$45 million working capital facility which is currently undrawn. A summary of the Equity Raising underwriting agreement is included in the annexures to this announcement.

Saracen has entered into a credit approved commitment letter with Westpac, BNP Paribas and Citibank to provide the A\$450 million Term Loan and a three year A\$45 million revolving corporate facility and a A\$5 million contingent instrument facility (together the "Facilities"). The Facilities will include a number of limited conditions precedent to drawdown which are customary for facilities of this nature. The Transaction and the Facilities are not subject to Saracen shareholder approval; however, Saracen will need to obtain financial assistance whitewash shareholder approval in connection with the security to be granted in connection with the Facilities within 104 days of completion of the Transaction.

RBC Capital Markets and Goldman Sachs are acting as joint lead managers and are underwriting the Institutional Placement and Entitlement Offer as to 50% each.

Institutional Placement

The Institutional Placement will comprise an issue of approximately 125.0 million new fully paid ordinary Saracen shares to certain eligible institutional investors to raise approximately A\$369 million at an issue price of A\$2.95 per share.

The issue price represents a 13.0% discount to the closing price of Saracen shares of A\$3.39 on 15 November 2019, being the last trading day prior to release of this announcement.

The Institutional Placement will utilise Saracen's existing placement capacity and does not require the approval of Saracen's shareholders and will not carry any entitlement to participate in the Entitlement Offer.

Entitlement Offer

The Entitlement Offer will give eligible shareholders the opportunity to subscribe for 1 new fully paid ordinary share in Saracen for every 5.75 existing fully ordinary shares in Saracen held as at 7.00pm (Sydney time) on Wednesday, 20 November 2019 ("Record Date"). The Entitlement Offer will comprise an offer of approximately 144.9 million shares at an issue price of A\$2.95 per share for total proceeds of A\$427 million. The Entitlement Offer comprises an accelerated institutional entitlement offer ("Institutional Entitlement Offer") and a retail entitlement offer ("Retail Entitlement Offer").

The issue price represents:

⁸ Super Pit produced 490koz (100% basis) at an AISC of A\$1,470/oz in FY2019.

- 13.0% discount to the closing price of Saracen shares of A\$3.39 on 15 November 2019, being the last trading day prior to release of this announcement; and
- 10.1% discount to the theoretical ex-rights price⁹ of A\$3.28.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will take place from Monday, 18 November 2019 to Tuesday, 19 November 2019. Eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, will be offered to eligible institutional shareholders who apply for new shares in excess of their entitlement, as well as certain other eligible institutional investors, through an institutional shortfall book build ("Institutional Bookbuild") to be conducted concurrently with the Institutional Entitlement Offer. The Institutional Entitlement Offer is underwritten.

Saracen's shares will not trade until the Institutional Entitlement Offer and Institutional Bookbuild are completed.

Retail Entitlement Offer

Eligible retail shareholders resident in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 25 November 2019 and close on Friday, 6 December 2019.

Eligible retail shareholders can choose to take up all, part or none of their entitlement.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet which Saracen is expecting to lodge with the ASX on Wednesday, 20 November 2019. Copies of the retail offer booklet will be available on the ASX website (www.asx.com.au). The closing date for the receipt of acceptance forms under the Retail Entitlement Offer is Friday, 6 December 2019.

All the Directors of Saracen who are shareholders have indicated they will participate in the Retail Entitlement Offer.

Entitlement Offer Timeline

Trading halt and announcement of Transaction and Equity Raising	18 November 2019
Institutional Entitlement Offer and Institutional Placement opens	18 November 2019
Institutional Entitlement Offer and Institutional Placement closes	19 November 2019
Record Date for Entitlement Offer	20 November 2019
Trading halt lifted	20 November 2019
Retail Entitlement Offer opens	25 November 2019
Institutional Entitlement Offer and Institutional Placement settlement	26 November 2019
Institutional Entitlement Offer and Institutional Placement allotment	27 November 2019
Retail Entitlement Offer closes	6 December 2019
Retail Entitlement Offer settlement	12 December 2019
Retail Entitlement Offer allotment	13 December 2019

The above timetable is indicative only and may be subject to change. Saracen reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act 2011 (Cth) ("Corporations Act"), the ASX Listing Rules and other applicable laws. Saracen reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer and to withdraw the Entitlement Offer without prior notice. Any extension of the closing dates will have a consequential effect on the issue date of the shares.

