



7 November 2012

ASX & MEDIA RELEASE

CAROSUE DAM OPERATIONS - EXPANSION PROJECT - DEBT FINANCE OFFER ACCEPTED

The Directors of Saracen Mineral Holdings Limited ("Company"), are pleased to advise that following a competitive process, the Company has **accepted a committed, credit-approved offer from Macquarie Bank Limited ("MBL")** for debt and gold price protection facilities (together "Finance Facilities"), as follows: -

- Debt facility of A\$50 million, comprising a A\$35 million project loan, and a \$15 million revolving working capital facility, with a term of three years;
- DMP environmental bonding facility of \$20 million;
- Hedging facility over approximately 180,000 ounces of gold (subject to finalisation and the gold price prevailing at time of execution); and
- Provision for an additional conditional A\$15 million mezzanine facility, should Saracen wish to access it for further project expansion purposes in the future.
- Expansion Project now fully funded.

The Finance Facilities will be applied towards the Company's Whirling Dervish open pit expansion and the Stage 1 upgrade of the processing plant to 3.2Mtpa ("Expansion Project"), which are budgeted to cost around \$50 million. The Finance Facilities will be drawn down progressively through the expansion and upgrade programs over the next 12 months or more.

Executive Chairman, Guido Staltari commented. "We are pleased to advise the market about the facilities from Macquarie, which is a leader in this segment of the resources sector. The Finance Facilities bring substantial benefits to Saracen, namely full funding of the expansion works, as well as a release back to the Company of some cash presently locked-up for environmental bonding purposes. This is a solid outcome for our shareholders, and gives us significant financial flexibility."

The A\$30 million Whirling Dervish pre-strip has commenced and first gold ore from the expanded Whirling Dervish open pit is expected in the September quarter 2013. Preparation of tender documentation and associated preparatory work for Stage 1 of the plant upgrade is under way.

The committed hedging component of the Finance Facilities is modest and accounts for around 16% of current ore reserves, which the company expects will continue to grow in line with its reserve growth over the past five years. The hedging facility is expected to be initiated over the next one-two months, with the quantum and pricing subject to the prevailing spot gold price at the time the facility is entered into.

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

The Finance Facilities carry terms that are normal for this type of facility, and have been struck at very competitive interest rates and fees.

The Finance Facilities carry no requirement for the issue of equity, options or any other form of quasi-equity, whether to Macquarie, shareholders or the market generally.

Formal documentation for the facilities is expected to be finalised by the end of November.

Full details of the Expansion Project and the future life of mine plan, including capital and operating costs will be provided in a separate announcement in the near future.

For further information please contact:

Guido Staltari
Managing Director

Tel +61 (0)3 9670 0040
email: guido@saracen.com.au