



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

QUARTERLY REPORT: MARCH 2015

Corporate Details:

As at 31 March 2015

ASX code: SAR

Corporate Structure:

792.8m ordinary shares on issue

4.3m unvested employee performance rights

A\$357m Market Capitalisation
(share price of A\$0.45/share)

Cash & Bullion - A\$30.2m

Debt - Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Barrie Parker
Non-Executive

Mr Martin Reed
Non-Executive

Ms Samantha Tough
Non-Executive

Substantial Shareholders:

Wroxby Pty Ltd/ Seven Group Holdings Ltd 63.5m (8.0%)

Paradise Investment Management 62.9m (7.9%)

Van Eck Associates Corporation 51.3m (6.5%)

Karara Capital Pty Ltd 41.0m (5.2%)

Eley Griffiths Group 40.3m (5.1%)

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For further details contact:

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On track to exceed full year guidance

Strong Production

- Gold production of 41,550oz
- On track to exceed 160,000oz in FY15, ahead of guidance of 145,000 – 155,000oz
- All-in sustaining cash costs (AISC) of A\$1,112/oz (7% lower than the previous quarter)
- Whirling Dervish open pit on track and nearing completion, with the June quarter expected to deliver a mine grade of >2.0g/t and a strip ratio of <1:1 (waste:ore)
- Closing ore stockpile of 71,643oz (equates to ~A\$40m of deferred free cash flow at an AISC of ~A\$885/oz, a A\$10m increase from the previous quarter)

Robust Balance Sheet

- Record operational cash flow of A\$21.5m (compared to A\$16.4m the previous quarter)
- Cash and equivalents at 31 March of A\$30.2m, an increase of A\$8.3m after taking into account final debt repayment of A\$12m
- Gold hedging of 308,479oz at an average price of A\$1,524/oz

Exploration & Growth Pipeline

- Thunderbox Feasibility Study and Development Approval for Stage 1 announced, with 556,533oz production forecast at an AISC of A\$1,032/oz over an initial 4.5 mine life
- \$20m FY15 exploration program continues with 7 drill rigs active. Results are anticipated in the coming months for Karari, Red October, Blue Manna, Whirling Dervish and Thunderbox

Corporate Appointments

- Experienced mining executive Mr Mark Connelly will join the Board as a Non-Executive Director on 1 May 2015
- Mr Troy Irvin was appointed to the role of Chief Corporate Development Officer

Health & Safety

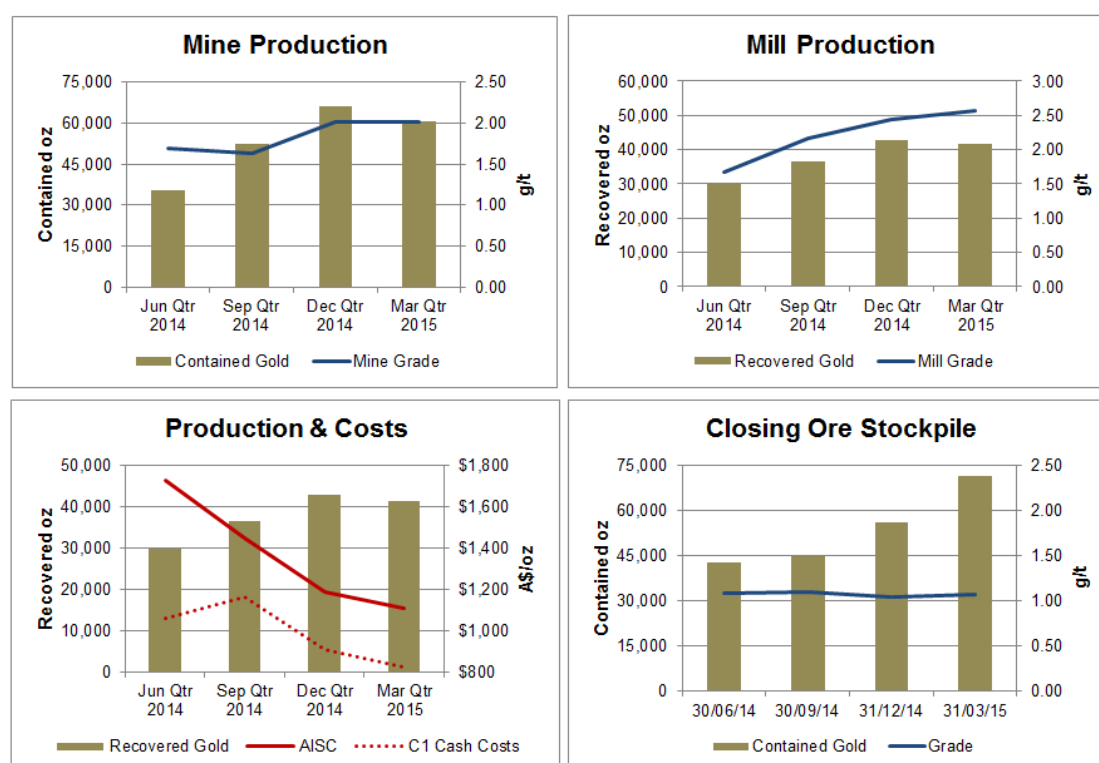
- One Lost Time Injury (“LTI”) was recorded during the Quarter. Despite the LTI, the LTIFR has fallen to 1.0, well below the industry average of 2.5.

