



# SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

## Production rate set to double to ~300,000oz pa, \$34.3m cash, no debt

*FY16 group production outlook lifted to 175-195koz*

### Corporate Details:

6th April 2016

**ASX code:** SAR

#### Corporate Structure:

Ordinary shares on issue: 792.8m

Unvested employee performance rights:  
20.2m

Market Capitalisation: A\$809m  
(share price A\$1.02)

Cash & Bullion (31 March): A\$34.3m

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:

Wroxby Pty Ltd 8.2%

Paradise Investment Management 7.9%

Karara Capital Pty Ltd 6.2%

Van Eck Associates Corporation 6.1%

#### Registered Office:

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*For further details contact:*

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### Key Points

- Successful March quarter substantiates Saracen's imminent transition to a ~300,000ozpa Australian gold miner with no debt and strong free cashflow
- Cash and bullion of \$34.3m at 31 March 2016 (\$42.1m at 31 December 2015) – exceeds outlook which stated cash and bullion “in excess of A\$20m” at 31 March 2016
- The cash and bullion is after expenditure of \$36.0m on project development and exploration in the quarter:
  - \$25.5m at Thunderbox
  - \$8.6m at Deep South
  - \$0.5m at Kailis / KOTH
  - \$1.4m on exploration
- Capital expenditure is rapidly winding down across the portfolio
- March quarter group gold production of 43,059oz (Carosue Dam 33,749oz, Thunderbox 9,310oz)
- Group production outlook for FY16 lifted to 175-195,000oz, resulting from an increase in the Thunderbox production outlook to 25-35,000oz (from 20,000oz)
- Carosue Dam FY16 production outlook unchanged at 150-160,000oz, on track to meet or exceed outlook for fourth financial year in a row
- Development of the Deep South underground mine at Carosue Dam is well advanced with commercial production anticipated in the current June Quarter
- Thunderbox commissioning almost complete with commercial production anticipated in the current June Quarter, doubling total group production to an annualised rate of ~300,000oz

Saracen Managing Director Raleigh Finlayson said Saracen's transition to a substantial mid-tier Australian gold miner was almost complete.

*“Saracen's strategy to double gold production to approximately 300,000ozpa using internally-generated cash flow is close to fruition,” he said. “With the Thunderbox development almost complete and no debt on the books, Saracen is in an enviable position to build a significant cash position.”*

Saracen Mineral Holdings Limited (**ASX: SAR**) is pleased to advise that a successful March quarter has put it well on track to achieve the Company's objective of doubling production to approximately 300,000ozpa while remaining debt-free.

Strong production and the resulting cashflow enabled Saracen to complete the majority of the Thunderbox project development without drawing down debt.

Cash and bullion declined by just \$7.8 million in the quarter to \$34.3 million despite Saracen spending \$36.0 million on project capital and exploration, again highlighting the significant free cashflow generation at its Carosue Dam Operations.

The cash and bullion position compares favourably with the outlook presented in Saracen's December Quarter Report, which stated that "Saracen anticipates a total cash and equivalents position in excess of A\$20 million at 31 March 2016 with no debt drawn".

March quarter group gold production was 43,059oz, with Carosue Dam contributing 33,749oz and the new Thunderbox mine adding 9,310oz.

Development of the Deep South underground mine at Carosue Dam is well advanced with commercial production anticipated in the current June Quarter.

On the back of outstanding progress at Thunderbox, Saracen is pleased to upgrade its FY16 group production outlook.

**Table 1 – Upgrade to FY16 group production outlook**

<b>FY16 Production Outlook</b>	<b>New</b>	<b>Old</b>
	koz	koz
Carosue Dam	150-160	150-160
Thunderbox	25-35	20
<b>Group</b>	<b>175-195</b>	<b>170-180</b>

Thunderbox continues to run ahead of schedule (first gold poured four months ahead of schedule, just two years after acquisition) with costs under budget. Commissioning is nearing completion with commercial production anticipated in the current June Quarter.

The new open pit operation will double group gold production to ~300,000oz pa at a forecast all-in sustaining cost less than A\$1075/oz, diversifying and de-risking Saracen's production profile.

**For further information please contact:**

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