



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

March quarter update

300,000oz per annum target imminent

March quarter production steady at 65,131oz despite impacts of heavy rain, excellent extensional drill results

Corporate Details:

11th April 2017

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 807.5m

Unvested employee performance rights: 14.6m

Market Capitalisation: A\$868m
(share price A\$1.075)

Cash & Bullion (31 March): A\$30.6m

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:

Van Eck Global 17.9%

Wroxby 7.0%

Registered Office:

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Key Points

- **March quarter gold production of 65,131oz (Carosue Dam 39,033oz, Thunderbox 26,098oz)**
- **Outcome is just ~5,000oz short of March quarter production guidance despite impact of heavy rain**
- **Result reflects strong progress on development at both projects; Production on track to meet June quarter guidance of 80,000oz**
- **Debt-free with cash and bullion of A\$30.6m at 31 March 2017 (\$43.9m at 31 December 2016) after spending A\$27.6m on capital and exploration, and A\$3.4m on one-off closure costs; Cash anticipated to increase from this point**
- **Quarterly highlights include:**
 - **Increased grade mined at every ore source, rising to an average of 2.3g/t (December quarter 1.8g/t)**
 - **Extensional drill results from Carosue Dam (Karari) - Deepest hole returned 12m @ 7.9g/t, 270m below the current Reserve**
 - **Extensional drill results from Thunderbox - A Zone extended and thickened down-dip**
 - **Drilling underway at Carosue Dam North - A\$25m farm-in JV with AngloGold**
 - **Strategic review (including potential sale) of non-core mines at King of the Hills and Red October**
- **Drilling continues as part of the aggressive exploration budget designed to grow the inventory and production at existing mines**

Saracen Mineral Holdings Limited (**ASX: SAR**) advises that it produced 65,131oz in the March quarter. This is a solid result given that both operations were interrupted by heavy rainfall. Saracen is on track to double its production rate to 300,000ozpa in the June quarter, 2017.

Although all-in sustaining costs (AISC) were steady on a total \$ million basis, the reduced production will have an impact on an A\$/oz basis. The AISC is still being finalised, however the result is anticipated to be within 10% of guidance for the quarter of A\$1410/oz*.

As previously guided*, cash and bullion decreased by A\$13.3 million over the quarter to A\$30.6 million. This was after investing A\$27.6 million on capital and exploration, and A\$3.4m for King of the Hills closure costs (final contractor payment complete, mine currently on care and maintenance).

Table 1. Capital, exploration and one-off closure costs for the March quarter 2017

	A\$m
Growth capital	13.9
Exploration	7.2
Thunderbox C Zone pre-strip	4.4
Karari dual decline	2.1
King of the Hills closure costs	3.4
TOTAL	31.0

The cash balance is anticipated to increase from this point.

Saracen Managing Director Raleigh Finlayson said that after allowing for the impact of the rain, the results showed the Company was making excellent progress towards its goal of producing at the rate of 300,000ozpa in the current quarter. Mr Finlayson said Saracen also continued to generate strong exploration results during the quarter.

“We are well on track to achieving our twin goals of increasing production to 300,00ozpa and at the same time growing mine life at both Carosue Dam and Thunderbox,” he said.

* Refer to ASX announcement dated 21st February 2017 – “Half Yearly Report and Accounts”.

For further information please contact:

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