



Saracen

25 June 2013

ASX & MEDIA RELEASE

HEDGING AND DEBT RESTRUCTURE PROVIDES FUTURE FLEXIBILITY

The Directors of Saracen Mineral Holdings Limited ("Company"), are pleased to advise that the Company has restructured its hedging programme and reduced the amount of its debt facilities to align with its reduced expenditures as previously stated in its strategic review of the business (refer ASX announcement of 10 May 2013) aimed at reducing "all in" sustaining cash costs to \$950/oz.

The hedging restructure will see hedged ounces in FY2014 increase from approx. 42% (46,800oz) to approx. 60% (66,300oz) of the forecast production of 110,000 to 120,000oz. The average hedged price in FY2014 is A\$1,640/oz.

In FY2015, hedging remains at 48% (57,800oz) of forecast production (115,000 to 125,000oz). The average hedged price in FY2015 is A\$1,689/oz. Importantly, 52,500 ounces still remain post FY2015, until July 2016, at an average price of A\$1,724/oz.

The hedge programme has been restructured by bringing forward 19,500 hedged ounces from the period August to December 2016 to increase hedging to 5,850 ounces in each month over the period July 2013 to April 2014 inclusive. The total number of ounces hedged remains the same (at 176,600 ounces). (Please refer to Schedule 1 below for the full details of the revised hedging programme.)

As a result of the aforementioned comprehensive review of the Company's operations, which aimed to reduce all in costs of production to A\$950/oz and included the suspension of the plant expansion, total funding requirements have fallen, allowing the Company to reduce its debt facility to A\$45m (previously A\$50m). The Company has drawn A\$22m of the debt facility as at the date of this release. The debt facilities are scheduled to be fully repaid by FY2015.

Managing Director, Raleigh Finlayson said:

"Bringing forward hedged ounces from FY2016 to FY2014 provides additional protection, in light of the volatility seen in the gold price over the past few months. Approx. 60% of Saracen's production for the FY2014 is hedged at A\$1,641/oz, significantly above the prevailing gold price."

We are one of few global gold producers that can boast a viable business plan under most gold price environments courtesy of our hedge book of in excess of 176,000 ounces. The book will provide a significant cash windfall should the gold price fall markedly. Alternatively our significant resource inventory, of in excess of four million ounces, provides significant leverage to a higher gold price environment.

We plan to use our hedge book to our advantage and remain nimble with our strategic plan to ensure that we remain viable under difficult economic conditions. For example, bringing forward these hedges increases our cashflows in FY2014 by approximately \$3.5m."

For further information please contact:

Gerry Kaczmarek
Company Secretary

Contact: info@saracen.com.au

Saracen Mineral Holdings Ltd
ACN 009 215 347
Level 4, 89 St Georges Terrace
Perth, WA 6000
Australia
Telephone (61 8) 6229 9100
Facsimile (61 8) 6229 9199

Schedule 1 – Details of Revised Hedging Contracts

31/07/2013	5,850	\$ 1,623.00
30/08/2013	5,850	\$ 1,630.00
30/09/2013	5,850	\$ 1,630.00
31/10/2013	5,850	\$ 1,630.00
29/11/2013	5,850	\$ 1,630.00
31/12/2013	5,850	\$ 1,630.00
31/01/2014	5,850	\$ 1,640.00
28/02/2014	5,850	\$ 1,640.00
31/03/2014	5,850	\$ 1,645.00
30/04/2014	5,850	\$ 1,645.00
30/05/2014	3,900	\$ 1,680.00
30/06/2014	3,900	\$ 1,680.00
31/07/2014	3,900	\$ 1,680.00
29/08/2014	3,900	\$ 1,680.00
30/09/2014	5,000	\$ 1,680.00
31/10/2014	5,000	\$ 1,680.00
28/11/2014	5,000	\$ 1,690.00
31/12/2014	5,000	\$ 1,690.00
30/01/2015	5,000	\$ 1,690.00
27/02/2015	5,000	\$ 1,690.00
31/03/2015	5,000	\$ 1,690.00
30/04/2015	5,000	\$ 1,690.00
29/05/2015	5,000	\$ 1,700.00
30/06/2015	5,000	\$ 1,700.00
31/07/2015	4,500	\$ 1,700.00
28/08/2015	4,500	\$ 1,700.00
30/09/2015	4,500	\$ 1,710.00
30/10/2015	3,900	\$ 1,710.00
30/11/2015	3,900	\$ 1,720.00
31/12/2015	3,900	\$ 1,720.00
29/01/2016	3,900	\$ 1,720.00
29/02/2016	3,900	\$ 1,730.00
31/03/2016	3,900	\$ 1,730.00
29/04/2016	3,900	\$ 1,740.00
31/05/2016	3,900	\$ 1,740.00
30/06/2016	3,900	\$ 1,750.00
29/07/2016	3,900	\$ 1,750.00
Total	176,600	\$ 1,680.74