



March 21, 2012
ASX/Media Release

Saracen Mineral Holdings Limited Operations Update

The Directors are pleased to advise that Carosue Dam operational performance has improved markedly as the quarter has progressed, with significant improvements in mill throughput, headgrade and cash costs, as shown in the table below:

Month	Tonnes	tph	% inc	Grade	% inc	Rec oz	Rec oz/day	% inc	Cash Costs**	% dec
Jan-12	184,660	251		1.39		7,937	256		\$1,193	
Feb-12	195,289	284	13%	1.49	7%	8,725	301	18%	\$930	-22%
Mar-12*	128,997	331	17%	1.69	13%	6,435	358	19%	TBA	TBA

* Note: Mar-12 is up to and including the 18th March

** Cash Costs = Cash Operating Costs (Excluding Royalties)

The mill underwent a planned shutdown in early March to enable a change in trommel design that has seen a dramatic increase in mill throughput, from an average of 251tph in January up to 331tph month to date March, a 32% increase.

During the same period the headgrade has improved from a 1.39g/t in January up to 1.69g/t month to date in March, a 22% increase. The main reason for the improvement in grade has been the deferral of Karari from the mill blend, with a blend of Porphyry, Margarets and Wallbrook reconciling very well with the planned grade. This is particularly encouraging as both Wallbrook and Margarets have only very recently been introduced to the mill.

A comprehensive grade control program has recently been completed in Karari and a better understanding of the mineralised structures has been obtained. Encouragingly the grades of grab samples taken from recent mining at Karari are higher than those obtained in the previous quarter.

16,662 ounces were produced in January and February with 6,435 ounces already produced in the first 18 days of March. Allowing for the shutdown that occurred during the first 2 days of the March, the produced ounces per day has been tracking at around 400oz/day.

As previously foreshadowed, cash costs in January were high mainly as a result of the low ounces produced (7,937oz @ \$1,193/oz). February cash costs decreased 22% to \$930/oz, with improvements in throughput and grade lifting production to 8,725 ounces. Final cash costs for March won't be known until the March accounts are finalised; however they are expected to improve further due to the projected increase in produced ounces.

For further information please contact:

Guido Staltari
Managing Director
Tel (03) 9670 0040
guido@saracen.com.au

Saracen Mineral Holdings Limited

ACN 009 215 347
Level 7, 350 Collins Street
Melbourne Victoria 3000
Telephone (61 3) 9670 0040
Facsimile (61 3) 9670 0049

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 other gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby.

Carosue Dam's 2.4 million tonne per annum processing plant is forecast to produce approximately 110,000 to 120,000 in FY2012 and the Company has targeted an increase in production to around 250,000 ozpa, principally through organic growth over the next two or more years.

As at 30 June 2011, Gold Resources stood at around 3.6 million oz while Reserves stood at around 0.83 million oz.

The Carosue Dam operations area contains a large number of known gold deposits within two regions, the Southern and Northern regions. (see Figure).

Current gold production is from open pit mines in the Southern region ("Southern Operations"). This will be supplemented by additional open pit mines, and (subject to positive feasibility study and, where applicable, trial mining results) underground operations at Porphyry, Red October, Whirling Dervish and Deep South.

A development programme at Red October has commenced, with a view to establishing trial underground mining operations in the Northern region ("Northern Operations").

Work in progress at Red October comprises: -

- trial underground mining to confirm the geological interpretation and underground designs,
- obtaining bulk ore to test its metallurgical response in the Carosue Dam plant, and

- an exploration decline and extensive underground diamond drilling campaign aimed at resource delineation and expansion of the resource at depth and along strike.

As at 31 December 2011, the Company is hedge free, with a strong balance sheet and no debt other than finance leases.