Summary

Table 1 – Carosue Dam Operations Statistics

Operations	Units	Jun Qtr 2014	Sep Qtr 2014	Dec Qtr 2014	Mar Qtr 2015
Open Pit Mining					
Total Mining	BCM	1,921,000	1,840,000	1,422,000	919,000
Ore Mined	t	587,000	920,000	937,000	875,000
Mine Grade	g/t	1.25	1.23	1.48	1.69
Contained Gold	oz	23,614	36,420	44,515	47,420
Underground Mining					
Ore Mined	t	63,000	79,000	79,000	68,000
Mine Grade	g/t	5.82	6.23	8.43	6.08
Contained Gold	oz	11,761	15,963	21,511	13,252
Total Mining					
Ore Mined	t	650,000	999,000	1,016,000	943,000
Mine Grade	g/t	1.69	1.63	2.02	2.02
Contained Gold	oz	35,375	52,383	66,026	60,672
Mill Production					
Ore Milled	t	621,000	587,000	602,000	549,000
Mill Grade	g/t	1.68	2.17	2.45	2.58
Contained Gold	oz	33,543	40,861	47,478	45,429
Recovery	%	89.0%	89.4%	90.3%	91.5%
Recovered Gold	oz	29,912	36,525	42,894	41,550
Cash Costs					
C1 Cash Costs	A\$/oz	\$1,061	\$1,167	\$913	\$829
AISC	A\$/oz	\$1,731	\$1,448	\$1,191	\$1,112

Figures 1 - 4 – Carosue Dam Operations Charts



Carosue Dam Operations

Processing

Table 2 – Carosue Dam Operations Processing Statistics

Carosue Dam	Units	Jun Qtr 2014	Sep Qtr 2014	Dec Qtr 2014	Mar Qtr 2015
Mill Production					
Ore Milled	t	621,000	587,000	602,000	549,000
Mill Grade	g/t	1.68	2.17	2.45	2.58
Contained Gold	oz	33,543	40,861	47,478	45,429
Recovery	%	89.0%	89.4%	90.3%	91.5%
Recovered Gold	oz	29,912	36,525	42,894	41,550

Mill availability fell from ~96% in the previous quarter to 93% this Quarter due to a combination of planned and unplanned downtime relating to mill relines. Mill availability has now reverted back to previous levels.

The mill recovery for the Quarter increased to 91.5% due to the combination of a lower contribution of Red October ore (with a greater focus on lateral development during the Quarter whilst larger quantities of higher grade are being delivered from the Whirling Dervish open pit) and the results of ongoing processing initiatives resulting in higher overall metallurgical recoveries.

The closing ore stockpile available for processing at the end of the March quarter has increased to 2.06mt @ 1.08g/t for 71,643oz. These ounces will only incur processing, administration and corporate costs, which is equivalent to ~A\$885/oz AISC or A\$40m deferred free cashflow using latest costs and a A\$1,500/oz gold price.

