Saracen

FY20 FULL YEAR RESULTS

RALEIGH FINLAYSON - Managing Director
MORGAN BALL - Chief Financial Officer
TROY IRVIN - Corporate Development Officer

Presentation
19th August 2020

Qualification

This presentation has been prepared by Saracen Mineral Holdings Limited (Saracen or the Company) based on information from its own and third party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this presentation.

The Company results are reported under International Financial Reporting Standards (IFRS). This presentation also includes non-IFRS information including EBITDA and Underlying Profit. The non-IFRS information has not been subject to audit or review by the Company's external auditor and should be used in addition to IFRS information.

You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in Australia in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) ("JORC Code"). You should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

This is a presentation about geology, geoscientific interpretation, geoscientific speculation, gold deposits, gold potential, engineering, infrastructure, potential values, costs, risks, and related matters pertinent to Saracen's present and future activities as a publicly listed mineral exploration and production company. It includes forecasts, predictions, targets and estimates of future expenditures which may vary over time.

It is uncertain if further exploration will result in the determination of a Resource or Reserve. Where exploration, evaluation, operational and feasibility study expenditure estimates and budgets amounts are presented herein, ongoing prioritisation and scaling of expenditures will be subject to results and, where applicable, scheduling changes. Targeted production and other outcomes are subject to change, and may not eventuate, depending on the results of ongoing performance and assessment of data. All Reserves and Resources as referred to herein are in accordance with the JORC Code. Refer to Appendix A of this presentation for the relevant Competent Person statements. Resources are inclusive of Reserves.

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements.

All forward looking statements contained in the Presentation Materials are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein. The Presentation Materials do not purport to be all inclusive or to contain all information about the Company.

This presentation is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction.

Take care to question and carefully evaluate any judgments you might make, on the basis of the Presentation Materials, as to the value of Saracen and its securities. This presentation is not intended to provide the sole or principal basis of any investment or credit decision or any other risk evaluation and may not be considered as a recommendation by Saracen or its officers. Any investor reading the Presentation Materials should determine its interest in acquiring securities in Saracen on the basis of independent investigations that it considers necessary, prudent or desirable.

Saracen and its officers do not accept any liability for any loss or damage suffered or incurred by any investor or any other person or entity however caused (including negligence) relating in any way to this presentation including, without limitation, the information contained in it, any errors or omissions however caused by any other person or entity placing any reliance on the Presentation Materials, its accuracy or reliability.

Highlights

Saracen

Record profit, production and cash flow:

	FY20	FY19	% Variance
Key financials (A$m)			
Revenue	1074.0	555.6	93%
EBITDA	447.6	219.5	104%
Underlying EBITDA	530.9	221.2	140%
Profit before income tax	284.8	131.4	117%
NPAT	189.7	92.5	105%
Underlying NPAT	257.5	94.2	173%
Operating cash flow	478.2	228.1	110%
Net cash at end	47.8	129.1	-63%
Margins (%)			
Underlying EBITDA	49%	40%	
Underlying NPAT [1]	24%	17%	
Production			
Gold produced (koz)	520.4	355.1	47%
AISC (A$/oz)	1101	1030	7%
Average gold price realised (A$/oz)	2142	1722	24%

