



Saracen

FY2012 Profit Result

Carosue Dam's 116,000 ounces delivers Operating Profit of \$37.7 million (* see details below)

Significant investment of \$98M readies Saracen for growth from expanded open pits, Red October underground and regional developments.

	2012 v 2011 Performance	Comment
Gold Production:	116,122 oz v 111,163 oz	Up 4% due to higher milled grades.
Realised Gold Price, before hedging:	A\$1,624/oz v A\$1383/oz	Up by \$241/oz reflecting benefit from higher gold price in 2012.
Cash Cost (inc royalty):	A\$958/oz v A\$793/oz	Up \$165/oz. Increase relates to cost pressures in admin, mining and processing, and accounting adjustments.
Gross Margin before hedging:	A\$666/oz v A\$590/oz	Despite increased costs, margin increased due to the higher realised gold price.
* Operating Profit before Other Income/Expenses:	A\$37.7M v \$42.2 M	Down due to higher D&A and increased corporate/admin.
NPAT	\$18.7M v \$47.6M	Down \$28.9M. Results significantly impacted by the following items:
<ul style="list-style-type: none"> <i>Inventory Writedown</i> 	<i>(\$6.2M) v \$Nil</i>	<i>Write down to realisable values of some low grade stockpiles at December 2011 half-year, as previously reported.</i>
<ul style="list-style-type: none"> <i>Retired Hedges</i> 	<i>Net realised & unrealised loss of (\$5.9M) v \$9.2M gain</i>	<i>Increased hedging losses caused by higher gold prices, as reported previously. No hedges at 30 June 2012, with the last hedge delivered in December 2011.</i>
<ul style="list-style-type: none"> <i>D&A</i> 	<i>\$26.5M v \$18.0M</i>	<i>Increase in production and development expenditure, together with higher per oz amortisation influenced in part by revised reserves.</i>
<ul style="list-style-type: none"> <i>Income Tax</i> 	<i>\$7.9M v \$4.0M</i>	<i>Represents increased future tax liability. No tax is payable, after adjusting for timing differences aligned with taxation law.</i>

Saracen Mineral Holdings Limited (ASX: SAR) produced 116,000 ounces from its Carosue Dam Operations in FY2012. Operating Profit was \$37.7 million. Net Profit after Tax was A\$18.7M. Carosue Dam generated healthy margins and robust cash flow, which contributed to Saracen's significant investment expenditure. Investment expenditure totalled A\$97.8 million, comprising exploration, capital development and property, plant & equipment. This included A\$27.6M on the Red October underground development and related drilling program.

Executive Chairman Guido Staltari commented today:

"This level of investment expenditure reflects Saracen's commitment to its extensive portfolio of promising assets, including Red October, Deep South, and Whirling Dervish. It increases the value of Saracen's future, through longer production life, flexibility and project optionality, within what is one of Australia's most prospective gold provinces, where Saracen has a commanding infrastructure position.

"A 45km-long road was constructed between Butcher Well and Safari Bore, linking Saracen's private haulage road network through all districts to the Carosue Dam Processing Plant. This is a significant investment in our future flexibility and capability. Our Exploration success at Whirling Dervish, Deep South and in the Southern and Central Lodes at Red October highlight the potential for one or more high-grade underground operations.

"The move to introduce new high-grade ore sources such as from Red October and Deep South is all about lifting grades. Drilling and mining results from the Red October Southern Lode are exceeding early expectations and this project is close to self-funding. Meanwhile recent drilling results from Deep South have been very encouraging.

"Saracen will move towards significant expansions of the Whirling Dervish and Wallbrook open pits, as well as the processing plant, and planning in this regard is well advanced. Further details will be forthcoming in October.

"Saracen is well positioned for the future, and with a top-class management team and board, we look forward to delivering on our programmes in FY2013 and beyond".

31 August 2012.

Guido Staltari

Executive Chairman

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About Saracen

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 companies' gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby.

In FY2012 the Carosue Dam 2.4 million tonne per annum processing plant produced 116,122 oz of gold, and Saracen maintains substantial exploration and predevelopment programmes on its extensive pipeline of projects in this region. The Company has targeted an increase in production principally through organic growth in its open cut and underground mining operations, and is presently contemplating an open pit and plant expansion, based on open pit resources.