



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

AngloGold enters A\$25m farm-in with Saracen at Carosue Dam North

Exploration partnership covers Butcher Well and Lake Carey tenements

Corporate Details:

13th October 2016

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 806.2m

Unvested employee performance rights: 15.6m

Market Capitalisation: A\$1.0b
(share price A\$1.24)

Cash & Bullion (30 September): A\$42.5m

Debt: Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Mark Connelly
Non-Executive

Mr Martin Reed
Non-Executive

Ms Samantha Tough
Non-Executive

Substantial Shareholders:

Van Eck Global 17.0%

Wroxby 7.0%

Registered Office:

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Key Points

- AngloGold to spend up to A\$25m over a six year period exploring Saracen's Butcher Well and Lake Carey tenements, part of Carosue Dam North (excludes Red October and Deep South mines)
- AngloGold can earn up to 70% of the JV by spending:
 - A\$15m within 48 months from commencement date to earn 51% (of which at least A\$6m must be applied in respect to the Lake Carey Tenements); and
 - A further A\$10m within 24 months thereafter to earn 70%
- AngloGold will be the Manager during the Farm-in Period
- AngloGold may withdraw from the project and the Agreement at any time during the farm-in period, and before satisfying the first earning requirement
- Field work (including drilling) will commence following satisfaction of conditions precedent.

Saracen Mineral Holdings (**ASX: SAR**) is pleased to announce that AngloGold Ashanti Australia (AngloGold) will spend up to A\$25 million exploring Saracen's Carosue Dam North tenements under a Farm-in and Joint Venture Agreement signed by the two companies.

The Joint Venture encompasses two tenement packages, Butcher Well and Lake Carey, covering approximately 339.56sqkm at the north of Saracen's Carosue Dam project.

Saracen Managing Director Raleigh Finlayson said he was delighted to form a joint venture with such a highly regarded partner.

"The Agreement with a company of AngloGold's standing and exploration track record reflects the quality of the Carosue Dam North tenements and supports Saracen's strong belief in the potential of this world class district," Mr Finlayson said.

"We look forward to the start of the Carosue Dam North exploration program, which will add to the aggressive drilling activity already being undertaken by Saracen as part of its current A\$42 million exploration budget."

For further information please contact:

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Figure 1 – Saracen’s tenements map showing the new AngloGold JV tenements