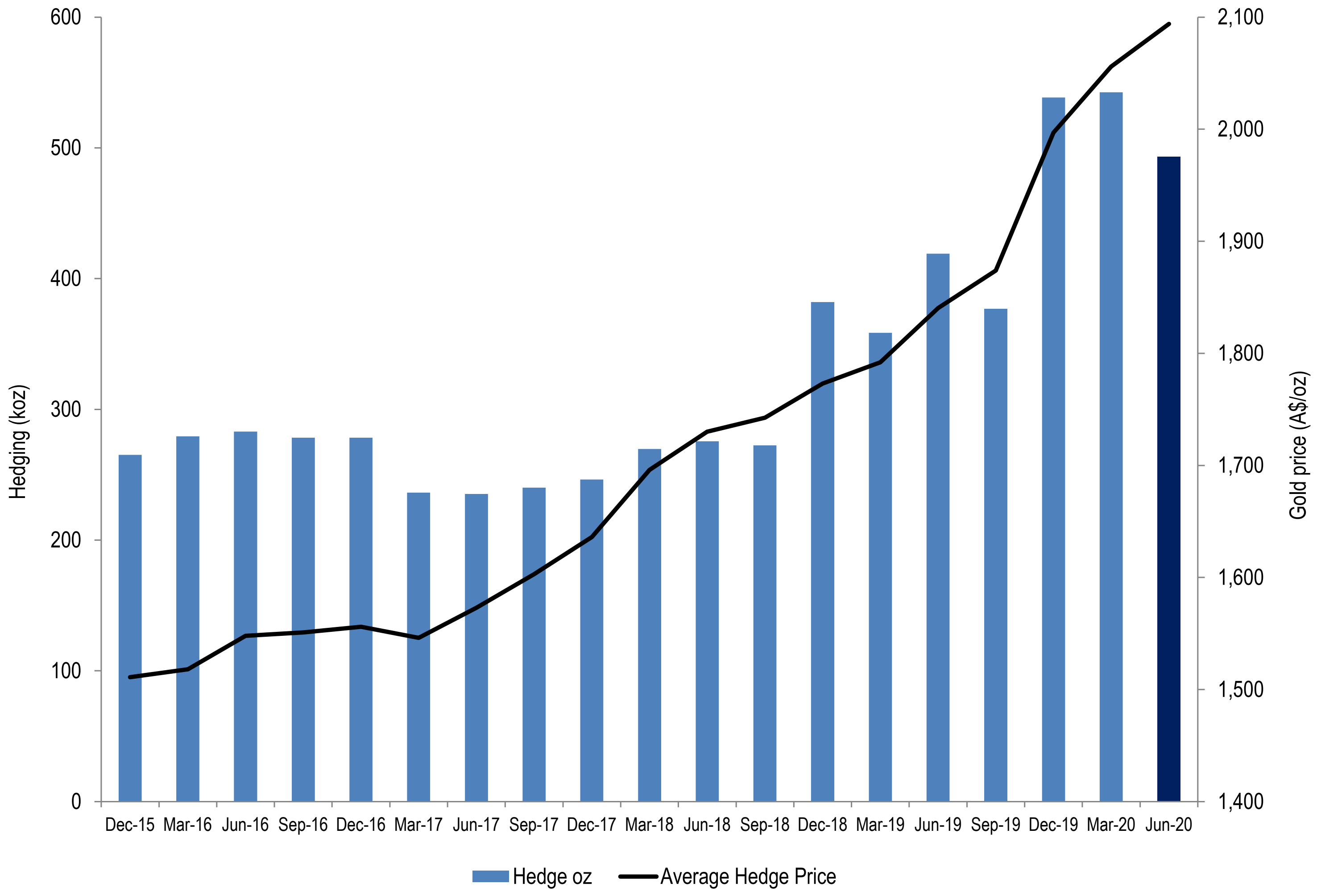
- Record FY20 production
- Record FY20 profit...
- …despite investing A$273m on exploration and growth to "future-proof" our business
- Returned to a net cash position…
- …just seven months after drawing down A$400m (net debt ~$200m) to partly fund the acquisition of 50% of the Kalgoorlie Super Pit
- Superior EBITDA and NPAT margins

Dividend Policy

- Previous policy 20-40% of NPAT based on minimum A$150m cash balance
- As part of the Super Pit acquisition in November 2019, Saracen borrowed A$400m
- ~A$430million of growth capital will be invested during FY21 to increase production and lower costs in the future
- Given this material change to the Balance Sheet and in light of the FY21 growth capital, the Board has amended the Policy such that a **dividend is declared** when the Company has a **minimum net cash balance of A$150m**
- **Target payout ratio of 20%-40% of NPAT** remains
- No dividend declared FY20
- The Board retains absolute discretion as to the timing and size of any dividend payments and will monitor the Company's financial performance during FY21 in light of the strong gold price environment

