



Saracen

10 July 2013

ASX & MEDIA RELEASE

RECORD QUARTERLY & ANNUAL PRODUCTION

The Directors of Saracen Mineral Holdings Limited (the "Company"), are pleased to provide an update on production results for the June 2013 quarter ahead of the quarterly report due to be released towards the end of the month.

June Quarter Production Milestones

- **136,168 ounces produced in FY2013** (eclipsing original guidance of 120-130,000 ounces and increased guidance of 125-135,000 ounces advised in December 2012).
- 136,168 ounces produced in FY2013 exceeds by 17% the previous annual record of 116,122 ounces set in FY2012.
- A **record 37,259 ounces produced in the June quarter 2013** (eclipsing the previous record of 36,430 ounces set in the March quarter 2013).
- June ore production from Red October of 11,396t @ 12.72g/t for 4,661 contained ounces.
- First ore mined and milled from the 273,000oz Whirling Dervish open pit.
- Deep South open pit completed ahead of schedule with final milled reconciliation showing a 26% improvement in grade (3.9g/t v 3.1g/t) and 26% increase in ounces versus ore reserves (26,500oz v 21,000oz).

Whirling Dervish

Mining at Whirling Dervish has progressed as scheduled with 7 million bcm's of waste (83% of the planned 8.4m BCM pre-strip) removed since mining began in November 2012. First ore was mined in June 2013 from the hangingwall lodes in the northern end of the cutback.

The pre-strip remains on track despite sharing the mining fleet with the Karari open pit mining operation during the latter part of the June quarter. As stated in the strategic review of the business (refer ASX announcement of 10 May 2013), in order to reduce mining costs following the suspension of the mill expansion, half of the site open pit mining fleet was demobilised during the June quarter.

The Whirling Dervish pit contains 273,000oz with a remaining life of mine strip ratio of approximately 4.5:1. This pit will provide the majority of mill feed over the next three years with high grade ore being blended in from Red October.

A comprehensive update on the progress of the Whirling Dervish open pit development will be provided in the June quarterly report.

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Figure 1: Mining from Whirling Dervish open pit (June 2013)



Figure 2: Mining first ore from the Whirling Dervish open pit (June 2013)

Karari

The early demobilisation of the Karari mining fleet (refer above) resulted in the mining of approximately 14,300oz of gold being deferred from the June 2013 quarter into FY2014 at grades in excess of 2.0g/t (see Figure 4 below for details of 1m g/t intervals).

At the end of June, there is approximately 30 vertical metres left to be mined in Karari which will be completed in the September quarter 2013.

Significant potential for extensions of the high grade shoots remain beyond the current pit design limits (refer Figure 4) and these will be tested with RC drilling from the base of the open pit.



Figure 3: Mining from the Karari open pit (June 2013). Mining high grade ore blocks 401 & 402

