



Saracen

1 February 2013

ASX & MEDIA RELEASE

**SARACEN COMMEMORATES THREE YEARS GOLD PRODUCTION
AT CAROSUE DAM**

- **Plant on track for its millionth ounce (historic and current)**
- **Expansion on track for 190,000 ozpa throughput rate in 2014-15**

Saracen Mineral Holding Limited (ASX:SAR) has this week commemorated three years of gold production at its Carosue Dam operations 120 kilometres north east of Kalgoorlie and the pouring of its 1000th gold bar.

The Company remains on track to produce between 125,000 and 135,000 ounces in 2013-14

The 29th of January 2013 marked the third anniversary of the first gold pour by Saracen at Carosue Dam, following its closure in 2005.

Historic production between 2000 and 2005 by previous owners (PacMin, Sons of Gwalia and St Barbara) and by Saracen since 2010 is approaching 1 million ounces.

Saracen holds 4.1 million ounces of regional resources (*refer to the ASX Announcement of 25 September 2012 for full details of reserves and resources*) and will spend between \$140 million and \$200 million over the next three years on pit cutbacks, underground developments and plant upgrades to lift production to 180-190,000 ozpa in 2014-15 and advance its key projects. (*refer to the ASX announcement of 3 December 2012 for full details*)

Comment from Executive Chairman Guido Staltari:

"It is a credit to the efforts of Saracen's staff and contractors that Carosue Dam now commemorates three years of safe, steady and continuous production under Saracen's ownership."

"At current rates the plant will pour its millionth ounce around April, but the best is still to come. We are fully funded to expand production towards 190,000 ozpa in 2014-2015 and with the flexibility and optionality of our open pit and underground inventory we have the base for many years of production ahead."

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Saracen Mineral Resources (June 30th 2012)

Category	Tonnes	Grade	Ounces
Proved	4,312,000	0.9	125,000
Probable	17,914,000	1.7	973,000
TOTAL	22,226,000	1.5	1,098,000

Saracen Ore Reserves (June 30th 2012)

Category	Tonnes	Grade	Ounces
Measured	9,663,000	1.3	401,000
Indicated	58,013,000	1.5	2,756,000
Inferred	21,200,000	1.4	979,000
TOTAL	88,876,000	1.4	4,136,000

Competent Persons Statement

The information in this report that relates to Exploration results and Mineral Resources has been compiled under the supervision of Mr Richard Maddocks (BSc MSc). Mr Maddocks, who is a Fellow of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr Maddocks has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Maddocks consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to underground Ore Reserves at Red October, Deep South and Whirling Dervish has been compiled under the supervision of Mr Stephen King (B.Eng). Mr King, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr King has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to open pit Ore Reserves has been compiled under the supervision of Mr Chris Burton (Dip App.Sc). Mr Burton, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr Burton has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Burton consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

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 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

