Saracen

27 February 2015

ASX & MEDIA RELEASE

HALF YEAR FINANCIAL RESULTS & DEBT REPAYMENT

- Gold production up 10% to 79,419 ounces (2013: 72,337 ounces)
- Gold Sales revenue increased 9% to $120.4 million (2013: $110.6 million)
- EBITDA[1] $29.8 million (2013: $29.6 million)
- Net Profit after Tax of $3.8 million (2013: $7.0 million)
- Company now debt free after repayment of $12 million in February 2015

The Directors of Saracen Mineral Holdings Limited (ASX:SAR) ("Saracen" or the "Company"), are pleased to announce that the Company has recorded a net profit of $3.8 million after allowing for an income tax provision of $1.7 million for the six month period to 31 December 2014.

Gold production was up 10% from the previous corresponding period to 79,419 ounces, and revenue increased by 9% to $120.4 million. The average gold price received for the period was A$1,535/oz which was substantially higher than the prevailing average spot price due to the Company's gold hedge book which has insulated revenues.

Net cash flow generated from operations was $22.2 million compared to $33.9 million in the previous corresponding period. This is due to the accounting for the pre-strip mining at Whirling Dervish as "Payments for mine properties" under "Investing activities" in 2013, now being accounted for as "Payments to suppliers and employees" under "Operating activities" in the current period. The aggregate, total cash expenditure for "Payments for mine properties" plus "Payments to suppliers and employees" in the six months to 31 December 2014 was $107.1 million compared to $103.8 million in 2013.

For the half year, Mine Operating Costs in the Income Statement increased from $72.9 million last year to $81.4 million, predominately due to costs being allocated directly to mining expenses rather than being capitalised.

Depreciation and amortisation charges increased from $18.7 million in 2013 to $23.5 million as a result of the expensing of capitalised amounts of the Whirling Dervish resource.

EBITDA[1] for the six month period ending 31 December 2014 was $29.8 million (2013: $29.6 million).

At the end of the period, the Company held cash and cash equivalents of approximately $37.2 million (comprising cash on hand of $33.9 million and bullion on hand of $3.3 million) (2013: $22.8 million). At 31 December 2014, debt drawn under the Company's Working Capital Facility with Macquarie Bank Limited was $12.0 million (2013: $22 million), leaving the company with a net cash position of A$25.2 million at 31 December 2014.

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During February 2015, the Company has voluntarily prepaid the $12 million outstanding debt, reflecting the significant cashflow generation that is being delivered as the Whirling Dervish open pit continues to deliver higher grades at lower strip ratios coupled with continued high grade production from the Red October underground mine. The Working Facility of $25 million remains fully available to the Company and currently has an expiry date of 31 December 2015.

Following the debt repayment, the Company's cash balance is currently $27.2 million (excluding bullion in transit), an increase of $5.3 million since 31 December 2014 after taking into account the $12 million debt repayment.

For further information please contact:

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Managing Director
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Clarifying Note:

[1]***EBITDA:*** *EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is a financial measure which is not prescribed by the International Financial Reporting Standards (IFRS) and represents the profit under IFRS adjusted for specific items. EBITDA has not been subject to any specific review procedures by the auditor but has been extracted from the half year financial statements by the Company.*

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SARACEN MINERAL HOLDINGS LIMITED

(ACN: 009 215 347)

RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

ASX APPENDIX 4D

(previous corresponding period is the half-year ended 31 December 2013.)

KEY INFORMATION	31 Dec 2014 $'000	31 Dec 2013 $'000	Up / (down) $'000	Percentage increase / (decrease)
Revenue from ordinary activities	120,383	110,617	9,766	9%
Profit from ordinary activities after tax attributable to members	3,834	6,997	(3,163)	(45%)
Net Profit attributable to members	(2,755)	3,847	(6,602)	N/A - Profit to loss

DIVIDEND INFORMATION

No dividend has been declared

NET TANGIBLE ASSETS PER SECURITY	31 Dec 2014	31 Dec 2013
Net tangible assets per security	$0.29	$0.31

EARNINGS PER SHARE	31 Dec 2014 Cents	31 Dec 2013 Cents
Basic and diluted earnings (per share)	0.48	1.17

CONTROL GAINED OR LOST OVER ENTITIES IN THE PERIOD

There have been no gains or losses of control over entities in the period ended 31 December 2014.

Additional Appendix 4D disclosure requirements can be found in the Directors Report which is attached.

This half-yearly report is to be read in conjunction with the 30 June 2014 Annual Report.