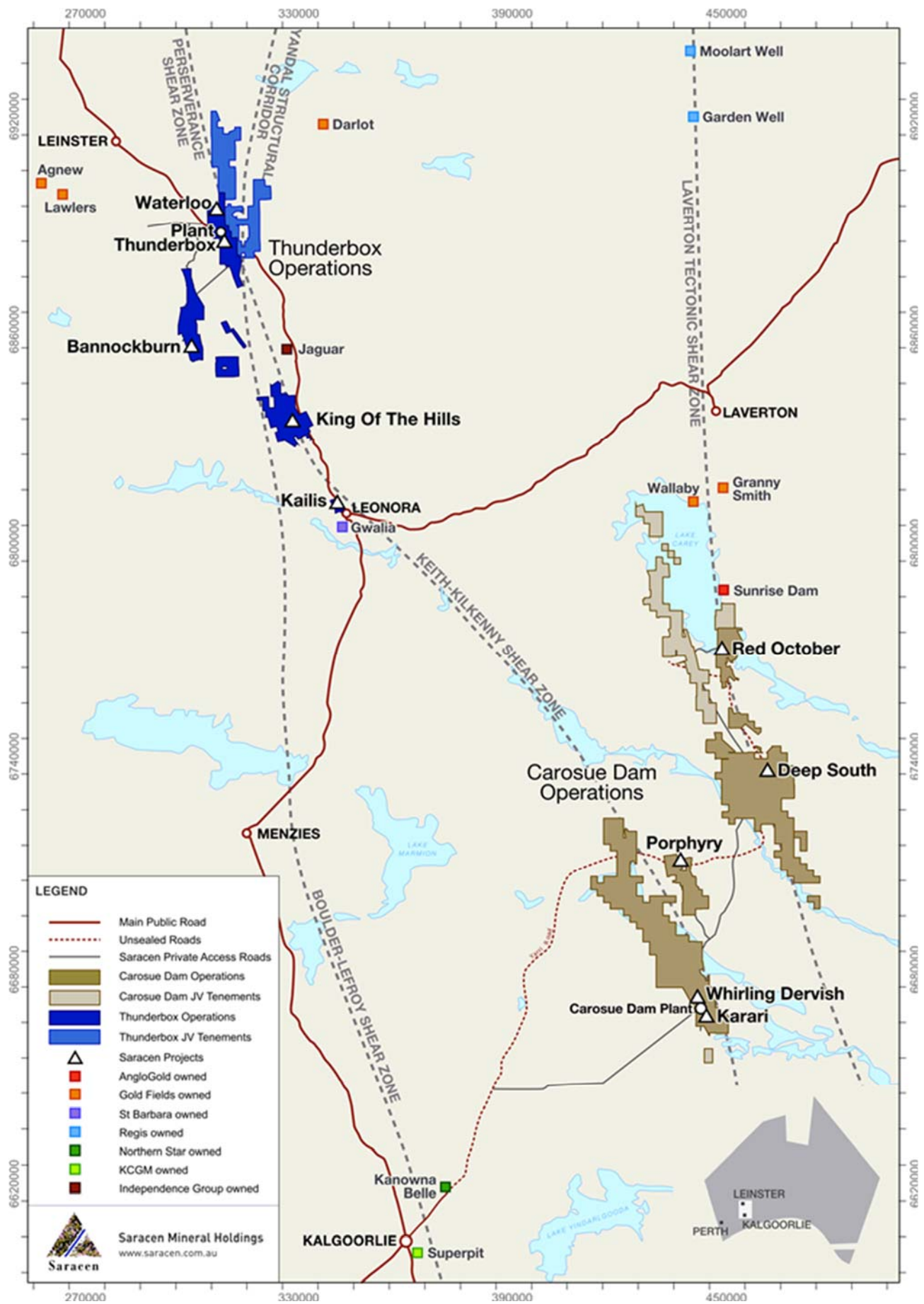
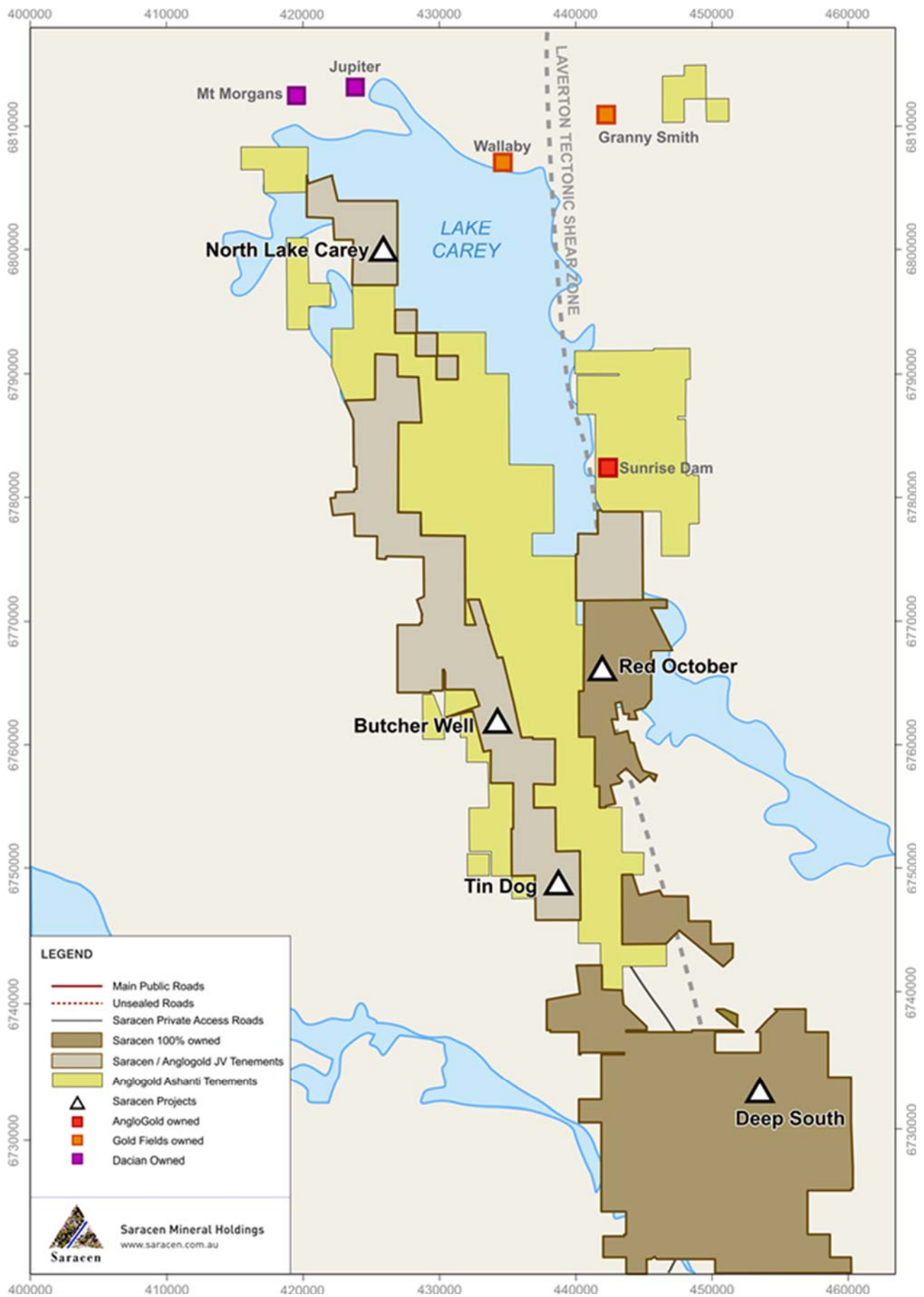


