



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

Thunderbox costs fall to ~A\$1000/oz following purchase of royalty

Corporate Details:

21st April 2016

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 792.8m (pre-issue of 8.0m)

Unvested employee performance rights: 20.2m

Market Capitalisation: A\$809m (share price A\$1.02)

Cash & Bullion (31 March): A\$34.3m

Debt: Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Mark Connelly
Non-Executive

Mr Martin Reed
Non-Executive

Ms Samantha Tough
Non-Executive

Substantial Shareholders:

Wroxby 8.2%

Paradise Investment Management 8.0%

Van Eck 7.4%

Karara Capital 6.1%

Registered Office:

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Key Points

- Saracen buys the Norilsk royalty (1.5% NSR, capped at A\$17m) relating to the Thunderbox gold project in WA
- As a result of the transaction, the royalty is cancelled
- Consideration is 8.0 million new fully paid ordinary shares in Saracen, plus US\$500,000 cash
- The acquisition is anticipated to reduce all-in sustaining costs at Thunderbox by ~A\$25 to ~A\$1000/oz
- Thunderbox commissioning almost complete with commercial production anticipated in the current June Quarter, doubling total group production to an annualised rate of ~300,000oz

Saracen Mineral Holdings Limited (**ASX: SAR**) is pleased to advise that it has exercised its pre-emptive right to buy the Norilsk Net Smelter Return royalty (NSR) of 1.5% (capped at A\$17m) relating to Saracen's 100 per cent-owned Thunderbox Project in WA.

The consideration is 8.0 million new fully paid ordinary shares in Saracen, plus US\$500,000 cash.

Following the purchase, the sole residual royalty applying to the Thunderbox project will be the standard State gold royalty of 2.5%.

Saracen Managing Director Raleigh Finlayson said the purchase of the Norilsk royalty would enable Saracen shareholders to receive the full economic benefits of Thunderbox's production.

"This deal is a prudent use of capital" Mr Finlayson said. "It will be of significant benefit to Saracen shareholders because it removes an embedded cost from the Thunderbox business, further expanding the margins and boosting cash generation".

For further information please contact:

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