Saracen

SARACEN MINERAL HOLDINGS LIMITED

(ACN 009 215 347)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2014

COMPANY DIRECTORY

Directors

Mr Geoffrey Clifford (Non-Executive Chairman)
Mr Raleigh Finlayson (Managing Director)
Ms Samantha Tough (Non-Executive Director)
Mr Barrie Parker (Non-Executive Director)
Mr Martin Reed (Non-Executive Director)

Secretary

Mr Gerry Kaczmarek

Registered Office and Business Address

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Perth WA 6000

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Macquarie Group Limited
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Australia

Share Registry

Computershare Investor Services Pty Limited
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DIRECTORS' REPORT

The Directors of Saracen Mineral Holdings Limited ("Saracen" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Saracen Mineral Holdings Limited and its controlled entities for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Geoffrey Clifford (Non-Executive Director and Non-executive Chairman from 26 November 2014)
Raleigh Finlayson (Managing Director)
Barrie Parker (Non-Executive Director)
Martin Reed (Non-Executive Director)
Samantha Tough (Non-Executive Director)
Guido Staltari (Non-executive Chairman), retired 26 November 2014

CONSOLIDATED RESULTS

The consolidated profit after tax for the half-year was $3.8 million (31 December 2013: profit after tax of $7.0 million). The following largely contributed to the current period's profit:-

- Profit from mining operations before depreciation and amortisation for the reporting period was $33.9 million (2013: $33.7 million). Operating results for the comparative half-year periods are summarised below:-

	31/12/2014	31/12/2013
Mill production (tonnes)	**1,189,000**	1,332,000
Grade (g/t)	**2.31**	1.96
Production (ozs)	**79,419**	72,337
Average C1 cash costs (excl royalties) (A$/oz)	**1,030**	908
Average "All in Sustaining Cost" (AISC) (A$/oz)	**1,309**	Not calculated
Gold sold (ozs)	**78,825**	72,005
Average gold sales price (A$/oz)	**1,525**	1,531
Total Gold Sales Revenue (A$ millions)	**120.2**	110.6
Depreciation & amortisation (A$ millions)	**23.5**	18.6

- Depreciation and amortisation for the reporting period was $23.5 million (2013: $18.6 million) which was higher than the previous year as the development work undertaken in previous years is now being amortised due to the commencement of production. Also, $6.0 million of deferred stripping costs were included in expenses during the half year (2013: $3.6 million).

- At period end, the consolidated entity recognised a deferred tax expense of $1.7 million (2013: deferred tax expense of $2.9 million). However, the consolidated entity has accumulated tax losses and is currently not in a tax paying position.

- Payments to suppliers and employees for the period were $98.1 million (2013: $76.2 million), however this included the cost of increased ore stockpiles and gold inventories of $14.3 million (2013: decrease $2.0 million). Inventories will continue to increase during the remainder of the financial year and will be realised during the 2015/16 financial year.

REVIEW OF OPERATIONS

The Company's main activity during the half-year was gold production and exploration. Ore was mined from the Whirling Dervish open pit and the Red October underground mine. The ore produced from these operations was processed at the Carosue Dam treatment plant.

Health and Safety

Saracen continues to focus on assessing and reducing risks in each facet of its operations. There were no Lost Time Injuries (LTI's) recorded during the half year and the overall position was 272 days without an LTI at the end of the period. The LTI Frequency Rate has fallen to 2.1, 16% below the industry average.

Saracen's Mines Rescue Team competed at the MERC Mines Rescue competition in November 2014. The team performed very well returning with 2 first places and finished 5th overall out of 12 teams.

Production Overview

Gold sale proceeds during the period totalled A$120.2 million (2013: A$110.6 million) at an average gold sale price of A$1,525 per ounce (2013: A$1,531 per ounce). C1 cash costs were A$1,030 per ounce (2013: A$908 per ounce), excluding royalties of A$64 per ounce (2013: A$55 per ounce). All In Sustaining Costs (AISC) for the period were A$1,309 per ounce.

During the six month period, Carosue Dam Operations produced 79,419 ounces of gold (2013: 72,337 ounces) from the processing of 1,189,000 tonnes of ore (2013: 1,332,000 tonnes) at an average grade of 2.31g/t (2013: 1.96g/t).

A total of 37,474 ounces has been mined from Red October (2013: 31,452 ounces).

Operations	Units	Sep Qtr 2014	Dec Qtr 2014	Half Year to Dec 2014
Open Pit Mining (Whirling Dervish)				
Total Mining	BCM	1,840,000	1,422,000	3,262,000
Ore Mined	t	920,000	937,130	1,857,130
Mine Grade	g/t	1.23	1.48	1.36
Contained Gold	oz	36,420	44,515	80,935
Underground Mining (Red October)				
Ore Mined	t	79,000	79,000	158,000
Mine Grade	g/t	6.23	8.43	7.33
Contained Gold	oz	15,963	21,511	37,474
Total Mining				
Ore Mined	t	999,000	1,017,000	2,016,000
Mine Grade	g/t	1.63	2.02	1.83
Contained Gold	oz	52,383	66,026	118,409
Mill Production				
Ore Milled	t	587,000	602,000	1,189,000
Mill Grade	g/t	2.17	2.45	2.31
Contained Gold	oz	40,861	47,478	88,339
Recovery	%	89.4%	90.3%	89.9%
Recovered Gold	oz	36,525	42,894	79,419

Note: Rounding errors may occur.