Hedge Book

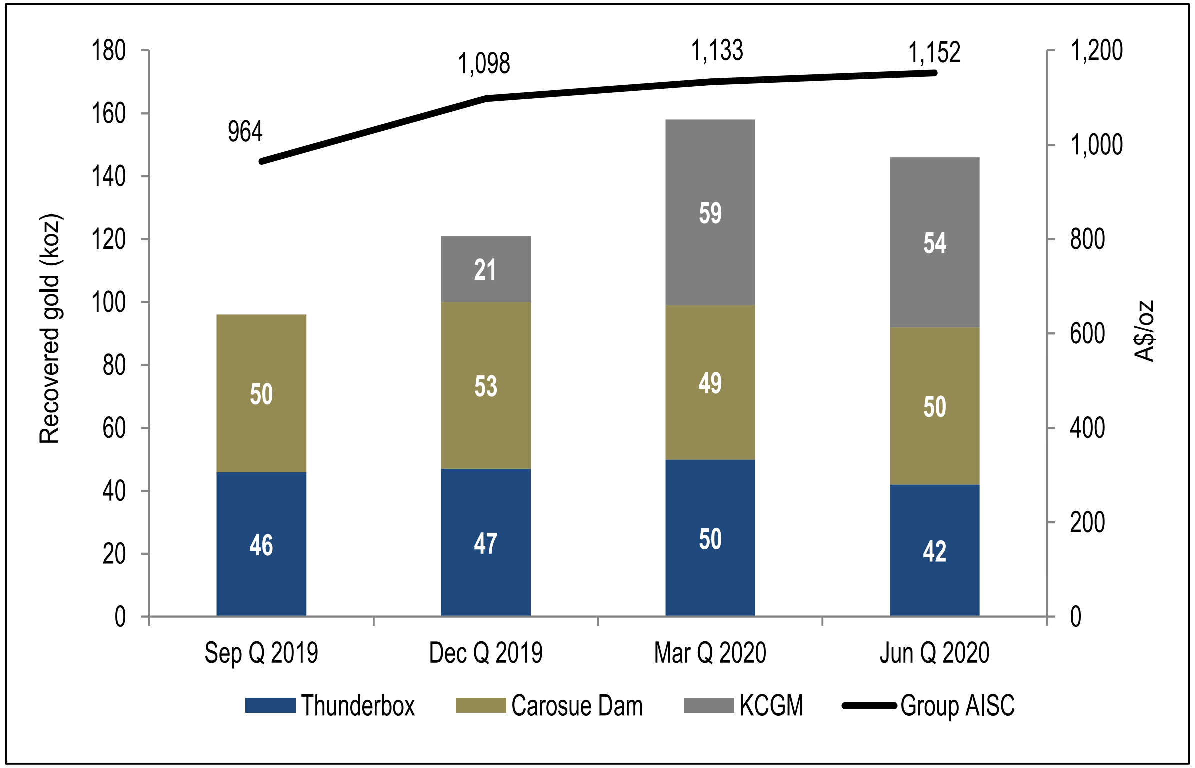
- Previous philosophy ~ 1 year's production hedged over a 3 year period (~33% of production hedged)
- At 30 June 2020, the hedge book comprised 493,200 ounces at an average delivery price of A$2,094/oz
- Based on FY21 guidance and the future outlook, the current levels are below 33% of production reflecting the intention to reduce to less than 25% of production
- Lower risk profile due to:
  - Ongoing future proofing strategy
  - Acquisition of the Tier 1 Super Pit asset
  - Early debt repayments
  - Strong current gold price environment