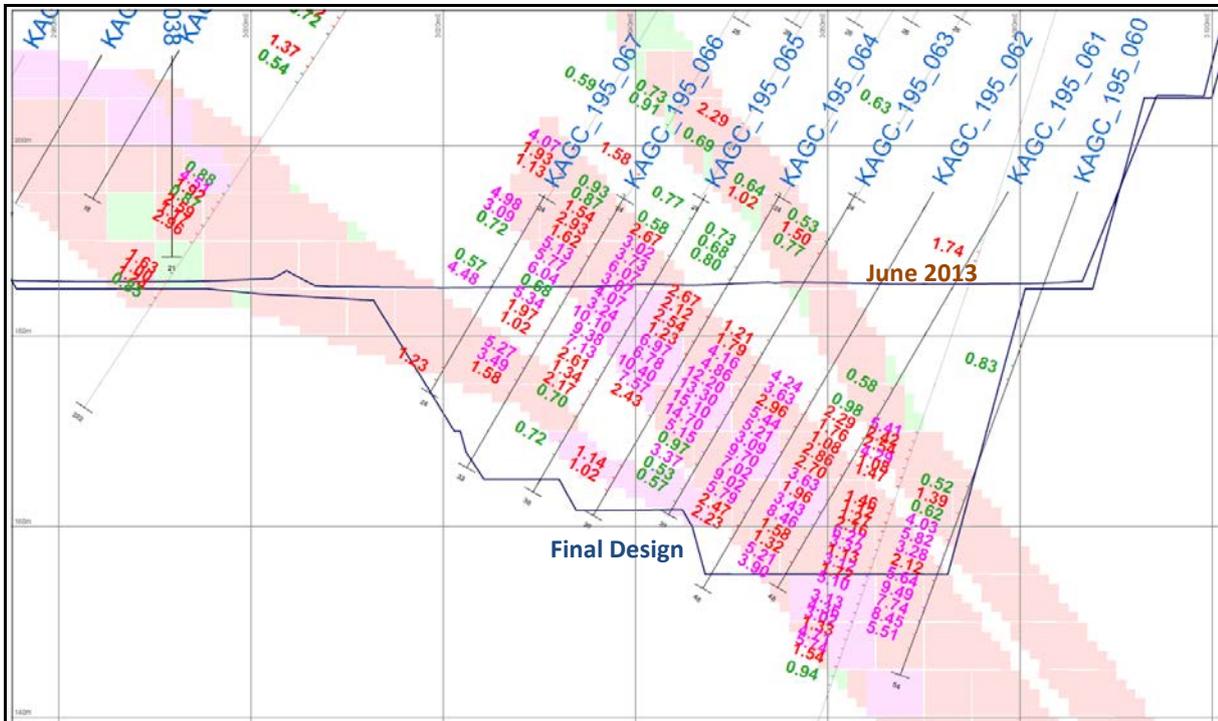


Figure 4: Karari open pit 7600mN Cross Section

Deep South

Mining of the Deep South open pit was completed ahead of schedule at the end of April 2013. The pit was a great success with an additional 5,500oz above calculated ore reserve being mined courtesy of a 26% increase in reconciled headgrade. Approx. 20,000t @ 3.92g/t remains on the ROM as at the end of June and will be processed in the September 2013 Quarter.

The significant increase in reconciled ore grade versus reserve provides comfort that additional upside may exist in the underground reserves. The Deep South underground feasibility study was deferred in the May 2013 strategic review. The decision to defer the underground development of the project was based solely on reducing capital expenditures until the Whirling Dervish open pit starts delivering significant cashflows in FY2015 which will be used to pay off debt and the potential development of the Deep South underground mine.

Red October

The Red October underground mine has started to reach full production following:-

- Majority of capital works projects being completed.
- Primary ventilation circuit commissioned.
- Additional Jumbo mobilised to site, with one Jumbo focusing on waste development and the second (smaller) Jumbo focusing on ore development.
- Additional bogging and trucking capacity mobilised to site.
- Ore development moving into the central lode where strike lengths increase significantly.
- Stopping occurring on multiple levels following the completion of the escape way system.
- Excellent ground conditions allowing sub-level intervals to be increased, resulting in less capital development and more tonnes mined via stopping (lower cost and less dilution).

Red October produced 9,488 contained ounces during the June quarter at an average head grade of 8.6g/t, with 4,661 contained ounces (11,396t at 12.72g/t) produced during the month of June following the introduction of the second Jumbo.

More information on the Red October underground mine, including results from recent drilling programs, resource interpretations and extensions to the mine plan, will be provided via a separate announcement.

Managing Director, Raleigh Finlayson said today..."Notwithstanding the current gold market sentiment, Saracen has developed a robust business plan which caters for future changes to the gold price and we are reducing costs with the added protection of a sizeable hedge position. During the quarter, the Company has not increased its debt position which remains at \$22m used from the reduced \$45m facility amount. At 30 June the Company had total cash and bullion of \$13.3m (excluding \$7.3m held as cash backing for environmental bonds)"

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About Saracen

Saracen Mineral Holdings Limited (ASX:SAR) owns 100% of the Carosue Dam operations, 120 km NE east of Kalgoorlie, in the South Laverton region of WA, home to many other gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby.

Carosue Dam's 2.4 million tonne per annum processing plant produced 136,138 ounces in FY2013. The Company is forecasting production rates of 110-120,000 ounces in FY2014 and 115-125,000 ounces in FY2015.

As at 30 June 2012, Mineral Resources stood at around 4.1 million oz while Ore Reserves stood at 1.1 million oz.

The Carosue Dam operations area contains a large number of known gold deposits and is divided into the Southern and Northern regions.

Gold production is from the Karari and Whirling Dervish (currently under development) open pit mines in the Southern region ("Southern Operations") supplemented by high grade underground operations at Red October mine in the Northern region ("Northern Operations").