Open Pit Mining

Mining of the **Whirling Dervish** open pit continued during the half year with material movements of 3.26 million BCMs. Total ore mined for the half year was 1,857,000t @ 1.36g/t for 80,935 ounces. Total material movements have decreased as the strip ratio has decreased and larger amounts of ore are accessed on each mining bench. The amount of ore mined was well in excess of ore being processed and stockpiles increased significantly during the December 2014 quarter. The ore stockpile available for future milling was 1.67mt @ 1.05g/t for 56,400 ounces at the end of the period. These stockpiles will grow substantially over the next 6 months. Importantly the average grade will continue to increase.

At the end of the period, mining at the Whirling Dervish had advanced to the 210mRL (approximately 145m below surface). The main ore zone is the bulk footwall lode with lesser amounts of ore coming from the hangingwall lode.

The strip ratio as at the end of December 2014 was 2.4:1 (w:o) and will decrease further over the remaining life of the operation. The mining fleet was reduced from two fleets to one from 1 December 2014 as a consequence of the reducing strip ratio and increased ore supply. Mining at Whirling Dervish is scheduled to conclude early in FY2016 at which stage the substantial ore stockpile will provide the majority of mill feed for FY2016 supplemented from underground sources.

Total cash expenditure for Whirling Dervish for the period was A$38.8 million.

With the significantly larger quantities of ore at higher grades being mined, "all-in" sustaining cash costs will fall to around A$975/oz by the end of FY2015.

Underground Mining

The **Red October** underground mine achieved record production of 158,000t @ 7.33g/t for 37,474 contained ounces during the half year, exceeding guidance on tonnes, grade and ounces.

Exploration and resource extension drilling has continued at Red October focusing on adding ounces into the mine plan by defining the extents of the known high grade mineralisation on the Footwall Lode.

The understanding of the Footwall Lode has improved significantly over the last 12 months from an increased awareness of the interaction of cross cutting shears which appear to be the major control of the high grade mineralisation. These smaller shears are also mineralised and, in the case of the Smurf and Anchor Lodes, contain economically mineable mineralisation.

Development and stoping activities on these very high grade areas on the 1042 and 1022 levels significantly contributed to the production profile in the half year.

Exploration from the Hangingwall drill drive has focused on targeting the Red October shear zone with some holes extended into the footwall aiming to define extensions to the Footwall Lode or identify new parallel zones at depth.

The program has been successful in demonstrating that the Red October shear zone remains mineralised and open at depth. This mineralisation has not seen the intense alteration previously observed in the upper areas of the mine. This is primarily due to the increasing separation of the Hangingwall Lode from the steeper Footwall Lode.

Total cash expenditure for Red October for the period was A$22.5 million including $10.6 million on development and exploration activities.

Capital Projects

During the half year, the construction of a new tailings storage facility (TSF3) was completed with first deposition into the new facility occurring on 28th January 2015. TSF3 will provide up to 4.5 years of tailings storage capacity for the Carosue Dam operations.

In September 2014, Saracen reached an agreement with Kleenheat Gas' Evol LNG to supply liquefied natural gas (LNG) to the Carosue Dam Operations. Construction of the new LNG storage and vaporisation facility was completed in January 2015. First gas is scheduled to be supplied to the power station in February 2015.

Future Development

Underground development commenced at the **Karari** deposit with the cutting of the main decline portal on 18 November 2014. The exploration decline portal cut was fired on 15 December 2014 and is progressing on schedule with development focused on establishing the first drilling platforms. Exploration diamond drilling is scheduled to commence in February 2015. A total of 298.5m of development (both declines) was completed during the period.

The exploration decline has already passed through the first ore drive level with first ore being delivered to the ROM. Significant attention is being placed on the structural understanding of these higher grade shoots to effectively prioritise the exploration program and subsequent mining.

The **Thunderbox** Feasibility Study remains on track to be completed by March 2015. An exploration drilling program commenced during the December 2014 quarter targeting potential extensions to the bulk mineralisation at depth and along strike. Results are mostly pending as at 31 December.

