



Saracen Mineral Holdings Limited

Super Pit acquisition now unconditional, hedging to underpin debt repayment

New hedges increase balance sheet certainty while Saracen repays the
A\$400m debt used to partially fund the purchase

Not for release or distribution in the United States

25 November 2019

HIGHLIGHTS

- ▲ Western Australian Minister for Finance, Aboriginal Affairs and Lands consents to Saracen's purchase of the Kalgoorlie Super Pit stake; **The transaction is now unconditional and set for completion on 29th November 2019**
- ▲ **200,000 ounces of gold hedging added at an average delivery price of A\$2,187 per ounce**
- ▲ **Hedging follows the drawdown of A\$400m debt to partially fund the recent acquisition of 50% of the Super Pit**
- ▲ **Debt repayment is underpinned by strong forecast cashflow from the Super Pit, Carosue Dam and Thunderbox mines**
- ▲ **Hedging provides Saracen with further financial certainty while the debt is repaid**
- ▲ **The new hedging maintains Saracen's policy of having the equivalent of approximately one year's production hedged over three years**
- ▲ **Total hedge book now comprises 541,500 ounces at an average delivery price of A\$1,990 per ounce**

Saracen Mineral Holdings (ASX: SAR) is pleased to advise that it has entered additional gold hedges of 200,000 ounces of gold at an average price of A\$2,187 per ounce, with scheduled deliveries out to the December quarter 2022.

The new hedging (outlined in the recent ASX announcement "Super Pit acquisition Investor Presentation" dated 18th November 2019), takes advantage of a strong Australian-dollar gold price and provides Saracen with further financial certainty while it repays the A\$400 million debt used to help fund its purchase of a 50 per cent stake in the Kalgoorlie Super Pit.

Following these latest hedges, Saracen's total hedge book comprises 541,500 ounces at an average delivery price of A\$1,990 per ounce (refer Table 1).

Saracen Managing Director Raleigh Finlayson said the new hedging was a prudent move to underpin the debt repayment associated with the recent acquisition of the Kalgoorlie Super Pit.

"The acquisition of a half-share in the Super Pit gives Saracen an asset with more than 10 years of life based on existing Reserves alone, with a pipeline of further growth opportunities underpinned by additional Resources and outstanding exploration upside" Mr Finlayson said.

"The latest hedges ensure that we maintain strong financial certainty while we repay the money we have borrowed to help drive this exceptional growth rate and the expansion of our overall gold inventory in a Tier One location.

"This combination is consistent with our overall objective of generating the growth which helps our shareholders achieve out-performance while capping our financial risk."

Table 1 - Hedging at 25th November 2019

Quarter	Quantity	Price
	oz	A\$/oz
Dec-19	21,000	\$1,930
Mar-20	63,500	\$1,939
Jun-20	60,800	\$1,883
Sep-20	57,300	\$1,903
Dec-20	49,800	\$1,945
Mar-21	52,800	\$1,969
Jun-21	49,800	\$1,985
Sep-21	43,300	\$2,015
Dec-21	45,200	\$2,050
Mar-22	36,500	\$2,099
Jun-22	29,500	\$2,149
Sep-22	20,000	\$2,208
Dec-22	12,000	\$2,199
Total	541,500	\$1,990

Super Pit Transaction becomes unconditional

Saracen Mineral Holdings Ltd ACN 009 215 347 (ASX: SAR) ("Saracen") refers to its previous announcement of the signing of a binding sale agreement with Barrick Gold Corporation ("Barrick") to acquire Barrick's 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 million (the "Transaction"). KCGM JV owns and operates the Super Pit gold mine in Kalgoorlie-Boulder, Western Australia.

Saracen confirms that the Western Australian Minister for Finance, Aboriginal Affairs and Lands has consented to the Transaction and consequently the condition precedent to completion of the Transaction has now been satisfied.

The Transaction is now unconditional and the anticipated date for completion of Saracen's acquisition of the Target is 29 November 2019.

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