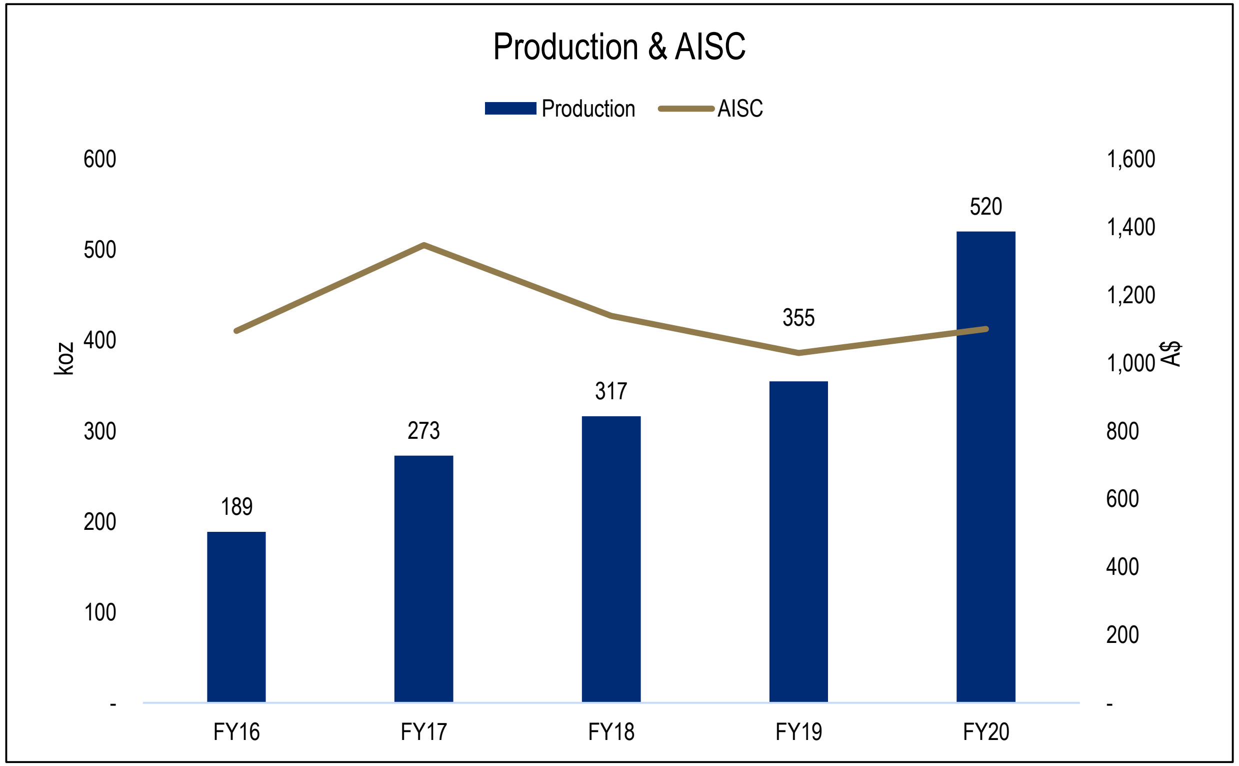


Production

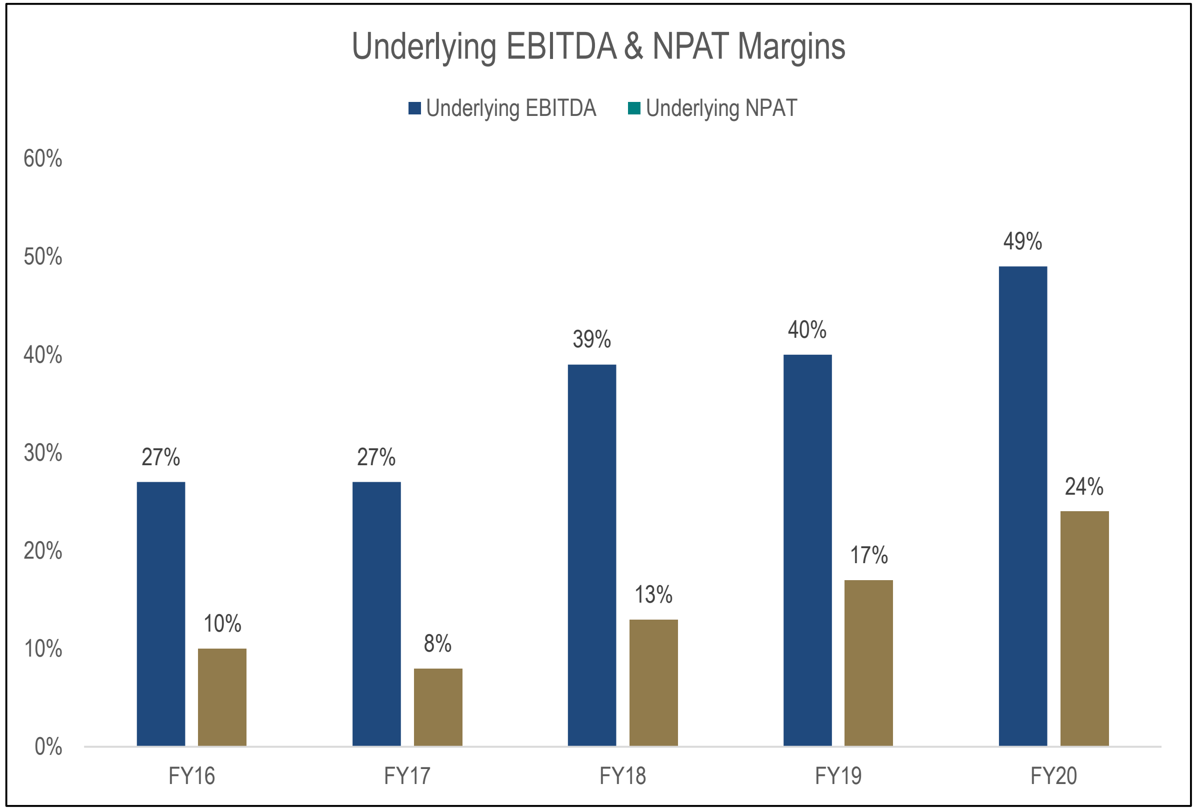
Record FY20 production:

- FY20 production – **520,414oz** up 47% from 355,077 in FY19
- Steady AISC's Y-o-Y





