



## Media Release & ASX Announcement

29 January 2010

### First gold pour by Saracen at Carosue Dam

Saracen Directors and staff are pleased to announce the pouring of first gold at the Carosue Dam Operations in the South Laverton region of Western Australia.

A gradual ramp-up in gold production is expected during the next three months to a rate of 100,000 to 120,000 ounces per annum.

Saracen Managing Director Mr Guido Staltari said today: "The first gold pour by Saracen at Carosue Dam is a testament to the hard work of all our employees and contractors.

"The directors wish to pay particular tribute to the Saracen site team, who have worked very hard in recent months and are clearly intent on building a safe, productive and efficient operation."

"Saracen can now call itself a gold producer and look to gain greater market appreciation as a conservatively-gearred mid-tier gold producer with a quality processing asset in a world class gold province laden with opportunity," Mr Staltari.

During the commissioning phase over the coming months, milling and gold production will be based on a combination of Porphyry mine ore and surface stockpiles. Mining at the Porphyry open pit mine and ore haulage commenced earlier this month.

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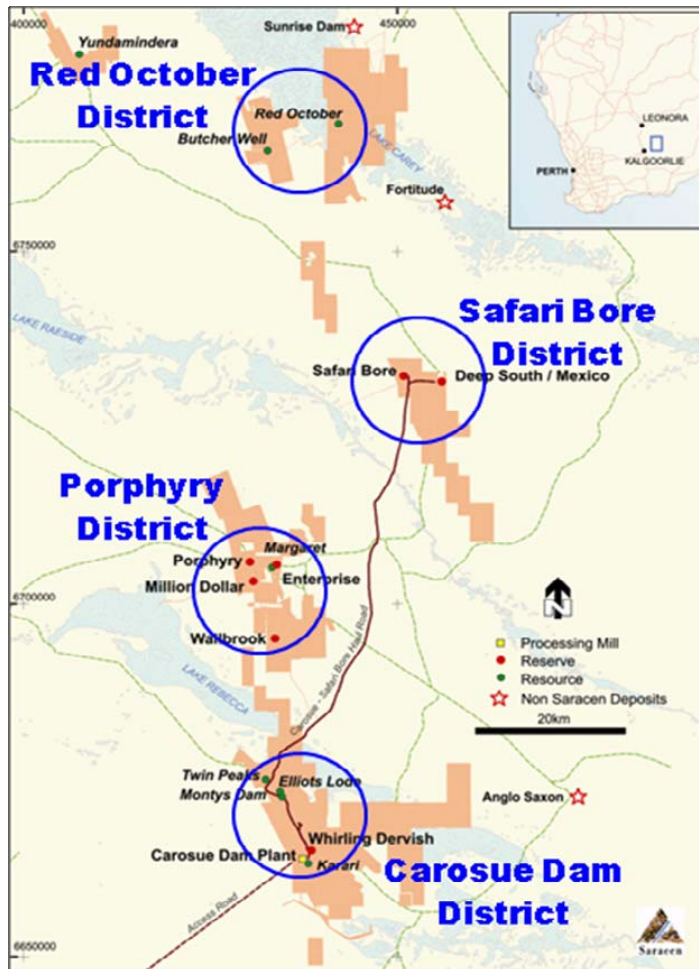
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## About Saracen

### 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.

Carosue Dam's 2.4 million tonne per annum processing plant is forecast to produce approximately 100,000 to 120,000 ounces of gold per annum.



Saracen's gold deposits fall within four distinct districts.

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).

In Stage 1 ore will be sourced from the Porphyry and Whirling Dervish open cuts and supplemented by mines at Enterprise, Wallbrook and Deep South. Open cut production will also be boosted by additional ore from Karari.

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

**Modest two years of partial hedging to cover project outlays.**

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 ounces 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.