Figure 2 – Locality map of Joint Venture tenements and surroundings mines



Significant terms of the Saracen / AngloGold farm-in agreement

1. The Agreement is subject to the following conditions precedent:
 - any FIRB approval;
 - South African Reserve Bank approval;
 - royalty holder consents;
 - *Mining Act 1978* (WA) in principal approval to transfer interests in the Joint Venture Tenements;
 - resolution of existing Joint Ventures relating to two Joint Venture Tenements (Deeds of Termination already signed); and
 - Saracen financier consent.
2. AngloGold has the exclusive right to fund expenditure within 48 months of the Agreement commencement date of A\$15M in any of the Butcher Well and Lake Carey Tenements with a minimum expenditure of A\$6M in any of the Lake Carey Tenements. Upon completing that expenditure (the '**First Vesting Date**'), AngloGold's interest in the JV tenements vests at 51%.
3. AngloGold can earn an additional 19% (to take its interest to 70% in total) by funding expenditure within the next 24 months of an additional A\$10M in any of the Butcher Well and Lake Carey Tenements, with such election to fund being in AngloGold's absolute discretion. Upon spending a total of A\$25M, AngloGold's interest in the JV tenements vests at 70% (the '**Second Vesting Date**'). Funding at any point may be accelerated by AngloGold at its discretion.
4. Funding of the JV after the Second Vesting Date (or, if AngloGold elects to earn an additional 19%, after the Second Vesting Date) is proportional to each party's interest in the JV. The votes of each party in the JV will be proportional to its interest.
5. Dilution provisions apply if one party elects not to contribute, with the minimum interest a party may dilute to being 2%, after which that party shall be deemed to have withdrawn from the JV.
6. AngloGold shall be the manager of the JV and, whilst it is sole funding, has the right to make all decisions with respect to the JV.
7. AngloGold may withdraw from the project and the Agreement at any time during the farm-in period, and before satisfying the first earning requirement.

Butcher Well tenements

No.	Tenement Details (each granted under the <i>Mining Act 1978</i> (WA))
1	Mining Lease 39/118
2	Mining Lease 39/120
3	Mining Lease 39/165
4	Mining Lease 39/166
5	Mining Lease 39/230

Lake Carey tenements

No.	Tenement Details (each granted under the <i>Mining Act 1978</i> (WA))
1	Exploration licence to be granted pursuant to Exploration Licence Application 38/3128
2	Exploration licence to be granted pursuant to Exploration Licence Application 38/3129
3	Exploration licence to be granted pursuant to Exploration Licence Application 38/3130
4	Exploration Licence 39/1279
5	Exploration Licence 39/1410
6	Exploration Licence 39/1478
7	Exploration Licence 39/1489
8	Exploration Licence 39/1875
9	Mining Lease 39/119
10	Mining Lease 39/232
11	Mining Lease 39/471
12	Mining lease 39/588
13	Mining Lease 39/589
14	Mining Lease 39/652
15	Prospecting Licence 39/5063