



Saracen

18 December 2013

ASX & MEDIA RELEASE

ADDITIONAL GOLD HEDGING PROGRAMME

The Directors of Saracen Mineral Holdings Limited (**ASX:SAR**) (the "Company" or "Saracen") are pleased to advise that the Company has increased its hedging programme with Macquarie Bank Limited.

An amount of 38,500 ounces of gold has been added to Saracen's hedging programme to bring total hedging to **180,000 ounces at an average price of A\$1,627.50**. The additional ounces have been on a "spot deferred" basis which means that they do not have a set delivery date and can be utilised at any time by the Company for sales. This allows the Company to sell gold production in excess of its current fixed hedge programme into the new facility which will give a guaranteed minimum price for these ounces. Alternatively, if the then spot price is higher, the Company can sell on the spot market, which allows greater flexibility and the ability to achieve a higher average price.

The amount and price of Saracen's previously existing fixed dated hedges has not changed. (Please refer to Schedule 1 below for the full details of the current hedging programme.)

Managing Director, Raleigh Finlayson said:

*"With the gold price still showing significant volatility over the past few months, Saracen has taken the opportunity to add some additional ounces to its price protection programme while the price is at a recent high. The additional ounces are placed on a spot deferred basis which will dovetail into the current forward programme to give Saracen the **flexibility to deliver up to 100% of production** into contracts for approximately the next 8 months. The next 8 months are the most critical time for the Company's cash flow during the ramp up of the Whirling Dervish Open Pit to full production. These additional hedges guarantee a minimum price and hence cash margin for the Company over that period. Saracen had previously been hedged to approx. 60% of production over that period.*

We remain one of few global gold producers that can boast a viable business plan under most gold price environments courtesy of our hedge book. The book will also provide a significant cash windfall should the gold price fall markedly. Our total hedge position presents only 21% of our entire ore reserve position of 860,000 ounces which still provides significant leverage to a higher gold price environment; however we have the optionality to deliver 100% of our gold production at a minimum price of approximately A\$1,630/oz for the next 8 months should lower gold prices persist. This period will see the company through into FY2015 where cash costs are forecast to fall to A\$750/oz and "all-in" sustaining costs fall to A\$950/oz"

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Schedule 1 – Details of Hedging Contracts

Spot Deferred	38,500	A\$ 1,384.50
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	180,000	A\$ 1,629.50