The key focus in relation to the Thunderbox feasibility study has been:

- Detailed mine design, scheduling, equipment selection and costings for the initial phase of open pit mining at Thunderbox;
- Evaluation of a large scale underground operation into the bulk A & C Zones at depth. This area is the subject of potential extension from the current drilling program;
- Detailed geotechnical drilling, logging and evaluation for both open pit and underground mining methods;
- Metallurgical testwork for confirmation and feasibility purposes;
- Finalise processing plant refurbishment capital costs and schedule;
- Environmental and regulatory approvals for the phase 1 development of Thunderbox;
- Financial modelling of the mining schedules, including latest operating and capital costs.

The latest Life of Mine Plan ("LOMP") indicates that the development of an open pit at Thunderbox would be followed by a large scale underground mine. Open pit mining at Bannockburn, North Well, Mangilla and Rainbow would then provide supplementary ore supply (subject to positive feasibility study results).

Other open pit ore sources within the Company's Reserves are planned to be developed including the **Million Dollar** and **Wallbrook** Projects. There are over 15 million tonnes of open pit ore in the current Ore Reserves Statement.

In addition, feasibility studies are being undertaken on the underground resources at both **Deep South** and **Whirling Dervish**. The higher grade underground ore from these projects would complement the base load open pit material and existing underground mines.

Exploration and Resource Evaluation

Exploration activities during the half year focused on a number of projects involving advanced geochemical analysis and high definition geophysics at key locations in addition to the drilling programmes undertaken at Red October, Thunderbox and Bannockburn.

An RC Drilling program commenced in early October 2014 beneath the **Thunderbox** Resource and a Diamond drill rig added in November 2014. The deepest drilling at Thunderbox is only approximately 450m below surface with bulk mineralisation remaining untested. Potential extensions on the southern side of the "Gap" fault will also be tested. Results are mostly pending as at 31 December.

An RC drilling program was conducted at **Bannockburn** (part of the Thunderbox Project) during the December 2014 quarter. The aim of the program is to confirm the presence of high grade shoots that drive the open pit economics and to define pillars and remnant ore zones with regards to areas within close proximity to existing underground voids.

A detailed gravity survey was completed across the **Deep South** corridor to assist in the interpretation of the basement geology. This improved understanding will enable future exploration efforts to target favourable geological architecture controlling gold mineralisation. The integration of this dataset with existing magnetics and previously acquired Sub-Audio Magnetics, will enable inversion modelling and the creation of a 3D model of the sub surface geology. The data is currently being processed and interpreted and early indications suggest that several key structural and stratigraphic relationships have been well mapped.

A bio-geochemical survey was completed between **Safari Bore** and **Deep South**. The technique involves sampling the new leaf growth of established *Acacia* trees. The leaves are then washed thoroughly to remove any surficial contamination, dried and pulverised, followed by an aqua regia digest for multi-element determination. The technique has not been employed across any of the Saracen tenure until now. The aim of the trial survey was to determine if the technique was able to identify gold anomalism in known mineralised positions. The initial results have been encouraging with known mineralisation clearly highlighted by elevated gold and several other pathfinder elements. Expansion of the survey area is being planned.

A detailed project review of the greater Yilgangi area has highlighted a number of potential targets based upon historical drilling and previously completed soil surveys. A small regional soils program was completed and has demonstrated that the method is extremely effective in this project area. The survey has been extended to cover a mapped shear zone with known mineralisation. The soil samples also confirmed the presence of gold in association with the shear.

Ongoing work will continue at a number of key projects. In early February an auger drilling programme will be undertaken at Blue Manna. Exploration activity will also continue at Red October and Karari.

Corporate and Finance

Cash Position

As at 31 December 2014, Saracen's total cash and liquid position was A$37.2 million (30 June 2014: A$35.9 million), comprised of A$33.9 million held in cash and 2,292 ounces of gold in transit (approx. A$3.3 million). Gold in transit was valued using the spot price of A$1,444/oz.

Debt

During the half year, there were no drawdowns or repayments made under the Company's banking facilities to leave the total drawn amount at A$12 million at the end of the period.

Hedging

As at 31 December 2014, Saracen had gold hedging in place (including spot deferred ounces) covering 185,743 ounces at an average price of A$1,539/oz. These ounces are to be delivered over the period from January 2015 to June 2016 (inclusive). The mark to market value of the hedge book at 31 December 2014 is A$15.2m based on a spot gold price of A$1,444/oz.

Dividends

No dividends have been paid or declared by the Group since the end of the previous financial year.

The directors do not propose to pay any dividend for the half year ended 31 December 2014.

Events Subsequent to the Reporting Date

There has not been any matter or circumstance, other than that referred to in the financial report that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out in page 8 of this half-year financial report.

Rounding Off

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the Corporations Act 2001.

For and on behalf of the Board.