Open Pit Mining

Table 3 – Carosue Dam Operations Open Pit Mining Statistics

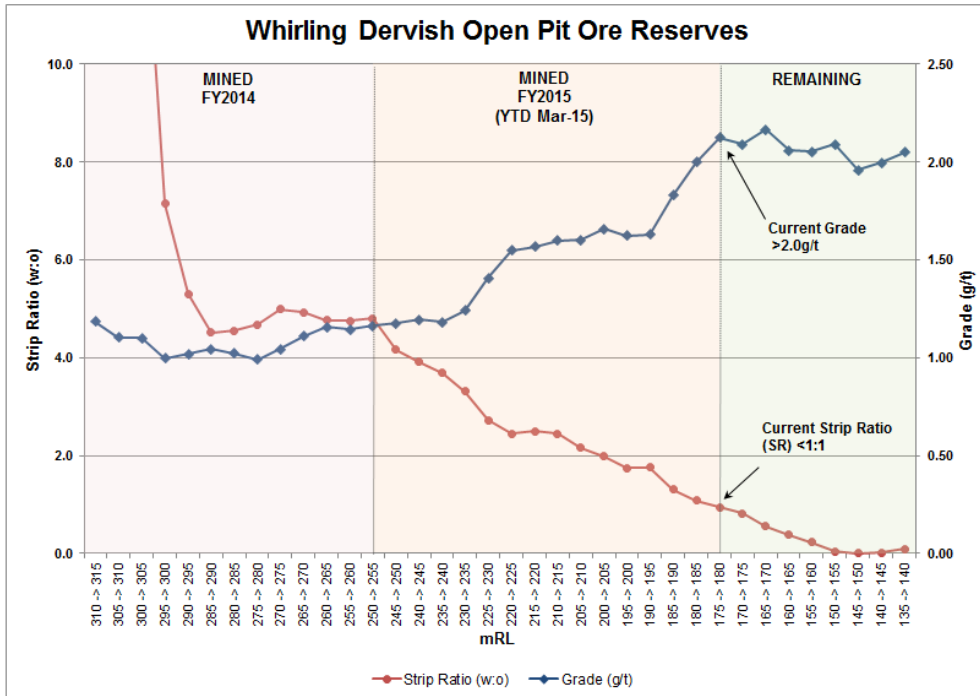
Carosue Dam	Units	Jun Qtr 2014	Sep Qtr 2014	Dec Qtr 2014	Mar Qtr 2015
Open Pit Mining					
Total Mining	BCM	1,921,000	1,840,000	1,422,000	919,000
Ore Mined	t	587,000	920,000	937,000	875,000
Mine Grade	g/t	1.25	1.23	1.48	1.69
Contained Gold	oz	23,614	36,420	44,515	47,420

During the Quarter, 0.92m BCM's were mined from the Whirling Dervish open pit, down 35% from the previous quarter due to continued reduction in mobile fleet requirements. Despite the planned reduction in mined volume, more contained ounces were mined during the March quarter (47,420oz) relative to the previous quarter (44,515oz) due to the average strip ratio falling from 3.1 to 1.8.

The mine grade has increased from 1.23g/t to 1.48g/t to 1.69g/t over the last three quarters as higher grades are reached towards the bottom of the pit. The mine grade is expected to increase to in excess of 2.0g/t during the June quarter, with the strip ratio planned to fall to less than 1:1 (refer to Figure 5 below).

Total cash expenditure for open pit mining has fallen from \$21.1m to \$18.2m and \$13.8m over the past three quarters as the mining fleet is reduced. Further reductions in cash expenditure will continue in the June quarter with the remainder of the pit to be mined utilising one fleet and with in-pit backfilling options becoming available.

Figure 5 – Whirling Dervish Remaining strip ratio & grade



Underground

Table 4 – Carosue Dam Operations Underground Mining Statistics

Operations	Units	Jun Qtr 2014	Sep Qtr 2014	Dec Qtr 2014	Mar Qtr 2015
Underground Mining					
Ore Mined	t	63,000	79,000	79,000	68,000
Mine Grade	g/t	5.82	6.23	8.43	6.08
Contained Gold	oz	11,761	15,963	21,511	13,252

Table 4 includes underground production from both Red October and the recently commenced Karari underground mine. Karari production for the Quarter was 9,600t @ 3.8g/t for 1,160oz (100% development ore), with Red October delivering 58,400t @ 6.5g/t for 12,092oz.

