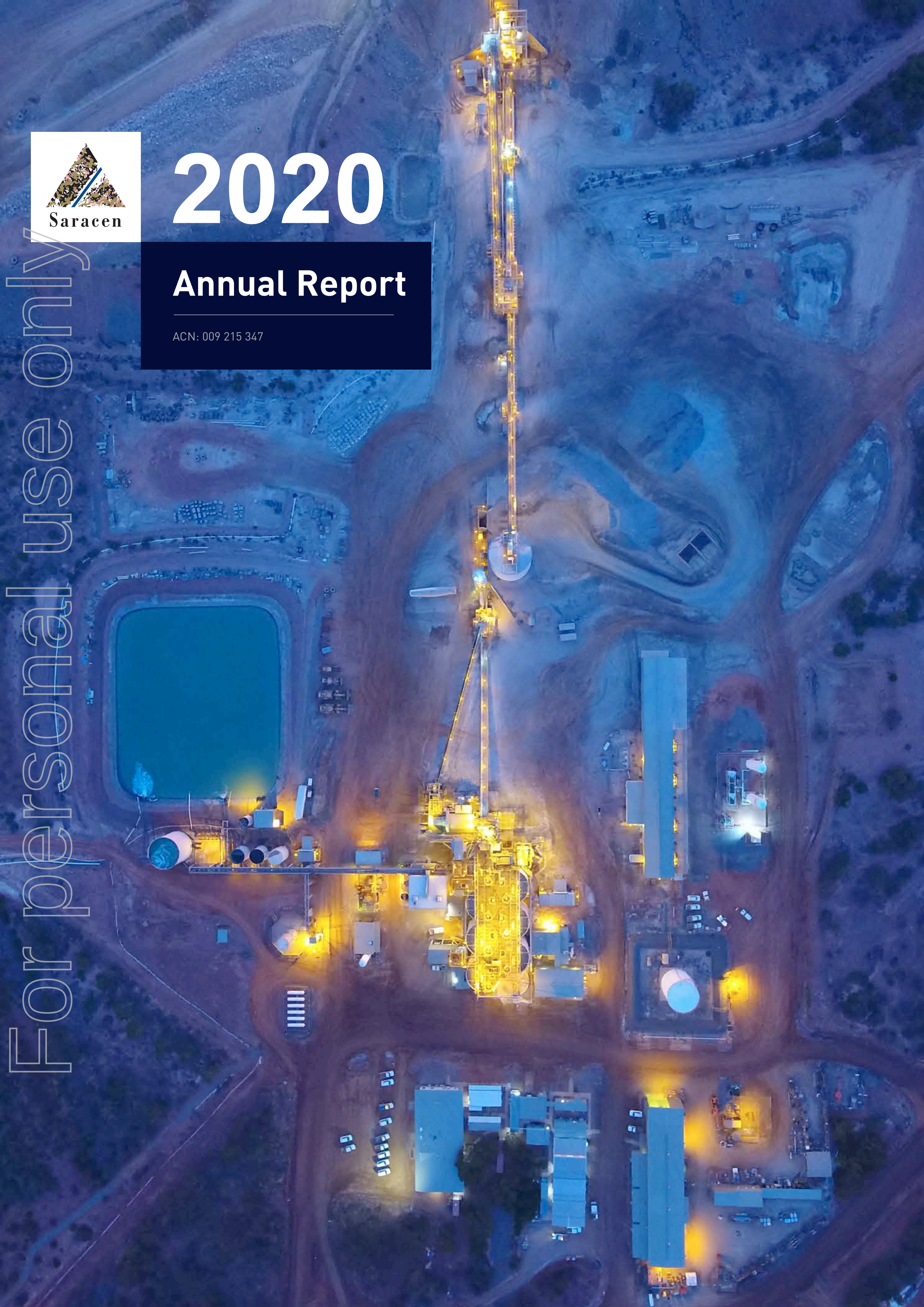

Saracen

2020

Annual Report

ACN: 009 215 347

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CORPORATE DIRECTORY

Board of Directors

Mr Anthony Kiernan	Non-Executive Chairman
Mr Raleigh Finlayson	Managing Director
Ms Sally Langer	Non-Executive Director
Mr Martin Reed	Non-Executive Director
Mr John Richards	Non-Executive Director
Dr Roric Smith	Non-Executive Director
Ms Samantha Tough	Non-Executive Director

Company Secretary

Mr Jeremy Ryan

Registered Office and Business Address

Level 11
40 The Esplanade
Perth WA 6000

Telephone: +61 8 6229 9100

Website www.saracen.com.au

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: SAR)

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Telephone: +61 8 6382 4600
Facsimile: +61 8 6382 4601

Solicitors

DLA Piper
Level 21
240 St Georges Terrace
Perth WA 6000

Telephone: +61 8 6467 6000

Bankers

Australia and New Zealand Banking Group
833 Collins Street
Melbourne VIC 3000

Telephone: +61 3 9273 5555

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505
Facsimile: +61 3 9323 2033

MANAGING DIRECTOR'S REPORT

Dear Fellow Shareholders,

I am proud to present Saracen's 2020 Annual Report in what has been a landmark year for our Company.

Firstly, I would like to recognise the entire Saracen team and our contract partners for their hard work, commitment and dedication that has ensured another highly successful year in FY2020, culminating in our admission to the ASX100 in June 2020.

On a very sad note, post the end of the financial year, a highly regarded colleague was fatally injured underground at Carosue Dam on the 13th July 2020. The investigation into the circumstances of the tragedy is ongoing with the full support of Saracen and our contract partner Byrnecut. The safety and wellbeing of our people is always Saracen's first priority. Our thoughts and condolences remain with the late worker's family, friends and workmates.

Rewind 12 months and no one could have possibly realised what FY2020 would have in store for us. This included purchasing half of one of the largest gold mines in Australia in the Kalgoorlie Super Pit, working with the original and then a new JV partner at the Super Pit ("KCGM JV"), and managing through the many and rapid changes of COVID-19. Our ability to successfully navigate all of the above while maintaining focus on running our core business is a credit to all our people who choose to Think and Act Like Owners every day.

In FY2020 we maintained our eight year unbroken track record of meeting or beating guidance, achieving annual group production (including 50% of KCGM) of 520,414oz. Importantly this output was delivered at an All-In-Sustaining-Cost ("AISC") of just A$1,101/oz.

After taking on A$400m debt in late 2019 to support the purchase of the Super Pit, our strong cash flows have enabled us to promptly return to a net cash position. We had cash and equivalents of A$369m at financial year end, with the debt position reduced to A$321m.

Saracen remains Australia's growth gold stock. During the year over $272m was invested on growth and exploration as we continue to expand our production profile and Reserves. It is important to recognise that while we have achieved a step change in our cash flow, production and mine life through the Super Pit acquisition, we also continue to grow at Carosue Dam and Thunderbox.

Our long-standing strategy of "Future Proofing our business" came to the fore when COVID-19 occurred. This additional investment in ore stockpiles and mine development ensured Saracen was well positioned to weather COVID-19 related challenges.

We continue to evolve in the Environmental, Social and Governance space for the long-term benefit of all our stakeholders. We released our second Sustainability Report this year and will shortly release our third.

Our community support has grown this year. We have provided ongoing support to both small and large organisations across the Goldfields and in Perth that are working to make positive sustainable change. In August 2019, we announced a significant funding programme to support the Western Australian School of Mines in Kalgoorlie. Some of our other major partners are WA Netball (as part of Gold Industry Group sponsorship), Shooting Stars, Clontarf Foundation and the CoRE Learning Foundation, amongst many others. We supported the CME COVID-19 Relief Fund which supported Lifeline, Royal Flying Doctor Service and Foodbank. In conjunction with KCGM and our KCGM JV partner Northern Star, we announced two substantial Kalgoorlie partnerships with the Kalgoorlie Boulder Chamber of Commerce and Kalgoorlie Foodbank to support business and individuals impacted by COVID-19 in the regions.

I am pleased that we continue to deliver consistent production and costs, continue to build cash, continue to grow, and continue to find excellent development opportunities both internally and externally. Our drilling continues to deliver results at the right discovery cost and our exploration budget again demonstrates our confidence in our exploration prospects.

Once again, I would like to thank all of our dedicated employees and contractors for their contributions to our business. We are proud of the Company we have created and our people are at the heart of that. This was a very different year with different challenges but all the challenges were met with the same Saracen DNA we have had since we started. I would also like to thank all of our stakeholders, who have supported us for many years and it is very pleasing that we have maintained our consistent delivery and value creation in this extraordinary year

Raleigh Finlayson
Managing Director
Saracen Mineral Holdings Limited

MINERAL RESOURCES AND ORE RESERVES STATEMENT

Location	Deposit	Measured			Indicated			Inferred			Total		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Carosue Dam	Karari O/P*	540	2.2	39	3,400	1.8	190	740	1.6	37	4,700	1.8	270
	Karari U/G*	4,600	2.8	420	12,000	2.6	980	2,200	2.1	150	19,000	2.6	1,600
	Monty's/Elliots				1,400	2.2	100	720	1.0	22	2,100	1.8	120
	Twin Peaks	31	2.1	2	590	3.0	57	89	2.4	7	710	2.9	66
	Pinnacles* (ASX:NXM JV)				28	4.8	4	31	4.5	5	59	4.6	9
	Blue Manna							660	1.7	36	660	1.7	36
	Atbara				920	1.3	40	3,000	1.1	110	3,900	1.2	150
	Porphyry O/P				3,100	1.7	160	1,300	1.6	65	4,400	1.6	230
	Porphyry U/G				3,200	2.8	280	1,800	2.8	160	5,000	2.7	440
	Million Dollar				7,800	1.3	340	710	1.4	31	8,500	1.4	370
	Wallbrook	1,200	1.1	43	3,500	1.1	120	98	0.7	2	4,800	1.1	170
	Margarets		0.0		28	1.6	1	280	1.2	11	310	1.2	12
	Enterprise	200	2.1	14	470	2.1	32	150	1.9	9	820	2.1	55
	Safari Bore				3,100	1.9	190	1,700	1.7	94	4,800	1.8	280
	Deep South O/P	57	4.1	7	210	1.9	13	31	1.8	2	300	2.3	22
	Deep South U/G	330	3.0	32	1,300	2.6	110	1,000	2.3	76	2,600	2.6	220
	Deep Well				49	2.4	4				49	2.4	4
	Moody's Reward				2,000	1.5	94	230	1.9	14	2,200	1.6	110
	Belize				160	2.1	11	38	1.4	2	200	2.0	13
	Thin Lizzie*(ASX:AGG JV)							160	1.3	7	160	1.3	7
	Tin Dog							200	1.3	9	200	1.3	9
	Crimson Belle *(ASX:AGG JV)				470	1.8	27	280	1.4	13	750	1.7	40
	Butcher Well O/P*(ASX:AGG JV)							1,200	1.6	64	1,200	1.7	64
	Butcher Well U/G*(ASX:AGG JV)							1,600	4.6	230	1,600	4.5	230
	Ore Stockpiles	380	2.4	30							380	2.5	30
	Sub-grade stockpiles	2,500	0.6	47							2,500	0.6	47
	Carosue Dam Mineral Resources	*9,800*	*2.0*	*630*	*44,000*	*2.0*	*2,800*	*18,000*	*2.1*	*1,200*	*72,000*	*2.0*	*4,600*
Thunderbox	Thunderbox OP	2,300	1.5	110	7,200	1.5	350	590	1.2	22	10,000	1.5	480
	Thunderbox UG	4,700	2.0	310	13,000	1.9	810	2,000	1.8	120	20,000	1.9	1,200
	Otto Bore (Mangilla)				1,600	2.0	110	1,000	1.8	61	2,600	2.0	170
	Rainbow	220	1.5	10	540	1.2	21	350	1.3	14	1,100	1.3	45
	Bannockburn				10,000	1.8	600	160	2.0	10	10,000	1.9	610
	North Well				3,900	1.5	190	1,000	1.9	61	4,900	1.6	250
	Wonder OP				1,800	2.0	120	100	1.2	4	1,900	2.0	120
	Wonder UG				860	2.1	59	1,700	2.6	140	2,600	2.4	200
	Kailis				490	2.3	36				490	2.3	36
	Ore Stockpiles	2,700	1.3	110							2,700	1.3	110
	Sub-grade stockpiles	220	0.6	4							220	0.6	4
	Thunderbox Mineral Resources	*10,000*	*1.7*	*540*	*39,000*	*1.8*	*2,300*	*6,900*	*1.9*	*430*	*57,000*	*1.7*	*3,200*
KCGM 50%	Fimiston - Croesus OP				2,700	2.1	190				2,700	2.1	190
	Fimiston - Oroya Brown Hill				8,100	1.6	410	910	1.5	44	9,000	1.6	450
	Fimiston - Golden Pike				31,000	1.9	1,900	6,500	1.9	400	38,000	1.9	2,300
	Fimiston - Fimiston South				37,000	2.0	2,400	14,000	1.5	680	51,000	1.9	3,100
	Fimiston UG							12,000	2.8	1,100	12,000	2.9	1,100
	Mt Charlotte UG				10,000	2.0	660	3,600	2.4	280	14,000	2.1	940
	Ore Stockpiles	13,000	1.0	410							13,000	1.0	410
	Sub-grade stockpiles	51,000	0.7	1,100							51,000	0.7	1,100
	KCGM Mineral Resources	*64,000*	*0.7*	*1,500*	*89,000*	*2.0*	*5,600*	*37,000*	*2.1*	*2,500*	*190,000*	*1.6*	*9,600*
	Total Mineral Resources	*84,000*	*1.0*	*2,700*	*170,000*	*2.0*	*11,000*	*62,000*	*2.1*	*4,100*	*320,000*	*1.7*	*17,000*

Location	Deposit	Measured			Indicated			Inferred			Total		
		t	Ni %	Ni t	t	Ni %	Ni t	kt	Ni %	Ni kt	kt	Ni %	Ni kt
Thunderbox	Waterloo							425	2.2	9	430	2.1	9
	Amorac							260	2.0	5	260	2.0	5
	Sinclair							720	2.3	16	720	2.2	16
	Total Mineral Resources							*1,400*	*2.1*	*30*	*1,400*	*2.1*	*30*

Notes:

All data rounded to two significant figures. Rounding errors may occur
[1] Karari / Dervish Mineral Resources combined for reporting and operationally treated as one mine
[2] Pinnacles Mineral Resource is a Joint Venture with Nexus Minerals (ASX:NXM). Figure reported relate only to Saracen's portion.
[3] Butcher Well, Crimson Belle and Thin Lizzie Mineral Resources are a Joint Venture with AngloGold Ashanti Australia. Figures reported relate only to Saracen's portion.
[4] Otto Bore - Figure reported includes Saracen's portion of the Warrida Well Joint Venture with Agnew Gold Mining Company Pty Limited.

Location	Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
			kt.	g/t	koz.	kt.	g/t	koz.	kt.	g/t	koz.
Carosue Dam	Karari / Dervish [1]	UG	-	-	-	11,000	2.9	1,000	11,000	2.9	1,000
	Deep South	UG	-	-	-	620	3.0	60	620	3.0	60
	Porphyry	UG	-	-	-	1,200	2.8	110	1,200	2.8	110
	Carosue Dam Mining Centre [2]	OP	-	-	-	3,600	1.7	190	3,600	1.7	190
	Porphyry Mining Centre [3]	OP	420	1.5	20	11,000	1.2	410	11,000	1.2	430
	Safari Bore	OP	-	-	-	2,600	1.7	140	2,600	1.7	140
	Stockpiles	S	2,900	0.8	77	-	-	-	2,900	0.8	77
	Carosue Dam Operations Sub-Total		*3,300*	*0.9*	*96*	*29,000*	*2.0*	*1,900*	*33,000*	*1.9*	*2,000*
Thunderbox	Thunderbox Pits	OP	1,900	1.3	79	6,600	1.4	290	8,400	1.3	370
	Thunderbox	UG	2,200	2.0	140	9,000	2.0	570	11,000	2.0	710
	Otto Bore	OP	-	-	-	1,600	1.8	91	1,600	1.8	91
	Bannockburn	OP	-	-	-	8,800	1.6	460	8,800	1.6	460
	Kailis	OP	-	-	-	79	2.0	5	79	2.0	5
	Stockpiles	S	2,900	1.2	120	-	-	-	2,900	1.2	120
	Thunderbox Operations Sub-Total		*7,000*	*1.5*	*340*	*26,000*	*1.7*	*1,400*	*33,000*	*1.6*	*1,700*
KCGM 50%	Fimiston - Oroya Brownhill	OP	-	-	-	7,500	1.5	350	7,500	1.5	350
	Fimiston - Golden Pike	OP	-	-	-	12,000	2.0	740	12,000	2.0	740
	Fimiston - Fimiston South	OP	-	-	-	33,000	1.9	2,000	33,000	1.9	2,000
	Mt Charlotte UG	UG	140	2.5	12	3,600	2.1	240	3,800	2.1	260
	Ore Stockpiles	S	13,000	1.0	410	-	-	-	13,000	1.0	410
	Sub-grade stockpiles	S	51,000	0.7	1,100	-	-	-	51,000	0.7	1,100
	KCGM Operations Sub-Total		*64,000*	*0.7*	*1,500*	*56,000*	*1.8*	*3,300*	*120,000*	*1.3*	*4,800*
	Total Ore Reserves		*74,000*	*0.8*	*2,000*	*110,000*	*1.9*	*6,600*	*190,000*	*1.4*	*8,600*

Notes:

All data rounded to two significant figures. Rounding errors may occur.
[1] Karari and Dervish Mineral Resources combined for reporting and operationally treated as one mine
[2] Carosue Dam Open Pits include; Karari South and Montys-Elliots
[3] Porphyry Open Pits include; Million Dollar, Enterprise, Porphyry and Wallbrook

FINANCIAL STATEMENTS

Financial Report for the Year Ended 30 June 2020

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DIRECTORS' REPORT

The Directors of Saracen Mineral Holdings Limited ("Saracen" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Saracen Mineral Holdings Limited and its controlled entities ("the Group") for the financial year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

DIRECTORS

The names and particulars of the Company's Directors in office during the financial year and at the date of this report are as follows:

Directors held office for this entire period unless otherwise stated.

Anthony (Tony) Kiernan (age 69)
Non-Executive Chairman (appointed 13 September 2018)
Member of the Audit Committee and the People & Culture Committee

Mr Kiernan is a former solicitor with extensive experience gained over 35 years' involvement in the management and operation of publicly-listed companies. Mr Kiernan has extensive experience as a director of publicly-listed companies and is currently the Non-Executive Chair of Pilbara Minerals Ltd and Venturex Resources Ltd. Mr Kiernan is also the Chairman of the Fiona Wood Foundation.

During the past three years Mr Kiernan has held directorships in the following other publicly-listed companies:

Company	Appointed	Resigned
Pilbara Minerals Limited	July 2016	Current
Venturex Resources Limited	July 2010	Current
Chalice Gold Mines Ltd	February 2007	September 2018

Raleigh Finlayson (age 41)
Managing Director (appointed 2 April 2013)

Mr Finlayson is a mining engineer with over 20 years' of technical and operational experience in the mining industry. Mr Finlayson previously held positions of underground manager for Panoramic Resources and various mining engineering roles with OceanaGold Corporation and Gold Fields Ltd. Mr Finlayson served as the President of the WA School of Mines Alumni from 2017-2020. Mr Finlayson, who studied at the Western Australian School of Mines, is a holder of a First Class Mine Manager's Certificate and a Graduate Certificate in Applied Finance and Investment.

Since joining the Company, he has overseen the Feasibility Studies and development of both the Carosue Dam and Thunderbox operations, the acquisition of Saracen's 50% stake in Kalgoorlie Consolidated Gold Mines (KCGM) and entry into the ASX 100. Mr Finlayson was the Company's Chief Operating Officer before being appointed Managing Director in April 2013.

Mr Finlayson does not currently hold, and has not over the past three years held, a directorship in any other publicly-listed company.

Sally Langer (age 46)
Non-Executive Director (appointed 1 May 2020)
Member of the Audit Committee and the People & Culture Committee

Ms Langer originally qualified as a chartered accountant with Arthur Andersen LLP. Ms Langer has more than 25 years' experience in professional services across a variety of sectors with substantial experience in the resources sector, particularly in Western Australia. During this time, she has been responsible for management functions including strategy, business development, budgeting and human resources.

After 20 years in executive search working closely with Boards and CEOs to advise on talent, culture and organisation structure, Ms Langer is currently working as an independent advisor. Ms Langer holds a Bachelor of Commerce from the University of Western Australia and is currently undertaking the Australian Institute of Company Directors ("AICD") course.

During the past three years, Ms Langer has held directorships in the following other publicly-listed company:

Company	Appointed	Resigned
Sandfire Resources Ltd	July 2020	Current

Martin Reed (age 69)
Non-Executive Director (appointed 24 August 2012)
Chair of the Risk & Sustainability Committee and Member of the Exploration & Growth Committee

Mr Reed has previously held non-executive director positions at Adamus Resources Limited (later merged with Endeavour Mining Corporation where he was also a director) and Toro Gold Limited (which has recently been acquired by Resolute Mining Limited). Mr Reed is a qualified mining engineer (BE Mining, Grad Dip Management, AICD Diploma) with over 40 years' experience in operations management and project development across a range of commodities, countries, and sizes of operations. Executive roles have included Chief Operating Officer and Project Manager for a number of resources companies including Sandfire Resources, St Barbara Limited, Paladin Energy Ltd and Windimurra Vanadium Limited.

Mr Reed does not currently hold, and has not over the past three years held, a directorship in any other publicly-listed company.

John Richards (age 59)
Non-Executive Director (appointed 1 May 2019)
Chair of the Audit Committee and Member of the Exploration & Growth Committee

Mr Richards is an economist with more than 35 years' experience in the resources industry. During this time, he has been involved in a wide range of mining mergers and acquisitions ("M&A") in multiple jurisdictions. Previous positions include Group Executive - Strategy and Business Development at Normandy Mining Ltd, Head of Mining and Metals Advisory (Australia) at Standard Bank of South Africa Limited, Managing Director at Buka Minerals Ltd and Operating Partner at Global Natural Resources Investments ("GNRI"). Mr Richards holds a Bachelor of Economics (Honours) from the University of Queensland.

During the past three years, Mr Richards has held directorships in the following other publicly-listed companies:

Company	Appointed	Resigned
Sheffield Resources Ltd	August 2019	Current
Adriatic Metals Plc	November 2019	July 2020

Samantha Tough (age 54)
Non-Executive Director (appointed 1 October 2013)
Chair of the People & Culture Committee and Member of the Risk & Sustainability Committee

Ms Tough has over 20 years' experience on public and private company boards. Ms Tough is a Director of Clean Energy Finance Corporation, Chair of Horizon Power and the Chair of COAG National Energy Selection Panel. Previous positions include Chair of Southern Cross Goldfields Ltd, Chair of Retail Energy Market Company, Chair of Aerison Pty Ltd, Chair of Advanced Well Technologies Pty Ltd, Chair of Proactiv Pty Ltd and Director of Synergy. Executive roles have included General Manager of North West Shelf at Woodside Energy Ltd, Director of Strategy for Hardman Resources Ltd, Senior Vice President (Natural Resources) at the Commonwealth Bank and Project Director for the Pilbara Power Project. Ms Tough is currently Pro Vice Chancellor, Industry Engagement at The University of Western Australia ("UWA").

Ms Tough completed a Bachelor of Laws and Bachelor of Jurisprudence at the University of Western Australia and is a Fellow of the AICD.

During the past three years, Ms Tough has held directorships in the following other publicly-listed company:

Company	Appointed	Resigned
Aurora Labs Limited	June 2017	July 2017

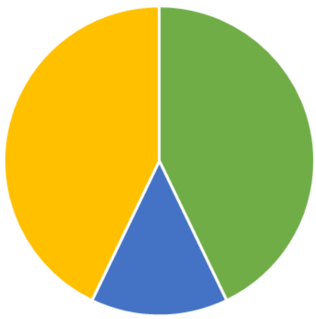
Roric Smith (age 58)
Non-Executive Director (appointed 4 July 2017)
Chair of the Exploration & Growth Committee and Member of the Risk & Sustainability Committee

Dr Smith is a highly experienced geologist with extensive Australian and international experience and is currently a Principal Consultant at HiSeis Ltd, hard rock seismic specialists. Prior to joining Saracen, Dr Smith served as Vice President Discovery and Chief Geologist for Evolution Mining Ltd and Senior Vice President of Global Greenfield Exploration at AngloGold Ashanti Ltd. Dr Smith holds a Bachelor of Science (Honours) Geology and PhD from the University of Natal in South Africa.

During the past three years Dr Smith has held directorships in the following other publicly-listed company:

Company	Appointed	Resigned
Sandfire Resources Ltd	January 2017	Current

Board Skills Matrix

Skill and Description	Board	Skill and Description	Board
Executive Leadership - Senior Executive experience and ability to evaluate and guide executive performance		Strategy - Identifying and critically assessing strategic opportunities and threats to the organisation and, developing and implementing successful strategies in the context of an organisation's policies and business objectives	
Operations and Technical - Advanced technical understanding of exploration, mine geology, mining engineering or processing		Health and Safety - Workplace health and safety experience, appropriate measures to support proactive identification and prevention of health and safety risks	
Finance, Tax & Legal - Financial accounting and reporting, internal financial and risk controls and Treasury. Tax experience including understanding of statutory requirements and verification. Legal experience and proactive identification of legal and regulatory risk		People, Culture and Workplace Relations - Remuneration and talent management (including incentive programs), the legislative and contractual framework governing remuneration and workplace relations. Employee engagement and retention strategies.	
Environment, Sustainability, Governance (ESG) - Experience in integrating ESG principles into decision-making and proactive identification and prevention of ESG risk		IT and Innovation - Executive knowledge and experience in the management of information technology including but not limited to IT strategies, cyber security and experience in applying new technologies	
Mergers and Acquisitions (M&A) - Experience in M&A, implementations and corporate finance		Capital Markets - Experience in capital management strategies including equity and debt financing	

Legend: Expert ● Experienced ● General ●

COMPANY SECRETARY

Jeremy Ryan
(appointed 5 December 2016)

Mr Ryan joined Saracen in March 2012 as Manager - Legal. Mr Ryan was admitted to practice in 1998 and has extensive experience in advising on the development and operation of mining and infrastructure projects. Prior to joining the Company, Mr Ryan worked as a lawyer for a native title representative body, State and Federal government departments and in the Finance & Projects team of a large international law firm.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the direct and indirect interests of the Directors and their related parties in the Shares, Performance Rights and Share Rights of Saracen were:

Director	Ordinary Shares	Performance Rights over ordinary shares - unlisted[1]	Share Rights over ordinary shares – unlisted
Raleigh Finlayson	3,258,658	2,645,000	-
Anthony (Tony) Kiernan	66,958	-	8,280
Sally Langer	-	-	-
Martin Reed	41,088	-	8,280
Samantha Tough	2,718	-	2,070
Roric Smith	12,972	-	8,280
John Richards	-	-	8,280

The Share Rights were issued (in accordance with Saracen's shareholder approved Long-Term Incentive Plan and the further shareholder approvals on 5 March 2020) in lieu of a portion of annual non-executive director fees. Each Share Right was issued in lieu of $4.83 (based on the Saracen VWAP for June 2020) of director fees up to a maximum of $40,000. These rights will vest on a quarterly basis.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were gold mining, processing & sales and mineral exploration.