RALEIGH FINLAYSON
Managing Director
26 February 2015

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DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF SARACEN MINERAL HOLDINGS LIMITED

As lead auditor for the review of Saracen Mineral Holdings Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Saracen Mineral Holdings Limited and the entities it controlled during the period.

Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 26 February 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

Half-Year Ended 31 December 2014

	31 December 2014 $'000	31 December 2013 $'000
Revenue from continuing operations	**120,383**	110,617
Mine operating costs	**(81,390)**	(72,918)
Depreciation and amortisation	**(23,460)**	(18,661)
Royalties	**(5,137)**	(4,006)
Gross profit from mining operations	**10,396**	15,032
Administration expenses	**(4,291)**	(4,309)
Share based payment expense	**(168)**	(24)
Finance costs	**(725)**	(893)
Other income	**441**	322
Change in fair value of listed shares	**75**	(43)
Loss from sale of shares	**(71)**	-
Expensing of deferred exploration costs	**(154)**	(174)
Profit/(Loss) on disposal of fixed assets	**-**	8
Profit/(Loss) before income tax	**5,503**	9,919
Income tax benefit/(expense)	**(1,669)**	(2,922)
Profit/(Loss) for the period	**3,834**	6,997
Other comprehensive profit/(loss), net of income tax		
Items that may be reclassified subsequently to profit or loss		
Fair value loss on hedging instruments entered into for cash flow hedges	**(6,589)**	(3,150)
Other comprehensive loss, net of income tax	**(6,589)**	(3,150)
Total comprehensive profit/(loss) attributable to members of Saracen Mineral Holdings Limited	**(2,755)**	3,847
Profit/(Loss) per share		
Basic profit/(loss) per share in cents	**0.48**	**1.17**
Diluted profit/(loss) per share in cents	**0.48**	**1.17**

The consolidated statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	31 December 2014 $'000	30 June 2014 $'000
Current assets			
Cash and cash equivalents		**33,934**	35,859
Trade and other receivables		**3,391**	2,843
Financial derivative instruments	6	**12,921**	14,992
Other financial assets		**22**	27
Inventories		**33,585**	19,251
Other		**1,322**	746
Total current assets		**85,175**	73,718
Non-current assets			
Property, plant and equipment	2	**47,980**	43,940
Other financial assets		**110**	110
Financial derivative instruments	6	**5,561**	13,158
Deferred tax assets		**6,703**	5,548
Deferred exploration and evaluation costs	3	**32,651**	27,811
Mine properties	4	**134,326**	148,901
Total non-current assets		**227,331**	239,468
TOTAL ASSETS		**312,506**	313,186
Current liabilities			
Trade and other payables		**18,289**	16,128
Borrowings	5	**13,518**	1,722
Financial derivative instruments	6	**-**	255
Provisions		**5,154**	5,783
Total current liabilities		**36,961**	23,888
Non-current liabilities			
Borrowings	5	**589**	12,323
Provisions		**46,487**	45,919
Total non-current liabilities		**47,076**	58,242
Total liabilities		**84,037**	82,130
Net assets		**228,469**	231,056
Equity			
Contributed equity	7	**245,079**	245,079
Reserves		**16,624**	23,045
Accumulated losses		**(33,234)**	(37,068)
Total equity		**228,469**	231,056

The consolidated statement of financial position
should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
Half-Year Ended 31 December 2014

	Contributed equity $'000	Retained profits/ (Accumulated losses) $'000	Cash Flow Hedge Reserve $'000	Share Based Payments Reserves $'000	Total $'000
As at 1 July 2014	**245,079**	**(37,068)**	**19,527**	**3,518**	**231,056**
Profit for the period after tax	**-**	**3,834**	**-**	**-**	**3,834**
Other comprehensive loss	**-**	**-**	**(6,589)**	**-**	**(6,589)**
Total comprehensive income/(loss) for the period after tax	**-**	**3,834**	**(6,589)**	**-**	**(2,755)**
Share based payments	**-**	**-**	**-**	**168**	**168**
As at 31 December 2014	**245,079**	**(33,234)**	**12,938**	**3,686**	**228,469**
As at 1 July 2013	185,901	(43,063)	32,442	3,446	178,726
Loss for the period after tax		6,997	-	-	6,997
Other comprehensive loss	-	-	(3,150)	-	(3,150)
Total comprehensive income/(loss) for the period after tax	-	6,997	(3,150)	-	3,847
Share based payments	-	-	-	24	24
As at 31 December 2013	185,901	(36,066)	29,292	3,470	182,597

The consolidated statement of changes in equity
should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Half-Year Ended 31 December 2014

