



Media Release & ASX Announcement

10 May 2010

Gold production off to a good start **9,600 ounces of gold produced in April.** **Cash cost \$535 per ounce.**

Saracen Mineral Holdings Ltd has produced 9,600 ounces of gold in its first full month of production (April) at its Carosue Dam project in WA.

The gold was produced from 167,000 tonnes of ore from the Porphyry open pit at an average grade of 1.9 g/t.

Better than expected operating performance generated cash costs of A\$535 per ounce and gross revenue for the month of A\$10.5 million.

In its first full quarter of gold production, ending on June 30, Saracen expects to produce 25-30,000 ounces at a cash cost of \$690 per ounce.

Saracen Managing Director, Guido Staltari, said today: "This is a very encouraging start to Saracen's life as a gold producer. Our cash costs in our first month of production were, pleasingly, lower than forecast, although they are expected to be higher across the entire June quarter."

"Saracen's management team is continuing to work hard to bring new resources into the mine plan, and some of these are expected to increase the average grade of ore being processed through the mill."

"I am very pleased with the performance of both mining and milling operations to date and look forward to continued, high quality, performance."

For further information please contact:

Guido Staltari

Managing Director

Tel (03) 9670 0040

guido@saracen.com.au

Collins Street Media

Simon Jemison (03) 9224-5319

Ian Howarth 0407-822319

Saracen Mineral Holdings Limited

ACN 009 215 347

Level 7, 350 Collins Street
Melbourne Victoria 3000

Telephone (61 3) 9670 0040

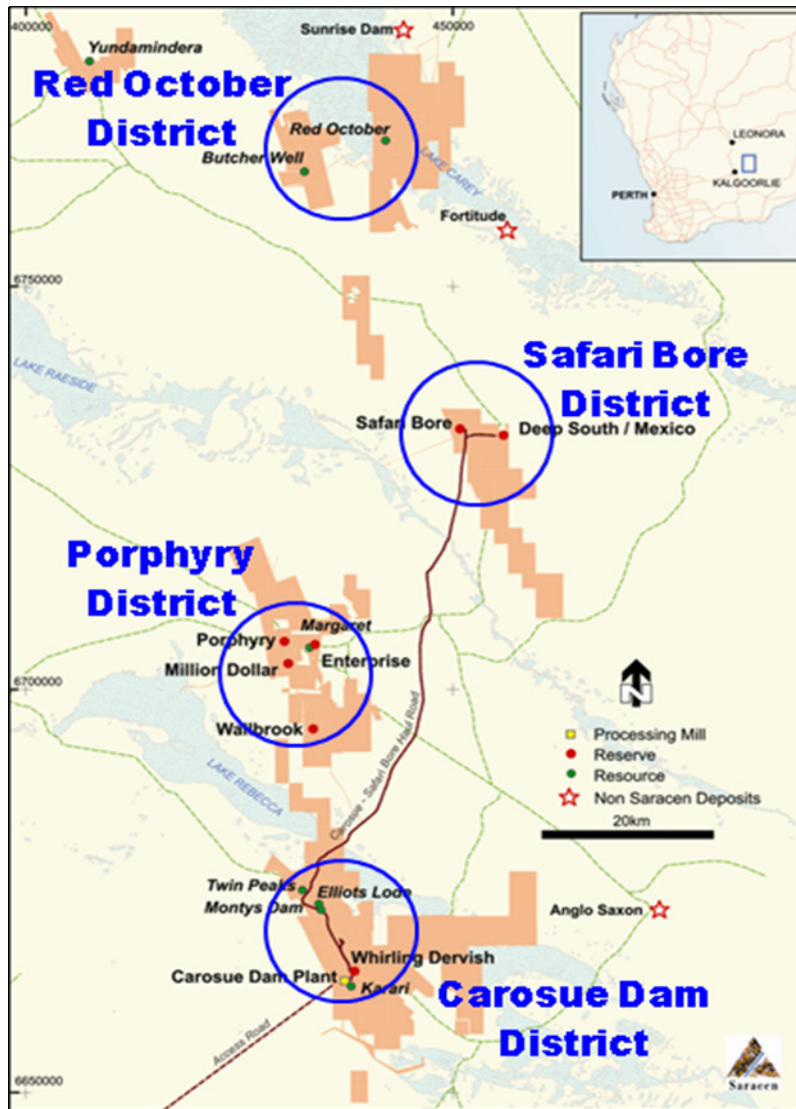
Facsimile (61 3) 9670 0049

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 is being sourced from the Porphyry and Whirling Dervish open cuts and will be supplemented by open pit mines at Enterprise, Wallbrook and Deep South.

In Stage 2 gold ore will be sourced (subject to positive feasibility study results) from open cut production at Karari, supplemented by underground operations at Porphyry, Red October and Deep South.

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.