⁹ The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which Saracen shares should trade after the ex-date for the Entitlement Offer and Institutional Placement. TERP is a theoretical calculation only based on Saracen share price of A\$3.39 as at market close on 15 November 2019 and the actual price at which Saracen shares trade following the Equity Raising will depend on many factors and may not be equal to TERP.

Investor Presentation

Further details of the Transaction and the Equity Raising are detailed in the investor presentation released on the ASX platform today.

Saracen's Advisers

RBC Capital Markets and Goldman Sachs are acting as financial advisers to Saracen with DLA Piper acting as legal adviser.

Conference Call

Saracen's Managing Director, Raleigh Finlayson, Chief Financial Officer, Morgan Ball and Chief Corporate Development Officer, Troy Irvin, will host a conference call for investors to discuss this announcement at 8.00am AWST (11.00am AEDT) today, Monday, 18 November 2019. Access details are provided below.

Conference ID:	10002932
Australia Toll Free:	1800 870 643
Australia Local:	+61 2 9007 3187
Canada / United States:	1855 881 1339
China:	4001 200 659
Hong Kong:	800 966 806
India:	000 8001 008 443
Japan:	0053 116 1281
New Zealand:	0800 453 055
Singapore:	800 1012 785
United Kingdom:	0800 051 8245

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Limitation on information relating to the KCGM JV and the Target

All information in this announcement and in the investor presentation released on the ASX platform today ("Investor Presentation") in relation to the KCGM JV and the Target – including in relation to historical production, mineral resources and mineral reserves, historic costs and other historical financial information and life of mine plans – has been sourced from Barrick, and its related bodies corporate (including the Target). Saracen has conducted legal due

diligence in relation to the KCGM JV and the Transaction, but has not independently verified all such information, and, to the extent permitted by law, no representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy of any information relating to the KCGM JV or the Target. Receipt of additional or updated information may change the production guidance and other forward looking statements concerning the KCGM JV in this announcement and in the Investor Presentation released on the ASX platform today. Please note that Newmont Goldcorp (KCGM JV participant) may have a different interpretation of the underlying data and release differing production guidance and other information to the market.

Newmont Goldcorp has not authorized or caused the issue, submission or dispatch of this announcement, and makes no representation or warranty, express or implied, as to its fairness, accuracy, correctness, completeness or adequacy of any information sourced from or attributed to Barrick, disclosed by Saracen or otherwise made in this announcement or in the Investor Presentation. Newmont Goldcorp is not affirming or adopting any statements made in this announcement or in the Investor Presentation, and, to the extent permitted by law, disclaims all liabilities.

Not financial product advice

This announcement is not financial product, investment advice or a recommendation to acquire Saracen securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Each recipient of this announcement should make its own enquiries and investigations regarding all information in this announcement and in the Investor Presentation, including, but not limited to, the assumption, uncertainty and contingencies which may affect future operations of Saracen and the impact that different future outcomes may have on Saracen. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Saracen is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of Saracen securities. Each investor must make its own independent assessment of Saracen before acquiring any securities in Saracen.

Forward looking statements

This announcement and the Investor Presentation contain “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding the financial position of Saracen, future production, industry growth and other trend projections, statements about the completion of the Transaction, the impact of the Transaction, the timing and amount of synergies, the future strategies, results and outlook of the combined Saracen and the Target and the opportunities available to it, the outcome of the Equity Raising and the use of proceeds. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “outlook”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgments of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Saracen and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Refer to Section VI of the Investor Presentation for a summary of certain risk factors that may affect Saracen.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the

circumstances at the date such statements are made, but which may prove to be incorrect. Saracen believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Saracen does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Past performance

Past performance information given in this announcement and in the Investor Presentation, including in relation to revenue, success rates, return of capital and funding commitments, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Listing Rule 5.19 Disclosure

Saracen Production and AISC guidance information referred to in this announcement and in the Investor Presentation were extracted from the report entitled "September Quarter 2019 – Future Proofing Our Business", disclosed to the ASX on 22 October 2019. Saracen confirms that all material assumptions underpinning the production targets and forecast AISC as outlined in the ASX announcement dated 22 October 2019 continue to apply and have not materially changed.

