



SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

QUARTERLY REPORT: JUNE 2013

Corporate Details:

As at 30 June 2013

ASX codes:

Ordinary shares: SAR

Issued capital:

595.2 m ordinary shares

4.1 m unlisted incentive options with various expiry dates and exercise prices.

Substantial Shareholders:

Van Eck Associates Corporation
42.4m (7.1%)

Vinva Investment Management
30.1m (5.1%)

Registered Office:

Level 4
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Perth WA 6000
Telephone: (61 8) 6229 9100
Facsimile: (61 8) 6229 9199

Directors:

Mr Guido Staltari
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Ivan Hoffman OAM
Non-executive

Mr Barrie Parker
Non-executive

Mr Martin Reed
Non-executive

For further details contact:

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Record Quarter & Annual Gold Production

- Record Quarter Production – 37,259oz.
- Cash Costs for June Quarter of A\$824/oz.
- Record quarterly mill head grade of 2.09g/t.
- Record Annual Production – 136,168oz, eclipsing both original guidance of 120-130,000oz and increased guidance 125-135,000oz.
- Cash Costs for FY2013 of A\$1,072/oz.
- Record monthly ore production from Red October of 11,396t @ 12.72g/t for 4,661 contained ounces in June 2013.
- New discoveries at Red October, highlights include 12m @ 20.7g/t & 0.3m @ 955g/t (see announcement – Red October update 23 July 2013).
- High grade results returned from infill drilling program at Whirling Dervish, highlights include 50m @ 3.54g/t and 32m @ 2.64g/t
- Prompt response to declining gold price with Strategic Review of the business undertaken and implemented.
- Gold hedging of 176,600 ounces at average price of A\$1,681.
- Approximate Mark to Market value of hedge book of A\$45.8m at A\$1,351/oz spot price (as at 30 June 2013), representing 64% of Saracen's market capitalisation of A\$71m (as at 30 June 2013).

Comment from Managing Director, Raleigh Finlayson:

"Our Carosue Dam Operations have now recorded three consecutive quarterly production records with 37,259 ounces in the June quarter eclipsing 36,430 ounces and 32,038 ounces in the March 2013 and December 2012 quarters respectively.

"Saracen is pleased to announce that it has adopted a very open and transparent cash costs reporting methodology which provides an accurate representation of actual cash costs of production in cashflow terms. We hear and accept the market's criticism of gold producers not fully disclosing "all in" sustaining costs of production, and have committed to clearly reporting all operating, sustaining and growth capital costs. The market has also signalled the importance of clearly disclosing cashflow movements each quarter and again Saracen has been proactive on this front.

"Saracen's net debt position at 30 June 2013 was A\$8.7m, meaning that allowing for the costs incurred for the plant expansion during the year (approx. A\$5m), the company has effectively been able to fund all operational, capital, corporate, exploration and growth capital expenses, including the A\$32m development of the Whirling Dervish open pit, out of cash and internally generated cashflows, a great achievement in a falling gold price environment.

"Saracen's prudent capital management is reflected in the 176,600 ounces of hedging we have at an average price of A\$1,681/oz which has a mark to market value of approximately A\$45.8m as at 30 June, representing 64% of Saracen market capitalisation of A\$71m at that date.

Summary

Operations

- 606,474t @ 2.09g/t for 37,259 recovered ounces in June Quarter 2013 at cash costs A\$824/oz.
- 2,500,582t @ 1.87g/t for 136,168 recovered ounces in FY2013 at cash costs A\$1,072/oz.
- Record June 2013 monthly ore production from Red October of 11,396t @ 12.72g/t for 4,661 contained ounces.
- Deep South open pit completed ahead of schedule in April 2013 with final milled reconciliation showing a 26% overcall in grade (3.9g/t v 3.1g/t) and 26% increase in ounces versus ore reserves (26,500oz v 21,000oz).