REVIEW AND RESULTS OF OPERATIONS[2]

<u>Overview</u>

Saracen Minerals Holdings Limited (ASX:SAR) is an ASX 100 listed gold producer with guidance for FY2021 of 600,000 to 640,000 ounces from its three operations in Western Australia:

- The Carosue Dam Operation ("CDO"), approximately 120km north-east of Kalgoorlie;
- The Thunderbox Operation ("TBO"), approximately 45km south of Leinster; and
- A 50% interest in the Super Pit Operation via the Kalgoorlie Consolidated Gold Mines Joint Venture ("KCGM JV" or "KCGM"), in Kalgoorlie.

The Company had an extremely strong year in FY2020 resulting in record production of 520,414oz (FY2019: 355,077oz) and All-In-Sustaining-Costs of $1,101/oz (FY2019: $1,030/oz).

Following the end of the financial year, the Company released its updated Reserves as at 30 June 2020 of 8.6Moz (up 160% from 3.3Moz at 30 June 2019). This comprised of 3.7Moz for CDO and TBO and 4.9Moz for its 50% share of KCGM.

The Company's Head Office is in Perth, Western Australia.

[1] Includes 660,000 Performance Rights that have vested but have not yet been exercised into Ordinary Shares.
[2] These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Carosue Dam Operations

Saracen Mineral Holdings Limited owns 100% of the Carosue Dam Operations ("CDO") through its wholly owned subsidiary, Saracen Gold Mines Pty Ltd.

CDO includes the Carosue Dam Project (comprised of the Karari and Dervish gold deposits), the Porphyry Project (comprised of the Porphyry, Million Dollar, Enterprise, and Wallbrook gold deposits), and the Deep South Project (comprised of the Deep South, Safari Bore and Box Well gold deposits). Saracen acquired the original CDO assets in 2006 and commenced commercial gold production in 2010.

Saracen's CDO tenement holdings and gold deposits are located in one of the world's most prospective gold provinces, incorporating the Laverton and Keith Kilkenny Tectonic Zones, northeast of Kalgoorlie, Western Australia. This province is home to several world-class gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby. Saracen is building a significant resource position, via exploration and corporate activity, supported by long-term strategic infrastructure in this area and continues to focus on its exploration efforts in this region.

CDO infrastructure now consists of a processing plant, thickener & paste plant, three accommodation villages with the ability to support ~400 people, various water and power infrastructure assets, a 1MW solar farm (with additional solar farms under construction) and an airstrip. The Company is in the process of upgrading the existing CDO processing plant to a nameplate capacity of 3.2Mtpa from the current 2.4Mtpa.

Thunderbox Operations

Saracen Mineral Holdings Limited owns 100% of the Thunderbox Operations ("TBO") through its wholly owned subsidiary Saracen Metals Pty Ltd.

Saracen acquired TBO in 2014 and commenced commercial gold production in 2016. TBO includes the Thunderbox Project (comprised of the Thunderbox, Rainbow and Otto Bore gold deposits), the Kailis Project (comprised of the Kailis Stage 1 & 2 gold deposits), the Bannockburn Project (comprised of the Bannockburn and North Well gold deposits) and the Waterloo Project (comprised of the Waterloo and Amorac nickel deposits).

In addition, in June 2019, the Group made an off-market takeover bid to acquire ASX listed Bligh Resources Limited ("Bligh"). Bligh's Bundarra project is located less than 30km south of TBO and adjacent to the sealed Goldfields Highway. The Bundarra project consists of five mining leases and six prospecting licences that host four known gold deposits including the key Wonder gold deposit. This transaction was completed in September 2019.

In September 2019, the Group entered into a binding agreement to acquire the Sinclair project from ASX listed Talisman Mining Limited. Sinclair is located 25km south-west of TBO in the world class Agnew-Wiluna greenstone belt. In addition to acquiring significant mine site infrastructure, Sinclair also includes a 207km^2 tenement package covering more than 80km of prospective ultramafic host rocks with gold exploration potential as well as the Sinclair nickel deposit which complements Saracen's existing nickel portfolio in the region. This transaction was completed in October 2019.

TBO is located in the highly-prospective Yandal Belt and the Agnew-Wiluna Belt in the North Eastern Goldfields of Western Australia. The Thunderbox processing facility, which was recommissioned during 2015 has a nameplate capacity of 2.5Mtpa, although during FY2020 the processing plant operated above nameplate capacity at 2.9Mtpa. A Scoping Study has confirmed the potential to expand the Thunderbox mill to 3.5Mtpa during FY22. Existing infrastructure comprises a ~340-person accommodation village, an airstrip, power infrastructure, a spur to the Goldfields Gas Pipeline, bore field water supply and telecommunication services.

KCGM Operations

On 29 November 2019, the Company acquired Barrick Gold Corporation's 50% interest in the KCGM Super Pit gold mine in Kalgoorlie-Boulder, Western Australia for US$750m.

Saracen and its new JV partner Northern Star Resources Limited ("Northern Star", ASX: NST), have moved quickly to finalise a joint operatorship model, establish a new management structure and initiated an extensive strategic review / optimisation process. The initial outcomes from this review, including updated Reserves & Resources, FY2021 guidance and a seven-year outlook, remediation plans for the 2018 East Wall slip and longer-term strategic plans were released to the market in August 2020.

As part of the new structure, the JV partners have appointed a General Manager responsible for the operation reporting to the KCGM Executive Committee, comprising two Saracen representatives and two Northern Star representatives.

The JV partners will share knowledge and resources to maximise performance. This co-operative approach will enable the partners to capitalise on, among other aspects, Saracen's widely recognised open-pit mining capability and Northern Star's highly successful underground mining knowledge and experience.

Production:

Carosue Dam Operations

For the financial year ended 30 June 2020, gold production from CDO was 203,281oz (2019: 199,743oz) at an All in Sustaining Cost ("AISC") of $1,263/oz (2019: $1,056/oz). The increase in the AISC is mainly due to FY2019 including 33koz of low cost production from the higher grade Deep South underground mine before it was placed in care and maintenance (C&M), pending further exploration. As the mine was to be placed on C&M, there was minimal development at Deep South during FY2019 with the focus on stoping only, resulting in a much lower production cost.

Carosue Dam		Quarter (Q)				
Mill Production	Unit	Sep Q 2019	Dec Q 2019	Mar Q 2020	Jun Q 2020	FY2020
Total Ore Milled	kt	590	628	585	591	2,394
	g/t	2.9	2.8	2.9	2.9	2.8
Recovery	%	93.7%	92.8%	92.0%	92.9%	93.0%
Gold Produced	oz	50,590	52,898	49,478	50,315	203,281
Underground Mining						
Total Ore Mined	kt	576	550	670	599	2,395
	g/t	3.0	3.2	2.5	2.8	2.8
Contained Ounces	oz	56,062	56,140	53,713	53,431	219,346

During the year, 2,394,000 tonnes (@ 2.8g/t for 219,346 contained ounces) were mined from the Karari-Dervish and Deep South (development ore) underground mines.

Mining production from Karari-Dervish was at steady state for the year following the completion of the Dervish ramp-up in June 2019. During the year, the focus at Karari was the ramp-up of the newly commissioned paste plant and the delivery of paste to the Karari underground. Pleasingly, during Q2 of FY2020, record paste production was achieved for three consecutive months.

Mine development at Deep South re-commenced early in October 2019 and remains on schedule with stoping commencing during the June Quarter of FY2020.

Good progress was made on the mill expansion to 3.2Mtpa (from 2.4Mtpa) during the year. GR Engineering Services has completed all civil and concrete works and installed the additional elution column. Work is now focused on the structural and mechanical work for the new mill and other process infrastructure. Commissioning of the expansion has been delayed by one quarter to the March Quarter of FY2021 due to COVID-19 related delays at the mill manufacturing plant in China.

Infrastructure works are now complete at the Porphyry Mining Centre, 50km north of the Carosue Dam mill. Subsequent to the end of FY2020, mining of the Million Dollar pit commenced. This single open pit has sufficient ore to fill the incremental capacity of the expanded mill for the next ~5 years.

Thunderbox Operations

For the financial year ended 30 June 2020, gold production from the Thunderbox Operations was 184,538oz (2019: 155,333oz) at an AISC of $731/oz (2019: $1,004/oz). The decrease in the AISC is mainly a result of the low stripping ratio at the bottom of the C Zone pit where mining is due to be completed in August 2020.

Thunderbox		Quarter (Q)				
Mill Production	**Unit**	**Sep Q 2019**	**Dec Q 2019**	**Mar Q 2020**	**Jun Q 2020**	**FY2020**
Total Ore Milled	*kt*	713	735	767	676	2,891
	g/t	2.1	2.1	2.1	2.0	2.1
Recovery	*%*	93.2%	94.1%	95.6%	94.9%	94.5%
Gold Produced	*oz*	45,735	46,595	50,091	42,117	184,538
Underground Mining						
Total Ore Mined	*kt*	40	45	35	29	149
	g/t	2.0	1.8	1.8	1.7	1.8
Contained Ounces	*oz*	2,540	2,567	2,058	1,619	8,784
Open Pit Mining						
Total Mining	*bcm ('000)*	1,638	1,503	1,662	1,447	6,250
Total Ore Mined	*kt*	1,369	1,085	689	692	3,835
	g/t	2.0	1.9	2.0	1.8	1.9
Contained Ounces	*oz*	86,268	65,667	43,658	39,973	235,566

6,250,000 bcm were mined predominantly from Thunderbox C Zone and Kailis Stage 2 open pits during the year, with a small amount of mining commenced at the D Zone open pit towards the end of the financial year. Open pit ore mined for the year was 3,835,000 tonnes @ 1.9g/t for 235,566 contained ounces.

Mining operations at C Zone progressed well throughout FY2020 and this pit is expected to be completed by August 2020. Pre-stripping of D Zone commenced three months ahead of schedule to optimise utilisation of the TBO mining fleet when opportunistic spare capacity was available from C Zone operations. Mining at Kailis Stage 2 continued during the year with the pit completed in March 2020 and significant post-mining stockpiles available.

Thunderbox underground ("Thunderground") development progressed well during the year with 149,000 tonnes of development ore being mined @ 1.8g/t for 8,784 contained ounces. The first production stope was successfully blasted in July 2020, with ore production set to ramp up during FY2021.

KCGM Operations

Since acquisition, Saracen's share of the gold production from the KCGM Operation for the seven months from December 2019 to June 2020 was 132,595 ounces at an AISC of $1,399/oz.

KCGM		Quarter (Q)				
Mill Production	Unit	Sep Q 2019	Dec Q 2019	Mar Q 2020	Jun Q 2020	FY2020
Total Ore Milled	*kt*	-	524	1,553	1,656	3,733
	g/t	-	1.4	1.4	1.2	1.3
Recovery	*%*	-	85.1%	82.9%	83.3%	83.4%
Gold Produced	*oz*	-	20,634	58,563	53,398	132,595
Underground Mining						
Total Ore Mined	*kt*	-	46	146	183	375
	g/t	-	2.2	2.5	2.4	2.4
Contained Ounces	*oz*	-	3,268	11,804	14,242	29,314
Open Pit Mining						
Total Mining	*bcm ('000)*	-	432	1,303	1,935	3,670
Total Ore Mined	*kt*	-	378	586	517	1,481
	g/t	-	1.6	1.6	1.1	1.4
Contained Ounces	*oz*	-	18,991	29,861	18,323	67,175

Health and Safety

Saracen's health and safety performance metrics for the year are provided below. While the entire workforce put in a significant effort to maintain focus on safety initiatives within our business, any performance improvements have been overshadowed with great sadness that post the end of the year, a colleague employed by our underground mining contractor was fatally injured underground at Carosue Dam. The investigation into the circumstances of this tragedy is ongoing with the full support of Saracen and our contract partner Byrnecut. The safety and wellbeing of our people is always Saracen's first priority. Our thoughts and condolences remain with the late worker's family, friends and workmates.

The Saracen Group Lost Time Injury Frequency Rate ("LTIFR") for the 12 months to June 2020 was 0.98 (2019: 0.79), and the Total Recordable Incident Frequency Rate ("TRIFR") was 8.70 (2019: 11.49). The TRIFR has shown an improvement of around 24% since last year. It is pleasing to report the continued improvement in our TRIFR numbers for FY2020, but disappointing to see that our LTIFR has not maintained a positive trend. What is not presented in these lagging indicators is the significant additional focus that all of our teams have put in during the year into our leading safety activities.

During the year, our focus has been on rolling out new tools and systems for Health, Safety, Environment and Community ("HSEC"), implementing new risk identification and assessment processes, increasing alignment between our sites incident investigation skills, reviewing and enhancing our critical controls, ensuring our projects were audited and assessed against internal and external standards, increasing our communication and reporting processes and identifying important opportunities for improvement and recognition of teams of best practice.

Saracen leadership teams (including the Board and senior management personnel) continue to complete observation and interaction activities in the field, which has maintained positive engagement, increased communication and demonstrated company-wide commitment to this critical business area.

A number of key initiatives have been implemented to support the business with our continued growth, maturity and focus on all core aspects of our operations. A new format was introduced to the Risk and Sustainability meetings which provides greater focus on upcoming activities, initiatives and future horizons. Saracen also organised an independent Safety Culture Survey in 2019 which was rolled out across all sites. The Safety Culture Survey has enabled us to identify our strengths and opportunities for improvement across the organisation leading to refinement of our HSEC Strategic Plan in our path forward.

During FY2020, the Company demonstrated the importance of health and safety and committed teamwork through the rollout of our COVID-19 Management Plan and early implementation of a number of related controls across all aspects of our operations. This included restrictions in site mobilisation, physical distancing protocols, hygiene and sanitation controls, prepared response plans in the event of single or multiple cases on site, remote working arrangements, medical testing, precautionary isolation processes and response plans for escalating external impacts.

Financial Performance

The consolidated operating and financial results for the financial year ended 30 June 2020 and comparative periods are summarised below. All $ figures refer to thousands of Australian dollars (A$'000) unless otherwise stated.

KEY OPERATING RESULTS	30-Jun-20	30-Jun-19	Movement	Percentage
Underground ore mined (kt)	2,919	2,102	817	39%
Open pit ore mined (kt)	5,316	3,226	2,090	65%
Material processed (kt)	9,018	5,262	3,756	71%
Grade (g/t)	2.0	2.3	(0.3)	(13%)
Production (oz)	520,414	355,077	165,337	47%
All in Sustaining cost ($/oz)	1,101	1,030	71	7%

KEY FINANCIAL RESULTS	30-Jun-20	30-Jun-19	Movement	Percentage
Gold sold (oz)[3]	501,429	321,882	179,547	56%
Average gold sales price (A$/oz)	2,138	1,726	412	24%
	$'000	$'000	$'000	Percentage
Total sales revenue[3]	1,074.0	555.6	518.4	93%
Operating cost & royalties	(550.0)	(316.0)	(234.0)	(74%)
Corporate, admin & other (excluding D&A)	(29.0)	(20.1)	(8.9)	(44%)
Transaction costs on business combination (KCGM JV)	(47.4)	-	(47.4)	(100%)
EBITDA[4]	447.6	219.5	228.1	104%
Depreciation and Amortisation	(152.4)	(87.9)	(64.5)	(73%)
EBIT[5]	295.2	131.6	163.6	124%
Statutory profit after income tax	189.7	92.5	97.2	105%
Underlying EBITDA[6]	530.9	221.2	309.7	140%
Underlying profit after income tax[5]	257.5	94.2	163.3	173%

Sales revenue for the year was $1,074.0m, up 93% from $555.6m in the previous year. Gold production for the year was 520,414 ounces, up 47% from the 355,077 ounces produced in the previous year. Gold sales for the year were 501,429 ounces versus 321,882 ounces in the previous year and the average gold price received for the year was A$2,138/oz (2018: A$1,726/oz).

During the year, approximately $60.3 million (27,264oz) of gold sales were made in relation to gold recovered from pre-commercial production, mine development activities at the Deep South underground, Thunderbox underground, Kailis Stage 2, D Zone, Morrison and OBH open pit mines. This amount was offset against those projects' capital development costs and although the gold produced is reported in production ounces, the associated gold sales receipts are not accounted for as sales revenue.

Underlying profit after income tax for the year was $257.5m, up 173% from $94.2m in the previous year mainly due to the increase in revenue as a result of higher production and steady costs combined with a higher gold price environment. The increase in production is primarily due to the acquisition of a 50% interest in the KCGM JV in November 2019 and the increased production from the C Zone open pit at TBO due to the low stripping ratio at the bottom of the pit where the Company is currently mining.

[3] Excludes 27,264oz produced totalling $60.3 million (2019: 29,022oz totalling $49.6 million) of gold sales that related to mine development activities.

[4] EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation and is a financial measure which is not prescribed by the International Financial Reporting Standards ("IFRS"). EBITDA has not been subject to any specific review procedures by the auditor but has been extracted from the financial statements by the Company.

[5] EBIT stands for Earnings Before Interest and Tax and is a financial measure which is not prescribed by IFRS. EBIT has not been subject to any specific review procedures by the auditor but has been extracted from the financial statements by the Company.

[6] Underlying EBITDA and Underlying profit after tax are financial measures which are not prescribed by IFRS and represents the EBITDA and profit after tax, adjusted for specific non-recurring items to give the users of the financial statements a better understanding of the Company's normalised business performance.

Corporate and Finance

Statement of Financial Position

As at 30 June 2020, Saracen's total cash and liquid position was $372.1 million (30 June 2019: $154.5 million), comprising $360.2 million held in cash, $9.1 million of gold in transit (4,350oz) and investments valued at $2.8 million (30 June 2019: $25.5 million, reduced from FY2019 following the sale of the Company's investment in Red 5 Ltd (ASX: RED) during the year).

During the year, the Company entered into new senior corporate financing facilities. The facilities include a $400 million term loan, a three-year $45 million revolving corporate facility and a $5 million contingent instrument facility. As part of the 50% KCGM JV acquisition, the Company drew down on the $400 million term loan.

During the year, the Company made debt repayments of $78.5 million against the term loan, including $40 million repaid ahead of the required amortisation schedule. As at 30 June 2020, Saracen had a debt position of $321.5 million in relation to the term facility.

Hedging

As at 30 June 2020, Saracen had gold hedging in place covering 493,200 ounces at an average price of A$2,094/oz (ranging from A$1,716/oz to A$2,519oz). These ounces are to be delivered over the period from July 2020 to March 2023 (inclusive). This reflects Saracen's guided hedging approach of up to one third of production hedged over a three-year period.

Production & Operational Outlook for FY2021 and beyond

Carosue Dam Operations

In FY2021, gold production will be principally sourced from the three underground mines Karari, Dervish and Deep South and later in the year from the Million Dollar open pit mine at the Porphyry Mining Centre. Production guidance at CDO for FY2021 is 240,000 to 250,000oz.

Saracen's business plan for CDO over the next year is to complete major capital investments to enable the delivery of a sustained long-term production rate of 240,000 to 250,000oz per annum by:

- Completing construction and commissioning the major upgrade at the processing plant that includes the construction of a regrind mill to increase processing capacity from 2.4Mtpa to 3.2Mtpa and an upgrade to the gravity and elution circuits;
- Sustained production rates from the Karari / Dervish and Deep South underground mines at 2.4Mtpa to 2.6Mtpa;
- Commencement and ramp-up of Open Pit mining from the Porphyry Mining Centre to a steady state of 1.6Mtpa to 1.8Mtpa run-rate that will provide long-term additional ore feed to the expanded processing operation;
- Establishing the capability to deliver paste back-fill to the Dervish underground mine from Q1 FY2022 which will substantially increase mining recovery of the orebody at depth;
- Implementation of the new mining method (modified AVOCA) at Deep South to allow greater recovery of the resource;
- Continuing the upgrade of existing infrastructure to support the growth strategy including; construction and commissioning of larger LNG storage facility onsite, implementing our 10-year water supply plan by constructing a 70km pipeline from Safari Bore to CDO Processing Plant and the implementation of another 5MW Solar Farm that will improve power costs and significantly reduce CO_2 emissions from the operation;
- Continuing the major exploration programs along the "CDO Corridor" focusing on near mine extensions and testing of the targets generated from the 3-D seismic survey; and
- Continuing to grow the underground mines resources along strike and at depth.

Thunderbox Operations

In FY2021, gold production will be principally sourced from the Thunderbox Underground and Thunderbox D Zone open pit cutback. Some production will be sourced from final stages of the C Zone open pit and various remaining open pit stockpiles. Production guidance at TBO for FY2021 is 140,000 to 150,000oz.

Saracen's business plan for TBO over the next two to three years targeting increased production up to ~200,000oz per annum comprises:

- Delivery aligned to meet or exceed the production outlook;
- Ramp up base load production from the Thunderbox Underground with supplemental oxide feed from D Zone open pit;
- Continue milling the C Zone and Kailis Stage 2 open pit stockpiles contributing higher grade ore feed to optimise ore blending opportunities at the Thunderbox mill;

- Continue developing the Otto Bore reserve to commence surface mining in FY2022;
- Continue working on the Life of Mine strategy of base load feed from various sources adjacent to the TBO mill with bolt-on growth options (for example Wonder North) to increase production;
- Pursue the optimal operation of the Thunderbox mill (including progressing the expansion study targeting 3.5Mtpa) to maximise production and cash flow generation;
- Fund all project development through internal cash flow generation;
- Continue major exploration focus on near mine extensions – the best spot to find a new mine is at an existing mine; and
- Grow the Reserve base.

KCGM Operations

In FY2021, gold production will be principally sourced from three areas of the Fimiston Open Pits (Morrison, Golden Pike and OBH) along with the Mount Charlotte underground mine. Production guidance at KCGM for FY2021 is 220,000 to 240,000oz (SAR's 50% share).

The KCGM JV's business plan over the next two years comprises:

- Commencing the remediation of the May 2018 Eastern wall failure as part of the OBH cutback;
- Review and replacement of the aging open pit mining fleet to enable the FY2021 ramp up of production to the required annualised life of mine, steady state rate of 75Mtpa, (FY2020 rate 36Mtpa);
- Commencement of the pre-strip of the southern cutback of the Fimiston Open Pit, providing mill feed in the coming years as part of the long-term life of mine plan;
- Ramp up of UG production at the Mt Charlotte underground to an annualised rate of 1.5mt, (FY2020 rate 1.1mt);
- Continued growth of the Mt Charlotte regional resource; and
- Continued growth of the Fimiston South resource.

Exploration

Exploration has been active across the group in FY2020 with ~ $58m spent on greenfields and brownfields exploration (FY2019: $56m). Over 230,000 metres have been drilled across the various project areas and has been conducted at various stages of exploration from greenfields regional aircore to near mine resource definition. The motivation for this activity stems from the strategy to grow the organic project pipeline to deliver additional growth and mine life to the existing operations.

Carosue Dam

The accelerated exploration and resource definition effort continued across the key projects at Carosue Dam. Drilling has focused on the key operating underground mines (Karari-Dervish), the Carosue Dam Corridor, including the recent discovery at Atbara and at Safari Bore.

Karari underground drilling focused on infill grade control following a significant increase in Ore Reserves to 1.2Moz at 30 June 2019. Drilling in FY2020 continued with two underground rigs from the 1940 and 1916 drill drives. Multiple thick high-grade results continue to support the increasing grade profile with depth. The high-grade shoots remain open at depth and will be tested further during FY2021 from the 1805 drill level. The new 1805 drill platform is located 135m below the existing drill platform and will facilitate the next phase of resource growth weighted to FY2021.

Drilling at Dervish was balanced between extensional exploration in the north, resource definition in the south and infill drilling proximal to development. Resource extension drilling in the south continued to highlight the thick high-grade shoot controlled by the Osman Fault. Extensional exploration drilling to the north also returned encouraging results. The next extensional exploration and resource definition programs at Dervish for FY21 will commence from the new 2000 EXD drill platform completed late in the June Quarter 2020.

A number of small underground drill programs were completed at the Deep South mine during FY2020. Drilling has identified further extensions to the known high-grade shoots. The drilling has defined additional resources at depth, which are currently under economic evaluation and have been targeted for exploration drilling in FY21. Deep South will continue to focus on grade control as well as the new resource areas for additional indicated resource and life of mine.

Drilling along the prospective Carosue Dam Corridor delivered early success, with further delineation of the recent discovery at Atbara, only 4km north of the mill. The initial broad 160m x 160m framework drilling identified a large system with a strike length of 860m between two post mineralisation Proterozoic dykes. Initial follow up drilling to the discovery hole (40m @ 3.8g/t) suggested that the mineralisation is highly variable. A close spaced 20m x 20m program was completed to assist in understanding the short-range variability. The variable grade distribution across the project allows for flexibility in any future approach and current drilling has shown the presence of large lower grade domains as well as more discrete higher-grade zones, both of which will be followed up and investigated further.

In January 2019, five 2D seismic lines were collected across key areas of the Carosue Dam Corridor. This 2D data acquisition was a precursor to a much larger and more detailed 3D seismic survey. The 3D seismic survey and the data processing is now complete with interpretation underway. The high-resolution acquisition recorded 263 million traces of seismic data over 50km^2 including Karari, Dervish and Atbara. This is the highest resolution hard rock survey in Australia and the second largest by area to date.

Interpretation of the high-resolution survey has commenced with a significant number of previously unknown structural and geological features beginning to be resolved. The interpretation phase is an iterative process as new mapping and drilling is integrated into the cube. Once the detailed geological framework is established, drill targets can be determined and the initial targets are planned to be tested in FY21.

The Safari Bore project is located 70km north-northeast of the Carosue Dam mill, and 5km west of the Deep South underground mine adjacent to the large regional Pinjin Fault. The steeply west, south-westerly dipping stratigraphy is highly deformed with high-grade mineralisation commonly associated with intense sericite-albite alteration proximal to quartz-carbonate veining and local brecciation. The project was previously mined between 2003 and 2005, producing 210,000 ounces at an open pit grade of 2.9 g/t. The last drilling at Safari Bore was completed by Saracen in 2010.

Resource definition drilling at Safari Bore in FY2020 tested extensions for a southern pit cutback with 25 RC holes and 5 diamond geotechnical holes. The high-grade shoots remain open down plunge with further drilling planned for FY21.

Regional aircore drilling (900m x 100m) was completed along the unexplored corridor proximal to the Pinjin Fault. The aircore drilling has delivered multiple multi-kilometre scale gold anomalies and successfully identified a large gold anomaly (Okavango) to the west of Safari Bore. This significant anomaly is defined over a strike length of 6.0 km and is up to 1.2 km wide. RC drilling commenced at Okavango to test the bedrock for primary mineralisation responsible for the large anomalous footprint defined in the aircore drilling but was suspended in March 2020 due to COVID-19 restrictions. Drilling is now rescheduled for FY21.

