



Saracen

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ASX & MEDIA RELEASE

CAROSUE DAM - RECORD JANUARY GOLD PRODUCTION

- **13,383 ounces in January (160,000 ozpa run rate)**
- **Head grade of 2.11g/t continuing the trend set in December**
- **FY 2013 guidance remains 125-135k ounces**
- **Expansion to 190,000 ozpa run rate in 2014-15 on track**

Saracen Mineral Holding Limited (ASX:SAR) is pleased to report that the head grade for January has remained above 2.0 grams per tonne resulting in another record production month of 13,383 ounces.

Saracen is reaping the benefits of three over-performing ore supplies, namely:

- **High grade ore from Red October being consistently above 8.0g/t**
- **High grade ore from Deep South open pit being delivered in greater quantities**
- **Base load feed from Karari open pit is exceeding expectations on grade and ounces**

A planned 2-day re-line of the Carosue Dam mill in early February has been completed ahead of schedule with head grades immediately reverting to previous high levels.

Pre-strip mining at the Whirling Dervish open pit continues to be ahead of schedule with first ore expected in the June quarter 2013.

The construction tendering process for the stage 1 plant expansion to 3.2mtpa is nearing completion, with the contract award expected this quarter.

Production from multiple levels continues at the Red October underground mine, with some of the highest grade stopes currently being mined. Saracen is also encouraged by some of the drill core that is being extracted from the central lode. Results are expected in the coming weeks.

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Comment from Executive Chairman Guido Staltari:

"Our production guidance remains at 125,000 to 135,000 ounces for 2012-13 but as is evidenced by the current annualised throughput rate in January of 160,000 ozpa, production at Carosue Dam continues to improve and we are yet to implement our expansion plans which come into greater effect in 2013-14."

"Our cash costs in the month of December were A\$760 per ounce, and we continue to make healthy margins in January."

"Saracen is fully funded for its expansion programme over the next 18 months to lift mill capacity to 3.2 mtpa and production towards run rate of 180-190,000 ozpa in 2014-15."

For further information please contact:

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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 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 125,000 to 135,000oz in FY2013. The Company has targeted an increase in production to around 180-190,000 ozpa, principally through organic growth by 2014-15.

As at 30 June 2012, Gold Resources stood at around 4.1 million oz while Reserves stood at 1.1 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 below).

Current gold production is from open pit mines in the Southern region ("Southern Operations") and Northern region ("Northern Operations"). This is being supplemented by high grade underground operations at Red October and, subject to approvals and development, from Whirling Dervish and Deep South.

Saracen has commenced a programme to upgrade the Carosue Dam processing plant, as well as open pit expansions, aimed at capturing economy of scale and benefits, including increased annual cash flows.

This programme contemplates: -

- additional crushing capacity to increase mill throughput to 3.2mtpa
- a cutback at Whirling Dervish utilising a larger mining fleet
- additional open cuts at Wallbrook and Million Dollar

Project Location Map