Red October ore production was less than the previous quarter with a greater focus being placed on capital development (timed with significant quantities of ore, well in excess of mill requirements, currently being delivered from the Whirling Dervish open pit). Lateral development and ore development increased by 21% and 37% respectively relative to the previous quarter.

As a result of the focus on lateral development, ore stoping tonnes have decreased by 52% relative to the previous quarter (21,000t versus 44,100t). This explains the lower average grade from Red October during the Quarter of 6.5g/t, versus 8.4g/t in the December quarter, with ore development incurring higher planned dilution than stoping ore.

Thunderbox Operations

Feasibility Study Completion & Development Decision

During March, the Saracen Board approved the development of the Thunderbox Operations (Stage 1) following the completion of the Feasibility Study. Highlights include:-

- Feasibility study shows robust project economics for Stage 1 over an initial 4.5 year mine life
- Board approval for the development of Stage 1, a large open pit delivering 597,000 contained oz with AISC of A\$1,032/oz
- Stage 1 forecast to deliver A\$195m of free cash flow
- Total mining of 36.3m BCM's in Stage 1, containing 10.9Mt of ore grading 1.7g/t at an average strip ratio of 6.2 (waste:ore)
- Gold hedging program of 140,000oz at an average price of A\$1,520/oz entered into with Macquarie Bank Limited ("MBL") to underpin the initial capital investment
- Project Capital requirements of A\$65m is fully funded from existing cash reserves and free cash flow generation from the Carosue Dam Operations
- Project Loan Facility of A\$33m negotiated with MBL available as a standby
- Project Development to commence in August 2015 with prestrip mining of Zone "A"
- Commencement of mining will coincide with the completion of the Whirling Dervish open pit, allowing a seamless integration between operations
- Mill production to commence in July 2016 following a plant refurbishment period of 4 months
- Project statutory approvals well advanced with full permitting expected by end of April 2015
- Key personnel in place comprises much of the same team who successfully completed the Carosue Dam refurbishment and resumption of mining in 2009
- Various opportunities to extend the Project life beyond Stage 1, including a bulk underground mine at Thunderbox and satellite open pit opportunities (Stages 2 and 3 respectively)
- Stages 2 and 3 have the potential to see production extend to >1Moz over an eight year mine life at an average production rate of 126,000ozpa with average AISC of A\$1,057/oz

The development approval for the Thunderbox Operations is a significant milestone that will see Saracen produce gold from multiple operations for the first time in its history. More importantly, this will realise Saracen's vision of joining the mid-tier gold producers' ranks, with forecast production in excess of 300,000ozpa following the commencement of Thunderbox production in FY2017.

For more information, refer to the ASX announcements made on 23 March 2015 titled, "Thunderbox Feasibility Study and Development Approval" and on 30 March 2015 titled "Thunderbox Feasibility Study – Additional Information".

Exploration

Seven drill rigs (2 RC and 5 Diamond) are currently being utilised across Saracen's leases.

Exploration drilling results are currently being returned and collated from the Karari, Red October, Thunderbox, Blue Manna and Whirling Dervish projects.

Separate ASX announcements will be made for each of these during the June quarter as results are received.

- Karari - Underground exploration drilling at Karari has continued at an accelerated rate, with better than planned penetration rates achieved by our contract partner Australian Underground Drilling.
- Red October – Drilling has focused on the grade control of the high grade domains down plunge of the current infrastructure. This study aims to enhance the current knowledge and incorporate the drilling conducted over the past 6 months.
- Blue Manna - Drilling has re-commenced at the project, 8km north of the Carosue Dam plant. The drilling program consists of extensional RC holes to both the north and the south of the current resource, including 2 diamond holes which will greatly assist with the interpretation of the structural setting and architecture of the mineralisation. In addition to the extensional resource program, a regional auger program has commenced covering previously untested areas along the prospective Blue Manna corridor.

Further regional activities undertaken in the Quarter include extensional gravity surveys at Deep South and an area 8km north of the Thunderbox pit. This data adds additional detail and improves coverage over both prospective districts.