Prior to the resumption of open pit mining at the Porphyry mining centre, a resource definition RC program was completed at Million Dollar. Drilling targeted extensions to the historical pit for a pit cutback in FY21

Thunderbox

Underground drilling focused on testing the extents of the known A Zone mineralisation and increasing the data density outside the current Ore Reserve. Drilling tested the margins of the mineralisation to optimise the extents of the Ore Reserve ahead of underground mining. The results continued to demonstrate the consistent and persistent nature of the Thunderbox mineralisation, boding well for future underground mining.

A surface RC program tested the northern extents of the D Zone to increase the definition of the high-grade shoot. Previous drilling highlighted the prominence of the shoot with the new drilling adding further confidence.

Extensional infill RC drilling resumed at Otto Bore, 8km north of the Thunderbox Plant following the successful maiden Ore Reserve of 950kt at 2.0g/t for 60,000 ounces at 30 June 2019. This drilling focused on further defining the high-grade shoots proximal to the Ore Reserve and demonstrated the growth potential of the project with some strong results returned. The high-grade mineralisation appears confined to shallow plunging ore shoots. The strike length of the mineralised structure has now been tested for over 1.5km with further extensional drilling planned for FY21.

In the September Quarter 2019, Saracen acquired Bligh Resources Limited (ASX:BGH) including the Bundarra Project. The project comprises 5 deposits with a total Mineral Resource of 9.6Mt @ 2.1 g/t for 660,000 ounces. Wonder North is the largest deposit and was the focus of drilling in final quarter of FY2020. Drilling targeted infilling the resource to improve geological confidence and to confirm previous high-grade drilling results. The well-developed, south-plunging high-grade shoot will be the primary focus with step out exploration programs planned for FY21.

A number of regional field aircore programs were completed during the year. An infill aircore program at Bannockburn was completed during H1 FY2020 which continued to define anomalism along the prospective Bannockburn and Blue Tank shear zones. Diamond and RC follow up to the Bannockburn deposit and the Blue Tank shear anomalies is planned for FY21.

The Sinclair project was acquired from Talisman Mining Limited (ASX: TSM) in the December Quarter 2019. This prospective yet underexplored gold tenure is located 25k south-west of Thunderbox and immediately along strike from the Bannockburn project area where recent air core drilling has highlighted additional significant anomalism. The southern extension of these anomalous structures continues on to the Sinclair package.

KCGM Exploration

Saracen and its 50% KCGM JV partner Northern Star Resources Limited (ASX: NST) have established an "Exploration and Growth" sub-committee and initiated a strategic review of the expansion opportunities available at the Super Pit.

During FY2020, exploration activities at KCGM were focused on extensions to mineralisation in the Fimiston open pit and Mt Charlotte underground operations. Over 64,000m of Exploration and Resource Definition drilling has been completed since January 2020. This drilling predominantly tested down dip, along strike and on the margins of multiple historical mining areas. The objective of these programs was to deliver additional growth and mine life proximal to existing operations.

Fimiston

Fimiston Northern Extensions drilling continued as a part of a series of deep directional diamond drill holes testing the Fimiston lode system within the Golden Mile dolerite and Paringa Basalt. Over 11,540m of diamond drilling targeted multiple narrow high-grade shear hosted style lodes below historical workings. The aim was to improve geological confidence and to confirm previous high-grade drilling results.

Fimiston Southern Extensions drilling focused on increasing the data density within the current Mineral Resource and testing the extents of the known Fimiston system mineralisation to the south. A total of 13,853m of both diamond and RC drilling targeted multiple narrow high-grade shear hosted style lodes to test mineralisation within the Paringa Basalt and Golden Mile Dolerite on the margins of the stopes and interpreted unmined lodes. Drilling focused on upgrading Inferred material to an Indicated Resource category.

The results of both programs continue to demonstrate the consistent and continuous nature of the Fimiston mineralisation at depth. Data from these programs has been used in the June 2020 Fimiston Resource model, with further work planned in FY2021.

Mt Charlotte

Multiple drill programs were completed in FY2020 across various project areas at Mt Charlotte. Results are encouraging with more drilling planned in FY2021 as the full scale of the mineralised system and how it interacts with Fimiston is being modelled and tested.

Mt Ferrum is a shear-hosted Fimiston-style lode located 600m east of the Sam Pearce decline of the Mt Charlotte mine. Mineralisation is hosted within Paringa Basalt and strikes NNE. Infill resource definition drilling has identified a series of hangingwall and footwall structures, and stockwork mineralisation in Williamstown Dolerite to the west of the main lode. Mineralisation is thought to be controlled by the structural architecture and is the subject of a geological review currently underway.

Kal East is a narrow, high-grade Fimiston-style lode lying 250m to the east of existing infrastructure at the Mt Charlotte mine. Infill resource definition drilling has identified more complexity than expected, defining a series of hangingwall and footwall structures. Mineralisation is hosted primarily within Williamstown Dolerite and the highest grade is constrained within a steeply dipping southerly plunging shoot. Internal zones within the Williamstown Dolerite are important in controlling the distribution of gold.

Belgravia is a series of mineralised lodes lying 100m north of existing infrastructure at the Mt Charlotte mine. Mineralisation is hosted within pillowed and variolitic Devon Consols Basalt in proximity to the Hannans Lake Serpentinite, the contact of which is intruded by felsic porphyritic rocks. Infill resource definition drilling has identified eight separate NNW-striking lodes with en échelon geometry. The lodes are overprinted by stockwork mineralisation, with veins dipping to the north similar to the Mt Charlotte-style stockwork orientations.

Regional

A number of regional field RC drilling programs were completed during the year to test anomalies from previous historical drilling. A RC program was undertaken at the Two Up prospect which defined zones of quartz veining hosted in a series of sediments and porphyries. Drill results were encouraging and follow up work is being planned for this area.

Investor Relations

During the year, the Company presented at several conferences and conducted roadshows to existing and prospective investors, analysts and stockbrokers. These included:

- Diggers and Dealers Conference, Kalgoorlie, August 2019;
- Beaver Creek Precious Metals Forum, September 2019;
- Denver Gold Conference, September 2019;
- Macquarie Bank Western Australian Forum, December 2019;
- RBC Sydney Mining Day, February 2020;
- BMO Global Metals and Mining Conference, February 2020;
- Euroz Conference, March 2020;
- Macquarie Bank Australia Conference, May 2020;
- Various investor mine site visits; and
- Various investor presentations in London, Sydney, Melbourne and Perth.

Each presentation is released to the ASX and available on both the ASX (www.asx.com.au) and the Saracen website (www.saracen.com.au).

Human Resources

As at 30 June 2020, the business had 504 direct employees following continued growth to support our current and future operations. The Company continues to promote a workplace culture that embraces diversity, and our submission to the Workplace Gender Equality Agency ("WGEA") in July 2020 (delayed due to COVID-19) recorded a female participation rate of 18.3% as at 31 March 2020. As at 30 June 2020, Saracen's female participation rate had declined slightly to 17.5% but was pleasingly still maintained above the industry average of 17.0%. As we move in to FY2021, we continue to focus on fair and reasonable recruitment practices and will continue to include suitable female candidates in recruiting pools as opportunities arise.

Through FY2020, there has been a continued focus on maintaining and extending our diversity focus to include the promotion and recording of other diversity elements, such as age and regional employment.

As at 30 June 2020, 95.6% of employees live within Western Australia. This demographic proved a significant advantage when managing the response to the COVID-19 pandemic and travel restrictions. The workforce has a mean age of 40 years. In FY2020 over 50% of employees provided information regarding their Aboriginal and Torres Strait Islander identification. Of the people who have provided information, 1.9% identify as Aboriginal or Torres Strait Islander. In FY2021 we aim to extend the data collection of Aboriginal and Torres Strait Islanders identification into 100% of our workforce. During FY2020, the Saracen core values of Safety, Attitude, Communication, Courage and Delivery continued to define and guide our actions and interactions. As Saracen has grown, these values provide the link to the culture and actions which created the foundation for our success. The "Saracen DNA" is discussed at all levels of the organisation as something which enabled our past success and will continue to support our future growth.

Supporting our strong, results-driven, "can do" culture, where our people are at the heart of our success, the "Think and Act Like Owners" ("TALO") program has continued to encourage our employees to engage with the ongoing and long-term success of Saracen. Employees were invited to suggest TALO ideas and the submissions received have been wide-ranging: small and large improvements, cost savings, efficiencies and positive impacts in operations, safety, environment and the community. Importantly, every one of these submissions represents our employees truly thinking and acting like owners. In May 2020, Saracen were pleased to offer the Employee Share Scheme for the third year and it again had a strong level of take up (over 98%). This means most of our employees are able to say they truly are owners of Saracen and engage with our success.

In FY2020, Saracen implemented a number of programs and policies to support our employee group and our operations by improving our employee value proposition, these included:

- The implementation of a Human Resources Information System which allows employees and managers self-service for a range of HR related tasks;
- Internal and external HR training for all employees, with a focus on mental health, equal employment opportunity and bullying and harassment preventative training; and
- Provision of specific mental health programs through the COVID-19 restrictions.

KCGM

Since the commencement of the new JV partnership, the KCGM HR team have been reviewing all systems, processes and policies. With the change in ownership, the focus has been on aligning with both JV partners and developing suitable systems that will support all employees and managers now and in the future.

Some of the significant projects underway include:

- Rebranding has commenced for the new KCGM brand. This has highlighted the connection of KCGM to their people and the community as part of a major recruitment campaign. Early response has been very positive;
- Revised organisational structure developed in conjunction with the new Senior Leadership Team; and
- Planning for changeover of HR and Financial systems.

Community Support

Saracen, through its investment in our local communities and our industry, wishes to leave a lasting positive legacy of improved outcomes for all parties. Saracen views engagement, communication and consultation with stakeholders as crucial for business success, including maintaining a social license to operate. We are committed to improving community engagement through open and transparent dialogue with government representatives, pastoral and community representatives and other key stakeholders.

The Company's core values of Safety, Attitude, Communication, Courage and Delivery, apply equally when we engage with any of our community and stakeholders. During FY2020, we continued our program of a mix of corporate and site-based funding. The corporate focus for community funding is engaging with long-term partners in order to build partnerships that return significant value to all participants. At a site level, our teams have engaged with a number of local organisations and events providing support and networks for the local communities in which we work.

There are a number of significant sponsorships that Saracen has supported this year:

- COVID-19 Support: In response to COVID-19 and the need to support our communities, we partnered with other resources companies to maximise our support impact. This included being part of the historic Chamber of Minerals and Energy of Western Australia's (CME) COVID-19 Community Support Initiative which provided over $7 million to Foodbank, Lifeline and Royal Flying Doctor Service.

  Saracen also joined with KCGM and Northern Star to provide joint funding for two initiatives focussed into Kalgoorlie;
  - Small Business Support Grants program, delivered in partnership with the Kalgoorlie-Boulder Chamber of Commerce and Industry Inc. This program provided grants to 35 Kalgoorlie small businesses impacted by COVID-19; and
  - Foodbank Kalgoorlie to purchase essential foods and to purchase critical equipment and infrastructure for the branch to enhance their day-to-day operations.

- WA School of Mines (WASM): In August 2019, Saracen announced a three-year partnership to support WASM in Kalgoorlie. This multilevel sponsorship includes support for scholarships for students based in Kalgoorlie, support for mining engagement camps and the WASM alumni association. By supporting this iconic institution, we believe we help to grow our next generation of miners as well as encouraging students to take advantage of the opportunity to study in Kalgoorlie.

- Shooting Stars & Leonora High School: We continued our support of Shooting Stars in Leonora and the program has continued to have significant impact with vast improvements in school attendance & behaviour. Our relationship with the program and the school has continued to grow and all our staff members enjoy the opportunity to interact with the students. The Art Competition once again had fantastic support and engagement, including some of our staff members providing support for the artists.

- WA Netball/Gold Industry Group (GIG): We are part of the WA Netball Sponsorship led by GIG. GIG is the principal sponsor of WA Netball this year and this sponsorship has supported important programs in the metropolitan and regional areas, including the setup of a new Shooting Stars site at Laverton.

- Clontarf Foundation: Saracen has maintained its support for Clontarf for a number of years, in particular the Kalgoorlie Boulder Academy. This is the second year of our formal partnership and we continue to be impressed with the work that Clontarf does. One of our Clontarf employees, Jake Dann, along with his supervisor, Nick Scarborough, spoke at the Clontarf Mining and the Land Dinner, talking to the students about the opportunities our partnership provides.

- East Kalgoorlie Primary School (EKPS): EKPS and Saracen continued their long-term engagement which this year included a joint float at the annual Kalgoorlie St Barbara's Day Parade. Our employees worked hard with the children to decorate the float and then everyone enjoyed taking part in the parade.

- MACA Cancer 200: We built on our FY2019 success in the Ride to Conquer Cancer and had over 23 employees ride in the rebadged MACA Cancer 200 ride to Mandurah and back to raise money for cancer research. The team doubled their 2019 mark and raised over $126,000 for the Harry Perkins Institute.

In addition to these major sponsorships, Saracen has continued its involvement with and commitment to a broad range of community groups and organisations during FY2020 including: AUSIMM UWA Student Chapter, Leonora Golden Gift, Leinster Art Program, O'Connor School Camp, Kurrawang Aboriginal Christian Community, Goldfields Esperance Community Trust, Kalgoorlie School of the Air, Alzheimer's Research Foundation and the Heart of Gold Trail. We also provided over $37,000 funding for bushfire-related charities including matching our employees' generous donations.

Significant partnerships for KCGM in FY2020 included:

- COVID-19 Kalgoorlie Support. KCGM led the engagement for the previously mentioned joint funding with Saracen and Northern Star. This included engaging with the Kalgoorlie Boulder Chamber of Commerce to design a program to have significant benefit for the Kalgoorlie business community impacted by COVID-19. The 35 businesses supported through the grants ranged across the spectrum of small businesses in Kalgoorlie and were very thankful for KCGM and their JV partners providing the support at such a critical time.

  The second engagement was with Foodbank targeting specific support into Kalgoorlie. This pioneering partnership will have a significant impact in the area including provision of a van to support the ongoing work of Foodbank in the region. There will also be opportunities for all JV partner employees to provide volunteering support to Foodbank.

- Kalgoorlie-Boulder Urban Landcare Group (KBULG). KCGM has been a proud supporter of KBULG for more than 12 years. Through KCGM's core sponsorship, KBULG was able to conduct a number of community and education initiatives over the past 12 months including the; Kalgoorlie-Boulder Clean-Up Day, Tree-Planting Day, local Aboriginal cultural tours, and the development of the Eco and Cultural Education Centre.

- **Local Voices:** in partnership with community engagement specialists, Voconiq. Local Voices is a unique community engagement program developed over 10 years with Australia's leading science agency, CSIRO. The program provides a platform for Kalgoorlie-Boulder residents and local stakeholders to have a direct voice in expressing their views with KCGM, increasing understanding for all parties and providing opportunities for collaboration. KCGM has committed to delivering Local Voices for three years from mid-2019 to 2022.

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the FY2020 financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

No other material events have occurred since 30 June 2020 requiring disclosure.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- The Group's operation in future financial years, or
- The result of those operations in future financial years, or
- The Group' state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company continues to seek suitable mineral opportunities for acquisition or farm-in, as well as corporate investments, while operating and expanding the Company's operations. Refer to the Production and Operational Outlook for FY2020 and beyond on Page 17.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Saracen will release its 2020 Sustainability Report in September 2020.

Saracen recognises that respecting the environmental values held by people both within and outside of the Company is an integral part of doing business.

Saracen is committed to conducting operations in an environmentally sensitive manner. Through the implementation of a company-wide Environmental Management System, Saracen is able to continually minimise any adverse environmental risks that may be associated with its business activities. The Saracen Group is subject to environmental regulations associated with the granting of licences by various regulatory bodies, including the Department of Mines Industry Regulation and Safety ("DMIRS"), Department of Water and Environmental Regulation ("DWER") and the Department of Planning, Lands and Heritage ("DPLH").

Inspection and monitoring of many facets of our operations and their local and regional environments are routinely undertaken to ensure ongoing compliance, and also to demonstrate where performance improvements be identified and applied. Flora and fauna monitoring, groundwater sampling and analysis, and air emissions monitoring are just a few key areas where Saracen strives for ongoing enhancements. Results are reported in various reports to regulatory bodies in accordance with the requisite statutory requirements. There were two notable environmental incidents during FY2020: one where mandatory exploration rehabilitation works were not completed within the designated timeframe and resulted in a fine being issued to Saracen by DMIRS; and a second where dry tailings material was incorrectly used as soft fill in a construction project. Both events were fully recovered with no long-term permanent impact on the local environment.

The Group is also subject to the reporting requirements of the National Environmental Protection (National Pollution Inventory) Measure 1998 ("NPI") and the National Greenhouse and Energy Reporting Act 2007 ("NGER"). This legislation requires the Group to report its annual greenhouse gas emissions and energy use.

A selection of key environmental achievements during FY2020 include, but are not limited to:

- All environmental approvals granted to allow future mining of the Otto Bore resource;
- Mining Proposal granted for the successful recommissioning of the Million Dollar Project;
- Mining Proposal granted to allow the Thunderbox D Zone cut back, west waste dump extension and construction of the underground Paste Plant;
- Updated Mine Closure Plans accepted by the Regulator for Thunderbox, Double A and Waterloo;
- Construction of Stage 1 of the Carosue Dam solar farm;
- Works Approval granted for lifts 8-15 of the Thunderbox TSF;
- Commenced Phase 1 of Saracen Group Climate Risk and Opportunity Project; and
- Completion of Greenhouse Emissions Safeguard forecast audits and Clean Energy Regulator audits.

DIRECTORS' MEETINGS

The number of Board and Committee meetings held and the number of those meetings attended by each Director or Committee member during the financial year were:

	Board Meeting		Audit Committee		People & Culture Committee		Risk Management & Sustainability Committee		Exploration & Growth Committee	
Director	Meetings held while a Director	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended
Raleigh Finlayson	10	10	-	-	-	-	2	2	2	2
Anthony Kiernan	10	10	3	3	3	3	-	-	-	-
Sally Langer	1	1	1	1	1	1	-	-	-	-
Martin Reed	10	10	-	-	-	-	3	3	2	1
John Richards	10	10	3	3	2	2	-	-	-	-
Roric Smith	10	10	-	-	-	-	3	3	2	2
Samantha Tough	10	10	2	2	3	3	1	1	-	-

In addition to the scheduled Board and Committee meetings, Directors regularly communicate by telephone and email, and where necessary, Circular Resolutions are executed to effect decisions.

REMUNERATION REPORT (AUDITED)

COVER LETTER TO THE REMUNERATION REPORT

Dear Shareholder,

On behalf of the Board of Directors of Saracen Minerals Holdings Limited, I am pleased to provide you with the Remuneration Report for the year ended 30 June 2020. The Remuneration Report sets out FY2020 remuneration information for the Managing Director ("MD"), Key Management Personnel ("KMP") and Non-Executive Directors ("NEDs") in a simple and transparent way.

Remuneration Overview

The People & Culture Committee (formerly Remuneration and Nomination Committee) oversees Saracen's remuneration approach on behalf of the Board. The key tenets of its approach to remuneration are to ensure that it supports the Company's strategy and aligns with the drivers of long-term shareholder value. In doing this, the Committee is cognisant of the need to maintain flexibility in remuneration to enable Saracen to adapt to specific circumstances that may arise within the Company or within the industry in which we operate.

The reporting period for this report is the FY2020 Financial Year.

Tragically, early in FY2021, on the 13 July 2020, the first fatality in Saracen's operating history occurred. Whilst this is first and foremost a tragic event for the family of the deceased person, there are other governance considerations including consideration of how the fatality may impact remuneration, in particular short-term incentives.

The Board has full discretion in the awarding of all incentives and has discussed the appropriate way to exercise that discretion. The Board did consider whether there should be any change to the FY2020 outcomes, however as the incident occurred subsequent to the end of the FY2020 financial year, the Board has determined to reflect the impact of this tragic event in the FY2021 quantum and outcomes. These changes are detailed on Page 33.

Non-Executive Director Remuneration

There will be no increase to Non-Executive Director ("NED") Fees in FY2021.

In order to further align NED remuneration outcomes with shareholder outcomes Saracen has:

- Introduced guidelines that encourage NEDs to maintain a shareholding in the Company; and
- Implemented a NED Salary Sacrifice Plan ("NED Plan"), under the existing approved Long-Term Incentive Plan, whereby NEDs can elect to receive a portion of their annual Director Fees (up to $40,000) in Saracen Shares each year. This was approved by shareholders in March 2020 and has been implemented effective 1 July 2020. The number of shares that may be issued each year are determined based on the Saracen VWAP in June of the prior year and at the end of each Quarter, 25% of the shares will vest. On vesting, the shares are placed in a "holding lock" for between 18 and 48 months at the NEDs election.

All of Saracen's NEDs have elected to participate in the NED Salary Sacrifice Plan in FY2021.

Executive Remuneration Review

In FY2020, the People & Culture Committee appointed The Reward Practice as an independent advisor to assist with an assessment of the current market, the provision of executive remuneration benchmarking information and a review of Saracen's incentive programs.

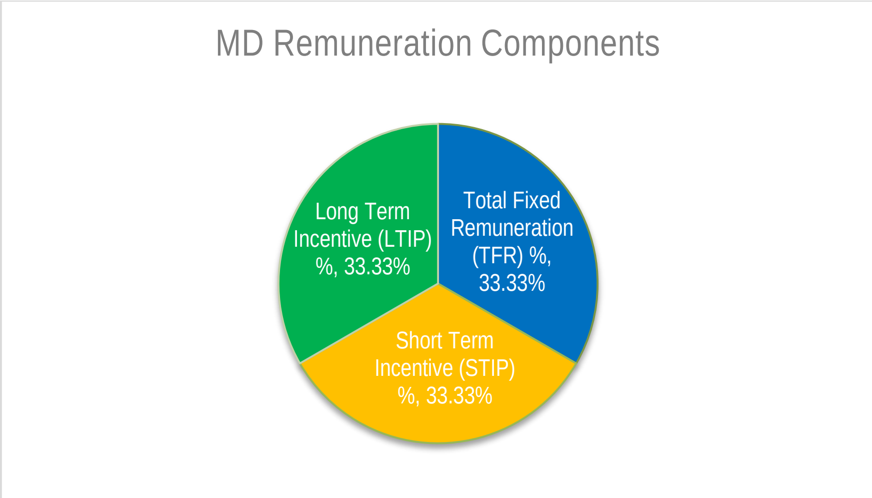
The Reward Practice were engaged by, and reported to, the People & Culture Committee. The Board chose to undertake this review to provide external input into to ensuring the Executive remuneration framework continues to align pay outcomes with performance and positive shareholder outcomes with enhanced transparency and remains within the appropriate market comparatives. There were no remuneration recommendations, as defined by the *Corporations Act 2001*, provided by The Reward Practice.

After considering the information presented, including the best practice recommendations from the Reward Practice, the People & Culture Committee agreed to maintain the broad remuneration framework. It was agreed to increase the Total Fixed Remuneration ("TFR") for KMP in FY2021, noting that this has not been increased since 1 April 2015 for the MD and since 1 July 2018 for the other KMP. In conjunction with the TFR change, the "at risk" component of TFR was also increased. The remuneration increases are in line with the external market data and position the MD & KMP within the target range of the comparator group.

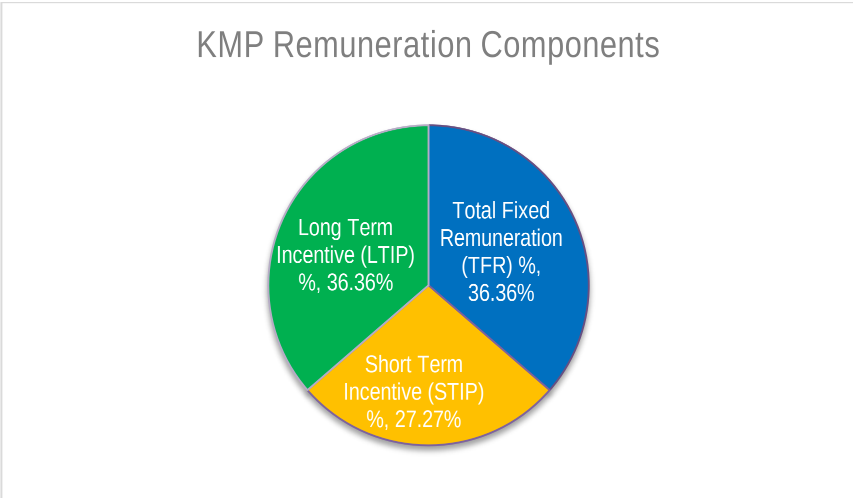
The framework and relevant changes are summarised below:

- Ensuring the majority of MD and KMP remuneration is linked to Company performance and aligned to positive shareholder outcomes.
- Effective 1 July 2020, MD & KMP incentives have been adjusted to increase the component "at risk" and to ensure that "at risk remuneration" is significant and linked to positive shareholder outcomes.

- For FY2021, the MD has 66.67% of his remuneration linked to incentive-based remuneration made up of Short-Term Incentives (33.33%) and Long Term Incentives (33.33%).



- For FY2021, other KMP have 63.63% of remuneration linked to incentive-based remuneration made up of Short-Term Incentives (27.27%) and Long Term Incentives (36.36%)



- Short-Term Incentive Plan ("STIP") awards are not payable unless a "gate" linked to the annual budget is exceeded and any payment made is linked to above budget achievements. In addition, STIP payments are capped for all participants.
  - A key element of Saracen's culture is to set challenging targets and strive to outperform those targets; and
  - Even if the targets are "overachieved", the maximum target amount cannot be exceeded.
- Long Term Incentive Plan ("LTIP") awards are capped for all executives and linked to shareholder-aligned long-term performance measures over 3 to 5 years.
- The Board has ultimate discretion in approving both the short-term and long-term variable remuneration components both the quantum and approval of outcomes.
- Ensuring that executive remuneration is aligned to the external market and external expectations whilst also set to retain and attract the best people to deliver ongoing success.

Remuneration Outcomes in FY2020

FY2020 was a landmark year for Saracen and represents the next step on Saracen's growth story.

Through this year, Saracen continued to deliver strong organic growth in its production profile and Reserves. In addition, the team assessed and participated in a number of asset acquisition due diligence processes ultimately culminating in purchasing half of one of the largest gold mines in Australia, the iconic Kalgoorlie Super Pit, in November 2019. This material acquisition then led to engaging and working with the original (Newmont) and then a new JV partner (Northern Star Resources Limited) at the Super Pit (KCGM JV). Following this, during H2 of FY2020, the Company was faced with managing through the many and rapid changes and uncertainty faced with the onset of the COVID-19 pandemic.

In FY2020, Saracen exceeded production and cost guidance, extended the Reserve life at all of our operations, released an updated seven-year production outlook and continued to build a strong balance sheet, all of which drove strong share price outperformance on both an absolute and relative basis.

