



Saracen becomes a “top” WA gold producer

Company/ASX Code	Saracen Mineral Holdings (SAR)
AGM date	Thursday March 5 th 2020 (notice given on 31/1/2020)
Time and location	12.00 pm Duxton Hotel 1 St Georges Terrace, Perth WA 6000, Australia
Registry	Computershare Investor Services Pty, Ltd
Webcast	No
Poll or show of hands	Poll on all items
Monitor	David F Brooke
Pre AGM Meeting?	No

Summary of ASA Position

This is an Extraordinary General meeting called to endorse the funding for takeover of Barrick Gold’s 50% interest in the Kalgoorlie Super pit (Fimiston Open Pit) gold mine, which is the second largest open pit gold mine in Australia and its associated Mt Charlotte Underground Mine and processing plants.

The mine was operated by Newmont through a 50% owned subsidiary (Kalgoorlie Consolidated Gold Mines – KCGM); this ownership was subsequently sold to Northern Star Resources (NST) who are a larger Perth based mid-tier gold miner with acknowledged expertise in underground gold mines; SAR’s expertise in open pit gold mining is complimentary to NST; employees of both companies have extensive experience of Superpit geology and operations. Under the terms of the JV (KCGM), operation will pass to NST, however major decisions require consensus with SAR. Acquisition of 50% share in the Super Pit will conservatively add 245koz/yr to SAR’s production, which is currently unhedged and should realize current record A\$ gold prices (~A\$2,480/ozs). Increase in reserves will be 3.7moz and resources 5.8Mozs. It should be noted that superpit gold is low grade (~1.3g/t) and refractory; implying a high all in sustaining cost (AISC) of A\$1,450/ozs to A\$1,550/ozs. Once an issue over the collapse of the East wall of the Superpit is resolved, historic average production of around 660koz/yr may resume (Note: SAR’s share is 50%)

This EGM was as a result of SAR’s announcement of 18 November 2019 to acquire Barrick Gold’s 50% share of KCGM. The other half of this mine was owned by Newmont Mining who shortly thereafter sold their 50% share to Northern Star Resources (NST). As such KCGM is now a 50/50 venture between SAR and NST

The acquisition was funded by SAR on the following basis

1. A\$369 million underwritten placement
2. A\$427 million via a 1 for 5.75 underwritten pro-rata accelerated non-renounceable entitlement offer; and
3. A\$400 million drawn from a new senior secured term loan

SAR is to be commended (unlike NST) for raising a substantial sum from the entitlements offer, indicating their greater commitment to retail shareholder fairness.

The resolutions concerning NED “skin in the game” follow on from previous representations by ASA; these resolutions indicate that SAR take our views seriously

Item 1	APPROVAL OF FINANCIAL ASSISTANCE (Special Resolution)
ASA Vote	For

Summary of ASA Position

Kalgoorlie Lake View Pty Ltd operates the superpit through their wholly owned subsidiary (KCGM). It appears that this joint guarantee is a condition for bank funding and should be approved. A guarantee by SAR's partner (Northern Star) has already received approval from their shareholders.

Item 2	RATIFICATION OF PRIOR ISSUE OF SHARES
ASA Vote	For

Summary of ASA Position

This is to re-establish SAR's 15% placement discretion pursuant to ASX listing rule 7.1. SAR has adopted a retail shareholder responsive policy to date and as such this should be approved.

Items 3 to 7	RESOLUTION 3 – ISSUE OF SHARE RIGHTS TO MR MARTIN REED, DR RORIC SMITH, MR JOHN RICHARDS, MR ANTHONY KIERNAN & MS SAMANTHA TOUGH
ASA Vote	For

Summary of ASA Position

The ASA has been advocating that directors fail to provide an example to support of its "thinking and acting like owners" initiative and thus need to be proactive in this area. This initiative is in response to ASA concerns and as such should be supported.

Item 8	SECTION 195 APPROVAL
ASA Vote	For

Summary of ASA Position

This motion addresses a conflict of interest in regard to resolutions 3 to 8 where directors have a material interest in motions 3 to 7 above and shareholders need to form a quorum. The relevant motions are supported by the ASA and as such we should support this motion.

The individual (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

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