A small soil survey was undertaken during the Quarter at the Box Creek prospect, 6km south of Butcher Well. The survey follows up on a poorly defined historic auger anomaly. The area is covered by residual soils and areas of subcrop, suggesting the anomaly reflects potential subsurface mineralisation. The soils program should better define the anomaly to ensure follow up drilling is well targeted. No bedrock drill testing has taken place in this area historically. Results from the program will be finalised and reported in the June quarter.

Corporate

Health & Safety

One Lost Time Injury (“LTI”) was recorded during the March quarter, when an operator suffered a knee injury whilst exiting a piece of mobile plant. Despite the LTI, the LTIFR has fallen to 1.0, well below the industry average of 2.5. Significantly, the Total Incident Frequency Rate (“TIFR”) has fallen to 370, a 23% improvement from 12 months ago.

Board & Management

Mr Mark Connelly will join the Saracen Board as a Non-Executive Director on 1 May 2015. Mr Connelly has over 25 years’ experience covering the development, construction and operation of mining projects across a variety of commodities and jurisdictions. Most recently he was Managing Director of Papillion Resources where he was instrumental in the US\$570m takeover of Papillion by B2Gold Corp in October 2014. He has also held senior executive positions with Endeavour, Adamus, Newmont and Inmet.

Mr Troy Irvin was appointed to the key role of Chief Corporate Development Officer, focusing on business development opportunities and investor relations. Mr Irvin is a Mining Engineer and worked at various gold and base metals mines before joining Argonaut Securities in 2000 as a Resources Analyst and most recently Director – Institutional Sales.

Cash Position

As at 31 March 2015, Saracen’s total cash position was A\$30.2m. There was no gold in transit at the end of the March due to wet weather delaying transport of doré to the refinery. Closing cash equivalents of A\$30.2m was after the repayment of A\$12.0m of debt during the Quarter.

Debt

The outstanding debt amount of A\$12m was repaid during the Quarter, leaving the Company with no outstanding bank debt.

A new Project Loan Facility of A\$33m has been negotiated with Macquarie Bank as a standby facility for funding the Thunderbox Operations.

Hedging

During the Quarter, the Company placed an additional 140,000oz of forward hedging at an average price of A\$1,520/oz to underpin the initial capital investment following the decision to proceed with the development of the Thunderbox Project. These ounces are deliverable in various monthly amounts over the period from September 2016 to March 2019 inclusive.

As at 31 March 2015, Saracen had gold hedging in place totalling 308,479oz at an average price of A\$1,524/oz. These ounces are to be delivered over the period from April 2015 to March 2019 (inclusive). Refer to Appendix 1 for the complete details of the hedge book.