Refer to the Investor Presentation for further important notices and disclaimers.

Summary of Sale Agreement for the Transaction

Below is a summary of the key terms of the Sale Agreement

Sale Agreement	Sale Agreement sets out the terms on which Barrick, through its subsidiary Barrick Administration Company Pty Limited ("Seller"), agrees to sell, and Saracen, through its subsidiary Saracen Goldfields Pty Limited ("Purchaser"), agrees to purchase Barrick (Australia Pacific) Pty Limited ("Target").
Transaction Consideration	Total consideration of US\$750 million, subject to adjustment for working capital, cash calls and finished product inventory.
Condition Precedent / Timeline to Closing	Completion of the Transaction is conditional on approval from the WA Minister for Finance, Aboriginal Affairs and Lands. Saracen will keep shareholders updated as to the expected timing for completion. If the condition precedent is not satisfied on or before 31 January 2020, either party can terminate the Sale Agreement.
Termination Rights	The Purchaser has the ability to terminate the Sale Agreement if there is a material adverse change to the gold operations of the KCGM JV prior to completion with customary exclusions for matters relating to, amongst other things, changes to commodity prices and foreign exchange rates and natural disasters.
Representations / Warranties	Representations and warranties and a tax indemnity are given by the Seller in relation to the Target subject to customary limitations on liability.
Guarantees	The obligations of the Seller and Purchaser under the Sale Agreement are guaranteed by Barrick and Saracen, respectively.

Summary of Underwriting Agreement for the Equity Raising

Below is a summary of the key terms of the Underwriting Agreement

Overview	<p>The Equity Raising is underwritten pursuant to an underwriting agreement ("Underwriting Agreement") entered into between Saracen, Goldman Sachs Australia Pty Ltd and RBC Capital Markets (the "Underwriters").</p> <p>The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights.</p>
Termination Rights	<p>The Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events including, if any of the following events occurs:</p> <ul style="list-style-type: none">• a statement contained in the offer documentation does not comply with the Corporations Act, or a matter required to be included is omitted from the offer documentation;• Saracen is obligated to provide supplementary disclosure pursuant to section 708A(9) or 708AA(10) of the Corporations Act;• ASIC takes regulatory action against Saracen in relation to the Equity Raising or the offer documentation or ASIC or any other governmental agency makes an order or determination which prevents or is likely to prevent Saracen from proceeding with the Equity Raising in accordance with the timetable;• Saracen, or a material subsidiary of Saracen, becomes insolvent or is likely to become insolvent;• Saracen ceasing to be listed on ASX or shares being suspended or ceasing to be quoted on ASX, or ASX makes any official statement, or indicates to Saracen or the Underwriters that it will not grant permission for the official quotation of the shares to be issued under the Equity Raising or, if permission is granted, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;• Saracen withdraws the Equity Raising;• Saracen is or will be prevented from conducting or completing the Equity Raising by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction;• any of the following occur:<ul style="list-style-type: none">• a director of Saracen is charged with an indictable offence;• any governmental agency commences any public action against the Saracen group or any of its respective directors in its capacity as a director of the Saracen group, or announces that it intends to take action; or• any director of Saracen is disqualified from managing a corporation under Part 2D.6 of the Corporations Act. <p>The following termination events are qualified by the Underwriters having reasonable grounds to believe and do believe that the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Equity Raising, or the ability of the Underwriters to market or promote or settle the Equity Raising, or will, or is likely to, give rise to a liability of the Underwriters:</p> <ul style="list-style-type: none">• any adverse change occurs, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Saracen group (taken as a whole) except in respect of gold price changes;• a change in the board of Saracen or the senior management personnel of Saracen is announced or occurs, or a person announced before the date of the Underwriting Agreement as a proposed director or senior management personnel of Saracen