Underlying EBITDA & NPAT Margins



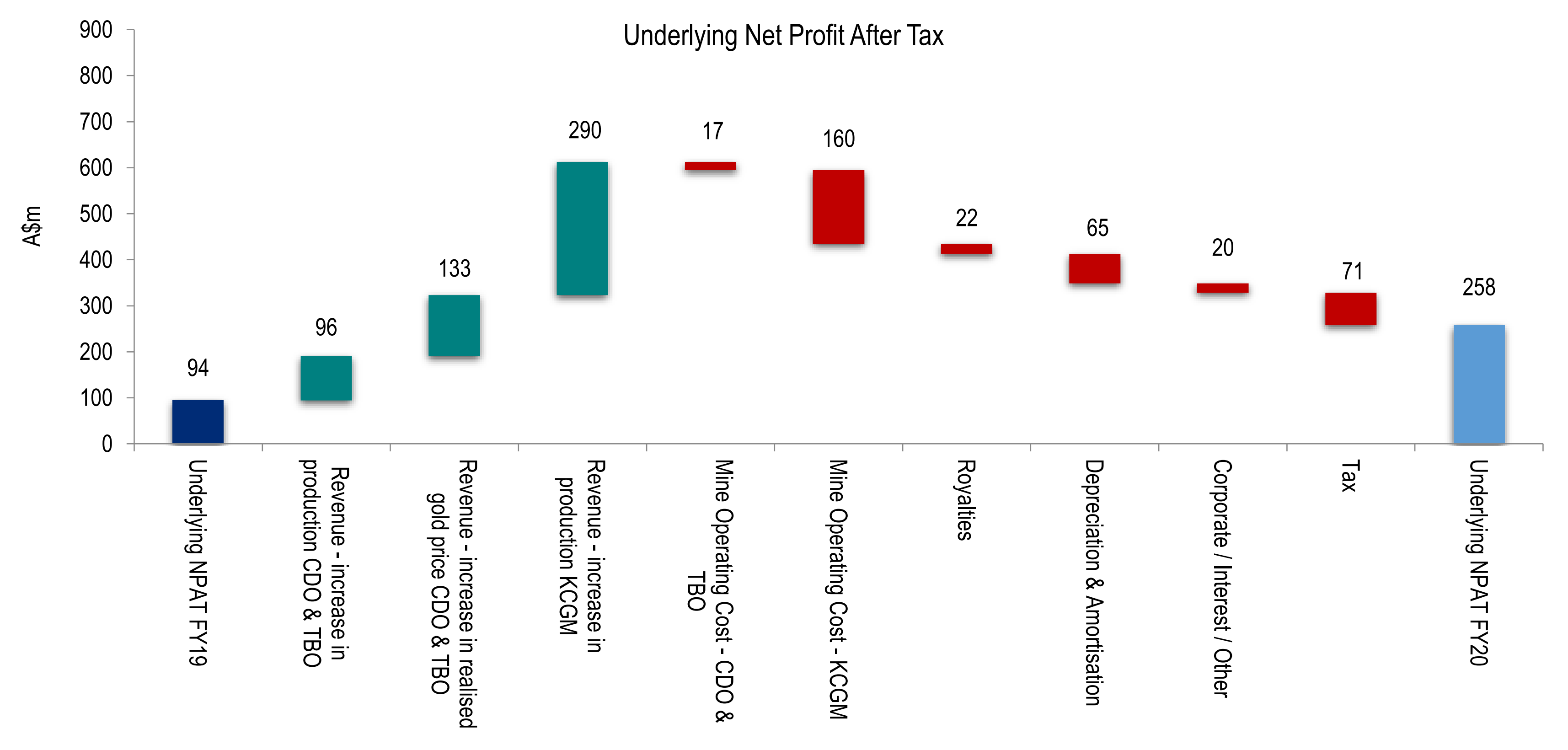
- Group Margins continuing positive trend
  - Sector leading costs at TBO - mining at the bottom of the C Zone pit
  - Steady overall cost base
  - Increased production
  - Higher gold price

- Underlying EBITDA margin **up 23%** to **49%**

- Underlying NPAT margin **up 41%** to **24%**

Underlying Net Profit After Tax ("NPAT")

Record Underlying NPAT:



- Record underlying NPAT **up 173%** to **$257.5M**
- Revenue **up 93%:**
  - Increased production at CDO & TBO
  - KCGM 7 month contribution
  - Higher gold price
- TBO and CDO operating costs steady
- Inclusion of mine operating costs at KCGM
- Higher royalties given gold price strength