We are continually focussed on safety and we have seen an encouraging improvement in our safety culture. The Saracen Group's Lost Time Injury Frequency Rate ("LTIFR") for the 12 months to June 2020 was 0.98 (2019: 0.79), and the TRIFR was 8.70 (2019: 11.49), a 24% improvement. However, this is overshadowed by the fatality that occurred early in the FY2021 year.

As well as the KCGM transaction, during the year we also completed a number of smaller, value accretive "bolt-on" acquisitions such as the corporate takeover of Bligh Resources (ASX:BGH) and the asset acquisition of the Sinclair Project. In addition, we successfully initiated and executed a number of low risk, high return organic growth initiatives. Examples included the development of new mines - commencing the D Zone open pit mine at our Thunderbox Operations, the Carosue Dam Porphyry open pit mining centre and the Carosue Dam Mill Expansion project. These achievements were due to the excellent work of management and all employees in continuing to deliver to our plan and build a solid foundation for further growth.

The Board remains prudent in its approach to remuneration.

<u>Executive Fixed Remuneration</u>

FY2020 Outcomes
- There were no increases to fixed remuneration for the MD or KMP in FY2020.

FY2021 Planned
- The Board reviewed overall remuneration for the MD and KMP with an aim to ensure market competitiveness was maintained, and the "at risk" component was increased.
- The MD has not received an increase in TFR since 1 April 2015 and the other KMP have not received an increase in TFR since 1 July 2018.
- In line with external market data, both the MD and KMP TFR was increased effective 1 July 2020 (Full details of MD and KMP Remuneration changes are provided on Page 40).

<u>Short-Term Incentive Plan ("STIP")</u>

FY2020 Outcomes
- The Board set challenging targets for the FY2020 STIP. The measures chosen were designed to drive both short and long-term value creation by focussing on operational delivery and longer-term strategic delivery.
- In addition, the Board stipulated that a minimum threshold (linked to annual budget and market guidance) must be achieved in relation to the STIP Key Performance Indicators ("KPIs") as a "gate" before any level of STIP payment is considered.
- In what was a demanding year, the delivery against these targets has been maintained. The targets were robustly assessed and the resulting STIP payment was calculated to be 84.12% of the maximum opportunity (therefore 42.06% of TFR) for both the MD and KMP[7]. The full outcome for the FY2020 STIP is detailed on Page 32.

FY2021 Planned
- The framework that was implemented in FY2020 will be maintained.
- In order to maintain market competitiveness and to increase the "at risk" component both the MD and KMP STIP has been increased effective 1 July 2020. The increases remain comfortably within the target range of the comparator group.
    - The MD maximum STIP is calculated at 100% of TFR (previous 50%); and
    - The KMP maximum STIP is calculated at 75% of TFR (previous 50%).
- In light of the fatality which occurred in July 2020, a reduction in the available STIP has been implemented for all recipients.
    - The lagging indicators related Safety component will be not be paid and will be deemed as 0% for the entire year. In addition, the Board retains discretion to further reduce the payment depending on performance and delivery in FY2021.
- The details in relation to the FY2021 STIP are set out on Page 33.

<u>Long Term Incentive Plan ("LTIP")</u>

The LTIP has been in place for a number of years and has seen strong alignment with positive outcomes for shareholders as demonstrated by:
- The Total Shareholder Return for 1 July 2014 to 30 June 2017 of 192%;
- The Total Shareholder Return for 1 July 2015 to 30 June 2018 of 382%;
- The Total Shareholder Return for 1 July 2016 to 30 June 2019 of 161%; and
- The Total Shareholder Return for 1 July 2017 to 30 June 2020 of 361%.

[7] Note that the applicable TFR for payment of the STIP is the remuneration effective 30 June 2020 which is prior to any TFR increases in FY2021.

FY2020 Outcomes

- FY2020 LTIP Tranche (three-year Performance period 1 July 2019 to 30 June 2022)
  As approved at the November 2019 AGM, 180,000 Performance Rights under the FY2020 LTIP were granted to the MD with a three-year performance period from 1 July 2019 to 30 June 2022. Further, as part of the FY2020 LTIP, 280,000 Performance Rights were issued to other KMP.

  The quantum of Performance Rights issued was determined by reference to the relevant market value of Saracen shares (being the 30-day VWAP to 30 June 2019 of $3.49) rather than fair value.

  The performance criteria for the FY2020 Performance Rights are a mix of operational and financial measures, designed to align management performance with shareholder interests:

  1. Total Shareholder Return measured against an appropriate Peer Group;
  2. Reserve replacement;
  3. Financial performance (as measured by Earnings per Share ("EPS') growth); and
  4. Absolute share price performance.

  Details of the FY2020 LTIP grants are on Pages 33-35

FY2021 Planned

- The Board intends to maintain its policy of providing KMP with remuneration that aligns with shareholder's long-term outcomes.
- Subject to shareholder approval, the Board is planning to issue FY2021 Performance Rights under the LTIP to the MD which will be set out in the 2020 Notice of Meeting.
- The Board has implemented feedback received from the independent review of The Reward Practice to adjust the performance measures for FY2021.
- These Performance Rights will be assessed over a three-year performance period (1 July 2020 to 30 June 2023) against the following operational and financial performance criteria:

  1. Total Shareholder Return measured against an appropriate Peer Group;
  2. Absolute share price performance;
  3. Financial performance (as measured by Return on Capital Employed ("ROCE") compared to the Company's Weighted Average Cost of Capital); and
  4. Operational Growth (as measured by Reserve growth and Production growth).

- KMP and other key members of staff will be issued FY2021 Performance Rights under the LTIP.

Details of the proposed FY2021 LTIP grants are on Page 35-36.

As noted previously, the Board has full discretion to manage the granting and vesting of all incentives (both Short- and Long-Term components). Details of the criteria used to exercise discretion by the Board are detailed on Page 31.

Board Fees

- Effective 1 July 2019, Director fees for the Chairman increased by 12% and NEDs fees increased by 17% in line with a market review.
- There is no increase to NED Fees in FY2021.
- In FY2020, the NED equity salary sacrifice plan was introduced to allow NEDs to elect to receive part of their annual fees as equity. This plan is effective from 1 July 2020.
- 100% of Saracen NEDs have elected to take part of their fee under this plan
- NED shareholdings are set out in the table under Equity Instruments held by Directors and KMP on Page 46

The Saracen Board believes that the remuneration framework with the outlined changes remains appropriate and that the FY2020 remuneration outcomes are fair and reflect the very strong operational, financial and share price performance of the organisation.

The Board will continue to monitor the remuneration framework, provide ongoing updates and continue direct dialogue with shareholders to ensure the effective alignment between performance and reward is maintained.

On behalf of the Board, I invite you to review the full report and thank you for your ongoing support of Saracen and our team.

Yours sincerely,

Samantha Tough

Samantha Tough
People & Culture Committee Chair

The Directors present the Saracen Mineral Holdings Limited ("Saracen") 2020 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year. This report forms part of the Directors' Report and the information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Key Management Personnel covered in this Report

The Directors of the Group during the financial year were:

Anthony Kiernan	Non-Executive Chairman
Raleigh Finlayson	Managing Director (Executive)
Sally Langer	Non-Executive Director (appointed 1 May 2020)
Martin Reed	Non-Executive Director
John Richards	Non-Executive Director
Roric Smith	Non-Executive Director
Samantha Tough	Non-Executive Director

The KMP during the financial year were:

Morgan Ball	Chief Financial Officer
Simon Jessop	Chief Operating Officer

Changes to Board of Directors

Sally Langer was appointed as a Non-Executive Director on 1 May 2020. Sally is a Chartered Accountant and has extensive human resources experience. Further to this, Sally was appointed as a member of the Audit Committee and the People & Culture Committee.

Remuneration Decision Making

The People & Culture Committee ("PCC" or "the Committee") is a sub-committee of the Board. It is primarily responsible for making recommendations to the Board on:

(i) the over-arching executive remuneration framework;
(ii) operation of the incentive plans including key performance indicators and performance hurdles;
(iii) remuneration levels of executives; and
(iv) Non-Executive Director Fees.

The Committee reviews and determines the Group's remuneration policy and structure annually to ensure it remains aligned to business needs, meets the Group's remuneration principles and is reflective of generally acceptable market practices. From time to time, the Committee also engages external remuneration consultants to assist with this review.

In FY2020 the PCC appointed The Reward Practice as an adviser to assist with the provision of executive remuneration benchmarking information and a review of Saracen's incentive programs. The Reward Practice was engaged by, and reported to, the People & Culture Committee. There were no remuneration recommendations, as defined by the *Corporations Act 2001*, provided by The Reward Practice.

In particular, the PCC and Board aim to ensure that Saracen's remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent who are motivated to create strong short- and long-term outcomes;
- demonstrating a clear link between pay and performance;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- structured to have an appropriate balance between pay and performance through fixed and variable components;
- transparent and easily understood; and
- acceptable to shareholders.

The PCC has delegated authority to the MD for approving remuneration recommendations for employees other than KMP, within the parameters of Board-approved Group-wide remuneration levels, structures and budgets.

The members of the PCC are all independent Non-Executive Directors and, as at the date of this report, comprised:

- Samantha Tough – Chair of Committee, Non-Executive Director;
- Anthony Kiernan – Non-Executive Chairman; and
- Sally Langer – Non-Executive Director.

Clawback of Remuneration

In the event of serious misconduct or a material misstatement in the Group's financial statements, the Board has the discretion to reduce, cancel or clawback any unvested short-term or long-term incentives and may also clawback payments paid in previous financial years, to the extent this can be done in accordance with the law.

Securities Trading Policy

The Group's Securities Trading Policy applies to all employees including Directors and KMP. In accordance with the policy, employees are prohibited from dealing in Saracen Mineral Holdings Limited securities in the periods:

(a) From the 15th day of March until the end of the ASX trading session on the business day following the public release of the Company's March Quarterly report in April;

(b) From the 15th day of June until the end of the ASX trading session on the business day following the public release of the Company's preliminary or final full-year results in August;

(c) From the 15th day of September until the end of the ASX trading session on the business day following the public release of the Company's September Quarterly report in October; and

(d) From the 15th day of December until the end of the ASX trading session on the business day following the public release of the Company's half-year results in February.

These periods are collectively referred to as the 'Blackout Period'.

The policy prohibits employees from dealing in Saracen Mineral Holdings Limited securities while in possession of material non-public information relevant to the Group, even if it is outside of a Blackout Period.

Directors of the Group are prohibited from dealing in securities of Saracen Mineral Holdings Limited in a Blackout Period and must receive written consent from the Chairman or the Board for any dealing in the Group's securities at all times. Similarly, KMP must receive written consent from the Managing Director or Chairman for any dealing in the Group's securities at all times.

Remuneration Contracts and Assessment

The Group has employment agreements with all KMP. These agreements are capable of termination in accordance with standard employment terms. The terms of the agreements are open ended, although the Group retains the right to terminate an agreement immediately by making a payment equal to the notice period in lieu of that person working out their notice period.

Each employment agreement outlines the components of remuneration paid to each executive but does not prescribe how remuneration levels are modified from year to year. Remuneration levels are reviewed each year. Additional details on KMP employment agreements can be found under the Contractual Arrangements with Executive KMP section of the report at Page 40. In addition to base salary, superannuation is paid on the base salary at the statutory level. KMP may elect to contribute additional amounts to superannuation subject to legislative limits.

Other than above, or as disclosed elsewhere in the Remuneration Report, no KMP are subject to specific employment agreements. A formal semi-annual performance review system is in place whereby KMP performance against individual and corporate KPIs are reviewed and discussed.

Remuneration Report Summary

The FY2020 remuneration outcomes, key questions and answers are summarised as follows:

KEY MANAGEMENT PERSONNEL (KMP)	
Who are the KMP?	KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity[8]. For this report, KMP are the Directors, the MD, the Chief Financial Officer and the Chief Operating Officer.

KMP TOTAL FIXED REMUNERATION	
What is Total Fixed Remuneration ("TFR")?	TFR is the combination of base pay, statutory superannuation contributions and any other contractual fixed benefits.

[8] As per Australian Accounting Standards Board definition.

KMP TOTAL FIXED REMUNERATION	
TFR Outcomes for FY2020	Based on independent market advice, at 1 July 2019 Director's Fees increased to $190,000 per annum for the Chairman and $140,000 per annum for NEDs. All other KMP fixed remuneration was unchanged for FY2020.
TFR Expected Outcomes for FY2021	An NED salary sacrifice plan has been introduced whereby NEDs can elect to receive up to $40,000 per annum in equity in lieu of Directors Fees, subject to certain restrictions. The MD's TFR was increased effective 1 July 2020 (refer Page 36 for full details of MD's total remuneration package) to maintain external market relativity. This adjustment also includes increasing the % of "at risk" remuneration. This is the first increase to the MD's TFR since 1 April 2015. The Chief Financial Officer and the Chief Operating Officer both received increases to their TFR effective 1 July 2020. This increase is in line with market movements and reflects increased responsibilities. These adjustments also included increasing the % of "at risk" remuneration. Refer to Page 40 for full details of KMP Remuneration. This is the first increase to KMP TFR since 1July 2018.

KMP SHORT TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES	
What is the Short-Term Incentive Plan (STIP) and how is it calculated?	The STIP is an annual incentive where a member of the KMP may receive an award provided as cash if the plan's performance conditions are achieved. The STIP opportunity is expressed as a percentage of TFR. A threshold level (linked to the Company's annual budget and market guidance) must be achieved before any STIP payments can be considered. Following the independent market review, for the MD, the target opportunity is 50% of TFR and stretch opportunity is a further 50% of TFR, to a maximum of 100% of TFR in FY2021 (up from 50% in FY2020). For the KMP, the target opportunity is 37.5% of TFR and stretch opportunity is a further 37.5% of TFR, to a maximum of 75% of TFR in FY2021 (up from 50% in FY2020). The stretch opportunity is the maximum that can be received. The Board determines the performance against the relevant KPIs (Score) at the end of each financial year. Individual awards are calculated as follows: TFR ($) x Opportunity (% of TFR) x Score (%) = Outcome ($)
Can STIP be paid at greater than the Stretch opportunity?	No. The maximum payment available is capped and even if the target is overachieved the maximum that can be paid is the stretch opportunity.
What is the performance period?	The performance period is for the financial year which aligns to the business planning cycle. For FY2020, it was the 12 months from 1 July 2019 to 30 June 2020. For FY2021, it is the 12 months from 1 July 2020 to 30 June 2021.
Who sets the performance measures?	The Board sets and assesses the KPIs that are based on safety, financial, operational and sustainability performance. The STIP performance measures are chosen to reflect the key drivers of performance and also provide a framework for delivering sustainable, long-term value to shareholders.
Does the Board have final approval and clawback provisions?	Yes. The Board has the discretion to not pay or reduce the amount of the STIP otherwise payable. In the event of a major safety incident, no reward is made for the safety KPI (this will be applied in FY2021) and in any case the Board has full discretion to review payment in light of performance and market conditions. In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may cancel the STI payment and may also clawback STI payments paid in previous financial years, to the extent this can be done in accordance with the law.
How does the board exercise discretion in relation to STIP?	The Board takes into account a number of factors when considering how to exercise discretion. These may include: • In circumstances where performance does not accurately reflect the level of achievement against the targets (whether under or over), the Board may exercise its discretion to increase or decrease the vesting level of the incentive and therefore the value awarded; • Matters not known or not relevant at the beginning of the financial year or under/overperformance of the KMP; • The operating environment over the performance period and management's ability to respond to unforeseen events; • Any relevant positive or negative risk management or reputational issue that impacts the Group; • Financial performance and shareholder value generated; • Global competitiveness and level of improvement compared to global peers during the period; • The level of improvement across key business drivers on the prior year; and • Any other relevant under or over performance or other criteria not stated above.

KMP SHORT TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES

What were the FY2020 STIP measures and outcomes?[9]

A threshold level (linked to the FY2020 annual budget and market guidance) was added in FY2020 that must have been achieved before any STIP payment is considered for award.

After rigorous assessment against the measures the weighted STIP Score was 84.12% out of 100%.

The weighted $ outcome was calculated using the formula: TFR ($) x Opportunity (% of TFR) x Score (%) = Outcome ($).

Annual KPIs	Measure				
	Threshold (Must be achieved for STIP to be considered)	Target (Up to 25% of TFR)	Stretch (Up to 50% of TFR)	Weighted Opportunity	Outcome
HSEC and Sustainability					
• Safety	Maintain current TRIFR	10% reduction in TRIFR	20% reduction in TRIFR	8%	4.62%
	Maintain current level of Leading Safety Indicators	10% improvement in Leading Safety Indicators	20% improvement in Leading Safety Indicators	8%	8.00%
	Progress towards strong safety culture, measured safety interactions and implementation of Safety Management System			4%	2.00%
• Environment and Community	Zero Major Environmental or Heritage Breaches	Zero Significant Environmental or Heritage Breaches	Proactive Improvement in Environmental and Heritage Status	10%	4.00%
	Engagement with stakeholders & community. Improvement in Sustainability Score as determined by ISS				
Deliver Guidance - AISC	Guidance of $1,025 to $1,075/oz	Exceed Guidance by 5%	Exceed Guidance by 7.5%	25%	23%
Deliver Guidance - Production	Guidance of 350,000 to 370,000oz	Exceed Guidance by 6%	Exceed Guidance by 9%	25%	25%
Cash Balance	Achieve budgeted free cash generation	Exceed by 100% free cash generation	Exceed by 200% free cash generation	10%	10%
Deliver Strategic Plan	Deliver FY2020 Annual Plan	Develop "Future Proof" Plan for the Company	Commence implementing "Future Proof" Plan	10%	7.5%
		Demonstrating progress towards Years 2-10 Strategic Objectives as per Strategic Plan			

[9] These measures were set in June 2019, prior to the acquisition of the Super Pit in November 2019 and as such, the outcomes assessed excluded any impact of the Super Pit acquisition / operation.

KMP SHORT TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES

What will the FY2021 STIP measures be?

The FY2021 measures have been adjusted to ensure a balance is kept between recognising the significant impact of the fatality and driving the right behaviours for all elements of the business going forward.

It should be noted that the overall quantum for the STIP in FY2021 has been reduced for all participants in light of the fatality occurring in FY2021 through the recording of the Safety KPI for TRIFR at 0% regardless of the actual outcome achieved.

Annual KPIs	Measure			
	Threshold (Must be achieved for STIP to be considered)	Target	Stretch	Weighted Opportunity
Safety	Maintain current 12MM TRIFR	10% reduction 12MM TRIFR	20% reduction 12MM TRIFR	20% Will be at 0% for FY2021
CDO & TBO Only	Revise SAR Principal Hazards and Implement across the Business	Principal Hazard thinking well ingrained in the "shopfloor"	Develop SAR Task Observations with Principal Hazard focus against all core production roles	20%
CDO & TBO only	Complete Critical Controls Gap Analysis of DMIRS Fatality Report	Utilise Audit Tools for assessing Critical Controls effectiveness	Incorporate Fatal Risks/Critical Controls into Change Management process	
Environment, Social & Governance	Zero Penalties re ESG = Compliance	Zero Significant ESG Breaches	Proactive Improvement in ESG Status	10%
	Engagement with Stakeholders & Community Improvement in Sustainability Score			
Deliver Guidance - AISC	Achieve Guidance as announced to ASX	Exceed Guidance by 1.5%	Exceed Guidance by 3.0%	15%
Deliver Guidance - Production	Achieve Guidance as announced to ASX	Exceed Guidance by 2.5%	Exceed Guidance by 4.0%	15%
Cash Generation	Achieve budgeted free cash generation before debt repayments	Exceed budgeted free cash generation by 100%	Exceed budgeted free cash generation by 200%	10%
"Future Proof" the Business	Deliver Operational Plan	Deliver on Strategic Plan Implement Future Proof Plans		10%

KMP LONG-TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES

What is the Long-Term Incentive Plan ("LTIP")?

The LTIP is a discretionary grant of Performance Rights over ordinary shares (linked to specific long-term, usually three years, performance measures) in the Company for no consideration. The LTIP was approved by shareholders at the November 2017 Annual General Meeting ("AGM") and is resubmitted to shareholders for approval every three years. An updated LTIP will be put forward for approval at the 2020 AGM.

Grants may be made annually at the discretion of the Board. All Performance Rights granted to the MD are made following shareholder approval at the next applicable AGM.

The LTIP opportunity is consistent for all KMP and is calculated based on a percentage of TFR. For the MD & KMP, the opportunity is 100% of TFR and the quantum of Performance Rights to be issued is determined based on a **market value** of Saracen shares at the time of issue as set out below.

The % opportunity for other invited LTIP participants is set between 30% and 75% of TFR.

Why does the Board consider an LTIP is appropriate?

The LTIP:

- Aligns Executives outcomes with optimising long-term shareholder value by setting related performance metrics that measure both operational and financial performance over time; and
- Maintains attraction and retention of KMP by being long dated as well as consistent and competitive with current practices of comparable companies.

How are the Number of Rights Calculated?

The quantum of rights granted to KMP is determined by the relevant Executive's TFR and the **market value** of Saracen shares at the time of the Performance Rights issue – specifically, the three-month VWAP of Saracen shares immediately prior to 1 July of the performance period to be measured.

For example, the three-month market VWAP of Saracen shares to 30 June 2020 was $4.693.

Therefore, example calculations for the FY2021 LTIP grant:

KMP LONG-TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES	
	• if a member of the KMP has a TFR of $350,000, then he / she may be issued a maximum of 74,575 Performance Rights (being 350,000 / 4.693 x 100%, as rounded). • Other participants with a TFR of $250,000, may be issued between 15,980 and 39,950 Performance Rights (being 250,000 / 4.693 x 30% to 75% respectively).
What is Volume Weighted Average (VWAP)?	It is the three-month average market trading price immediately prior to the commencement of the performance period. For the LTIP grants the VWAP is calculated independently. Note that for FY2021 grants, (and for all future grants), as per feedback in The Reward Practice independent review, the VWAP calculation has been extended from a one-month to a three-month calculation to reduce volatility and to more strongly align with shareholder outcomes.
Long Term Incentive Plan Outcomes for FY2020	Under the FY2020 LTIP, 2,724,920 Performance Rights (with appropriate performance measures over the three-year Performance Period of 1 July 2019 to 30 June 2022) were granted to Saracen employees. Of this total, 180,000 Rights were granted to the MD and 280,000 Rights were granted to KMP. The quantum of all FY2020 Performance Rights issued was determined based on the relevant market value metric being – the 30 Day VWAP of Saracen shares to 30 June 2019 which was $3.494.
What are the vesting conditions?	The FY2020 LTIP issue performance criteria were: • Service condition - The service condition is met if employment with Saracen is continuous for the period commencing on the grant date until the date the Rights vest; and • Performance conditions - performance conditions must be met for the applicable performance period to trigger the Board consideration of whether the Performance Rights should vest. Measures are set as a mix of operational and financial targets that are aligned with long-term shareholder interests. Each measure carries an equal weighting (25%) and of the relevant Performance Rights tranche. For the FY2020 Tranche the performance measures were based on the following: o Total Shareholder Return ("TSR") measured against Peer Group; o Increase in Ore Reserves; o Increase in Share Price; and o Increase in Earnings per Share ("EPS").
Do all vesting conditions need to be met?	Each tranche is equally split across the specific performance conditions, i.e. for the FY2020 LTIP grant, 25% of the total tranche is measured against each performance condition. Performance Rights that have not met the vesting condition will not vest. A partial grant may be approved at the discretion of the Board. The Board maintains discretion over all Performance Rights considerations.
What are the specific three-year performance measures for the FY2020 LTIP?	25% of the total tranche issued is measured against the following TSR criteria: • In relation to the relevant Peer Group, if Saracen is o Below the 50th% of the Peer Group - Nil vest o At the 50th% - 50% vest o 50th to 75th% - pro rata between 50% and 100% vest o 75th% and above - 100% vest. 25% of the total tranche issued is measured against the following Ore Reserves criteria: • If Ore Reserve change is: o Negative - Nil vest o Depletion replacement - 50% vest o Depletion replacement plus up to a 20% increase - pro rata between 50% and 100% vest o Depletion replacement plus 20% increase or greater - 100% vest. 25% of the total tranche issued is measured against the following EPS criteria: • If the cumulative EPS growth is: o Negative - Nil vest o 5% p.a. growth - 50% vest o 5 to 10% p.a. growth - pro rata between 50% and 100% vest o 10% p.a. or greater growth - 100% vest.