	31 December 2014 $'000	31 December 2013 $'000
Cash flows from operating activities		
Receipts from customers	**120,383**	110,617
Payments to suppliers and employees	**(98,054)**	(76,166)
Interest received	**386**	294
Interest paid	**(563)**	(871)
Net cash flows provided by operating activities	**22,152**	33,874
Cash flows from investing activities		
Proceeds from sale of asset	**-**	39
Payments for CWIP, plant and equipment	**(9,305)**	(5,624)
Payments for mine properties	**(9,057)**	(27,590)
Payments for exploration & evaluation	**(4,994)**	(3,178)
Security deposits released	**-**	7,313
Net cash flows used in investing activities	**(23,356)**	(29,040)
Cash flows from financing activities		
Repayments for finance lease liabilities	**(721)**	(584)
Net cash flows used in financing activities	**(721)**	(584)
Net increase/(decrease) in cash held	**(1,925)**	4,250
Cash at beginning of period	**35,859**	9,024
Cash at end of period	**33,934**	13,274

The consolidated statement of cash flows should
be read in conjunction with the accompanying notes.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity. The half-year financial report should be read in conjunction with the annual financial report of Saracen Mineral Holdings Limited as at 30 June 2014 which was prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards. It is also recommended that the half-year financial report be considered together with any public announcements made by the parent entity during the period 1 July 2014 to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

(a) Basis of accounting

The half-year financial report has been prepared on the basis of historical cost, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

(b) Accounting policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

(i) Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 does not have a material impact on the Group.

(ii) Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments does not have a material impact on the Group.

(c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with the current period’s disclosures.

	31 December 2014 $’000	30 June 2014 $’000
NOTE 2 PLANT AND EQUIPMENT		
Plant and equipment		
Opening balance net of accumulated depreciation	**39,807**	34,712
Acquired on acquisition of Thunderbox	**-**	8,167
Transfer from capital work in progress	**2,314**	5,536
Additions	**102**	67
Disposals	**-**	(32)
Depreciation	**(4,671)**	(8,643)
Closing balance net of accumulated depreciation	**37,552**	39,807
Capital work in progress		
Opening balance net of accumulated depreciation	**4,133**	5,493
Additions	**9,768**	9,841
Transfer to mines under construction	**(1,019)**	-
Transfer to mines in production	**(140)**	(5,665)
Transfer to plant and equipment	**(2,314)**	(5,536)
Closing balance net of accumulated depreciation	**10,428**	4,133
Cost	**74,004**	65,293
Accumulated depreciation	**(26,024)**	(21,353)
Net carrying amount	**47,980**	43,940

	31 December 2014 $'000	30 June 2014 $'000
NOTE 3 DEFERRED EXPLORATION AND EVALUATION COSTS		
Deferred exploration and evaluation costs		
Balance at the start of the period	**27,811**	22,098
Additions	**4,994**	6,042
Capitalised expenditure written off	**(154)**	(329)
Balance at the end of the period	**32,651**	27,811

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

NOTE 4 MINE PROPERTIES

	31 December 2014 $'000	30 June 2014 $'000
Mines under construction [1]	**43,440**	36,213
Mines in production [2]	**61,829**	80,480
Deferred mining expenditure [3]	**29,057**	32,208
Balance at the end of the period	**134,326**	148,901
1. Mines under construction		
Balance at the start of the period	**36,213**	-
Additions – Thunderbox Project	**2,899**	16,333
Additions – Other	**3,309**	10
Transferred from capital work in progress	**1,019**	-
Increase in rehabilitation provision (Thunderbox Project)	**-**	19,870
Balance at the end of the period	**43,440**	36,213
2. Mines in production		
Balance at the start of the period	**80,480**	78,313
Additions	**-**	9,881
Transferred from capital work in progress	**140**	5,665
Amortisation for the period	**(18,791)**	(23,475)
Increase in rehabilitation provision	**-**	10,096
Balance at the end of the period	**61,829**	80,480
3. Deferred mining expenditure – Non-Current		
Balance at the start of the period	**32,208**	3,595
Additions	**2,849**	32,208
Expensing of deferred costs	**(6,000)**	(3,595)
Balance at the end of the period	**29,057**	32,208

	31 December 2014 $'000	30 June 2014 $'000
NOTE 5 BORROWINGS		
Current		
Finance lease liabilities	**1,356**	1,722
Macquarie Bank Loan	**11,950**	-
Prepaid establishment fees on bank loan	**(380)**	-
Insurance Premium Funding	**592**	-
	13,518	1,722
Non-current		
Macquarie Bank Loan	**-**	11,950
Prepaid establishment fees on bank loan	**-**	(570)
Finance lease liabilities	**589**	943
	589	12,323

The Company has a finance facility with Macquarie Bank Limited ("MBL") comprising a $25 million revolving working capital facility. As at 31 December 2014, $11,950,100 was drawn down on the facility. The current maturity date for the facility is 31 December 2015 hence the outstanding amount has been moved from a Non-current to a Current Liability.