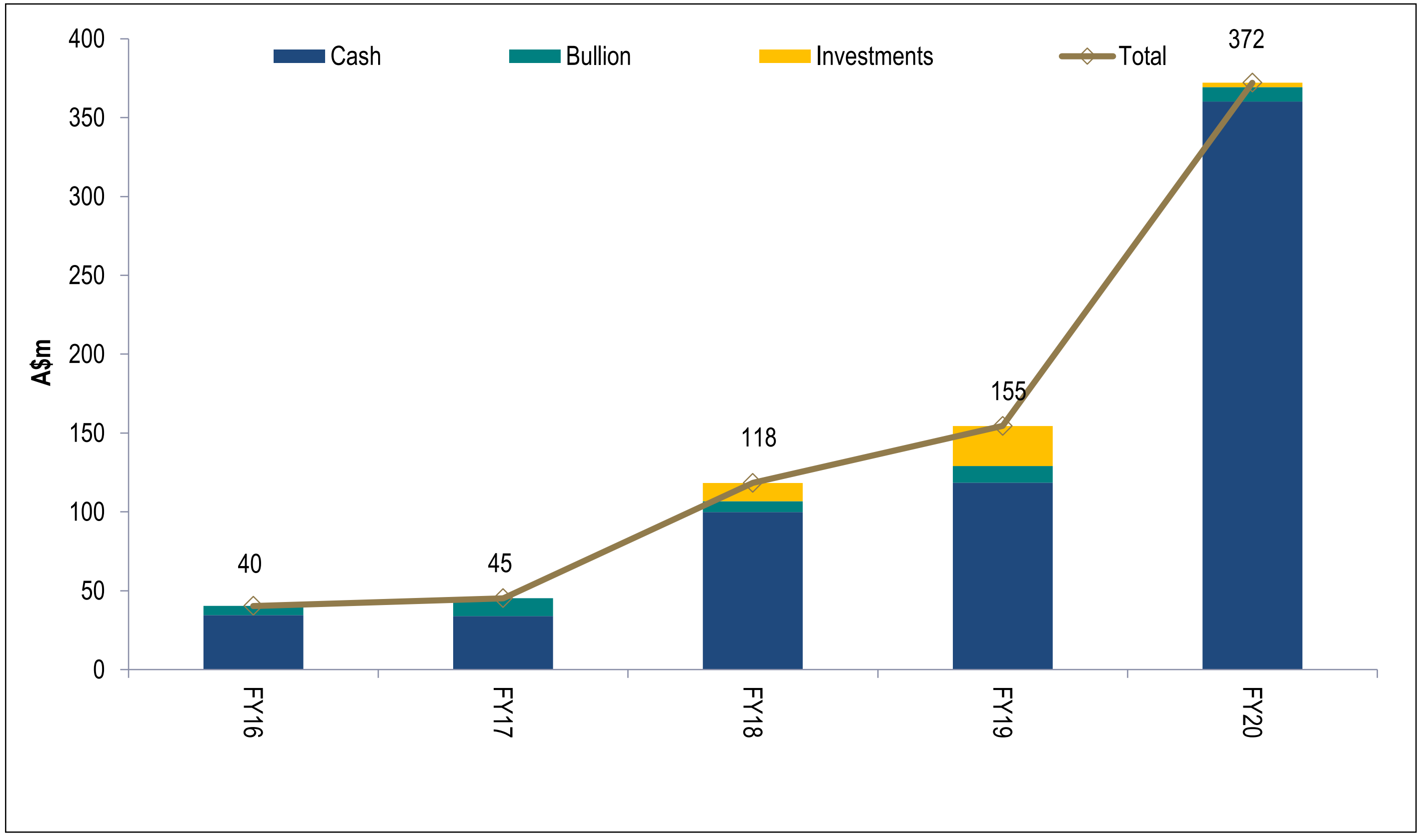
Impact of KCGM acquisition:

	FY20	FY19	% Variance
Reconciliation			
Underlying EBITDA	530.9	221.2	140%
Adjust for:			
- Expensing of deferred exploration costs	0.7	0.4	
- Loss on disposal of fixed assets	0.3	0.4	
- Obsolete stock write down	0.6	0.9	
- KCGM stamp duty	31.7	0.0	
- KCGM transaction cost	15.6	0.0	
- Impact of fair value uplift on KCGM stockpiles	34.4	0.0	
EBITDA	447.6	219.5	104%

- Material “one-off” impact on statutory accounts as a result of the KCGM acquisition:
  - A$32 million stamp duty and A$16 million in transaction costs expensed to the Profit & Loss rather than capitalised to the Balance Sheet
  - Incremental A$35 million non-cash operating charge expensed to the Profit & Loss after Fair Value uplift of existing stockpiles due to statutory purchase price accounting

Cash and equivalents

Strong cash build, **net cash** position of A$48m



- Cash and equivalents of A$372m at 30 June 2020 after:
  - Debt repayments of A$78.5m
  - Paying A$52.6m tax
  - Investing A$272.6m on exploration and growth
- **Net cash position of A$48m,** just seven months after drawing down A$400m to partly fund the acquisition of 50% of the Super Pit
- Gross debt of A$321.5m at 30 June 2020 representing a comfortable **20% gearing level***

* Gearing = Debt/Equity

Contact Details:

Morgan Ball
Chief Financial Officer
phone: +61 8 6229 9100
email: info@saracen.com.au
www.saracen.com.au

Saracen

SARACEN.COM.AU

ABN: 52 009 215 347