KMP LONG-TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES	
	25% of the total tranche issued is measured against the following Share Price criteria: • If the Share Price increase is: o Below 10% - Nil vest o Between 10% & 50% - pro rata between 50% and 100% vest o More than 50% - 100% vest.
Who is the Peer Group for the FY2020 LTIP grant?	Newcrest (ASX: NCM), Evolution (ASX: EVN), Northern Star (ASX: NST), Regis (ASX: RRL), St Barbara (ASX: SBM), Oceana (ASX: OGC), Ramelius (ASX: RMS), Westgold (ASX: WGX), Silver Lake (ASX: SLR), Millennium (ASX: MOY), Dacian (ASX: DCN), Gold Road (ASX: GOR), Pantoro (ASX: PNR), Red 5 (ASX: RED).
What is TSR and how is it measured?	TSR is a method for calculating the return shareholders would earn if they held a notional number of shares over a period of time measured against a relevant Peer Group based on agreed VWAP at the relative measure points. This is calculated by an independent third party.
How is increase in Ore Reserves measured?	Through comparison of the Annual JORC compliant Reserves & Resource Statement over the relevant Performance Period.
How is Earnings Per Share ("EPS") measured?	EPS is a company's profit divided by the number of common shares it has outstanding. The EPS calculation excludes non-recurring items and is measured as the cumulative annual growth rate over the three-year period.
How is increase in Share Price calculated?	Measured by comparing agreed VWAP at grant date to agreed VWAP at vesting date.
What are the other key conditions of the LTIP?	The Board maintains discretion over all Performance Rights considerations. Specifically: • the Board has clawback rights via the discretion to not to pay or reduce the amount of LTIP granted or vested; • In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may cancel the LTI granting or vesting and may also clawback payments paid in previous financial years, to the extent this can be done in accordance with the law; • Re-testing is not permitted; • Dividends are not payable on unvested Performance Rights; and • All unvested Performance Rights lapse on termination of employment.
Long Term Incentive Plan for FY2021	The Board intends to issue Performance Rights under the approved LTIP in FY2021 to KMP and employees. Issuing of 181,100 Performance Rights to the MD will be put forward for shareholder approval at the 2020 AGM scheduled for October 2020. Annual grants to KMP and other select employees will be processed as usual with Board approval.
Adjustment to Long-Term Incentive Plan Rules for FY2021	In the Invitations to participants in the FY2021 LTIP, the Board has stated that all unvested Performance Rights will not automatically vest upon a Change of Control. This change will be reflected in the LTIP Rules to be put to shareholders for approval at the 2020 AGM.
What will the Performance Conditions be for FY2021?	Following an independent review by The Reward Practice, the FY2021 LTIP issue performance criteria will be; • Service condition - The service condition is met if employment with Saracen is continuous for the period commencing on the grant date until the date the Rights vest; and • Performance conditions – performance conditions must be met for the applicable grant period to trigger the Board consideration of whether the Performance Rights should vest. Measures are set as a mix of operational and financial targets that are aligned with long-term shareholder interests. Each measure carries an equal weighting (25%) and of the relevant Performance Rights tranche. o Relative share price performance (TSR against a Peer Group); o Absolute share price performance; o Financial and operational performance (as measured by Return on Capital Employed ("ROCE")); and o Operational growth (as measured by Ore Reserve growth and production growth).
Who is the Peer Group for the FY2021 LTIP grant?	Alacer Gold Corp (ASX: AQG), AngloGold Ashanti Limited (ASX: AGG), Evolution Mining Limited (ASX: EVN), Gold Road Resources Limited (ASX: GOR), Newcrest Mining Limited (ASX: NCM), Northern Star Resources Limited (ASX: NST), OceanaGold Corporation (ASX: OGC), Perseus Mining Limited (ASX: PRU), Ramelius Resources Limited (ASX: RMS), Regis Resources Limited (ASX: RRL), Resolute Mining Limited (ASX: RSG), Silver Lake Resources Limited

KMP LONG-TERM INCENTIVE PLAN STRUCTURE AND OUTCOMES	
	(ASX: SLR), St Barbara Limited (ASX: SBM), Westgold Resources Limited (ASX: WGX), Red 5 Limited (ASX: RED).
Why have you changed the Performance Criteria?	As part of our review of external market practice, and to ensure that LTIP measures continue to be aligned with shareholder interests in the long-term.
How is Return on Capital ("ROCE") measured?	Measured by Underlying EBIT divided by Average Capital Employed (being Shareholders' Equity + Net Debt)[10] For each of the three years of the period, ROCE is averaged to assess the performance measure.
How is Operational Growth Measured?	Measured by a combination of Ore Reserve Growth and Production Growth. • Ore Reserves: Measured based on Reserve Statement as reported at the end of the relevant financial year under JORC guidelines; and • Production growth: Measured as the cumulative annual growth rate over the three-year period.
What are the specific performance measures for the FY2021 LTIP?	25% of the total tranche issued is measured against the following TSR criteria: • In relation to the relevant Peer Group, if Saracen is o Below 50th percentile - 0% o At 50th percentile - 50% o Above 50th and below 75th percentile - pro rata between 50% and 100% o 75th percentile and above - 100%. 25% of the total tranche issued is measured against the following Share Price criteria: • If the Share Price increase is: o Below 10% – 0% o Between 10% and up to 30% - pro rata between 50% and 75% o Between 30% and up to 50% - pro rata between 75% and 100% o Greater than 50% - 100%. 25% of the total tranche issued is measured against the following ROCE criteria: • If the ROCE is: o Less than Saracen's average annual Weighted Average Cost of Capital ("WACC") over the three-year period - 0% o WACC + 2% - pro rata between 0 and 50% o WACC + 2% to 6% - pro rata between 50% and 100% o WACC + 6% and above - 100%. 25% of the total tranche issued is measured against the following Operational Growth criteria: • Ore Reserves (10% of 25%) criteria: o Negative growth - 0% o Depletion replaced - 50% o Between Depletion replaced & 10% increase - pro rata between 50% and 100% o Depletion replacement plus 10% increase or greater - 100%. • Production Growth (15% of 25%) criteria: o Negative growth - 0% o 5% per annum growth - 50% o Above 5% per annum and below 10% per annum growth - pro rata between 50% and 100% o 10% per annum or greater - 100%.

REMUNERATION OUTCOMES FOR THE MANAGING DIRECTOR	
Base Salary:	FY2020: Mr Finlayson base salary was $600,000 per annum[11] FY2021: Mr Finlayson's base salary was adjusted from 1 July 2020 to $825,000[12]. This remains at the lower end of the target range based on the independent report received from The Reward Practice.

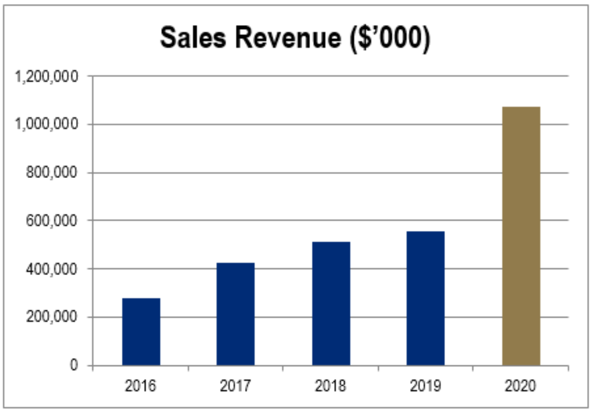
[10] Average Capital Employed is calculated as a simple average of opening and closing balances (excluding capital invested in long-dated projects until Commercial Production is achieved). If material equity transactions occur such that a simple average is not representative of actual performance, the average capital employed for the year will be adjusted accordingly.
[11] Mr Finlayson reached the maximum super contribution base ($25,000). The amount of deemed superannuation in excess of the maximum contribution base was paid out as a salary
[12] Mr Finlayson's superannuation is capped from FY2021 at the maximum superannuation contribution limit of $25,000 per annum.

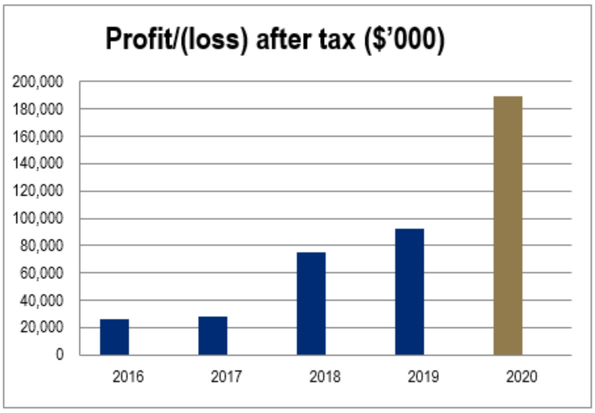
REMUNERATION OUTCOMES FOR THE MANAGING DIRECTOR	
STIP:	FY2020: Mr Finlayson had a maximum STIP opportunity of 50% of TFR. Mr Finlayson's FY2020 STIP outcome was 42.06% of TFR[13] which equated to a cash bonus of $276,334. FY2021: Mr Finlayson's maximum opportunity for STIP will be 100% of TFR. This is in line with external market practice and increases the amount of "at risk" remuneration.
LTIP:	FY2020: The issue of 180,000 Performance Rights to the MD was approved by shareholders at the Annual General Meeting held on 19 November 2019. FY2021: Issuing of 181,100 Performance Rights to the MD will be put forward for shareholder approval at the October 2020 AGM.

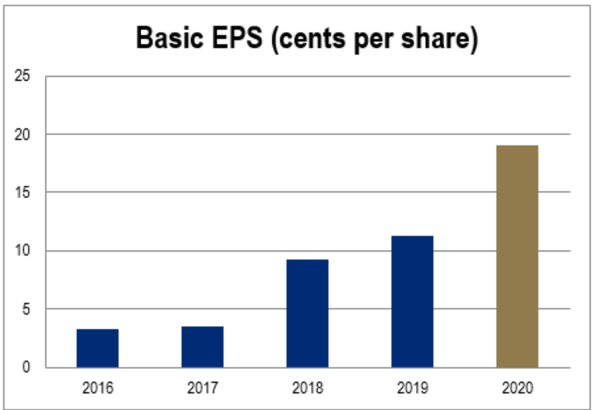
Link between Remuneration and Performance

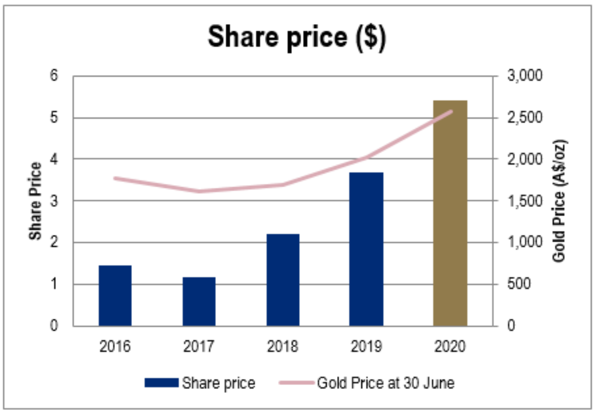
The Group aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table and graphs below show the measures of the Group's financial performance over the last five (5) years as required by the *Corporations Act 2001*. Note that these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded as outlined in this report. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2016	2017	2018	2019	2020
Sales Revenue ($'000)	276,502	423,058	510,961	555,591	1,073,971
Profit/(loss) after income tax ($'000)	25,889	28,386	75,585	92,494	189,656
Basic EPS (cents per share)	3.26	3.52	9.29	11.30	19.10
Share price ($)	1.44	1.17	2.19	3.68	5.42









[13] Note that the applicable TFR for payment of the STIP is the remuneration effective 30 June 2020 which is prior to any TFR increases.

Details of Remuneration

Details of the nature and amount of each major element of remuneration for each Director of the Group and each of the KMP of the Group during the financial year are:

	Short-Term Employee Benefits			Post-Employment	Share Based Payments	Long-Term Benefits		
30 June 2020	*Salary and fees* $	*Cash bonus(iv)* $	*Other benefits(i)* $	*Superannuation and other* $	*Performance Rights* $	*Long Service Leave (vi)* $	Total $	Proportion of total performance related
Directors								
A Kiernan	173,516	-	-	16,484	-	-	190,000	-
R Finlayson (ii)(v)	632,000	276,334	6,611	25,000	1,586,320	11,515	2,537,780	73.4%
S Langer(iii) (appointed 1 May 2020)	23,333	-	-	-	-	-	23,333	-
M Reed – Director Fees(iii)	140,000	-	-	-	-	-	140,000	-
J Richards(iii)	140,000	-	-	-	-	-	140,000	-
R Smith	127,854	-	-	12,146	-	-	140,000	-
S Tough	127,854	-	-	12,146	-	-	140,000	-
Key Management Personnel								
M Ball(ii) (v)	475,550	207,251	10,047	17,200	1,154,275	8,828	1,873,151	72.7%
S Jessop(ii)(v)	467,750	207,251	-	25,000	1,180,230	2,934	1,883,165	73.7%
Total	2,307,857	690,836	16,658	107,796	3,920,825	23,277	7,067,429	

(i) Other benefits include Group provided health insurance and car parking.
(ii) Share based payments are non-cash and relate to Performance Rights which are expensed over the relevant vesting period (refer to Note 16 in the consolidated financial statements).
(iii) Director's fees were paid to business entities controlled by the Director or to the director under an ABN.
(iv) The gross bonus amounts are accounting accruals in relation to FY2020 and will be paid during the FY2021.
(v) Employee has reached the maximum super contribution base. The amount of deemed superannuation in excess of the maximum contribution base was paid out as a salary.
(vi) Long service leave amounts are non-cash accounting accruals and have not actually been paid during the year.

30 June 2019	Short-term Employee Benefits			Post-Employment	Share Based Payments	Long-Term Benefits		
	Salary and fees $	*Cash bonus*(v) $	*Other benefits*(i) $	*Superannuation and other* $	*Performance Rights* $	*Long Service Leave* (v) $	Total $	Proportion of total performance related
Directors								
G Clifford (resigned effective 4 April 2019)	123,288	-	-	11,712	-	-	135,000	--
A Kiernan (appointed 13 September 2018)	124,200	-	-	11,800	-	-	136,000	-
R Finlayson (ii)(vi)	611,697	231,264	6,334	25,000	1,034,094	(3,402)	1,904,987	66.4%
M Reed – Director Fees(iii)	120,000	-	-	-	-	-	120,000	-
M Reed – Consulting Fees(iv)	46,698	-	-	-	-	-	46,698	-
J Richards (appointed 1 May 2019)	20,000	-	-	-	-	-	20,000	-
R Smith	109,589	-	-	10,411	-	-	120,000	-
S Tough	109,589	-	-	10,411	-	-	120,000	-
Key Management Personnel								
M Ball(ii) (vi)	453,172	173,448	10,251	18,928	626,357	3,257	1,285,414	62.2%
W T Irvin(ii)(vi)	303,500	115,632	-	25,000	420,825	5,903	870,860	61.6%
S Jessop(ii)(vi)	467,750	173,448	-	25,000	873,276	1,750	1,541,224	67.9%
Total	2,489,483	693,792	16,585	138,262	2,954,552	7,509	6,300,183	

(i) Other benefits include Group provided health insurance and car parking.
(ii) Share based payments are the Performance Rights which are expensed over the vesting period (refer to Note 16 in the consolidated financial statements).
(iii) Mr Reed's Directors Fees of $120,000 are paid / payable to PilotHole Pty Ltd, an entity controlled by Mr Reed.
(iv) An amount of $46,698 has been paid to PilotHole Pty Ltd relating to professional service provided by Mr Reed in relation to a specific due diligence project. The Board considered that these services were in the best interest of the shareholders for this specific circumstance and considering the limited nature of the work required.
(v) These amounts are accounting accruals and have not actually been paid during the year. The Long Service Leave amount for Mr Finlayson is negative due to a decrease in base salary.
(vi) Employee has reached the maximum super contribution base. The amount of deemed superannuation in excess of the maximum contribution base was paid out as a salary.

Contractual Arrangements with Executive KMP

Remuneration of the MD and other KMP executives are formalised in letters of appointment and employment agreements. These agreements provide details of the salary and employment conditions relating to each employee.

Participation in the Performance Rights Plan is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration in FY2020 are set out below.

All employment agreements comply with the provisions of Part 2, D.2, Division 2 of the *Corporations Act 2001.*

Name	Term of agreement and notice period	Base salary (excluding superannuation) for FY2020[14]	Termination payments
R Finlayson *Managing Director*	No fixed term 3 Months	$600,000p.a. (following an independent benchmarking review, the MD's base salary was increased to $825,000p.a. for FY2021. This remains at the lower end of the target range of the comparator group)	If Mr Finlayson is terminated by the Company within one year following a "change of control" event, he will be entitled to a payment equal to 12 months earnings. Otherwise any other redundancy payment is calculated based on the *Fair Work Act 2009*. There are no other termination payments specified in Mr Finlayson's contract other than the agreed notice period.
M Ball *Chief Financial Officer*	No fixed term 3 Months by Employee 9 Months by Company	$450,000p.a. (following an independent benchmarking review, the CFO's base salary was increased to $500,000p.a. for FY2021)	If Mr Ball is terminated by the Company following a "change of control" event, he will be entitled to a payment equal to 9 months' earnings. Otherwise any other redundancy payment is calculated based on the *Fair Work Act 2009*. There are no other termination payments specified in Mr Ball's contract other than the agreed notice period.
S Jessop *Chief Operating Officer (appointed 11 December 2017)*	No fixed term 3 Months by Employee 9 Months by Company	$450,000p.a. (following an independent benchmarking review, the COO's base salary was increased to $525,000p.a. for FY2021)	If Mr Jessop is terminated by the Company following a "change of control" event, he will be entitled to a payment equal to 9 months' earnings. Otherwise any other redundancy payment is calculated based on the *Fair Work Act 2009*. There are no other termination payments specified in Mr Jessop's contract other than the agreed notice period.

Non-Executive Director Arrangements

The Board is ultimately responsible for determining and reviewing remuneration arrangements for Directors, within the limits approved by shareholders for such remuneration. The maximum aggregate amount that can be paid for Non-Executive Directors remuneration is set at $1,200,000 as approved by shareholders at the AGM held on 19 November 2019.

The Board policy for determining the nature and amount of remuneration of Directors, as well as the relevant specific arrangements, are detailed below.

- Non-Executive Directors' remuneration is subject to review from time to time, as the Directors deem appropriate, having regard to the scope, scale and degree of complexity of the Group's operations.
- Non-Executive Directors receive a Board retainer fee. They do not receive performance-based pay.
- The Chairman and the Non-Executive Directors do not receive additional fees for participating on a Committee.
- All fees provided to Non-Executive Directors are inclusive of superannuation.
- Non-Executive Directors do not participate in performance-based Share Schemes.
- Following shareholder approval in March 2020, effective 1 July 2020, Non-Executive Directors may participate in the NED Plan whereby they can salary sacrifice up to $40,000 of their annual Directors Fees for shares in the Company.
- In addition to the NED Plan, Non-Executive Directors are also encouraged to participate in shareholder outcomes through the on market purchase of equity (subject to applicable trading restrictions).

During FY2019, after reviewing comparative organisations, the RNC recommended and the Board approved, that effective 1 July 2019:

- Base Fee for the Chairman to increase by 12% and,
- Non-Executive Directors (NEDs) to increase by 17%.

This increase aligns Board fees with Saracen target market remuneration and represents the first increase in board fees since 2016.

Base fees (including superannuation)	From 1 July 2019 to 30 June 2020	From 1 July 2018 to 30 June 2019	From 1 December 2016 to 30 June 2018	From 1 July 2016 to 30 November 2016
Chairman	$190,000	$170,000	$170,000	$140,000
Other Non-Executive Directors (including committee membership)	$140,000	$120,000	$120,000	$90,000

[14] Superannuation for all KMP is capped from FY2021 at the maximum superannuation contribution limit of $25,000.

Additional Statutory Information

Relative Proportion of Fixed vs Variable Remuneration Expense

The following table shows the relative proportions of executive remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Name	Fixed Remuneration		"at risk" - STI		"at risk" – LTI	
	2020	2019	2020	2019	2020	2019
Executive Director						
R Finlayson	27%	34%	11%	12%	62%	54%
Key Management Personnel						
M Ball	27%	38%	11%	13%	62%	49%
S Jessop	27%	32%	11%	11%	62%	57%

Details of Share Based Compensation

Performance Rights Summary

The Saracen Mineral Holdings Limited Long-Term Incentive Plan ("Plan") was approved at the November 2017 AGM. The Plan provides the Board with the discretion to grant Performance Rights to eligible participants that will vest subject to ongoing employment and the achievement of performance measures or KPIs as determined by the Board from time to time. Performance will be assessed at the end of the performance period which is to be a minimum of three years in duration. Appropriate KPIs are formulated to align each Eligible Participant with the interests of the Company's shareholders.

Performance rights vest during the period after the performance period ends due to being subject to final Board approval. The Performance Rights are expensed over the performance period consistent with the period over which the services have been performed. Performance Rights will lapse if the participant leaves the Group prior to all the vesting conditions being fulfilled although the Board has the ability, at its sole discretion, to vest some or all the Rights if "good leaver" exemptions apply to the ceasing of employment. Persons who are terminated for "bad leaver" reasons automatically lose their entitlement.

Rights granted under the plan carry no dividend or voting rights and each Performance Right represents a right to be issued one share at a future point in time.

As part of the annual review cycle, the People & Culture Committee revisits appropriate Performance Measures. For the comparison of the Total Shareholder Return ("TSR") metric for Performance Rights, the Board agrees on an appropriate Peer Group each year. This Peer Group is assessed for its relevance to Saracen each year and may also be adjusted to make allowance for changes in the circumstances of any of those companies or any new company determined to enter into a peer ranking position.

A Monte Carlo simulation was undertaken on the Performance Rights to determine the probability of the market conditions associated with the Rights being met. The probability estimates were then applied to ascertain an estimated fair value of the Rights. Further information on the Performance Rights is set out in Note 16 to the financial statements.

The terms and conditions of each grant of Performance Rights affecting remuneration in the current or a future reporting period are as follows:

Tranche 8 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 30 November 2016	Class A	74,000	$0.399	100%
Vesting Date – 1 July 2019	Class B	37,000	$0.955	100%
Performance Period - 1 July 2016 – 30 June 2019	Class C	74,000	$0.437	100%
Tranche 10 (CFO)	**Class**	**Number granted**	**Grant date value**	**% Vested**
Grant Date – 18 January 2017	Class A	80,000	$0.538	100%
Vesting Date – 1 July 2019	Class B	40,000	$1.165	100%
Performance Period - 1 July 2016 – 30 June 2019	Class C	80,000	$0.792	100%
Tranche 11 (COO)	**Class**	**Number granted**	**Grant date value**	**% Vested**
Grant Date – 15 December 2017	Class A	180,000	$0.815	100%
Vesting Date – 1 July 2019	Class B	90,000	$1.580	100%
Performance Period - 1 July 2016 – 30 June 2019	Class C	180,000	$0.877	100%

Tranche 12 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 23 November 2017	Class A	330,000	$0.943	-
Vesting Date – 1 July 2020	Class B	132,000	$1.470	-
Performance Period - 1 July 2017 – 30 June 2020	Class C	198,000	$1.470	-

Tranche 13 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 15 December 2017	Class A	425,000	$1.102	-
Vesting Date – 1 July 2020	Class B	170,000	$1.580	-
Performance Period - 1 July 2017 – 30 June 2020	Class C	255,000	$1.580	-

Tranche 14 & 15 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 22 November 2018	Class A	201,250	$1.584	-
Vesting Date – 1 July 2021	Class B	201,250	$2.543	-
Performance Period - 1 July 2018 – 30 June 2021	Class C	201,250	$2.543	-
	Class D	201,250	$1.747	-

Tranche 16 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 22 November 2018	Class A	125,000	$1.590	-
Vesting Date – 1 July 2022	Class B	125,000	$2.518	-
Performance Period - 1 July 2018 – 30 June 2022	Class C	125,000	$2.518	-
	Class D	125,000	$1.803	-

Tranche 17 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 22 November 2018	Class A	125,000	$1.598	-
Vesting Date – 1 July 2023	Class B	125,000	$2.493	-
Performance Period - 1 July 2018 – 30 June 2023	Class C	125,000	$2.493	-
	Class D	125,000	$1.852	-

Tranche 18 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 28 November 2018	Class A	114,500	$1.358	-
Vesting Date – 1 July 2021	Class B	114,500	$2.319	-
Performance Period - 1 July 2018 – 30 June 2021	Class C	114,500	$2.319	-
	Class D	114,500	$1.502	-

Tranche 19 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 5 March 2019	Class A	187,500	$1.335	-
Vesting Date – 1 July 2021	Class B	187,500	$2.511	-
Performance Period - 1 July 2018 – 30 June 2021	Class C	187,500	$2.511	-
	Class D	187,500	$1.637	-

Tranche 20 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 5 March 2019	Class A	187,500	$1.362	-
Vesting Date – 1 July 2022	Class B	187,500	$2.486	-
Performance Period - 1 July 2018 – 30 June 2022	Class C	187,500	$2.486	-
	Class D	187,500	$1.696	-

Tranche 21 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 5 March 2019	Class A	187,500	$1.389	-
Vesting Date – 1 July 2023	Class B	187,500	$2.461	-
Performance Period - 1 July 2018 – 30 June 2023	Class C	187,500	$2.461	-
	Class D	187,500	$1.746	-

Tranche 23 (Managing Director)	Class	Number granted	Grant date value	% Vested
Grant Date – 19 November 2019	Class A	45,000	$1.493	-
Vesting Date – 1 July 2022	Class B	45,000	$3.239	-
Performance Period - 1 July 2019 – 30 June 2022	Class C	45,000	$3.239	-
	Class D	45,000	$1.699	-

Tranche 24 (KMP)	Class	Number granted	Grant date value	% Vested
Grant Date – 27 November 2019 *Vesting Date* – 1 July 2022 *Performance Period* - 1 July 2019 – 30 June 2022	Class A	70,000	$1.23	-
	Class B	70,000	$3.03	-
	Class C	70,000	$3.03	-
	Class D	70,000	$1.466	-

Details on the performance and vesting conditions of each performance right tranche are set out below.

Tranches 8, 10 & 11	Class A		Class B		Class C	
Performance Condition	Comparison of the Company's Total Shareholder Return (TSR) with that of a group of peer companies.		Increase in ore reserves.		Increase in the share price.	
Vesting Condition	Result	Proportion to vest	Result	Proportion to vest	Result	Proportion to vest
	Below 50th percentile	0%	Between 0% and 25%	50%	Below 25%	0%
	Between 50th and 75th percentile	Between 50% and 100% on a straight line basis	More than 25%	100%	Between 25% and 50%	Between 50% and 75%
	Above 75th percentile	100%			More than 50%	100%
Performance and vesting condition achievement: The performance rights vested in FY2020.						

Tranches 12 & 13	Class A		Class B		Class C	
Performance Condition	Comparison of the Company's Total Shareholder Return (TSR) with that of a group of peer companies.		Increase in ore reserves.		Increase in the Earnings Per Share.	
Vesting Condition	Result	Proportion to vest	Result	Proportion to vest	Result	Proportion to vest
	Below 50th percentile	0%	Between 0% and 25%	Between 50% and 100% on a pro rata basis	Between 5% and 10%	Between 50% and 100% on a pro rata basis
	Between 50th and 75th percentile	Between 50% and 100% on a pro rata basis	More than 25%	100%	More than 10%	100%
	Above 75th percentile	100%				

Performance and vesting condition achievement:

In relation to the most recent Performance Period assessed - three-year period from 1 July 2017 to 30 June 2020:

- The TSR of the Company has been independently calculated to be **361% placing it at the 100th percentile** of the identified Peer Group. Therefore, 100% vesting of Class A Rights was achieved and shares were issued to eligible recipients in Q1 FY2021.
- The Ore Reserves of the Company **increased by greater than 25%** (Actual increase of 161%) over the period. Therefore, for the vesting of Tranche 12 and Tranche 13 Class B Performance Rights, 100% vesting of the Rights was achieved and shares were issued to eligible recipients in Q1 FY2021.
- The cumulative annual EPS growth rate of the Company **increased by more than 10%** (Actual increase of 82%) over the period. Therefore, for the vesting of Tranche 12 and Tranche 13 Class C Performance Rights, 100% vesting of the Rights was achieved and shares were issued to eligible recipients in Q1 FY2021.

The KPIs for Tranches 14 to 21 and 23 to 24 that have been previously issued are set out below:

- Tranches 14, 15, 18 and 19 relate to the three-year performance period to 30 June 2021 - to be assessed during FY2022;
- Tranches 16, 20, 23 and 24 relate to three-year and four-year performance periods to 30 June 2022 - to be assessed during FY2023; and
- Tranches 17 and 21 relate to the five-year performance period to 30 June 2023 - to be assessed during FY2024.

Tranches 14 – 21 & 23-24	Class A		Class B		Class C		Class D	
Performance Condition	Comparison of the Company's Total Shareholder Return (TSR) with that of a group of peer companies.		Increase in Ore Reserves.		Increase in the Earnings per Share.		Increase in Share Price.	
Vesting Condition	Result	Proportion to vest	Result	Proportion to vest	Result	Proportion to vest	Result	Proportion to vest
	Below 50th percentile	0%	Negative growth	0%	Negative growth	0%	Below 10%	0%
	Between 50th and 75th percentile	Between 50% and 100% on a pro rata basis	Depletion replaced	50%	5% per annum	50%	Between 10% and 50%	Between 50% - 100% on a a pro rata basis
	Above 75th percentile	100%	Between depletion replaced and 20% increase	Between 50% - 100% on a pro rata basis	Between 5% - 10% per annum	Between 50% - 100% on a pro rata basis	More than 50%	100%
			More than 20%	100%	More than 10% per annum	100%		
Performance and vesting condition achievement: The performance period is in progress and the rights remain unvested as at 30 June 2020.								