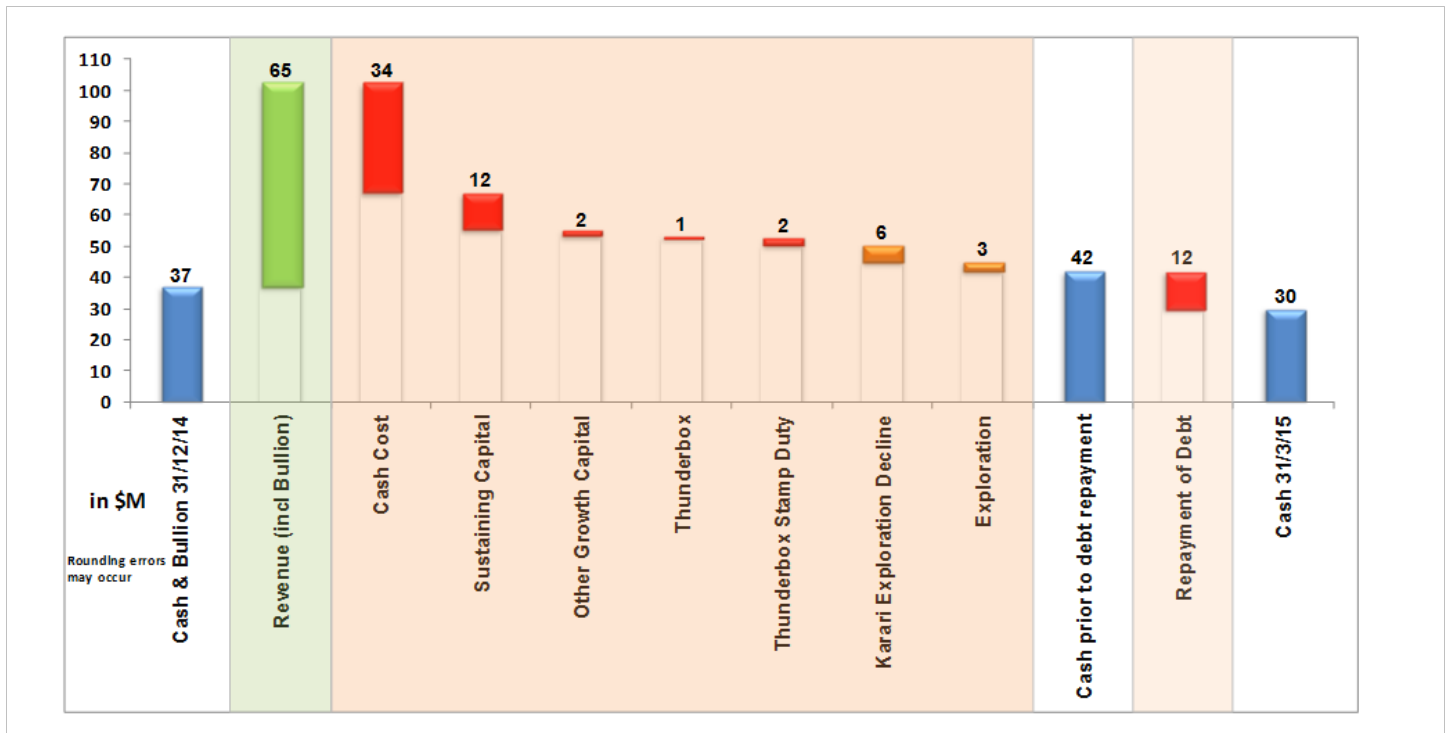
Gold Sales

Gold sales for the Quarter were 41,287oz at an average sale price of A\$1,585/oz for total revenue of A\$65.4m. Of these sales, 15,000oz were delivered into hedging at an average price of A\$1,689/oz.

Cash Flows

Figure 6 below shows the cash flow movement over the March quarter. Thunderbox Stamp Duty of \$2.3m was paid and the debt repayment of \$12m was also made during the Quarter.

Figure 6 – March 2015 quarter cash movements



- **Revenue:** Revenue from gold sales. Includes gold in transit
- **Cash Costs:** Cash outflows for mining, ore cartage, processing, administration and ore purchase
- **Sustaining Capital:** Cash outflows for royalties, capital works, open pit development, underground development, active mine exploration & corporate expenses (including loan interest)
- **Other Growth Capital:** Capital expenditure on new projects
- **Thunderbox:** Includes expenditure on feasibility study, care & maintenance and exploration
- **Thunderbox Stamp Duty:** One off cash expenditure as part of the purchase of the Thunderbox project/assets
- **Karari Exploration Decline:** Cash outflows for the development of the Karari exploration decline
- **Exploration:** Cash outflows for regional exploration and Red October exploration but excludes Thunderbox

Operational cash flow generated for the Quarter was a record \$21.6m (\$16.4m December quarter) after taking into account all open pit and underground mining costs, ore haulage, processing and site administration expenses as well as royalties, sustaining capital and underground development.

Cash Costs

C1 Cash Costs for the March quarter were A\$829/oz, a fall of A\$84/oz, or 9%, from the previous quarter's A\$913/oz, whilst All-in Sustaining Cash Costs were A\$1,112/oz, a fall of A\$79/oz, or 7%, from the previous quarter's A\$1,191/oz.

"All in" Cash expenditure fell \$5m to \$46m, due to open pit mining costs falling by \$4.4m as less mobile mining equipment is required at the base of the Whirling Dervish open pit. This trend of reduced open pit expenditure will continue into the June quarter.

