



**Saracen**

9 January 2014

**ASX & MEDIA RELEASE**

**DECEMBER 2013 QUARTER UPDATE**

The Directors of Saracen Mineral Holdings Limited (**ASX:SAR**) ("Saracen" or the "Company"), are pleased to provide an update on the production results for the December 2013 quarter ahead of the full quarterly report.

**Gold Production**

- **31,096 ounces produced in the December quarter 2013** (exceeding guidance of 28,000 – 30,000 ounces).
- **72,337 ounces produced year to date in FY2014** (11% ahead of the upper end of increased guidance for the full year of 120,000 – 130,000 ounces advised in August 2013).
- **16,346 ounces mined from the Red October underground mine in the December 2013 quarter** (exceeding the previous record of 15,106 ounces mined in the September 2013 quarter).
- **18,351 ounces mined from the Whirling Dervish open pit in the December 2013 quarter** (versus 3,174 ounces in the September 2013 quarter).

The above-guidance performance in gold production for the quarter is primarily due to the increased mine production, both in tonnage and grade, from Red October with 86,000t @ 5.9g/t for 16,326 ounces mined (versus budget of 75,000t @ 5.0g/t for 12,050 ounces). A total of 31,452 ounces has been mined from Red October year to date in FY2014 (tracking 31% ahead of guidance for the full year of 48,000 ounces contained).

Development of the open pit at Whirling Dervish continues ahead of schedule with 4.26 million BCMs mined year to date (4% ahead of schedule). 549,000t @ 1.04g/t for 18,351 ounces were mined during the December 2013 quarter (versus 420,000t @ 1.12g/t for 15,100 ounces budgeted, an additional 129,000t @ 0.77g/t have been mined above budget).

**Cash, Bullion & Hedging**

- Cash & Bullion at refinery as at 31 December 2013 totalled **A\$22.8 million** (Cash \$13.4 million and Bullion A\$9.4 million).
- No additional debt was drawn during the quarter, with total drawn debt remaining at **A\$22.0 million**.
- Net positive cash position of **A\$0.8 million**.

Cash & Bullion decreased by A\$4.8 million over the quarter (from A\$27.6 million as at 30 September 2013) due to the planned additional discretionary expenditure of A\$5.0 million for exploration activity and bringing forward tailings storage facility (TSF) works as outlined in the September 2013 quarterly report.

**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

Bullion at refinery consisted of 6,722 ounces and was valued using the new spot deferred hedging price of A\$1,384.50 (not the A\$1,640/oz under the initial hedging facility). The 6,722 ounces of bullion is larger than normal as it includes two weeks production due to the Christmas holiday period extending the normal refinery turnaround time.

The Mark-to-Market value of the Company's hedge book of 177,364 ounces as at 31 December 2013 was A\$41.2 million (based on a spot price of A\$1,352.34/oz).

Further details of the December 2013 quarter's production and cost information as well as the results of recent exploration activities will be provided in the forthcoming quarterly report.

**Managing Director, Raleigh Finlayson said:**

*"The December quarter was another excellent quarter for the Company as we again exceeded production forecasts. The Red October underground mine provided a quarter of record production which was a significant contributor to the above-guidance gold production. Also the development of the Whirling Dervish open pit which will provide the bulk of mill feed for the next 2 years continues to advance ahead of schedule. Net cash is in line with expectations, despite the lower gold price environment.*

*Saracen has taken a risk averse view on the near term gold price and added additional ounces to its price protection programme during December 2013. The additional 38,500 ounces were placed on a spot deferred basis at A\$1,384.50/oz and dovetail into the existing forward programme of 141,400 ounces at an average price of A\$1,694/oz. This will give Saracen the flexibility to deliver up to 100% of production into hedging for the next 8 months over which period our all-in sustaining cash costs are forecast to fall from A\$1,500/oz to A\$950/oz in FY2015."*

**For further information please contact:**

**Raleigh Finlayson**

**Managing Director**

Contact: [r.finlayson@saracen.com.au](mailto:r.finlayson@saracen.com.au)