



Media Release & ASX Announcement

8 January 2010

First ore production from Carosue Dam Carosue Dam Plant wet commissioning underway

First gold is expected in coming weeks with a gradual ramp-up during the commissioning phase through to April 2010 to a rate of 100,000 to 120,000 ounces per annum.

Wet commissioning of the Carosue Dam Plant is now in progress. Mining at the Porphyry open pit mine, and ore haulage, have commenced. During the commissioning phase, milling and gold production will be based on a combination of existing surface stockpiles and Porphyry mine ore.

The Company's recruitment needs have been satisfied, with the full complement of staff and contractors on site now approaching around 200 personnel.

Saracen Managing Director Mr Guido Staltari said today:

"This is a rewarding time for all Saracen staff and contractors, who have worked very hard during the past 12 months and can now look forward to entering into this exciting new phase of the Company's development.

"Production from Carouse Dam will see Saracen emerge as a mid-tier gold producer with a quality processing asset in a world class gold province laden with tremendous exploration and mining opportunities."

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About Saracen

Background

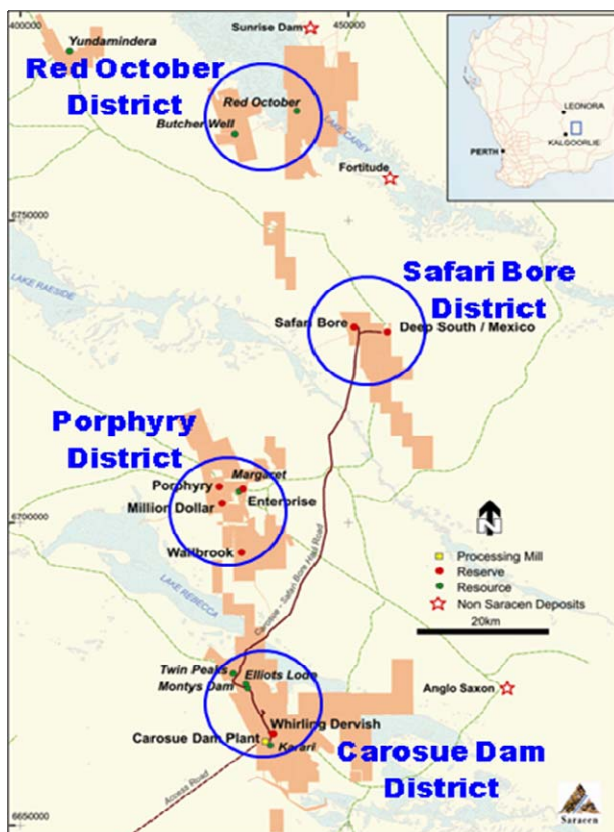
Saracen Mineral Holdings Limited (ASX:SAR) owns 100% of the Carosue Dam operations 120 km NE east of Kalgoorlie in the South Laverton region of WA, home to other gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby. At Carosue Dam, Saracen's 2.4 million tonne per annum gold processing plant is presently being commissioned and first gold is expected in early February 2010. Carosue Dam is forecast to produce approximately 100,000 to 120,000 ounces of gold per annum.

The Carosue Dam operations area contains a large number of known gold deposits within four separate districts. These include the Carosue Dam district, Porphyry district, Safari Bore district and Red October district. (see figure below).

In Stage 1 of Carosue Dam's return to gold production ore will be sourced from the Porphyry and Whirling Dervish open pit mines and supplemented by mines at Enterprise, Wallbrook and Deep South.

In Stage 2 gold ore will be sourced from underground at Porphyry, Red October and Deep South (subject to positive feasibility study results) with open pit ore to be sourced from Safari Bore and Karari.

On 21 December 2009, the Company announced that it had entered into a gold put/call option programme, with the put option component covering 176,000 oz at a strike price of A\$1,250 per ounce. The put option program underpins expected strong cash flows over the first two years of the project life, not only ensuring the initial project capital outlays are recouped with minimal financial risk, but also leaving Saracen with considerable exposure to a rising gold price. The accompanying sale of call options over 103,494 oz of gold sold at a strike price of A\$1,250 per oz represents a modest 12 percent of Saracen's Ore Reserves and allows Saracen to benefit from a rising gold price for the balance of its Ore Reserves.



Saracen's gold deposits fall within four distinct districts.