Table 5 – Cash Costs

Cash Costs	Unit	Jun-14 Qtr	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr
Mining - Open Pit	A\$m	11.3	20.6	18.2	13.8
Mining - Underground	A\$m	6.0	6.8	5.1	5.7
Ore Cartage	A\$m	1.0	1.2	1.6	1.2
Processing	A\$m	11.6	12.1	12.0	11.6
Site Administration	A\$m	1.8	2.0	2.3	2.0
Ore Purchase	A\$m	-	-	-	-
Cash Costs	A\$m	\$31.7	\$42.6	\$39.2	\$34.4
Royalties	A\$m	1.6	2.2	2.9	2.9
Capital Works	A\$m	2.0	0.6	0.5	1.0
Open Pit Development	A\$m	8.2	0.5	-	0.0
Underground Development	A\$m	3.9	4.6	6.0	5.5
Active Mine Exploration	A\$m	0.5	-	-	-
Corporate	A\$m	3.8	2.4	2.6	2.3
"All in" Cash Costs	A\$m	\$51.8	\$52.9	\$51.1	\$46.2
Growth Capital	A\$m	2.8	3.8	10.9	10.2
Exploration	A\$m	1.4	3.0	2.0	2.9
Production	oz	29,912 oz	36,525 oz	42,894 oz	41,549 oz
Mining - Open Pit	A\$/oz	379	564	424	333
Mining - Underground	A\$/oz	202	186	119	138
Ore Cartage	A\$/oz	34	34	38	29
Processing	A\$/oz	387	330	279	280
Site Administration	A\$/oz	60	54	53	49
Ore Purchase	A\$/oz	0	0	-	-
Cash Costs	A\$/oz	\$1,061	\$1,167	\$913	\$829
Royalties	A\$/oz	54	61	67	69
Capital Works	A\$/oz	66	16	11	25
Open Pit Development	A\$/oz	274	13	-	0
Underground Development	A\$/oz	131	126	140	133
Active Mine Exploration	A\$/oz	17	0	-	-
Corporate	A\$/oz	127	66	59	56
"All in" Cash Costs	A\$/oz	\$1,731	\$1,448	\$1,191	\$1,112

For further information please contact:

Troy Irvin
Chief Corporate Development Officer
 Contact: info@saracen.com.au

Competent Persons Statements

The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based upon information compiled by Mr Daniel Howe, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Daniel Howe is a full-time employee of the company. Daniel Howe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Daniel Howe consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information on Mineral Resources and Ore Reserves has been extracted from the ASX announcement titled "2014 Mineral Resources and Ore Reserves" dated 9 October 2014. The report is available to view on the ASX Website at www.asx.com.au and on the Company's website at www.saracen.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 1 – Details of Hedging Contracts

Month	Ounces	Price A\$
Spot Deferred	104,879	\$ 1,413.67
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
30/09/2016	4,000	\$ 1,520.00
30/10/2016	4,000	\$ 1,520.00
30/11/2016	4,000	\$ 1,520.00
31/12/2016	4,000	\$ 1,520.00
30/01/2017	4,000	\$ 1,520.00
27/02/2017	4,000	\$ 1,520.00
31/03/2017	4,000	\$ 1,520.00
30/04/2017	4,000	\$ 1,520.00
29/05/2017	5,000	\$ 1,520.00
30/06/2017	5,000	\$ 1,520.00
31/07/2017	5,000	\$ 1,520.00
28/08/2017	5,600	\$ 1,520.00
30/09/2017	5,600	\$ 1,520.00
30/10/2017	5,600	\$ 1,520.00
30/11/2017	5,600	\$ 1,520.00
31/12/2017	5,600	\$ 1,520.00
30/01/2018	5,600	\$ 1,520.00
27/02/2018	3,500	\$ 1,520.00
31/03/2018	3,500	\$ 1,520.00
30/04/2018	3,600	\$ 1,520.00
29/05/2018	3,600	\$ 1,520.00
30/06/2018	3,600	\$ 1,520.00
31/07/2018	3,600	\$ 1,520.00
28/08/2018	4,300	\$ 1,520.00
30/09/2018	4,300	\$ 1,520.00
30/10/2018	4,300	\$ 1,520.00
30/11/2018	4,300	\$ 1,520.00
31/12/2018	5,200	\$ 1,520.00
30/01/2019	5,200	\$ 1,520.00
27/02/2019	5,200	\$ 1,520.00
31/03/2019	5,200	\$ 1,520.00
Total	308,479	Avg \$ 1,524.23