Subsequent to the period end, the Company has repaid the $11,950,100 to reduce the outstanding amount of the loan to nil. The Facility itself has not been cancelled and remains available to be redrawn.

NOTE 6 FINANCIAL DERIVATIVE INSTRUMENTS

	31 December 2014 $'000	30 June 2014 $'000
Financial derivative assets		
Current: Cash flow hedge asset	**12,921**	14,992
Non-Current: Cash flow hedge asset	**5,561**	13,158
Current: Cash flow hedge liability	**-**	(255)
	18,482	27,895

As at 31 December 2014 Saracen had 78,600 ounces of gold forward hedging outstanding at an average price of A$1,711 to be delivered into over the period from January 2015 to June 2016 which were classified as financial instruments.

The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve, to the extent that the hedge is effective. There was no hedge ineffectiveness in the current period.

NOTE 7 CONTRIBUTED EQUITY

	31 December 2014 Number of shares	31 December 2014 $'000	30 June 2014 Number of shares	30 June 2014 $'000
(a) Issued capital				
Ordinary shares fully paid	**792,784,738**	**245,079**	792,784,738	245,079

The Company does not have a limited authorised capital, and issued shares have no par value.

(b) Movements in shares on issue

Beginning of the financial period	**792,784,738**	**245,079**	595,263,186	185,901
- share placement & rights issue	**-**	**-**	155,812,369	48,302
- rights issue	**-**	**-**	41,709,183	12,930
- share issue costs	**-**	**-**	-	(2,935)
- Tax effect on share issue costs	**-**	**-**	-	881
End of the financial period	**792,784,738**	**245,079**	792,784,738	245,079

(c) Performance Rights (See note 8)

	30 June 2014	Granted	Exercised	Lapsed	31 December 2014
Tranche 1					
Class A performance rights vesting on 19 November 2016	**600,000**	**-**	**-**	**-**	**600,000**
Class B performance rights vesting on 19 November 2016	**300,000**	**-**	**-**	**-**	**300,000**
Class C performance rights vesting on 19 November 2016	**600,000**	**-**	**-**	**-**	**600,000**
Tranche 2					
Class A performance rights vesting on 30 June 2016	**-**	**1,113,000**	**-**	**-**	**1,113,000**
Class B performance rights vesting on 30 June 2016	**-**	**556,500**	**-**	**-**	**556,500**
Class C performance rights vesting on 30 June 2016	**-**	**1,113,000**	**-**	**-**	**1,113,000**
Tranche 3					
Class A performance rights vesting on 30 June 2017	**-**	**294,000**	**-**	**-**	**294,000**
Class B performance rights vesting on 30 June 2017	**-**	**147,000**	**-**	**-**	**147,000**
Class C performance rights vesting on 30 June 2017	**-**	**294,000**	**-**	**-**	**294,000**
	1,500,000	**3,517,500**	**-**	**-**	**5,017,500**

NOTE 8 SHARE BASED PAYMENTS

During the period under review the Group granted Performance Rights to eligible management personnel under the Saracen Mineral Holdings Limited Performance Rights Plan ("Plan"). In addition to this the group also granted Performance Rights to Mr Raleigh Finlayson (Managing Director) under the Plan. The issue of Performance Rights to Mr Finlayson were approved by shareholders at the Company's Annual General Meeting held in November 2014. Under the Plan, Eligible Participants will be granted Performance Rights. Vesting of any of these Performance Rights will be subject to the satisfaction of performance hurdles. Each Performance Right represents a right to be issued one Share at a future point in time, subject to the satisfaction of any vesting conditions. No exercise price will be payable and eligibility to receive Performance Rights under the Plan will be at the Board's discretion. The Performance Rights cannot be transferred and are not quoted on the Australian Securities Exchange (ASX). There are no voting rights attached to the Performance Rights.

a) Tranche 1 – Managing Director

The fair value of the Performance Rights granted is $262,500.

Details of the fair value calculation are set out on page 80 of the Annual Report for the financial year ended 30 June 2014.

b) Tranche 2 - Management

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.37	$0.37	$0.37
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	75.5%	75.5%	75.5%
Grant Date	23/09/2014	23/09/2014	23/09/2014
Performance Period	01/07/13 - 30/06/2016	01/07/13 - 30/06/2016	01/07/13 - 30/06/2016
Vesting Date	30/06/2016	30/06/2016	30/06/2016
Risk free rate	2.87%	2.87%	2.87%
Number of rights granted	1,113,000	556,500	1,113,000

The fair value of the Performance Rights granted is $867,027.

c) Tranche 3 – Managing Director

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.275	$0.275	$0.275
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	76.5%	76.5%	76.5%
Grant Date	26/11/2014	26/11/2014	26/11/2014
Performance Period	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017
Vesting Date	30/06/2017	30/06/2017	30/06/2017
Risk free rate	2.81%	2.81%	2.81%
Number of rights granted	294,000	147,000	294,000

The fair value of the Performance Rights granted is $148,029.