	<p>announces or indicates in any way that they will not or may not be taking up that role;</p> <ul style="list-style-type: none"> • a representation, warranty, undertaking or obligation contained in the Underwriting Agreement is breached, becomes not true or correct or is not performed; • Saracen fails to perform or observe any of its obligations under the Underwriting Agreement; • due diligence investigation results or any other information supplied by or on behalf of Saracen to the Underwriters that relates to Saracen or the Equity Raising is, or becomes, misleading or deceptive; • there is a change of law, or a proposal to adopt a new policy in Australia; • an outbreak or escalation of hostilities involving any of Australia, the United Kingdom, the United States of America or the People's Republic of China, or a significant terrorist act is perpetrated in those countries or a national emergency is declared by any of those countries; • any of the following occurs: <ul style="list-style-type: none"> • a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or • trading in all securities quoted or listed on ASX, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for one full day on which that exchange is open for trading; or • any other adverse change or disruption to the political or economic conditions or financial markets of Australia, United Kingdom or the United States of America or the international financial markets or any change or development involving prospective adverse change in national or international political, financial or economic conditions.
<p>Other conditions</p>	<p>The Underwriters underwriting obligations are conditional upon (i) the conditions precedent to the Sale Agreement not having failed or become incapable of satisfaction (ii) the Sale Agreement not having been terminated or materially amended (without the Underwriters' consent) and (iii) the financing agreements not having been terminated or materially amended (without the consent of the Underwriters). The Underwriters obligations to underwrite the Retail Entitlement Offer are conditional upon the full form finance facility documents having been executed.</p> <p>The Underwriting Agreement also contains a number of undertakings from Saracen, conditions, and representations and warranties from Saracen and the Underwriters that are considered customary for an agreement of this type.</p>

Summary of the KCGM joint venture agreement

Below is a summary of the key terms of the KCGM joint venture

<p>Ownership</p>	<p>Barrick (Australia Pacific) Pty Limited, a wholly-owned subsidiary of Barrick, and Kalgoorlie Lake View Pty Ltd, a wholly-owned subsidiary of Newmont Goldcorp, each own 50% in the unincorporated KCGM joint venture ("KCGM JV").</p>
<p>Management</p>	<p>The KCGM JV is managed on a day-to-day basis by an independent manager, Kalgoorlie Consolidated Gold Mines Pty Limited (the "Manager"). The shares in the Manager are owned 50%/50%, consistent with each joint venturer's interest in the KCGM JV.</p>
<p>Co-operation Agreement</p>	<p>The Manager is overseen by an executive committee (the "Executive Committee") composed of Barrick and Newmont representatives.</p> <p>A co-operation agreement ("Co-operation Agreement") governs the operation of the KCGM JV including the joint venture operations, establishes the Executive Committee and its functions, prescribes the consequences of a financial default by a joint venturer, governs the procedures for the sale of a joint venturer's interest in the KCGM JV and sets out the joint venturer's obligations on termination of the joint ventures. It also sets out the functions, powers and duties and scope of authority of the Manager.</p>
<p>Executive Committee / Decision Making</p>	<p>Each joint venturer is entitled to appoint representatives to the Executive Committee depending on its proportionate interest in the KCGM JV. As each of the joint venturer's own a 50% interest in the KCGM JV, they are entitled to each appoint two representatives to the Executive Committee.</p> <p>Decisions of the Executive Committee must be supported by 51% or more of the votes cast in order to be approved. Based on the current 50/50 ownership structure of the KCGM JV, all matters effectively require unanimous support from both joint venture partners.</p> <p>The Manager is required to operate the project in accordance with a Life of Mine Business Plan and Budget approved by the Executive Committee. The Life of Mine Business Plan and Budget is revised annually by the Manager and approved by the Executive Committee. If a revised Life of Mine Business Plan and Budget is not unanimously approved by the Executive Committee then the previous Life of Mine Business Plan and Budget continue to apply.</p>
<p>Right of First Refusal / Right of First Offer</p>	<p>The Co-operation Agreement contains a procedure for the sale of a joint venturer's interest in the KCGM JV. This procedure does not cover the sale of shares in Barrick (Australia Pacific) Pty Limited.</p> <p>If a joint venturer proposes to dispose of the whole or any part of its interest in the KCGM JV, the disposing joint venturer must give notice ("Notice") to the other joint venturer that it:</p> <ul style="list-style-type: none"> a) proposes to sell an interest in the KCGM JV; or b) has received a bona fide offer for the purchase of an interest in the KCGM JV, which the disposing joint venture desires to accept. <p>Within 60 days ("Acceptance Period") after receipt of the Notice, the continuing joint venturer may make an offer to purchase the disposing joint venturer's interest for consideration wholly in cash on the same terms set out in the Notice.</p> <p>Once the Acceptance Period has expired, then the disposing joint venturer may sell an interest in the KCGM JV to a third party within 6 months on terms no more favourable than those in the Notice.</p>