Rights granted under the plan carry no dividend or voting rights.

Details of Performance Rights provided as part of remuneration to Key Management Personnel are shown below. The vesting conditions are set out in Performance Rights Remuneration summary on Page 43. Further information on the Performance Rights is set out in Note 16 to the financial statements.

Name	Financial Year of Grant	Period in which Performance Rights may vest	Number of Performance Rights granted	Value of the Performance Right at grant date	Number of Performance Rights vested	Vested %	Maximum value yet to be expensed
R Finlayson	Tranche 8						
	2016/17 (Class A)	2019/20	74,000	$29,526	74,000	100%	$0
	2016/17 (Class B)	2019/20	37,000	$35,335	37,000	100%	$0
	2016/17 (Class C)	2019/20	74,000	$32,338	74,000	100%	$0
	Tranche 12						
	2017/18 (Class A)	2020/21	330,000	$311,190	-	-	$0
	2017/18 (Class B)	2020/21	132,000	$194,040	-	-	$0
	2017/18 (Class C)	2020/21	198,000	$291,060	-	-	$0
	Tranche 14						
	2018/19 (Class A)	2021/22	76,250	$120,780	-	-	$46,754
	2018/19 (Class B)	2021/22	76,250	$193,904	-	-	$75,060
	2018/19 (Class C)	2021/22	76,250	$193,904	-	-	$75,060
	2018/19 (Class D)	2021/22	76,250	$133,209	-	-	$51,565
	Tranche 15						
	2018/19 (Class A)	2021/22	125,000	$198,000	-	-	$76,645
	2018/19 (Class B)	2021/22	125,000	$317,875	-	-	$123,048
	2018/19 (Class C)	2021/22	125,000	$317,875	-	-	$123,048
	2018/19 (Class D)	2021/22	125,000	$218,375	-	-	$84,532
	Tranche 16						
	2018/19 (Class A)	2022/23	125,000	$198,750	-	-	$110,930
	2018/19 (Class B)	2022/23	125,000	$314,750	-	-	$175,674
	2018/19 (Class C)	2022/23	125,000	$314,750	-	-	$175,674
	2018/19 (Class D)	2022/23	125,000	$225,375	-	-	$125,791
	Tranche 17						
	2018/19 (Class A)	2023/24	125,000	$199,750	-	-	$130,745
	2018/19 (Class B)	2023/24	125,000	$311,625	-	-	$203,973
	2018/19 (Class C)	2023/24	125,000	$311,625	-	-	$203,973
	2018/19 (Class D)	2023/24	125,000	$231,500	-	-	$151,527
	Tranche 23						
	2019/20 (Class A)	2022/23	45,000	$67,185	-	-	$52,014
	2019/20 (Class B)	2022/23	45,000	$145,755	-	-	$112,843
	2019/20 (Class C)	2022/23	45,000	$145,755	-	-	$112,843
	2019/20 (Class D)	2022/23	45,000	$76,455	-	-	$59,191
M Ball	Tranche 10						
	2016/17 (Class A)	2019/20	80,000	$43,040	80,000	100%	$0

Name	Financial Year of Grant	Period in which Performance Rights may vest	Number of Performance Rights granted	Value of the Performance Right at grant date	Number of Performance Rights vested	Vested %	Maximum value yet to be expensed
	2016/17 (Class B)	2019/20	40,000	$46,600	46,600	100%	$0
	2016/17 (Class C)	2019/20	80,000	$63,360	63,360	100%	$0
	Tranche 13						
	2018/18 (Class A)	2020/21	200,000	$220,400	-	-	$7,117
	2018/18 (Class B)	2020/21	80,000	$126,400	-	-	$4,082
	2018/18 (Class C)	2020/21	120,000	$189,600	-	-	$6,123
	Tranche 18						
	2018/19 (Class A)	2021/22	57,250	$77,746	-	-	$32,415
	2018/19 (Class B)	2021/22	57,250	$132,763	-	-	$55,353
	2018/19 (Class C)	2021/22	57,250	$132,763	-	-	$55,353
	2018/19 (Class D)	2021/22	57,250	$85,990	-	-	$35,852
	Tranche 19						
	2018/19 (Class A)	2021/22	93,750	$125,156	-	-	$58,150
	2018/19 (Class B)	2021/22	93,750	$235,406	-	-	$109,375
	2018/19 (Class C)	2021/22	93,750	$235,406	-	-	$109,375
	2018/19 (Class D)	2021/22	93,750	$153,469	-	-	$71,305
	Tranche 20						
	2018/19 (Class A)	2022/23	93,750	$127,688	-	-	$79,897
	2018/19 (Class B)	2022/23	93,750	$233,063	-	-	$145,833
	2018/19 (Class C)	2022/23	93,750	$233,063	-	-	$145,833
	2018/19 (Class D)	2022/23	93,750	$159,000	-	-	$99,490
	Tranche 21						
	2018/19 (Class A)	2023/24	93,750	$130,219	-	-	$92,754
	2018/19 (Class B)	2023/24	93,750	$230,719	-	-	$164,340
	2018/19 (Class C)	2023/24	93,750	$230,719	-	-	$164,340
	2018/19 (Class D)	2023/24	93,750	$163,688	-	-	$116,594
	Tranche 24						
	2019/20 (Class A)	2022/23	35,000	$43,050	-	-	$34,540
	2019/20 (Class B)	2022/23	35,000	$106,050	-	-	$85,087
	2019/20 (Class C)	2022/23	35,000	$106,050	-	-	$85,087
	2019/20 (Class D)	2022/23	35,000	$51,310	-	-	$41,167
S Jessop	Tranche 11						
	2018/18 (Class A)	2019/20	180,000	$146,700	180,000	100%	$0
	2018/18 (Class B)	2019/20	90,000	$142,200	90,000	100%	$0
	2018/18 (Class C)	2019/20	180,000	$157,860	180,000	100%	$0
	Tranche 13						
	2018/18 (Class A)	2020/21	225,000	$247,950	-	-	$8,007
	2018/18 (Class B)	2020/21	90,000	$142,200	-	-	$4,592
	2018/18 (Class C)	2020/21	135,000	$213,300	-	-	$6,888
	Tranche 18						
	2018/19 (Class A)	2021/22	57,250	$77,746	-	-	$45,331
	2018/19 (Class B)	2021/22	57,250	$132,763	-	-	$77,410
	2018/19 (Class C)	2021/22	57,250	$132,763	-	-	$77,410
	2018/19 (Class D)	2021/22	57,250	$85,990	-	-	$50,138
	Tranche 19						
	2018/19 (Class A)	2021/22	93,750	$125,156	-	-	$58,150
	2018/19 (Class B)	2021/22	93,750	$235,406	-	-	$109,375
	2018/19 (Class C)	2021/22	93,750	$235,406	-	-	$109,375
	2018/19 (Class D)	2021/22	93,750	$153,469	-	-	$71,305
	Tranche 20						
	2018/19 (Class A)	2022/23	93,750	$127,688	-	-	$47,791
	2018/19 (Class B)	2022/23	93,750	$233,063	-	-	$87,231
	2018/19 (Class C)	2022/23	93,750	$233,063	-	-	$87,231
	2018/19 (Class D)	2022/23	93,750	$159,000	-	-	$59,510
	Tranche 21						
	2018/19 (Class A)	2023/24	93,750	$130,219	-	-	$92,754
	2018/19 (Class B)	2023/24	93,750	$230,719	-	-	$164,340
	2018/19 (Class C)	2023/24	93,750	$230,719	-	-	$164,340
	2018/19 (Class D)	2023/24	93,750	$163,688	-	-	$116,594
	Tranche 24						
	2019/20 (Class A)	2022/23	35,000	$43,050	-	-	$34,540

Name	Financial Year of Grant	Period in which Performance Rights may vest	Number of Performance Rights granted	Value of the Performance Right at grant date	Number of Performance Rights vested	Vested %	Maximum value yet to be expensed
	2019/20 (Class B)	2022/23	35,000	$106,050	-	-	$85,087
	2019/20 (Class C)	2022/23	35,000	$106,050	-	-	$85,087
	2019/20 (Class D)	2022/23	35,000	$51,310	-	-	$41,167

The assessed fair value at grant date of Performance Rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Fair values at grant date are independently determined using a Monte Carlo simulation that considers the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the performance right and the correlation of Group's Total Shareholders Return ("TSR") and share price to the TSR and share prices of the other companies within the Peer Group.

Equity Instruments held by Directors and KMP

The tables below show, as at 30 June 2020, the number of:
(i) Performance Rights over Ordinary Shares in the Company granted under Performance Rights Plan; and
(ii) Shares in the Company that were held during the financial year by Directors and KMP of the Group, including their relevant family members and entities related to them.

Performance Rights holdings

30 June 2020	Balance at beginning of period 1 July 2019	Granted as remuneration	Vested and converted	Lapsed	Balance at end of period 30 June 2020
Directors					
A Kiernan	-	-	-	-	-
R Finlayson	2,650,000	180,000	(185,000)	-	2,645,000
S Langer (appointed 1 May 2020)	-	-	-	-	-
M Reed	-	-	-	-	-
J Richards	-	-	-	-	-
R Smith	-	-	-	-	-
S Tough	-	-	-	-	-
Key Management Personnel					
M Ball	1,954,000	140,000	(200,000)	-	1,894,000
S Jessop	2,254,000	140,000	(450,000)	-	1,944,000
Total	6,858,000	460,000	(835,000)	-	6,483,000

Shareholdings outstanding

30 June 2020	Balance at beginning of period 1 July 2019	Granted as remuneration	Conversion of Performance Rights	Net change - other	Balance at end of period 30 June 2020
Directors					
A Kiernan	40,000	-	-	26,958	66,958
R Finlayson	4,016,819	-	185,000	(943,161)	3,258,658
S Langer (appointed 1 May 2020)	-	-	-	-	-
M Reed	35,000	-	-	6,088	41,088
J Richards	-	-	-	-	-
R Smith	-	-	-	12,972	12,972
S Tough	1,718	-	-	1,000	2,718
Key Management Personnel					
M Ball	45,000	-	200,000	(157,500)	87,500
S Jessop	-	-	450,000	(441,304)	8,696
Total	4,138,537	-	835,000	(11,494,947)	3,478,590

Other Transactions with KMP

During the year there were no other transactions with KMP.

Use of remuneration consultants

The Company subscribes to the Gold & General Mining Industries Remuneration Report (Australasia) as prepared by Aon Hewitt Limited as a tool to use to bench mark remuneration levels of the Company against those of the Peer Group mining companies. These reports are received twice annually.

In line with Company policy, Saracen obtains an independent review of its KMP remuneration as required to ensure it remains in line with the market. In addition, the Company subscribes to remuneration information from BDO Remuneration and Rewards Services to ensure that KMP remuneration information is considered in the market context.

During FY2020 Saracen appointed The Reward Practice as an independent advisor to assist the People & Culture Committee with the provision of executive remuneration benchmarking information and a review of Saracen's incentive programs.

The Board is satisfied that the report is free from undue influence from any members of the Key Management Personnel.

Voting on the Remuneration Report at the 2019 AGM

At the Annual General Meeting held in November 2019, the Company received a "yes" vote of more than 83.4% on its Remuneration Report for the FY2019 financial year. The Group did not receive any specific remuneration related feedback from shareholders at that meeting. During the year, the Company consulted with various shareholders and proxy advisory groups on its remuneration practices. Many of the comments and recommendations from these meetings have been incorporated into the Group's Remuneration policy.

This concludes the audited Remuneration Report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company indemnifies all Directors of the Company named in this report and current and former KMP of the Group against all liabilities to persons (other than a Group company) which arise out of the performance of their normal duties as a Director or executive officer, unless the liability relates to conduct involving bad faith. The Company also has a policy to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments. There are Director's Deed of Access, Indemnity and Insurance in place for all Directors of the Company.

The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured under the policy.

During the year, the Company paid the premium on a Personal Accident - Working Director insurance policy on behalf of the Managing Director as normal Worker's Compensation insurance coverage for company directors is not allowed under the Western Australian Worker's Compensation scheme.

Other than to the extent permitted by law, the Group has not, during or since the financial year, indemnified or agreed to indemnify an auditor of the Group or any related body corporate against a liability incurred as an auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is attached to this report.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Company and/or Group are important.

Details of the amounts paid or payable to the Auditor (BDO Audit (WA) Pty) Ltd for the audit and non-audit services provided during FY2020 are disclosed in Note 3 to the financial statements. The total non-audit fees for FY2020 is $0.02 million.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the Auditor did not compromise the Auditor independence requirements of the *Corporations Act 2001* because none of the services undermine the general principles relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Instrument 2016/191, dated 1 April 2016, and in accordance with that Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.298(2) of *the Corporations Act 2001*.

For and on behalf of the Board

RALEIGH FINLAYSON
Managing Director
19 August 2020

AUDITOR'S INDEPENDENCE DECLARATION

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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF SARACEN MINERAL HOLDINGS LIMITED

As lead auditor of Saracen Mineral Holdings Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Saracen Mineral Holdings Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 19 August 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2020

	Note	2020 $'000	2019 $'000
Revenue from continuing operations	2	1,073,971	555,591
Mine operating costs		(510,242)	(298,073)
Depreciation and amortisation	2	(152,399)	(87,886)
Royalties		(39,751)	(17,889)
Gross profit from mining operations		371,579	151,743
Administration expenses	2	(17,764)	(13,292)
Transaction cost on business combination	21	(47,384)	-
Share based payments expense	16	(11,814)	(6,969)
Finance costs	2	(11,150)	(624)
Other revenue	2	2,934	2,188
Profit/(Loss) on disposal of fixed assets		(262)	(354)
Expensing of deferred exploration costs	9	(754)	(391)
Obsolete stock write down		(564)	(931)
Profit before income tax		284,821	131,370
Income tax expense	4	(95,165)	(38,876)
Profit after income tax for the year		189,656	92,494
Items that will not be reclassified to profit or loss			
Fair value of equity investments at fair value through other comprehensive income	14(e)	21,293	8,701
Other comprehensive profit for the year, net of income tax		21,293	8,701
Total comprehensive income attributable to members of Saracen Mineral Holdings Limited		210,949	101,195
Earnings per share for the year attributable to the members of Saracen Mineral Holdings Limited:			
Basic earnings (cents per share)	5	19.10	11.30
Diluted earnings (cents per share)	5	18.77	11.13

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	18(a)	360,185	118,715
Trade and other receivables		8,091	4,058
Inventories	6	230,689	57,885
Other assets		4,801	1,514
Other financial assets	7	2,437	-
Total current assets		606,203	182,172
Non-current assets			
Other financial assets	7	350	25,536
Buildings, plant and equipment	8	397,420	133,607
Right-of-use assets	8(b)	114,609	-
Deferred exploration and evaluation costs	9	178,044	103,215
Mine properties	10	919,676	236,040
Inventories	6	308,385	-
Total non-current assets		1,918,484	498,398
Total assets		2,524,687	680,570
Current liabilities			
Borrowings	11	77,000	-
Trade and other payables	12	137,633	57,007
Provisions	13	19,383	6,075
Lease liabilities	8(b)	26,944	-
Income tax payable		30,180	11,862
Total current liabilities		291,140	74,944
Non-current liabilities			
Deferred tax liabilities	4	111,646	61,468
Other payables		-	1,102
Borrowings	11	239,559	-
Provisions	13	234,027	49,975
Lease liabilities	8(b)	89,988	-
Total non-current liabilities		675,220	112,545
Total liabilities		966,360	187,489
Net assets		1,558,327	493,081
Equity			
Contributed equity	14(a)	1,095,143	261,392
Reserves	14(e)	77,094	35,255
Retained profits		386,090	196,434
Total equity		1,558,327	493,081

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2020

	Contributed Equity $'000	Retained Profits $'000	Fair value through other comprehensive income reserve $'000	Share Based Payments Reserve $'000	Total $'000
As at 1 July 2019	261,392	196,434	11,310	23,945	493,081
Profit for the year after tax	-	189,656	-	-	189,656
Other comprehensive income	-	-	21,293	-	21,293
Total comprehensive profit for the year after tax	-	189,656	21,293	-	210,949
Transactions with owners in their capacity as owners					
Share based payments	450	-	-	11,364	11,814
Vesting of Performance Rights	1,421	-	-	(1,421)	-
Tax effect on share based payments	-	-	-	10,603	10,603
Contribution of equity net of transaction costs	827,950	-	-	-	827,950
Tax effect on share issue cost	3,930	-	-	-	3,930
As at 30 June 2020	1,095,143	386,090	32,603	44,491	1,558,327
As at 1 July 2018	259,991	103,940	2,609	14,624	381,164
Profit for the year after tax	-	92,494	-	-	92,494
Other comprehensive income	-	-	8,701	-	8,701
Total comprehensive profit for the year after tax	-	92,494	8,701	-	101,195
Transactions with owners in their capacity as owners					
Share based payments	378	-	-	6,591	6,969
Vesting of Performance Rights	1,023	-	-	(1,023)	-
Tax effect on share based payments	-	-	-	3,753	3,753
As at 30 June 2019	261,392	196,434	11,310	23,945	493,081

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers		1,073,971	555,591
Payments to suppliers and employees		(538,273)	(324,519)
Interest received		2,358	2,061
Interest paid and other finance costs		(7,266)	(357)
Income tax paid		(52,566)	(4,717)
Net cash flows provided by operating activities	18(b)	478,224	228,059
Cash flows from investing activities			
Purchase of plant, equipment and development assets		(214,355)	(160,627)
Exploration and evaluation costs		(35,214)	(35,742)
Purchase of Box Well		-	(14,115)
Purchase of Lehmann Well		-	(2,500)
Deferred consideration from King of the Hills received		-	4500
Deferred consideration from Red October received		-	550
Proceeds from disposal of exploration tenements		-	420
Purchase of financial assets at fair value through other comprehensive income		-	(1,442)
Disposal of financial assets at fair value through other comprehensive income		39,470	-
Payments for acquisition of KCGM JV, net of cash acquired	21(b)	(1,092,499)	-
Payments for acquisition of Sinclair nickel project		(10,415)	-
Net cash flows used in investing activities		(1,314,941)	(208,956)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of transaction costs		779,654	-
Leases interest paid		(2,599)	-
Payment of finance lease liabilities		(16,081)	(162)
Loan establishment fees		(6,214)	-
Proceeds from borrowings		445,000	-
Repayment of borrowings		(123,500)	-
Net cash flows provided by/ (used) in financing activities		1,076,260	(162)
Net increase in cash held		241,470	18,941
Add opening cash brought forward		118,715	99,774
Closing cash carried forward	18(a)	360,185	118,715
Non-cash financing and investing activities	18(d)		

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Saracen Mineral Holdings Limited is a for-profit, public company listed on the Australian Securities Exchange (trading under the code: 'SAR'), incorporated and operating in Australia.

Operations and Principal Activities
The operations and principal activities comprise mineral exploration, development and production.

Registered Office
Level 11, 40 The Esplanade, Perth Western Australia 6000.

(b) Basis of preparation

Statement of compliance
The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 19 August 2020.

Basis of measurement
The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Rounding off
The Company is a company of the kind referred to in ASIC Instrument 2016/191, dated 1 April 2016, and in accordance with that Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

New, revised or amended standards and interpretations adopted by the group
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted except for *AASB 2018-6 Amendments to the Australia Accounting Standards – Definition of a business.*

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases
The Group adopted the new standard using the modified retrospective approach and applied the practical expedient per AASB 16.C10(a) and (c). Lease assets and liabilities are measured at the present value of future payments on the initial date of application, being 1 July 2019. The Group has not restated comparative for the reporting period as permitted under the specific transitional provisions in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

The impact on the statement of financial position as at 1 July 2019 on the adoption of AASB16 are noted below:

	$'000
Right-of-use assets	
Right-of-use assets – Buildings	63,611
Right-of-use assets – Plant & Equipment	759
Total right-of-use assets	64,370
Lease liabilities	
Current	9,695
Non-current	54,675
Total lease liabilities	64,370

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The leases recognised by the Group under AASB 16 predominantly relate to powerhouse and infrastructure for the supply of oxygen at the Carosue Dam and Thunderbox mines.

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. The depreciation of the lease assets and interest on the lease liabilities are recognised in the consolidated profit or loss and other comprehensive income statement.

Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at inception either as a finance lease or operating lease.

Practical expedients applied

In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessment on whether leases are onerous;
- The accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB117 and IFRIC4 *Determining whether an Arrangement contains a Lease*.

For respective accounting policy, refer to Note 8.

AASB 2018-6 Amendments to the Australia Accounting Standards – Definition of a business

This standard has been early adopted by the Group on 1 July 2019. This Standard amends AASB 3 Business Combinations' ("AASB 3") definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present.

The revisions to AASB 3 also introduced an optional concentration test. If the concentration test is met, the set of activities and assets acquired is determined not to be a business combination and asset acquisition accounting is applied. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

This standard has been applied by the Group in the current period. Refer to Note 21 for further details.

Interpretation 23 Uncertainty over Income Tax Treatments (Interpretation 23)

The Group adopted for the first time Interpretation 23 from 1 July 2019. Interpretation 23 outlines how the recognition and measurement requirements of AASB 112 *Income Taxes* are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the relevant tax authority. Based on an assessment of the Group's current and historical transactions to 30 June 2020, there are no material uncertain tax treatments under Interpretations 23.

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

(i) *Property, Plant and Equipment – Proceeds before intended use (Amendments to AASB 116)*

Property, Plant and Equipment – Proceeds before intended use (Amendments to AASB 116) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments effective for annual periods beginning on or after 1 January 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Significant Judgements, Estimates and Assumptions
The preparation of the Group's consolidated financial statements requires management to make judgements estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are either described with the associated accounting policy note or are described below:

These include:

Judgements, estimates and assumptions:

- Deferred exploration and evaluation costs (Note 9)
- Depreciation rates (Note 8)
- Identification of leases (Note 8)
- Impairment of assets (Note 10)
- Inventories (Note 6)
- Mine rehabilitation (Note 13)
- Ore reserve and resource estimates (Note 10)
- Production start date (Note 10)
- Recovery of deferred tax assets (Note 4)
- Share based payments (Note 16)
- Stripping costs (Note 10)
- Fair value of assets acquired and liabilities assumed in a business combination (Note 21)
- Assessment of joint operation (Note 21)

(c) Principles of Consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of Saracen Mineral Holdings Limited and its subsidiaries (the Group) as at 30 June each year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses from intra-group transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(d) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with the current year disclosures.

NOTE 2 REVENUE AND EXPENSES

Accounting Policy

Gold and silver sales

Revenue from the sale of gold and silver is recognised when the performance obligation has been satisfied. The performance obligation is generally considered to be satisfied when the gold and silver are physically transferred to the buyer.

Interest income

Interest income is recognised when the Group gains control of the right to receive the interest payment.

	2020 $'000	2019 $'000
Gold sales	1,072,172	554,537
Silver sales	1,799	1,054
Revenue from continuing operations	1,073,971	555,591

Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of goods at a point in time in the following geographical locations:

	Carosue Dam (or SGM)		Thunderbox (or SME)		KCGM (or SGO)		Total segment	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue - Metal Sales	421,099	311,532	363,261	244,059	289,611	-	1,073,971	555,591
Total revenue from external customers	421,099	311,532	363,261	244,059	289,611	-	1,073,971	555,591
Timing of revenue recognition								
At a point in time	421,099	311,532	363,261	244,059	289,611	-	1,073,971	555,591
Over time	-	-	-	-	-	-	-	-

	2020 $'000	2019 $'000
Interest revenue	2,358	2,061
Other	576	127
Other revenue	2,934	2,188
Total revenue	1,076,905	557,779
Amortisation of mine properties	64,753	52,082
Amortisation of deferred mining expenditure	23,984	14,029
Depreciation of plant and equipment and right-of-use assets	63,662	21,774
Depreciation and amortisation	152,399	87,886
Directors and employee expenses	9,417	8,471
Professional fees	1,037	1,103
Perth Office rental	427	364
Other	6,883	3,354
Administration expenses	17,764	13,292
Provisions: unwinding of discount (Note 13)	1,284	267
Borrowing costs	9,866	357
Finance costs	11,150	624
Defined contribution superannuation expense	11,446	5,227

NOTE 3 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditor of the Group for:	2020 $'000	2019 $'000
BDO Audit (WA) Pty Ltd		
- Audit / review of the financial report	187	103
- Statutory audit of Saracen Metals Pty Ltd	30	-
- IFRS accounting assistance	12	25
- Advisory	11	-
Total	240	128
Amounts received or due and receivable by an associate of the auditor of the Group for:		
BDO Corporate Tax (WA) Pty Ltd		
- Tax services	-	4

NOTE 4 INCOME TAX

Accounting Policy

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises assets and liabilities for the potential tax effect based on the Group's current understanding of tax laws and requirements. Where the final tax outcome of these items is different from the carrying amounts, such differences will impact the current and deferred tax assets and/or provisions in the period in which such determination is made.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Significant judgements, estimates and assumptions

Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will comply with the relevant tax legislation and will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations. These assessments require the use of estimates and assumptions such as commodity prices, exchange rates and operating performance over the life of the assets.

