



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

First Thunderbox gold now anticipated in June Quarter 2016

Saracen debt-free and set to double gold production to ~300,000ozpa

Corporate Details:

16th September 2015

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 792.8m

Unvested employee performance rights: 7.3m

Market Capitalisation: A\$340m
(share price A\$0.43)

Cash & Bullion (30 June): A\$44.9m

Debt: Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Mark Connelly
Non-Executive

Mr Barrie Parker
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%

Eley Griffiths Group 5.0%

Registered Office:

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Key Points

- **Development of \$65 million Thunderbox gold project progressing ahead of schedule:**
 - *Open pit mining has advanced to a depth of 25m, with 1.69 million BCMs mined to date (vs. 1.57 million budget)*
 - *First grade control drilling program completed, results pending*
 - *First ore mining anticipated during the December Quarter 2015*
 - *Plant refurbishment commenced in the September Quarter 2015 (previously scheduled March 2016 Quarter)*
- **Commissioning now anticipated in the March Quarter 2016 (previously June Quarter)**
- **First gold production now anticipated in the June Quarter 2016 (previously September Quarter)**
- **Potential to add ~20koz from Thunderbox to FY16 production guidance of 150-160koz (currently Carosue Dam only)**
- **Saracen remains debt-free with net cash and bullion of \$44.9 million at 30 June 2015**
- **Additional 40,000oz of hedging at an average price of A\$1,600/oz further underpins the initial capital investment**
- **Saracen is set to double gold production to ~300,000ozpa at an AISC of <A\$1075/oz within two years, funded from internal cash flows**

Saracen Mineral Holdings (**ASX: SAR**) is pleased to advise that, as a result of outstanding progress with mining, plant refurbishment and infrastructure at its 100%-owned Thunderbox gold project in Western Australia, first gold production is now anticipated in the June Quarter 2016.

Saracen has taken advantage of the recent increase in the gold price by locking away an additional 40,000oz of hedging at an average price of A\$1,600/oz to further underpin the first year of Thunderbox production.

Armed with a conservative balance sheet and robust cash flows from its Carosue Dam operations, Saracen is well positioned to double gold production to a targeted annualised rate of ~300,000ozpa with the development of its second processing centre at Thunderbox.

Surface mining

Mining commenced in early July and is ahead of schedule. Total material movement for the project to date is currently 1.69 million bcm or 7% ahead of budget.

Figure 1 – Mining in the Thunderbox Zone “A” open pit



Figure 2 – Grade control drilling



Plant refurbishment – Key Milestones

- Successful re-installation of the SAG and Ball mills onto their bearings by BLA Burgess, with no issues identified
- Non-destructive testing of the SAG and Ball mill girth and pinion gears completed, with no issues identified
- Contract tenders for the Tailings Storage Facility (TSF) lift and the mechanical labour and equipment for the plant refurbishment in progress
- Pebble crusher and wet screen orders placed
- Work continues on the powerhouse which will have seven gas-fired generators together with four dual fuel units. Re-wiring of the powerhouse by Kalgoorlie Power Systems (KPS) is 65% completed.

Figure 3 – BLA Burgess crews successfully placing the mills back onto their bearings



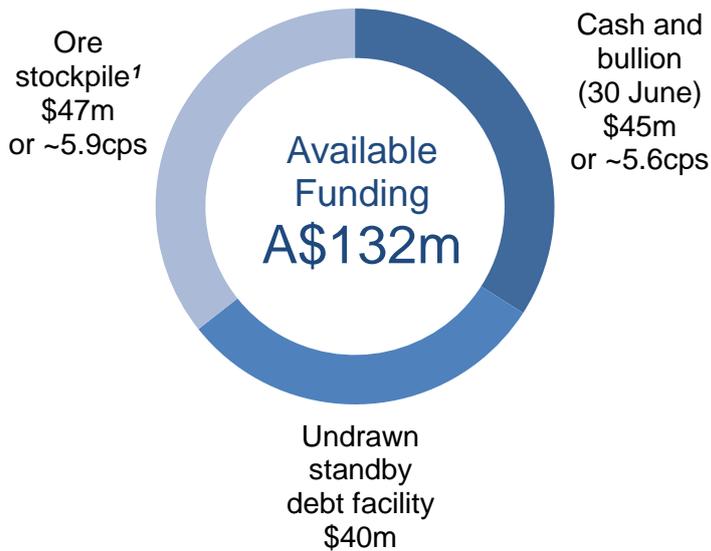
Camp and supporting infrastructure

Completion of the camp refurbishment is anticipated by the end of September. The last 165 rooms (total 268) are being re-commissioned in-line with the required ramp-up for process plant refurbishment works.

Available funding

At 30 June 2015 the Company held cash and bullion of \$44.9 million with no debt. On the back of significantly improved financials flowing from the latest Thunderbox life-of-mine plan, Saracen's undrawn debt facility has been increased to \$40 million (from \$33 million) and remains available as a standby facility. The development of the Thunderbox Project is fully funded without this facility.

Figure 4 – Saracen's total available funding



Notes:

¹ Ore stockpile (deferred free cash flow) - Based on A\$1500/oz gold price and estimated All-in Sustaining Cost (AISC) of \$A861/oz.

Development Timetable

| Thunderbox Operations | FY2015 | | FY2016 | | | | FY2017 | | | |
|-------------------------------|--------|-------|--------|-------|-------|-------|--------|-------|-------|-------|
| | Mar Q | Jun Q | Sep Q | Dec Q | Mar Q | Jun Q | Sep Q | Dec Q | Mar Q | Jun Q |
| Feasibility Study - Stage 1 | ✓ | | | | | | | | | |
| Development Decision | ✓ | | | | | | | | | |
| Approvals | ✓ | | | | | | | | | |
| Implementation & Mobilisation | | ✓ | | | | | | | | |
| Pre-Strip Mining - Zone A | | | ✓ | | | | | | | |
| Mining - Zone A | | | | | | | | | | |
| Pre-Strip Mining - Zone C | | | | | | | | | | |
| Mining - Zone C | | | | | | | | | | |
| Plant Refurbishment | | | ✓ | | | | | | | |
| Commissioning | | | | | | | | | | |
| Mill Production | | | | | | | | | | |

Saracen's Managing Director Raleigh Finlayson said the excellent progress at Thunderbox had put the Company in an outstanding position.

"First gold from Thunderbox will see Saracen produce gold from multiple operations for the first time, doubling our production base while reducing our average cost of production," he said.

"This will realise our objective of joining the ranks of mid-tier gold companies producing in excess of 300,000 ounces per annum ahead of schedule."

To view an audio-visual presentation on the progress of the development of the Thunderbox Project as at September 2015 please follow the link below:

<http://www.saracen.com.au/investors/asx-announcements/thunderbox-progress-video/>

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