KCGM - Foreign Estimate Disclosures

The NI 43-101 mineral resources for the KCGM mine, as at 31 December 2018, are estimated at 80.4 million tonnes at 1.7g/t Au for 4.4 million ounces of gold (on a 100% basis) exclusive of the NI 43-101 mineral reserves. The mineral reserves for the KCGM mine as at 31 December 2018 are estimated at 192.8 million tonnes at 1.2g/t Au for 7.3 million ounces (on a 100% basis).¹⁰

The information in this announcement relating to the KCGM mine's mineral resources and mineral reserves is reported in accordance with the requirements applying to foreign estimates in the ASX Listing Rules and, as such, is not reported in accordance with the 2012 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

Gold Mineral Resources (100% Basis & Exclusive of Mineral Reserves)											
Measured			Indicated			Inferred			Total		
Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
10.7	1.4	0.5	50.9	1.5	2.5	18.8	2.3	1.4	80.4	1.7	4.4

- The NI 43-101 mineral resources are shown on a 100% basis. The Company would acquire an interest in 50% of that amount if the Transaction occurs
- Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for the NI 43-101 mineral resources
- The NI 43-101 mineral resources are estimated cut-off grade of 0.5g/t
- The NI 43-101 mineral resources are estimated using the above cut-off grade and were defined by using the KCGM mine budget costs, mill recovery of 84% and an average long-term gold price of US\$1,400 per ounce
- Bulk density of 2.74 t/m³, for basalt and 2.96 for dolerite
- Numbers may not reconcile precisely due to rounding
- The NI 43-101 mineral resources are exclusive of the NI 43-101 mineral reserves in the table above

Gold Mineral Reserves (100% Basis) - December 31, 2018								
Proven			Probable			Total		
Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
41.7	1.2	1.6	151	1.2	5.7	192.8	1.2	7.3

- The NI 43-101 mineral reserves are shown on a 100% basis. The Company would acquire an interest in 50% of that amount if the Transaction occurs. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for the NI 43-101 mineral reserves
- The NI 43-101 mineral reserves are estimated at a cut-off grade of 0.9g/t based on projected life of mine operating costs at an average mill recovery of 84%. The projected average long-term gold price is US\$1,200 per ounce
- Post the 2018 estimates, production (depletion) up to September 30, 2019, totalled 9.4Mt @ 1.3g/t for 405koz of gold
- Numbers may not reconcile precisely due to rounding

The information in this announcement that relates to the NI 43-101 mineral resources and mineral reserves of the KCGM mine has been extracted from KCGM's internal report entitled "Competent Person Report – Kalgoorlie Consolidated Gold Mines (KCGM)" dated 07 February 2019 (the "Report"), which sets out the mineral resources and mineral reserves of the KCGM mine as at 31 December 2018.

The mineral resource and mineral reserve estimates for the KCGM mine have been prepared using the National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards").

The mineral reserves and mineral resources estimates for the KCGM mine are not, and do not purport to be, compliant with the JORC Code and are therefore classified as "foreign estimates" under the ASX Listing Rules.

ASX Listing Rule 5.12 requires specific information to be included in a public announcement that contains a foreign estimate. In accordance with ASX Listing Rule 5.12, Saracen provides the additional information below and the information elsewhere in this announcement.

