



Saracen

9 April 2015

ASX & MEDIA RELEASE

MARCH 2015 QUARTER UPDATE

The Directors of Saracen Mineral Holdings Limited (**ASX:SAR**) (“Saracen” or the “Company”), are pleased to provide an update on the production and cashflow for the March 2015 quarter ahead of the release of the full quarterly report.

Key Highlights

- **41,550 ounces produced in the quarter** (exceeding guidance of 39,000 ounces);
- **Record quarter mill headgrade of 2.57g/t** (exceeding the previous record of 2.45g/t);
- **Excellent mill recovery of 91.5%** (up from 90.3% in the previous quarter);
- **120,968 ounces produced year to date in FY2015** (on track to achieve 160,000 ounces, comfortably ahead of guidance for the full year of 145,000 – 155,000 ounces);
- **Cash at the end of the quarter was A\$30.2 million** (an increase in cash of A\$8.3 million from the December quarter after taking into account the voluntary repayment of A\$12 million in debt which left the Company debt free);
- **Approval for the development of the Thunderbox Operations (Stage 1)** - consisting of 597,000 ounces at an All In Sustaining Cost (“AISC”) of A\$1,032/oz*;
- **Karari Exploration drilling program progressing ahead of schedule** - initial drilling assays provides early encouragement, inaugural results to be announced later this month.

The above guidance performance in gold production for the quarter is primarily due to the record mill headgrade of 2.57g/t (up from 2.45g/t record set in the previous quarter) which is reflective of the increasing mine grade being delivered from the Whirling Dervish open pit. The mine grade is set to increase further during the June 2015 quarter.

The mill recovery for the quarter increased to 91.5% which is due to a 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.

Managing Director, Raleigh Finlayson said:

“The Carosue Dam Operations delivered another plus 40,000 ounce quarter, exceeding guidance every quarter this financial year, with full year production on target to exceed 160,000 ounces, comfortably ahead of guidance of 145,000 – 155,000 ounces.”

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“The exceedance of production guidance by 6.5% for the quarter was despite mill availability falling to 93% from approximately 96% over the previous two quarters, due to a combination of planned and unplanned downtime relating to mill relines. The excellent production result was achieved through a higher headgrade and increased mill recoveries.

“Net cashflow for the quarter was \$8.3 million with cash standing at \$30.2 million (excluding gold in transit) after taking into account the repayment of all outstanding debt of \$12.0 million. This is an outstanding result and exceeded our initial expectations on the basis that we also incurred significant discretionary expenditure during the quarter including the development of the Karari Exploration Decline and associated drilling program and the Thunderbox and Bannockburn drilling programs. We’ll continue to generate significant free cashflow over the next two quarters before we commence major development activities at our Thunderbox Operations in August 2015.

“We are very encouraged with the initial drilling results received from the Karari Exploration Decline and we are confident that this project will evolve into a significant producing asset for many years to come.”

For further information please contact:

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Managing Director

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* Refer to ASX Announcements of 23 March 2015 titled “Thunderbox Feasibility Study, Fully Funded Development Approval and Gold Hedging/Finance Facility” and 30 March 2015 titled “Thunderbox Feasibility Study – Additional Information”.

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 133,492 ounces of gold in FY2014 and is forecast to produce approximately 145-155,000oz in FY2015.

Gold production is from the Whirling Dervish open pit mine, supplemented by high grade underground operations at the Red October underground mine.

In May 2014, Saracen completed the acquisition of the Thunderbox Operations, located approx. 45 kms south of Leinster in WA. The Thunderbox Operations are on care and maintenance and include the Thunderbox and Bannockburn gold mines as well as the Waterloo and Amorac nickel mines. There is also a 2.5 million tonne per annum CIL processing plant and associated infrastructure.

The Thunderbox Deposit was discovered in 1999. Gold production totalled 805,000 ounces when processing operations ended in December 2007. Thunderbox produced at an average cash cost of US\$290/oz with a cash cost in the final year of operation of US\$481/oz.

In March 2015, the Company announced it would proceed with the redevelopment of the Thunderbox mine.