



27 August 2013

ASX & MEDIA RELEASE

2013/14 YEAR FINANCIAL RESULTS

- Gold production of 133,492 ounces (2013: 136,168 ounces)
- Revenue of \$211.4 million (2013: \$210.6 million)
- EBITDA¹ \$42.1 million (2013: \$55.8 million)
- Net cash flow from operations of \$49.4 million (2013: \$72.8 million)
- Net Profit after Tax of \$6.0 million (2013: Loss \$63.1 million)

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 after tax of \$6.0 million after allowing for an income tax provision of \$1.9 million for the 2013/14 financial year.

Gold production was down marginally from the previous year to 133,492 ounces and revenue increased marginally to \$211.4 million. The maintenance in total revenue despite similar production and a much lower spot gold price was due to the Company's substantial gold hedge book which insulated revenues to a significant degree from those price falls. The average gold sale price received for the year was A\$1,526/oz.

Net cash flow generated from operations was \$49.4 million. EBITDA¹ for the year was a positive \$42.2 million.

Mine Operating Costs increased to \$150.9 million from \$137.4 million last year. The increase is mainly due to development work at the Red October underground mine being classified as expenses rather than being capitalised. As an offset, due to the lower amounts being capitalised and the write-down of asset values last year, the charge for amortisation and depreciation decreased from \$63.3 million in 2013 to \$32.1 million.

During the year the Company had undertaken an equity raising of \$58.3 million (after costs). The funds from this raising were to reduce debt (\$10 million), pay for the Thunderbox acquisition (\$20 million) and fund exploration activities at Red October, Karari and Thunderbox (\$20 million).

At the end of the year, the Company held cash of \$35.9 million with debt drawn of \$12.0 million.

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Comment by Saracen's Managing Director, Raleigh Finlayson:

"Saracen's cash generation (excluding financing activities) was strong during the year being approx. \$10 million higher than guidance which fully covered the development expenditure on the Whirling Dervish open pit and the Red October underground mine. This, combined with the March 2014 equity raising, has placed the Company in a robust financial position. The Company also returned to profitability with a profit after tax of \$6.0 million for the year.

Both of these results reflect the benefits of the hard decisions that were made towards the end of the last financial year and the continuing focus on maximising cash flow.

With the Whirling Dervish open pit development nearing completion, the acquisition of the Thunderbox project settled and the equity raising during the year, Saracen has set the foundations for the generation of strong cash flows in FY2015."

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Clarifying Note:

¹**EBITDA:** EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA and EBITDA (excluding significant items²) are financial measures which are not prescribed by the International Financial Reporting Standards (IFRS) and represent the profit under IFRS adjusted for specific significant 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.