Competent Person Statements:

Mr Daniel Howe confirms that the information in this market announcement that relates to the KCGM mineral resources provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Saracen as a

¹⁰ Refer to the cautionary statement in relation to Listing Rule 5.12.9 in the table below.

foreign estimate. Mr Howe is a full-time employee of Saracen and is a member of the Australasian Institute of Mining and Metallurgy. Mr Howe has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Howe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Mr Hemal Petal confirms that the information in this market announcement that relates to the KCGM open-pit mineral reserves provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Saracen as a foreign estimate. Mr Petal is a full-time employee of Saracen and is a member of the Australasian Institute of Mining and Metallurgy. Mr Petal has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Petal consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Mr Stephen King confirms that the information in this market announcement that relates to the KCGM underground mineral reserves provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Saracen as a foreign estimate. Mr King is a full-time employee of Saracen and is a member of the Australasian Institute of Mining and Metallurgy. Mr King has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

ASX Listing Rule	ASX Explanation	Commentary
5.12.1	The source and date of the historical estimates or foreign estimates.	<p>The KCGM mine's mineral resource and mineral reserve estimates were prepared under the supervision of a Qualified Person (as defined in the Canadian NI 43-101 Standards). The Qualified Person was an employee of KCGM JV at the date of the Report. The Canadian NI 43-101 Standard is a national instrument for the Standards of Disclosure for Mineral Projects within Canada.</p> <p>The source of the foreign estimate is the report entitled 'End-of-Year 2018 Resource and Reserve Report' by (KCGM) dated 21 February 2019. The foreign estimate is as at 31 December 2018.</p> <p>These foreign estimates are the most recent mineral reserve and mineral resource estimates for the KCGM mine provided by the KCGM JV.</p>
5.12.2	Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.	<p>The KCGM foreign estimate of mineral resources and mineral reserves has been prepared using the Canadian NI 43-101 reporting guidelines. Saracen believes that the categories of mineralisation reported under Canadian NI 43-101 Standards are similar to the JORC Code 2012 categories.</p> <p>Saracen considers the foreign estimate to be NI 43-101 compliant.</p> <p>Saracen considers that the foreign estimates provided by KCGM are sufficiently reliable and consistent with current industry standard estimation methodologies as generally appropriate for resource and reserve estimation.</p> <p>The resource estimate contains categories of NI 43-101 'Measured', 'Indicated' and 'Inferred', that are consistent with the terminology of the 'Measured', 'Indicated' and 'Inferred' under the JORC Code 2012. NI 43101 mineral reserves are reported as proven and probable in the foreign estimate. These classifications are consistent with definitions of Proved and Probable Ore Reserves in the JORC Code 2012.</p>
5.12.3	The relevance and materiality of the historical estimates or foreign estimates to the entity.	<p>Saracen considers these foreign estimates to be material to Saracen given its intention, through the Transaction, to increase its annual rate of gold production, increase its mineral resources and mineral reserves as shown in the tables above, and materially diversify gold production sources. This is consistent with Saracen's long-standing growth strategy focused on creating a leading mid-tier gold producer.</p>