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 4 INCOME TAX (Continued)

	2020 $'000	2019 $'000
(a) Income tax expense comprises:		
- Current income tax charge	70,884	16,577
- Movement in temporary differences	24,281	22,299
Income tax expense	95,165	38,876
(b) Reconciliation of prima facie income tax expense to income tax expense per the Consolidated Statement of Profit or Loss and Comprehensive Income:		
Accounting profit before tax	284,821	131,370
Prime facie income tax expense at 30% (2019: 30%)	85,446	39,411
- Non-deductible expenses	201	24
- Non-deductible expenses: KCGM acquisition	9,518	-
- Recognition of previously unrecognised temporary differences	-	(559)
Income tax expense	95,165	38,876
Effective tax rate	33%	30%

(c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Balance at 1 July 2019 $'000	Charged / credited to income $'000	Charged / credited to equity $'000	Fair Value of Business Combination $'000	Balance at 30 June 2020 $'000
Deferred tax assets					
Provisions	17,572	11,806	-	47,618	76,996
Share based payments	7,427	1,491	10,603	-	19,521
Lease liability	-	30,572	-	4,507	35,079
Share issue cost	-	-	3,930	-	3,930
Other	-	(298)	-	-	(298)
Total	24,999	43,571	14,533	52,125	135,228
Deferred tax liabilities					
Deferred mining expenditure	(78,404)	(30,576)	-	(98,230)	(207,210)
Property, plant and equipment	(2,259)	(3,222)	-	5,611	130
Financial assets at fair value through other comprehensive income	(4,830)	-	4,572	-	(258)
Right of use asset	-	(29,875)	-	(4,507)	(34,382)
Other	(47)	179	-	-	132
Inventories	(926)	(4,360)	-	-	(5,286)
Total	(86,464)	(67,853)	4,572	(97,126)	(246,874)
Net deferred tax asset / (liability)	(61,468)	(24,282)	19,105	(45,001)	(111,646)

	Balance at 1 July 2018 $'000	Charged / credited to income $'000	Charged / credited to equity $'000	Balance at 30 June 2019 $'000
Deferred tax assets				
Tax losses	6,159	(6,159)	-	-
Provisions	16,707	865	-	17,572
Undeducted share issue costs	2	(2)	-	-
Share based payments	3,006	668	3,753	7,427
Non-refundable R&D offset	33	(33)	-	-
Total	25,907	(4,661)	3,753	24,999
Deferred tax liabilities				
Deferred mining expenditure	(61,973)	(16,431)	-	(78,404)
Property, plant and equipment	(2,117)	(143)	-	(2,259)
Financial assets at fair value through other comprehensive income	(1,118)	-	(3,712)	(4,830)
Other	934	(981)		(47)
Inventories	(843)	(83)	-	(926)
Total	(65,117)	(17,638)	(3,712)	(86,464)
Net deferred tax asset / (liability)	(39,210)	(22,299)	41	(61,468)

NOTE 4 INCOME TAX (Continued)

(c) Deferred tax assets and liabilities (continued)

Deferred tax liabilities are set-off against deferred tax assets pursuant to set-off provisions.

(d) Tax consolidated group

Saracen Mineral Holdings Limited and its wholly-owned subsidiaries formed a tax consolidated group with effect from 1 July 2003. Saracen Mineral Holdings Limited is the head entity in the tax consolidated group.

NOTE 5 EARNINGS PER SHARE

Accounting Policy

Basic earnings per share is calculated as profit/(loss) after tax attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as profit/(loss) after tax attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends, the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses, and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The following reflects the income and share data used in the calculations of basic and diluted earnings per share after tax attributable to members of the company.

	2020 $'000	2019 $'000
Net profit after income tax from continuing operations	189,656	92,494
	189,656	92,494
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	992,740,750	820,092,809
Effect of dilution – Performance Rights	17,633,179	11,347,716
Weighted average number of ordinary shares adjusted for the effect of dilution	1,010,373,929	831,440,525
Basic earnings (cents per share)	19.10	11.30
Diluted earnings (cents per share)	18.77	11.13

NOTE 6 INVENTORIES

Accounting Policy

Raw materials and stores are valued at the lower of cost and net realisable value. Regular reviews are undertaken to establish whether any items are obsolete or damaged, and if so their carrying value is written down to net realisable value.

Inventories of ore and gold in circuit are valued at the lower of cost and net realisable value. Costs comprise direct material, labour and an appropriate proportion of variable and fixed overhead on the basis of normal operating capacity, and are included as part of mine operating costs in the consolidated statement of profit or loss and comprehensive income. Net realisable value is the estimated selling price in the ordinary course of business less processing cost and the estimated selling cost.

If the ore stockpile is not expected to be processed in 12 months after reporting date, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis.

Significant judgements, estimates and assumptions
Inventories require certain estimates and assumptions most notably in regard to grades, volumes and densities.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified to periodic surveys.

NOTE 6 INVENTORIES (Continued)

Net reliable value tests are performed at each reporting date and represent the estimated future sales price of gold, less cost of completion (processing costs) and the estimated cost necessary to perform the sale.

In relation to non-current ore stocks, the expected timing of processing, estimated future sales prices of gold, estimated processing costs and the discount rates applied requires significant management estimation.

Such estimates and assumptions may change as new information becomes available and could impact on the carrying value of inventories.

	2020 $'000	2019 $'000
Current		
Ore stocks (at cost)	162,274	30,160
Gold in circuit (at cost)	25,472	8,433
Gold in transit (at cost)	4,778	5,128
Consumable supplies and spares	38,165	14,164
	230,689	57,885
Non-Current		
Ore stocks (at cost)	308,385	-
	308,385	-

Write-down of inventory to net realisable value amounted to $563,884 (2019: $931,486). These were recognised as an expense during the year ended 30 June 2020 and are included in the Statement of Profit or Loss and Other Comprehensive Income.

Ore Stocks (Current and non-current)		
CDO	18,904	4,704
TBO	37,828	25,456
KCGM	413,927	-
	470,659	30,160

The KCGM acquisition is deemed a Business Combination and is therefore accounted for using the “acquisition method”. This method requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

As detailed in Note 21, the fair value determination for the value of stockpiles for KCGM was significant. As a result, when the acquired stockpiles are processed and sold by the Group, the fair value recognised for this inventory is expensed to the statement of profit and loss as part of mine operating costs (non-cash). A reconciliation of the KCGM stockpile movement since acquisition is tabled below.

KCGM stockpile reconciliation	Estimated recovered ounces (oz)	Value $'000	$/oz
Fair value at acquisition	1,188,255	467,069	393
Acquired stockpiles milled (expensed) during the year	(60,116)	(59,695)	993
Other stockpile movements	14,351	6,553	456
Closing balance	1,142,490	413,927	362

This accounting treatment has materially affected statutory reporting of the “Marginal Stockpile” at KCGM. Prior to the acquisition, the value of this stockpile was recorded in the KCGM accounts at ~$415/oz. After the fair value adjustment, this stockpile is now recorded on Saracen’s Balance Sheet at ~$1,000/oz.

In relation to Saracen’s FY2020 Accounts, ~60,000oz were drawn from the RoM and Marginal stockpile resulting in a non-cash operating expense in the Profit & Loss of ~ $60 million compared to a non-cash operating expense of ~$ 25 million if the Fair Value uplift had not been applied. Refer to table below.

Historic stockpile milled reconciliation	$/oz	Ounces milled (oz)	Value expensed ($'000)
Historic value	419	60,116	25,189
Fair value uplift	574	60,116	34,507
Total	993	60,116	59,695

NOTE 7 OTHER FINANCIAL ASSETS

Accounting Policy

Investments and other financial assets

Investments and other financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss);
- Those to be measured at amortised cost.

The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding ("the SPPI criterion").

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(i) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

(ii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECLs") associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For other debt financial assets, the ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. In all cases, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Due to the nature of the Group's trade and other receivables, the impact of the expected loss allowance under AASB 9 against the loss incurred under AASB 139 was not material to the Group.

NOTE 7 OTHER FINANCIAL ASSETS (Continued)

	2020 $'000	2019 $'000
Current		
Financial assets at fair value through other comprehensive income	2,437	-
	2,437	-
Non-current		
Financial assets at fair value through other comprehensive income	350	25,536
	350	25,536

All financial assets at fair value through other comprehensive income held are saleable and have no contracted liquidity restrictions.
The value of financial assets at fair value through other comprehensive income has been determined by reference to the quoted last trade price at the close of business on reporting date.

During the year, the Group sold its 10.5% interest in Red 5 Limited (ASX: RED) for approximately $39 million before fees. In addition, the Group sold shares in other listed entities for approximately $3 million before fees in July 2020.

NOTE 8 BUILDINGS, PLANT AND EQUIPMENT

Buildings. Plant and Equipment

Accounting Policy

Buildings, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on a straight-line method over the estimated useful life, or over the remaining life of mine if that is shorter and there is no alternative use for the asset. The useful lives of major assets of a cash-generating unit are often dependent on the lives of the orebodies in the region to which they relate. Where the major assets of a cash-generating unit are not dependent on the life of a related ore orebody, management applies judgement in estimating the remaining service potential of long-lived assets.

The following useful lives are used in the calculation of depreciation:
Buildings, plant and equipment 3 – 33 years

Capital work in progress is projects of a capital nature which usually relates to the construction/installation of buildings, plant or equipment. Upon completion (when ready for use) capital work in progress is transferred to the relevant asset category. Capital work in progress is not depreciated.

Where depreciation is attributable to exploration and evaluation activities, costs are treated in accordance with the Accounting Policy in Note 9. The assets' residual values, useful lives and amortisation methods are reviewed at each financial year end and if appropriate adjusted.

Significant judgments, estimates and assumptions

The estimation of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

Leases

Accounting Policy

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

NOTE 8 BUILDINGS, PLANT AND EQUIPMENT (Continued)

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the consolidated profit or loss and other comprehensive income statement.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated profit or loss and other comprehensive income statement. Low value assets comprise plant and equipment.

Significant judgments, estimates and assumptions

Judgement is required when assessing whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefits from the use of that asset.

NOTE 8 BUILDINGS, PLANT AND EQUIPMENT (Continued)

	2020 $'000	2019 $'000
Buildings, plant and equipment		
Opening balance net of accumulated depreciation	100,154	89,618
Acquired on acquisition of KCGM JV	195,130	-
Acquired on acquisition of Sinclair	6,580	-
Additions	1,092	3,111
Transfer from capital work in progress	76,654	29,096
Disposals	(397)	(133)
Depreciation	(43,871)	(21,538)
Closing balance net of accumulated depreciation	335,342	100,154
Capital work in progress		
Opening balance net of accumulated depreciation	33,453	9,857
Acquired on acquisition of KCGM JV	39,311	-
Additions	66,613	52,691
Transfer to mines in production	(645)	(67)
Transfer from deferred exploration and evaluation costs	-	68
Transfer to buildings, plant and equipment	(76,654)	(29,096)
Closing balance net of accumulated depreciation	62,078	33,453
Accumulated depreciation		
Opening balance	108,444	86,963
Depreciation	43,871	21,538
Disposals	(1,321)	(57)
Closing balance	150,994	108,444
Cost	548,414	242,051
Accumulated depreciation	(150,994)	(108,444)
Net carrying amount	397,420	133,607

NOTE 8(b) LEASES

This note provides information for leases where the Group is a lessee.

Amounts recognised in statement of financial position

	2020 $'000	2019 $'000
Right-of-use assets		
Right-of-use assets on transition	64,369	-
Acquired as part of KCGM JV acquisition	15,024	-
Additions	53,620	-
Depreciation	(18,404)	-
Closing balance net of accumulated depreciation	114,609	-
Lease liabilities		
Current	26,944	-
Non-current	89,988	-
Closing balance	116,932	-

Amounts recognised in statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2020 $'000	2019 $'000
Depreciation charge of right-of-use assets	18,404	-
Interest expense (included in finance costs)	2,599	-

NOTE 9 DEFERRED EXPLORATION AND EVALUATION COSTS

Accounting Policy

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

- The rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred, and
- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs include the acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

The above accounting policy requires certain estimates and assumptions on future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available and could have a material impact on the carrying value of deferred exploration and evaluation costs. Exploration and evaluation assets are assessed for impairment where facts and circumstances suggest that the carrying amount of the assets may exceed its recoverable amount. If the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount and an impairment loss recognised.

Where economically recoverable reserves for an area of interest have been identified, and a decision to develop has occurred, capitalised expenditure is classified as mines under construction. In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of no value, accumulated costs carried forward are written off in the year in which that assessment is made.

Significant judgements, estimates and assumptions

The application of the Group's accounting policy for exploration and evaluation expenditure requires certain estimates and assumptions on future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available and could have a material impact on the carrying value of deferred exploration and evaluation costs. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in the Statement of Profit or Loss and Other Comprehensive Income in the period when the new information becomes available.

	2020 $'000	2019 $'000
Deferred exploration and evaluation costs		
Balance at the start of the year	103,215	53,556
Additions	36,967	35,512
Purchase of Box Well tenements	-	14,836
Purchase of Bundarra tenements	49,843	-
Purchase of Sinclair project	18,855	-
Transferred to capital work in progress	-	(68)
Transferred to mines in production	(16,848)	-
Transferred to mines under construction	(13,234)	-
Exploration expensed	(754)	(391)
Disposal of tenements	-	(230)
Balance at the end of the year	178,044	103,215

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

NOTE 10 MINE PROPERTIES

Accounting Policy

Mines under construction are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of construction, an appropriate allocation of overheads and where applicable borrowing costs capitalised during construction. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production or an appropriate class of property, plant and equipment.

NOTE 10 MINE PROPERTIES (Continued)

Mines in production represent the aggregated exploration and evaluation expenditure and capitalised development costs in respect of areas of interest in which mining is ready to or has commenced. Mine development costs are deferred until commercial production commences, at which time they are amortised on a units-of-production basis over the ore reserves or resources. Once production commences, further development expenditure is classified as part of the cost of production, unless substantial future economic benefits can be established.

Deferred stripping costs represent certain mining costs, principally those that relate to the stripping of waste, which provides access so that future economically recoverable ore can be mined. Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of Mine Properties.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions.

Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected waste to ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the statement of profit or loss when the stripping ratio falls below the life of mine ratio. These are a function of the mine design and therefore any changes to the design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact on reserves may also have an impact on the component ratio even though they may not impact the mine design.

Changes to the Life of Mine Plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Significant judgements, estimates and assumptions

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping asset.

Once the Group has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g. tonnes) of waste to be stripped for an expected volume (e.g. in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Reserve and Resource estimates
Estimates of recoverable quantities of proven and probable reserves and resources include assumptions regarding commodity prices, exchange rates, discount rates, recovery rates and production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves and resources may change from period to period. Changes in reported reserves and resources can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves and resources are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve and resource estimates in accordance with the JORC Code, guidelines prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia.

Significant judgements and estimates

The determination of ore reserves and resources impacts the accounting for asset carrying values.

There are numerous uncertainties inherent in estimating ore reserves, resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

NOTE 10 MINE PROPERTIES (Continued)

Changes in the forecast commodity prices, exchange rates, discount rates, recovery rates and production and transportation costs may change the economic status of reserves and may ultimately results in reserves being restated.

Production start date

Significant judgements and estimates

The Group assesses the stage of each mine under construction to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Mines under construction' to 'Mines in production'. Some of the criteria used to identify the production start date include, but are not limited to:

a. Level of capital expenditure incurred compared with the original construction cost estimate;
b. Completion of a reasonable period of testing of the mine plant and equipment;
c. Ability to produce metal in saleable form (within specifications);
d. Ability to sustain ongoing production of metal; and
e. Positive cash flow position from operations.

When a mine development project moves into the production phase, the capitalisation of certain mine development costs and pre-production revenues cease and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that amortisation commences.

Impairment of mine properties

Significant judgements and estimates

The Group undertakes an impairment review to determine whether any indicators of impairment are present. Where indicators of impairment exist, an estimate of the recoverable amount of the Cash Generating Unit (CGU) is made. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

An impairment indicator assessment was undertaken for all operations at reporting date and it was concluded that no indicators were identified which would give rise to impairment.

Assessments of the recoverable amounts require the use of estimates and assumptions such as reserves, resources, mine lives, discount rates, exchange rates, commodity prices, grade of ore mined, recovery percentage, operating performance, costs and capital estimates

	2020 $'000	2019 $'000
Mine properties		
Mines under construction	485,652	102,494
Mines in production	432,289	110,881
Deferred mining expenditure	1,735	22,665
Total	919,676	236,040
Mines under construction		
Balance at the start of the year	102,494	47,272
Acquired on acquisition of KCGM JV	277,044	-
Additions	92,434	55,351
Transferred from capital work in progress	645	-
Transferred from deferred exploration and evaluation costs	13,234	-

NOTE 10 MINE PROPERTIES (Continued)

	2020 $'000	2019 $'000
Change in rehabilitation provision	(199)	(129)
Balance at the end of the year	485,652	102,494
Mines in production		
Balance at the start of the year	110,881	121,695
Acquired on acquisition of KCGM JV	296,912	-
Additions	49,948	41,756
Transferred from capital work in progress	-	67
Transferred from deferred exploration and evaluation costs	16,848	-
Amortisation for the year	(64,364)	(52,082)
Change in rehabilitation provision	22,064	(555)
Balance at the end of the year	432,289	110,881

The Group undertakes regular impairment reviews incorporating an assessment of recoverability of cash generating assets. Cash generating assets relate to specific areas of interest in the Group's mine property assets. The recoverable value of specific areas of interest are assessed by value in use calculations determined with reference to the projected net cash flows estimated under the Life of Mine Plan. As at 30 June 2020, the Group determined that there were no impairment indicators.

Deferred mining expenditure	2020 $'000	2019 $'000
Balance at the start of the year	22,665	26,363
Additions	3,054	10,331
Amortisation of deferred mining expenditure	(23,984)	(14,029)
Balance at the end of the year	1,735	22,665

Deferred mining expenditure relates to capitalised overburden of the Thunderbox and Kailis open pit mines.

NOTE 11 BORROWINGS

During the year, the Group entered into new senior corporate financing facilities. The facilities include a $400 million term loan, a three-year $45 million revolving corporate facility and a $5 million contingent instrument facility. In November 2019, the Group drew down $400 million under the term loan. In April 2020, the Group drew down $45 million under the revolving facility to maximise cash reserves given COVID-19 uncertainty.

During the year, the Group paid $40 million as an advance debt repayment and $38.5 million for the term loan's first debt repayment. In addition, the Group also fully repaid the $45 million revolving facility loan in June 2020, two months after it was drawn down.

Transaction costs are costs that are directly attributable to the loan and include loan origination fees and legal fees. The balance of unamortised transaction cost of $4,941,000 (30 June 2019: $0) is offset against the borrowings of $321,500,000 (30 June 2019: $0). Total capitalised transaction costs relating to the facility agreement are $8,949,000.

Secured liabilities and assets pledged as security

The security for the facility is a first ranking charge in relation to Saracen's present and after-acquired property. It includes anything in respect of which Saracen has at any time sufficient right, interest or power to grant a security interest and includes mortgages over key tenements at the Carosue Dam, Thunderbox and the Super Pit operations (to the extent of Saracen's interest).

Guarantees

At 30 June 2020, the Group had bank guarantees totalling $0.6 million mainly in respect of gas infrastructure used by the Group.

Compliance with loan covenants

The Group has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting years.

NOTE 11 BORROWINGS (Continued)

	2020 $'000	2019 $'000
Current	77,000	-
Non-current	239,559	-
	316,559	-
Reconciliation of Borrowings		
Debt Drawdown	445,000	-
Repaid during the period	(123,500)	
Transaction costs	(4,941)	-
	316,559	-

NOTE 12 TRADE AND OTHER PAYABLES

Accounting Policy

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group.

	2020 $'000	2019 $'000
Current		
Trade and other payables	137,633	57,007

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

Due to the short-term nature of these payables, their carrying value is assumed to be the same as their fair value.

NOTE 13 PROVISIONS

Accounting Policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable a future sacrifice of economic benefits will be required and a reliable estimate of obligation can be made.

Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Restoration, Rehabilitation and Environmental Provision

Obligations associated with exploration and development assets are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure to restore the land and a corresponding rehabilitation asset is also recognised.

On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability).

NOTE 13 PROVISIONS (Continued)

Significant judgements and estimates

The determination of the provision requires significant judgement in terms of the best estimate of the future costs of performing the work required, the timing of the cash flows, the appropriate discount rate and inflation rate.

In relation to estimating the costs of performing the work required, significant judgement and estimates are required in relation to estimating the extent of rehabilitation activities, including volume to be rehabilitated and unit rates, technological changes, regulatory changes, timing of cashflows and appropriate discount rates.

When these estimates change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

A change in any, or a combination of, the key estimates used to determine the provision could have a material impact on the carrying value of the provision.

	2020 $'000	2019 $'000
Current		
Employee benefits	17,313	6,075
Provision for rehabilitation	2,070	-
	19,383	6,075
Non-current		
Employee benefits	1,013	780
Provision for rehabilitation	233,014	49,195
	234,027	49,975
Movement in provision for rehabilitation (current and non-current)		
Balance at the start of the year	49,195	49,406
Unwinding of discount	1,284	267
Increase/ (decrease) in provision on existing assets	18,742	(478)
Balance taken up as part of Sinclair project acquisition	17,392	-
Balance taken up as part of KCGM JV acquisition	148,471	-
Balance at the end of the year	235,084	49,195

NOTE 14 CONTRIBUTED EQUITY AND RESERVES

Accounting Policy

Ordinary share capital is recognised at the fair value of the consideration received by the Group or at the fair value of equity issued as consideration for the acquisition of assets. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	2020 Number of shares	2020 $'000	2019 Number of shares	2019 $'000
(a) Issued capital				
Ordinary shares fully paid	1,102,991,480	1,095,143	820,413,896	261,392

The Company does not have a limited authorised capital and issued shares have no par value.

(b) Movements in shares on issue

	2020 Number of shares	2020 $'000	2019 Number of shares	2019 $'000
Beginning of the financial period	820,413,896	261,392	818,009,271	259,991
- Shares issued on vesting of Performance Rights	1,625,000	1,421	2,262,500	1,023
- Shares issued to employees	100,573	450	142,125	378
- Shares issued for Bundarra acquisition	11,011,352	48,295	-	-
- Shares issued for KCGM JV acquisition	269,840,659	783,585	-	-
End of the financial period	1,102,991,480	1,095,143	820,413,896	261,392

During the period 1,625,000 shares were issued to eligible employees under the employee share scheme relating to the vesting of Performance Rights. In addition, 100,573 shares were issued to employees under the $1,000 Tax Exempt Share Plan.

(c) Performance Rights (See Note 16(a))

The following table illustrates the number and movements in Performance Rights issued during the year.

	2020 Number	2019 Number
Performance Rights		
Outstanding balance at the beginning of the year	17,355,610	9,153,550
Performance rights granted	2,724,920	11,042,000
Performance rights vested	(1,625,000)	(2,262,500)
Performance rights lapsed	(131,470)	(577,440)
Outstanding balance at the end of the year	18,324,060	17,355,610

The outstanding balance of each grant of Performance Rights is summarised in the table below:

	2017 Number	2018 Number	2019 Number	2020 Number	Total Number
Performance Rights					
Performance rights granted	1,530,000	5,690,700	11,060,500	2,724,920	21,006,120
Performance rights vested during FY2020	(1,175,000)	(450,000)	-	-	(1,625,000)
Performance rights vested in prior years	(100,000)	(22,500)	-	-	(122,500)
Performance rights lapsed	(255,000)	(581,560)	(98,000)	-	(934,560)
Outstanding balance at the end of the year	-	4,636,640	10,962,500	2,724,920	18,324,060

NOTE 14 CONTRIBUTED EQUITY AND RESERVES (Continued)

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(e) Reserves	2020 $'000	2019 $'000
Share based payments reserve		
Balance at beginning of year	23,945	14,624
Share based payments – Performance Rights	11,364	6,591
Vesting of Performance Rights	(1,421)	(1,023)
Tax effect on share based payments	10,603	3,753
Balance at end of year	44,491	23,945

The share based payments reserve is used to recognise the fair value of Performance Rights issued. Refer to Note 16 for further details.

Fair Value through Other Comprehensive Income (FVOCI) reserve		
Balance at beginning of year	11,310	2,609
Fair value movement on financial assets	16,722	12,413
Tax effect on investment revaluations	4,571	(3,712)
Balance at end of year	32,603	11,310
Total Reserves		
Share based payments reserve	44,491	23,945
FVOCI reserve	32,603	11,310
Balance at end of year	77,094	35,255

NOTE 15 COMMITMENTS

(a) Gold delivery commitments

	Gold for physical delivery oz	Contracted sales price $/oz	Value of committed sales $'000
Within one year	254,700	2,021	514,770
Later than one but not later than five years	238,500	2,172	518,113
	493,200	2,094	1,032,883

The counterparties to the physical gold delivery contracts are Westpac Banking Corporation, BNP Paribas and Citibank N.A. Contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to the scheduled counterparties. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 *Financial Instruments*. Hence, no derivatives are recognised. The contracted sales price is rounded to the nearest dollar.

NOTE 16 SHARE BASED PAYMENTS

Accounting Policy

Share based compensation benefits are provided to employees via a Performance Rights Plan. The fair value of rights granted under this scheme is recognised as a share based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

NOTE 16 SHARE BASED PAYMENTS (Continued)

The Group measures the cost of equity settled transactions with vendors by reference to the fair value of goods or services received.

Significant judgements, estimates and assumptions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted.

Significant judgement is required in determining the achievement of non-market conditions.

(a) Performance Rights

During the financial year the Group granted Performance Rights to eligible management personnel under the Saracen Mineral Holdings Limited Performance Rights Plan ("Plan") (Tranche 22 and Tranche 24). In addition to these, Performance Rights (Tranche 23) were granted to Mr Raleigh Finlayson (Managing Director) under the Plan. These Performance were approved by shareholders at the Company's Annual General Meeting held in November 2019.

Under the Plan, Eligible Participants will be granted Performance Rights. Vesting of any of these Performance Rights will be subject to the satisfaction of performance hurdles. Each Performance Right represents a right to be issued one Share at a future point in time, subject to the satisfaction of any vesting conditions. No exercise price is payable and eligibility to receive Performance Rights under the Plan is at the Board's discretion. The Performance Rights cannot be transferred and are not quoted on the Australian Securities Exchange (ASX). There are no voting rights attached to the Performance Rights.

For details regarding the vesting conditions of the Performance Rights refer to Page 30 of the Remuneration Report.
The following tables list the inputs to the models used for the Performance Rights granted for the period:

	Class A (TSR)	Class B (Increase in Ore Reserves)	Class C (Increase in EPS)	Class D (Increase in Share Price)
Tranche 22 – Management				
Stock Price at Grant	$3.63	$3.63	$3.63	$3.63
Exercise Price	N/A	N/A	N/A	N/A
Volatility of Company Shares	45%	45%	45%	45%
Grant Date	2-Sep-19	2-Sep-19	2-Sep-19	2-Sep-19
Performance Period	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22
Vesting Date	1 July 2022	1 July 2022	1 July 2022	1 July 2022
Risk free rate	0.7%	0.7%	0.7%	0.7%
Number of rights granted	418,730	418,730	418,730	418,730
Fair Value per right	$1.35	$3.53	$3.53	$2.04
Tranche 23 – Managing Director				
Stock Price at Grant	$3.32	$3.32	$3.32	$3.32
Exercise Price	N/A	N/A	N/A	N/A
Volatility of Company Shares	45%	45%	45%	45%
Grant Date	19-Nov-19	19-Nov-19	19-Nov-19	19-Nov-19
Performance Period	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22
Vesting Date	1 July 2022	1 July 2022	1 July 2022	1 July 2022
Risk free rate	0.7%	0.7%	0.7%	0.7%
Number of rights granted	45,000	45,000	45,000	45,000
Fair Value per right	$1.49	$3.24	$3.24	$1.70
Tranche 24 – Management				
Stock Price at Grant	$3.11	$3.11	$3.11	$3.11
Exercise Price	N/A	N/A	N/A	N/A
Volatility of Company Shares	45%	45%	45%	45%
Grant Date	27-Nov-19	27-Nov-19	27-Nov-19	27-Nov-19
Performance Period	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22	1-Jul-20 to 30-Jun-22
Vesting Date	1 July 2022	1 July 2022	1 July 2022	1 July 2022
Risk free rate	0.6%	0.6%	0.6%	0.6%
Number of rights granted	217,500	217,500	217,500	217,500
Fair Value per right	$1.23	$3.03	$3.03	$1.47

NOTE 16 SHARE BASED PAYMENTS (Continued)

(b) Tax exempt shares

During FY2020 100,573 shares were issued to employees under the $1,000 Tax Exempt Share Plan.