NOTE 9 GOLD DELIVERY COMMITMENTS

Spot Deferred Contracts

	Gold for physical delivery oz	Contracted sales price A$/oz	Value of committed sales $'000
Within one year	107,143	1,412.88	151,380
Later than one but not later than five years	-	-	-

The counterparty to the physical gold delivery contracts is Macquarie Bank Limited. Contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to Macquarie. The physical gold delivery contracts (spot deferred) are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. Hence, no derivatives are required to be recognised.

The forward sales gold delivery contracts are classified as falling within the scope of AASB 139 Financial Instruments: Recognition and Measurement and hedge accounting is applied to these (also refer to note 6).

NOTE 10 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 31 December and 30 June 2014 on a recurring basis:

31 December 2014	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Listed shares at fair value	**22**	**-**	**-**	**22**
Derivative assets	**-**	**18,482**	**-**	**18,482**
Total	**22**	**18,482**	**-**	**18,504**
Liabilities				
Derivative Liabilities	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**
30 June 2014				
Assets				
Listed shares at fair value	27	-	-	27
Derivative assets	-	28,150	-	28,150
Total	27	28,150	-	28,177
Liabilities				
Derivative Liabilities	-	255	-	255
Total	-	255	-	255

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2014 and did not transfer any fair value amounts between the fair value hierarchies during the half year period FY 2015.

NOTE 10 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

b) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

In accordance with AASB 13, *Fair Value Measurement,* the Group has classified, according to fair value hierarchy, the cash flow hedge as a level 2 asset. The fair value of the cash flow hedge is determined by using the forward gold prices at reporting date.

The Group does not have any level 3 assets or liabilities.

NOTE 11 SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

On this basis the consolidated entity's reportable segments under AASB 8 are as follows:

- Saracen Gold Mines Pty Limited ("SGM") which includes the consolidated entity's exploration, production and related administration
- Saracen Mineral Holdings Limited ("SAR") which includes the consolidated entity's corporate administration
- Saracen Metals Pty Limited ("SME") which includes the Group's exploration, development, production and administration relating to the Thunderbox operations acquired during the 2014 financial year.

The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies described in Note 1. Information regarding the consolidated entity's reportable segments is presented below.

	31 December 2014 $'000	31 December 2013 $'000
(a) Segment external revenues		
SGM - Metal sales	**120,383**	110,617
SGM - Interest income	**38**	3
SGM – Other	**46**	21
SAR - Interest income	**357**	298
	120,824	110,939

NOTE 11 SEGMENT INFORMATION (continued)

	31 December 2014 $'000	31 December 2013 $'000
(b) Segment profit before tax		
SGM	**7,777**	12,266
SAR	**(1,826)**	(1,709)
	5,951	10,557
Finance costs	**(725)**	(893)
Other income	**441**	322
Share based payments	**(168)**	(24)
Loss on sale of listed shares	**(71)**	-
Change in fair value of listed shares	**75**	(43)
Profit before income tax	**5,503**	9,919

	31 December 2014 $'000	30 June 2014 $'000
(c) Segment assets and liabilities		
Assets		
SGM	**208,122**	197,117
SAR	**45,182**	64,110
SME	**52,499**	46,411
Tax	**6,703**	5,548
	312,506	313,186
Liabilities		
SGM	**45,379**	43,963
SAR	**11,991**	13,122
SME	**26,667**	25,045
	84,037	82,130

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments, other than tax assets and liabilities.

(d) Other segment information

Depreciation and amortisation of $23.46 million (31/12/13: $18.66 million) are attributable to the SGM segment. Non-current asset additions of $18 million (30/06/14: $56.53 million) and $5.92 million (30/06/2014: $26.02 million) are attributable to the SGM and SME segments respectively.

The Group operates within one geographical segment, being Australia.

NOTE 12 CONTINGENT LIABILITES

There are no contingent liabilities at 31 December 2014.

NOTE 13 EVENTS SUBSEQUENT TO THE REPORTING DATE

Apart from those matters detailed in the Directors' Report on pages 3 to 7 of these financial statements, there has not been any matter or circumstance, that has arisen since the half-year ended 31 December 2014, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

DIRECTORS' DECLARATION

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity.

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements.

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the board.

Raleigh Finlayson
Managing Director
26 February 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Saracen Mineral Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Saracen Mineral Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Saracen Mineral Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Saracen Mineral Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Saracen Mineral Holdings Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, 26 February 2015