5.12.4	The reliability of historical estimates or foreign estimates to the entity.	<p>The foreign estimate is considered to be reliable by Saracen for the following reasons.</p> <p>Key criteria, as defined in Table 1 of the JORC Code 2012, has been addressed in the comprehensive due diligence completed by Saracen and their independent geological consultants.</p> <p>The foreign estimate has been reported in the End-of-Year 2018 Resource and Reserve Report by an individual who is a Qualified Person as defined in the Canadian NI 43-101 Standard, who reported that the End-of-Year 2018 Resource and Reserve Report meets the due diligence and care requirements as set for in the guidelines for Canadian National Instrument 43-101.</p> <p>In the End-of-Year 2018 Resource and Reserve Report, it is stated that the methodology for preparing the mineral resources and mineral reserves have not changed significantly in comparison to previous reporting.</p> <p>Based on the information received by Saracen to date in relation to the KCGM mine, discussions with KCGM mine personnel on site, physical inspection of site operations and a review of the KCGM mine's production reconciliation history since 2015, Saracen believes that the assumptions, parameters and methodology are generally appropriate for resource and reserve estimates and are consistent with the style of mineralisation and mining methods, and that sampling protocols are consistent with industry best practice.</p>
5.12.5	To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates	<ul style="list-style-type: none"> • The KCGM Mine has been in continuous operation since 1989, prior to this the gold field was operated continuously from 1893 with reconciled recovered gold of over 60 million ounces to December 2018. The key information, assumptions, mining and processing parameters used in the Report reflect the current operating practices and reconciled production performance achieved by the KCGM mine • A total of 15,575 holes have been used to complete the estimate. Hole size varies between NQ and HQ • Of the drill holes, some 2,828 holes were considered NI 43-101 mineral resource definition holes by site geologists drilled at less than 40m spacing • Core and RC chips were analysed using standard assay techniques (fire assay with AAS finish) by Bureau Veritas • Industry-standard QA/QC programs were completed by KCGM with QA/QC samples accounting for 18% of samples dispatched for analysis • Data is statistically conditioned prior to estimation (composited, top cut etc.) • Lodes are wireframed manually in Maptek Vulcan software • NI 43-101 mineral resource models are estimated with Parent Cell Block of 10m x 20m x 10m • Interpolation is generally completed using Categorical Indicator Kriging (CIK), Ordinary Kriging (OK) or ID² depending on data density • For the OK estimate, variography is used to determine spatial search orientations • NI 43-101 mineral reserves have been calculated at a gold price of US\$1,200/oz and NI 43-101 mineral resources have been calculated at a gold price of US\$1,400/oz • NI 43-101 mineral resources have been estimated at a (0.5g/t) cut-off grade • NI 43-101 mineral reserves have been calculated at a cut-off grade of (0.9g/t) • NI 43-101 mineral resource classification is primarily determined by drill hole spacing (Measured must be <20m of 4 drill holes, Indicated must be within 50m of at least 2 drill holes, and Inferred must be within (60m) of at least 1 drill hole) • Only Measured and Indicated NI 43-101 mineral resources can be converted to NI 43-101 mineral reserves • NI 43-101 mineral reserves are based on fully-scheduled mine designs, that take into account current production and economic factors such as mining dilution and ore loss, unit mining and processing costs, metallurgical factors and G&A costs • Key average assumptions include: Open-Pit Mining Costs US\$3.0/t mined Processing Cost US\$12.6/t milled General & Admin Costs US\$1.5/t milled Processing Recovery 84%
5.12.6	Any more recent estimates or data relevant to the reported mineralisation available to the entity	<p>As at the date of this announcement, the foreign estimates reported by KCGM in the Report have not been superseded by any later estimates. No more recent estimates have been completed or provided to Saracen by Barrick (Australia Pacific) Pty Limited (BAPL).</p> <p>It should be noted that post the 2018 estimates, production (depletion) up to September 30, 2019, totalled 9.4Mt @ 1.3g/t for 405koz of gold.</p>
5.12.7	The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with ASX Listing Rules Appendix 5A (JORC Code).	<p>Following completion of the Transaction, it is Saracen's intention to undertake an evaluation of the data available to seek to verify the foreign estimate as Mineral Resources or Ore Reserves in accordance with the JORC Code. This evaluation will involve the full verification of all information and applicable modifying factors used in the 31 December 2018 Report together with the addition of information and results from ongoing drilling programs within the mine area. External consultants will be used as required.</p> <p>Key works proposed to verify the foreign estimate as estimates in accordance with the JORC Code 2012 includes:</p> <ul style="list-style-type: none"> • Detailed verification and validation of information provided by BAPL

		<ul style="list-style-type: none"> Review of modifying factors used in the mineral resource and mineral reserve.
5.12.8	The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	The evaluation work is planned to be completed during FY2020 and will be reported in Saracen's Annual Mineral Resources and Ore Reserves Statement in August 2020. Funding for this work will be from internal cash flow.
5.12.9	<p>A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that:</p> <ul style="list-style-type: none"> the estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code; a competent person has not done sufficient work to classify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and it is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as mineral resource or ore reserves in accordance with the JORC Code. 	<p>Saracen cautions that the NI 43-101 mineral resources and mineral reserves for the KCGM project are not reported in accordance with the JORC Code 2012. A Competent Person has not yet completed sufficient work to classify the NI 43-101 mineral resources as JORC Code Mineral Resources or to classify the NI 43-101 mineral reserves as JORC Code Ore Reserves in accordance with the JORC Code 2012.</p> <p>It is uncertain that following evaluation and/or further exploration work that the NI 43-101 mineral resources or NI 43-101 mineral reserves will be able to be reported as mineral resource or ore reserves in accordance with the JORC Code.</p>
5.12.10	A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c).	See Competent Persons' statements above.