The fair value of the shares issued was $449,561.

(c) Reconciliation of Share based payments expense

	2020 $'000	2019 $'000
Performance Rights	11,364	6,591
Tax Exempt shares	450	378
Balance at end of year	11,814	6,969

NOTE 17 INTERESTS IN SUBSIDIARIES

	Equity interest held by the Parent	
	2020 %	2019 %
Parent Entity:		
Saracen Mineral Holdings Limited (i)(ii)		
Subsidiaries:		
Saracen Gold Mines Pty Limited (ii)(iii)	100	100
Saracen Metals Pty Limited (ii)(iii)	100	100
Saracen Nickel Pty Ltd (ii)(iii)	100	-
Talisman Nickel Pty Ltd (ii)(iii)	100	-
Saracen Goldfields Pty Ltd (ii)(iii)	100	-
Saracen Kalgoorlie Pty Limited (ii)(iii)	100	-
Saracen Bundarra Pty Ltd (ii)(iii)	100	-
SR Mining Pty Ltd (ii)(iii)	100	-

All entities are incorporated in Australia and shareholdings relate to ordinary shares.

(i) Saracen Mineral Holdings Limited is the head entity within the tax-consolidated Group and the parent entity.
(ii) These companies are members of the tax-consolidated Group.
(iii) The subsidiaries have entered into a deed of cross guarantee with Saracen Mineral Holdings Limited pursuant to ASIC Instrument 2016/191, dated 1 April 2016 and are relieved from the requirement to prepare and lodge an audited financial report. The following specifies when the subsidiaries entered into the deed of cross guarantee with Saracen Mineral Holdings Limited:
- Saracen Kalgoorlie Pty Limited on 6 March 2020
- Saracen Goldfields Pty Ltd, Saracen Metals Pty Limited, Saracen Bundarra Pty Ltd, Saracen Nickel Pty Ltd and Talisman Nickel Pty Ltd on 11 November 2019
- Saracen Gold Mines Pty Limited on 21 April 2010

Saracen Metals Pty Limited's statutory audit for periods 30 June 2016 to 30 June 2019 has been completed.

In the current and prior year the consolidated statements of profit or loss and other comprehensive income and financial position of the entities party to the Deed of Cross Guarantee are the same as the Group and have therefore not been reproduced.

NOTE 18 STATEMENT OF CASH FLOWS

Accounting Policy

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily converted to cash, net of outstanding bank overdrafts.

(a) Reconciliation of cash	2020 $'000	2019 $'000
Cash balance comprises:		
- Cash	290,185	118,715
- Cash at call and in short-term deposits	70,000	-
Closing cash balance	360,185	118,715

(b) Reconciliation of the operating profit after income tax to the net cash flows from operating activities

	2020 $'000	2019 $'000
Operating profit after income tax	189,656	92,494
Non-cash items		
Depreciation and amortisation	152,399	87,886
(Profit)/loss on the sale of assets	262	354
Tax effect of movement in deferred tax balances	95,165	38,876
Income tax payments	(52,566)	-
Share based payments	11,814	6,969
Unwinding of discount - rehab provision	1,284	267
Obsolete stock write down	564	931
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,221	886
(Increase) in prepayments	(210)	(507)
(Increase)/decrease in inventory	34,214	(6,494)
Increase in trade and other payables	42,654	8,615
(Increase)/decrease in provisions	1,767	(2,218)
Net cash flows provided by operating activities	478,224	228,059

(c) Cash balances not available for use

As at 30 June 2020, the Group has $61,071 held as retained supplier payments (2019: $253,372).

(d) Non-cash investing and financing activities	2020 $'000	2019 $'000
Acquisition of Bundarra project from Bligh Resources Limited via shares in the company – note 14	48,295	-

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – note 8(b)

NOTE 19 RELATED PARTY DISCLOSURES

(a) Ultimate parent

Saracen Mineral Holdings Limited is the ultimate parent company.

Information relating to Saracen Mineral Holdings Limited:	2020 $'000	2019 $'000
Current assets	343,249	144,209
Total assets	1,319,296	241,430
Current liabilities	67,800	15,151
Total liabilities	456,479	76,639
Contributed equity	1,095,143	261,392
Share based payment reserve	44,491	23,946
Fair value through other comprehensive income reserve	32,603	11,310
Accumulated loss	(309,420)	(131,856)
Total equity	862,817	164,791
Net loss of the parent	(177,563)	(56,376)

Saracen Mineral Holdings Limited is party to a deed of cross guarantee with its wholly owned subsidiary Saracen Gold Mines Pty Limited, Saracen Metals Pty Limited, Saracen Nickel Pty Ltd, Talisman Nickel Pty Ltd, Saracen Goldfields Pty Ltd, Saracen Kalgoorlie Pty Limited, Saracen Bundarra Pty Ltd, SR Mining Pty Ltd as described in Note 17(iii) pursuant to ASIC Instrument 2016/191, dated 1 April 2016.

At 30 June 2020, Saracen Mineral Holdings Limited had no contingent liabilities and had not entered into contractual commitments to purchase property, plant or equipment (2019: Nil).

(b) Subsidiaries

Details of interests in subsidiaries are set out in Note 17.

Loans between group entities have no specific repayment terms and are unsecured.

The aggregate amounts receivable/ (payable) by the Company from/to subsidiaries at the reporting date were:

	2020 $'000	2019 $'000
Non-current receivable	970,431	97,098
Reconciliation of non-current receivable		
Balance at beginning of year	97,098	133,158
Loans provided to/(repaid by) subsidiaries	873,333	(36,060)
Balance at end of year	970,431	97,098

(c) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in the remuneration report in the Directors' Report.

	2020 $	2019 $
Short term benefits	2,998,693	3,183,275
Post-employment benefits	107,976	138,262
Other benefits	16,658	16,585
Long-Term benefits	23,277	7,509
Share based payments	3,920,826	2,954,552
	7,067,429	6,300,183

NOTE 19 RELATED PARTY DISCLOSURES (Continued)

Detailed remuneration disclosures are provided in the remuneration report on Pages 25 to 47.

Transactions with related parties
The following transactions occurred with related parties:

Payment for goods and services :

	2020 $'000	2019 $'000
Professional Services from PilotHole Pty Ltd (Director related entity of Martin Reed)	-	46,698
Director fees paid to PilotHole Pty Ltd (Director related entity of Martin Reed)	140,000	120,000

Payable to related parties
There were no payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
Transactions with Directors and Key Management Personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

NOTE 20 SEGMENT INFORMATION

The Group require operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segments and to assess their performance. On this basis the Group's reportable segments under AASB 8 *Operating Segments* are as follows:

- Saracen Gold Mines Pty Limited ("SGM") which includes the Group's exploration, development, production and administration relating to the Carosue Dam operations.
- Saracen Metals Pty Limited ("SME") which includes the Group's exploration, development, production and administration relating to the Thunderbox operations.
- Saracen Mineral Holdings Limited ("SAR") which includes the Group's corporate administration.
- Saracen Bundarra Pty Ltd ("SBU") which includes the Group's exploration and administration relating to Bundarra tenements.
- Saracen Nickel Pty Ltd ("SNI") which includes the Group's exploration and infrastructure relating to the Sinclair nickel (Talisman) project.
- Saracen Goldfields Pty Ltd ("SGO") which includes the Group's 50% interest in KCGM JV.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

The CODM reviews segment profit before tax in assessing segment performance which corresponds to operating profit before other income / expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Information regarding the Group's reportable segments is presented below.

NOTE 20 SEGMENT INFORMATION (Continued)

	2020 $'000	2019 $'000
(a) Segment profit before tax		
SGM	131,547	86,427
SME	179,760	63,513
SAR	(65,757)	(12,234)
SGO	59,301	-
Operating profit before other income / (expenses)	305,415	137,706
Finance costs	(11,150)	(624)
Other income	2,934	2,188
Share based payments expense	(11,814)	(6,969)
Profit before income tax	284,821	131,370
(b) Segment assets and liabilities		
Assets		
SGM	449,732	295,123
SAR	343,924	144,332
SME	316,098	241,115
SBU	53,890	-
SNI	26,408	-
SGO	1,334,635	-
	2,524,687	680,570
Liabilities		
SGM	122,846	69,081
SAR	384,892	15,171
SME	101,255	41,770
SBU	2,824	-
SNI	15,422	-
SGO	227,475	-
Unallocated – Deferred Tax Liability	111,646	61,468
	966,360	187,490

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments other than tax assets and liabilities.

(c) Other segment information

Depreciation and amortisation of $48.2 million (2019: $36.6 million), $75.2 million (2019: $51.1 million) and $27.4 million (2019: Nil) are attributable to the SGM, SME and SGO segments respectively.

Total non-current asset additions of $121.1 million (2019: $141.4 million), $62.7 million (2019: $73.2 million) and $32.8 million (2019: Nil) are attributable to the SGM, SME and SGO segments respectively.

The Group operates within one geographical segment, being Australia.

NOTE 21 BUSINESS COMBINATION

Accounting Policy

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the fair value of the assets transferred and liabilities assumed by the Group. The consideration transferred also includes the fair value of any asset of liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred.

Significant judgements and estimates

Estimates and judgements were made in determining the fair value of assets acquired and liabilities assumed in a business combination. Assets and liabilities which judgement were made in determining fair value were:

Assets: Inventories, Right-of-use assets, Property, Plant and Equipment (including capital works in progress) and Mine properties.
Liabilities: Provisions and Deferred Tax Liability.

For the year ended 30 June 2020, the Group has elected to provisionally account for the acquisition of the KCGM JV in accordance with the provisions of AASB 3 *Business Combinations*.

Joint operation

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has a joint operation, KCGM JV.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Significant judgements and estimates

The joint venture agreements in relation to the KCGM JV requires unanimous consent from all parties for all relevant activities and has the legal form of an unincorporated joint venture vehicle. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. The entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

(a) Summary of acquisition

On 29 November 2019, Saracen Mineral Holdings Ltd completed the acquisition of a 50% interest in the KCGM JV from Barrick through the purchase of 100% of the shares in Barrick (Australia Pacific) Pty Limited for a price of US$750 million. The KCGM JV owns and operates the Super Pit gold mine in Kalgoorlie-Boulder, Western Australia.

Details of the purchase consideration and the provisionally determined fair value of the net assets acquired are as follows:

Purchase consideration (refer to (b) below):	$'000
Cash paid	1,099,317
Total purchase consideration	1,099,317

The assets and liabilities recognised as a result of the acquisition are as follows:

NOTE 21 BUSINESS COMBINATION (Continued)

	Fair Value $'000
Cash	6,818
Trade and other receivables	5,829
Inventories	515,947
Other assets	2,744
Property, plant and equipment (includes capital work in progress)	234,440
Right-of-use assets	15,024
Mine properties	573,957
Trade and other payables	(38,368)
Lease liabilities	(15,024)
Provisions	(157,049)
Deferred tax liability	(45,001)
Net identifiable assets acquired	1,099,317

There were no acquisitions in the period ending 30 June 2019.

Note that the fair values as presented have only been provisionally determined as at period end and will be finalised within 12 months of the acquisition date in accordance with applicable accounting standard.

The KCGM JV contributed revenue of $290 million and net profit of $58 million to the Group for the year ended 30 June 2020.

(b) Purchase consideration – cash outflow

Outflow of cash to acquire KCGM JV, net of cash acquired	$'000
Cash consideration	1,099,317
Less: balance acquired	
Cash	(6,818)
Outflow of cash – investing activities	1,092,499

Acquisition-related costs

Acquisition related costs of $47.4 million are included in the Transaction cost on business combination in consolidated profit or loss and other comprehensive income.

Transaction costs on business combination	$'000
Transaction costs	15,656
Stamp duty	31,728
Total transaction costs	47,384

NOTE 22 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash and short-term deposits. In addition the Group has financial assets at fair value through profit or loss, trade receivables, trade payables, borrowings and lease liabilities arising directly out of its operations. Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement depending upon the nature and materiality of the matter being dealt with.

The Board as a whole guides and monitors the business and affairs of Saracen. The Board has also constituted Risk and Sustainability Committee and Audit Committees which oversee various aspects of the financial risks of the Group.

(a) Market risk

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the assets and liabilities bearing variable interest rates. The Group does not engage in any hedging or derivative transactions to manage interest rate risk. The following tables sets out the carrying amount, by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each financial instrument.

NOTE 22 FINANCIAL RISK MANAGEMENT (Continued)

30 June 2020	Weighted average rate %	Variable interest rate $'000	Fixed interest rate Under 1 year $'000	1 – 2 years $'000	2 – 5 years $'000	5+ years $'000	Non-interest bearing $'000	Consolidated Total $'000
Financial Assets								
Cash assets	0.98	360,185	-	-	-	-	-	360,185
Other receivables	N/A	-	-	-	-	-	8,091	8,091
Total Financial Assets		360,185	-	-	-	-	8,094	368,276

30 June 2019	Weighted average rate %	Variable interest rate $'000	Fixed interest rate Under 1 year $'000	1 – 2 years $'000	2 – 5 years $'000	5+ years $'000	Non-interest bearing $'000	Consolidated Total $'000
Financial Assets								
Cash assets	1.89	118,715	-	-	-	-	-	118,715
Other receivables	N/A	-	-	-	-	-	4,058	4,058
Total Financial Assets		118,715	-	-	-	-	4,058	122,773

Commodity risk

The Group's exposure to commodity risk arises from movements in the gold price. The Group is party to gold delivery contracts (Note 15) whereby specified quantities of gold are sold on specific dates to partially manage the commodity risk.

Currency risk

The Group is exposed to the Australian dollar currency risk on gold sales, which are denominated in US dollars. The Group is party to gold delivery contracts (Note 15) for specified quantities of gold on specific dates to partially manage the currency risk.

(b) Credit risk

The Group trades only with recognised, creditworthy third parties. There are no significant concentrations of credit risk within the Group. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with a minimum credit rating of AA assigned by reputable credit rating agencies.

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows. At the reporting date there is no significant liquidity risk. The table below analyses the Group's maturity of financial liabilities:

30 June 2020	< 6 month $'000	6 – 12 months $'000	1 – 5 years $'000	5+ years $'000	Total $'000
Trade and other payables	137,633	-	-	-	137,633
Borrowings	-	77,000	239,559	-	316,559
Lease liabilities	-	26,944	89,988	-	116,932
Total Financial Liabilities	137,633	103,944	329,547	-	571,124

NOTE 22 FINANCIAL RISK MANAGEMENT (Continued)

30 June 2019	< 6 month $'000	6 – 12 months $'000	1 – 5 years $'000	5+ years $'000	Total $'000
Trade and other payables	57,007	-	-	-	57,007
Borrowings	1,102	-	-	-	1,102
Total Financial Liabilities	58,109	-	-	-	58,109

(d) Sensitivity analysis

The following table summarises the Group's exposure to interest rate risk at the reporting date. The sensitivities are based on management's best estimate of the market views for future interest rates over the next 12 months with reference to recent historical movements. The analysis demonstrates the after tax effect on the profit/(loss) and equity which could result from changes based on the following:

30 June 2020

Interest rate risk	Profit/(loss) $'000	Equity $'000
- Increase interest rate by 1%	305	305
- Decrease interest rate by 1%	(305)	(305)

30 June 2019

Interest rate risk	Profit/(loss) $'000	Equity $'000
- Increase interest rate by 1%	831	831
- Decrease interest rate by 1%	(831)	(831)

(e) Net fair values

The net fair values of financial assets and financial liabilities at the reporting date are as follows:

	Total carrying amount as per the Statement of Financial Position Consolidated		Aggregate net fair value Consolidated	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial Assets				
Cash and cash equivalents	360,185	118,715	360,185	118,715
Other receivables	8,091	4,058	8,088	4,058
Investments – listed	2,787	25,536	2,787	25,536
Total Financial Assets	371,063	148,309	371,060	148,309
Financial Liabilities				
Trade payables	137,633	57,007	137,633	57,007
Other payables	-	1,102	-	1,102
Borrowings	316,559	-	316,559	-
Lease liabilities	116,932	-	116,932	-
Total Financial Liabilities	571,124	58,109	571,123	58,109

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

NOTE 22 FINANCIAL RISK MANAGEMENT (Continued)

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 30 June 2019 on a recurring basis:

	$'000	$'000	$'000	$'000
30 June 2020	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through other comprehensive income	2,787	-	-	2,787
	2,787	-	-	2,787
30 June 2019	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through other comprehensive income	25,536	-	-	25,536
	25,536	-	-	25,536

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2020 and did not transfer any fair value amounts between the fair value hierarchy during the year FY2020.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:
- The use of quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group does not have any level 2 or level 3 assets or liabilities.

NOTE 23 CAPITAL MANAGEMENT

Management's objective is to ensure the Group continues as a going concern and in the interests of shareholders. It aims to maintain a capital structure with the lowest cost of capital available to the Group. The Group has detailed planning processes, budgets and cash flow forecasts through which it continually monitors its position against the above objectives. At 30 June 2020, the capital structure consisted of total shareholders' funds, cash and other financial assets less finance lease borrowings and the term loan. The Group's overall strategy remains unchanged from 2019.

During the year, the Company entered into new senior corporate financing facilities. The facilities include a $400 million term loan, a three-year $45 million revolving corporate facility and a $5 million contingent instrument facility.

As part of the 50% KCGM JV acquisition, the Company drew down $400 million from the new term loan. During the year, the Company made an early debt repayment totalling $40 million and debt repayment of $38.5 million. In April 2020, $45 million was drawn on the revolving facility as a precautionary response to COVID-19, this was repaid in June 2020.

NOTE 24 CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2020 (2019: Nil).

NOTE 25 MATTERS SUBSEQUENT TO THE REPORTING DATE

Apart from those matters detailed in the Directors' Report on Pages 8 to 48 of these financial statements, no other matter or circumstance has arisen since 30 June 2020 that has significant affected, or may significantly affect:

- The Group's operation in future financial years, or
- The result of those operations in future financial years, or
- The Group' state of affairs in future financial years.

DIRECTORS' DECLARATION

The Directors of Saracen Mineral Holdings Limited declare that, in their opinion:

(a) the financial statements and notes and the Remuneration Report in the Directors' Report set out on Pages 25 to 47, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001 and other mandatory professional reporting requirements.

(b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, there are reasonable grounds to believe that the Company and the group entities identified in Note 17 will be able to meet any obligations or liabilities to which they are or may have become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Instrument 2016/191.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors.

RALEIGH FINLAYSON
Managing Director
19 August 2020

INDEPENDENT AUDITORS REPORT

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INDEPENDENT AUDITOR'S REPORT

To the members of Saracen Mineral Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Saracen Mineral Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Acquisition Accounting - Kalgoorlie Consolidated Gold Mines Pty Ltd

Key audit matter	*How the matter was addressed in our audit*
During the financial year ended 30 June 2020, the Group acquired a 50% interest in Kalgoorlie Consolidated Gold Mines Pty Ltd ("KCGM") as disclosed in Note 21 to the financial report. KCGM is determined to be a joint operation under accounting standards and as a result, the Group accounts for its share of assets, liabilities, revenues and expenses of KCGM. Acquisition accounting is complex and involves a number of significant estimates and judgments as disclosed in Note 21 to the financial report. The key areas of significant estimation and judgement applied in assessing the fair values of identifiable assets and liabilities acquired included: • Assumptions relating to the useful life and residual value of plant and equipment; • Assumptions relating to mine properties and inventory forecast cash flows, including ore reserves and resources, ore grades, volumes and densities, future gold prices, future processing costs and life of mine; • Assumptions relating to the timing of processing of long-term ore stocks; • Assumptions relating to the extent and quantum of costs and timing of the rehabilitation obligations; and • Determination of discount rates applied to each fair value calculation.	Our audit procedures included, but were not limited to: • reviewing the acquisition agreement to understand the key terms and conditions and consideration payable for the acquisition, and confirming our understanding of the transaction with management; • reviewing management's assessment of KCGM as a joint operation and ensuring compliance with Australian Accounting Standards; • obtaining copies of the external valuation reports to assess the determination of the fair values of the assets and liabilities acquired in the acquisition; • assessing the identification of assets and liabilities acquired for completeness; • assessing the competency and objectivity of experts engaged by management; • challenging management's methodology and assumptions used to identify and determine the fair value of the assets and liabilities acquired; • involving our internal valuation specialists to assess the reasonableness of key assumptions and valuation methodologies applied in determining the fair value; • involving our internal tax specialists to review the accuracy and recognition of deferred taxes; and • assessing the appropriateness of the related disclosures in Note 21 to the financial report.

BDO

Accounting for mine properties

Key audit matter	*How the matter was addressed in our audit*
The Group's carrying value of mine properties, as disclosed in Note 10 to the financial report was a key audit matter as the carrying value of mine properties is impacted by various key estimates and judgements, in particular the following: • Ore reserve and resource estimates; • Commercial production start dates; and • Amortisation rates. Furthermore, as the carrying value of mine properties represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.	Our audit procedures included, but were not limited to: • evaluating the Group's amortisation policy in accordance with Australian Accounting Standards and relevant accounting interpretations and reviewing its consistency in application across the Group's operating mines; • agreeing the inputs including the ore reserve and resource estimates and ounces of gold produced during the year that were used in the calculation of the amortisation rates to supporting documentation; • testing the mathematical accuracy and application of the amortisation rates applied to the carrying values of all mine properties in commercial production by recalculating amortisation for the year; • reviewing Board minutes and ASX announcements to confirm mines which are being amortised have commenced commercial production and are consistent with internal policy; • assessing the competency and objectivity of the experts used by management in the preparation of the ore reserve and resource reports; • evaluating whether there were any indicators of impairment under the Australian Accounting Standards; and • assessing the adequacy of the related disclosures in Note 10 to the financial report.

BDO

Valuation of ore stocks

Key audit matter	*How the matter was addressed in our audit*
The Group's inventory, as disclosed in Note 6 to the financial report was a key audit matter as the inventory costing models require significant estimates to calculate the cost of the ore stocks and net realisable value ("NRV"). The determination of the NRV of the ore stocks requires management's judgement in relation to estimating future gold prices, future processing costs and related selling costs, ore grades, volumes and densities. Furthermore, the NRV of long-term ore stocks in relation to the KCGM operations requires additional management judgement on the expected timing of processing and realisation.	Our audit procedures included, but were not limited to: • assessing the model applied by the Group in determining the NRV for ore stocks against the requirements of Australian Accounting Standards; • obtaining management's technical reports, including surveying reports and reconciling the ore grades and tonnages included in the inventory costing models as at 30 June 2020; • evaluating the processes undertaken by the experts used by management in preparing the technical reports; • assessing the competency and objectivity of the experts used by management in the preparation of the technical reports; • observing the surveying process and procedures as part of our year end site visit; • assessing management's expected processing and realisation timing assumptions of the long-term ore stocks compared to forecast mine models and actual processing data during the year for reasonableness; • comparing future gold prices used in management's models to current gold price data, market consensus and trends and assessing future expected processing and selling costs used in management's models to actual costs incurred during the year; and • assessing the adequacy of the related disclosures in Note 6 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 47 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Saracen Mineral Holdings Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 19 August 2020

SHAREHOLDER INFORMATION

The following additional information was applicable as at 13 August 2020

1. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Substantial Shareholder	Fully Paid Ordinary Shares	%
Van Eck Associates Corporation	*109,802,832*	*9.96%*
BlackRock Inc	*81,888,873*	*9.82%*
Vanguard Group	*55,257,558*	*5.01%*

2. FULLY PAID ORDINARY SHARES

a) There are 15,999 holders of fully paid ordinary shares. Holders of fully paid ordinary shares are entitled to one vote per fully paid ordinary share.

b) Distribution of fully paid ordinary shareholders:%

Category (Size of Holding)	Number of Fully Paid Ordinary Shareholders
1 - 1,000	5,955
1,001 - 5,000	5,786
5,001 - 10,000	1,915
10,001 - 100,000	2,173
100,001 Over	170
Total	15,999

c) The number of fully paid ordinary shareholdings held in less than marketable parcels is 471 (based on a share price of $5.42).

d) The 20 largest fully paid ordinary shareholders together held 88.23% of the securities in this class.

20 Largest Fully Paid Ordinary Shareholders			
Rank	Name	Units	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	510,422,650	46.28
2.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	191,182,923	17.33
3.	CITICORP NOMINEES PTY LIMITED	93,634,565	8.49
4.	NATIONAL NOMINEES LIMITED	47,650,535	4.32
5.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	26,483,169	2.40
6.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	19,974,438	1.81
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	15,161,022	1.37
8.	WROXBY PTY LTD	15,000,000	1.36
9.	WROXBY PTY LTD	12,747,145	1.16
10.	BNP PARIBAS NOMS PTY LTD <DRP>	12,152,375	1.10
11.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,759,554	0.34
12.	MSH GROUP PTY LTD <FINLAYSON FAMILY A/C>	3,258,658	0.30
13.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,101,131	0.28
14.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,062,932	0.28
15.	MR RICHARD ARTHUR LOCKWOOD	3,000,000	0.27
16.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,918,332	0.26
17.	QUALITY LIFE PTY LTD <THE NEILL FAMILY A/C>	2,582,609	0.23
18.	QUALITY LIFE PTY LTD <THE NEILL FAMILY A/C>	2,514,650	0.23
19.	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,422,287	0.22
20.	FF OKRAM PTY LTD <FF OKRAM A/C>	2,189,130	0.20
	Total	973,218,105	88.23

There is 1,107,628,120 fully paid ordinary shares on issue, all of which are listed on the Australian Securities Exchange.

3. UNLISTED EMPLOYEE PERFORMANCE RIGHTS

As at 13 August 2020, there are a total of 13,549,400 unlisted Performance Rights on issue held by 129 different persons. These Rights have no exercise price and vest between 1 July 2020 and 1 July 2023, subject to the fulfilment of the relevant vesting conditions and that the holder is still an employee of the Saracen Group at that time.

4. UNLISTED NON-EXECUTIVE DIRECTOR RIGHTS

As at 13 August 2020, there are a total of 35,190 unlisted Non-Executive Director Share Rights on issue held by 5 different persons. These Rights have no exercise price and vest between 30 September 2020 and 30 June 2021 subject to the fulfilment of the relevant vesting conditions and that the holder is still a Non-Executive Director of the Saracen Group at that time.

5. COMPANY SECRETARY

Mr Jeremy Ryan

6. REGISTERED AND PRINCIPAL OFFICE

The address of the registered and principal office is:
Level 11/40 The Esplanade
Perth, WA 6000

Telephone: (08) 6229 9100

7. REGISTER OF SECURITIES

Held at the following address:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000

Telephone: 1300 850 505
Facsimile: (03) 9473 2500