Exploration

- New discoveries at the Red October mine (see ASX announcement re Red October Update of 23 July 2013).
- Whirling Dervish resource infill drilling confirms the robustness of the mine plan.
- Kalahari drilling results confirm geological similarity to Safari Bore.
- A series of infill and extensional holes drilled to the north of the current underground reserve at Deep South.

Development

- The capital development of the Whirling Dervish open pit remains on track with 7.0 million cubic metres of overburden mined in FY2013, with 2.6m BCM mined in June Quarter 2013.
- Total capital expenditure on the 273,000oz Whirling Dervish open pit development for FY2013 of A\$32m with \$12.9m incurred in June Quarter 2013.
- First ore mined and milled in June from Whirling Dervish.
- The planned Carosue Dam Plant expansion from 2.4mtpa to 3.2mtpa was indefinitely suspended due to the recent volatility in the gold price (refer ASX announcement of 10 May 2013).
- The Deep South Underground Development put on hold following the completion of the open pit to reduce capital expenditure in FY2014 (refer ASX announcement of 10 May 2013).

Corporate

- Mr Raleigh Finlayson appointed Managing Director effective 2 April 2013.
- Mr Guido Staltari moved to Non-Executive Chairman effective 1 July 2013.
- Mr Craig Bradshaw appointed Chief Operating Officer effective 10 April 2013.
- Cash and gold holdings at quarter end totalled A\$20.7m (including cash backed bonds of \$7.3 million).
- Gold hedging in place for 176,600 ounces at average price of A\$1,681.
- Mark to Market value of the hedging of A\$45.8m (net of costs) assuming a spot price of A\$1,351/oz, representing 64% of Saracen's market capitalisation of A\$71m (as at 30 June 2013 and assuming a share price of A\$0.12/share).

Health and Safety

There were four Lost Time Injuries ("LTI") recorded during the quarter. This is a very disappointing result considering the significant improvements made over the previous 12 months that resulted in the Carosue Dam Operations LTI frequency rate falling to 1.7 (versus an industry average of 3.1)

The Carosue Dam Operations LTI frequency rate now stands at 4.4. Numerous initiatives have been implemented with more to come to correct the recent adverse trend.

Processing

Mill Production	Unit	Sep 12 Qtr	Dec 12 Qtr	Mar 13 Qtr	June 13 Qtr	FY2013
Total Ore Milled	<i>t</i>	654,569	614,699	624,840	606,474	2,500,582
	<i>g/t</i>	1.61	1.80	2.01	2.09	1.87
Recovery	%	90.1%	90.0%	90.3%	91.3%	90.4%
Gold Produced	<i>oz</i>	30,448	32,031	36,430	37,259	136,168

Table 1 – Production Statistics

Gold production for the quarter was a **record 37,259oz** from the processing of 606,474 tonnes at a grade of 2.09g/t Au and recovery of 91.3%. The quarterly average head grade of 2.09g/t was also the highest quarterly average since operations commenced in January 2010.

Plant Expansion

The plant expansion from 2.4mtpa to 3.2mtpa was indefinitely suspended due to the recent volatility in the gold price (refer ASX announcement of 10 May 2013). The A\$25m capital investment involved the introduction of a tertiary crushing circuit and other downstream infrastructure. Saracen awarded the EPC contract for the expansion to GR Engineering Services Limited (“GRES”) on the 25th February 2013 but their construction crews had not mobilised to site when the suspension was issued. Saracen worked very closely with GRES in suspending all activities and quarantining elements of the work that are capable of being later resumed without significant cost impost.

Final capital expenditure incurred on the plant expansion was A\$5.1m (versus an initial estimate of A\$7m), of which approximately A\$2.6m represents physical assets which have been stored and can be utilised should the expansion resume in the future.

The reduction in capital costs was in the order of A\$20m. The expansion decision can be re-visited following the completion of the Whirling Dervish capital pre-strip and/or a return to a higher gold price environment. Should the expansion be restarted it is estimated the cost to complete the expansion would be in the order of A\$21m.

Open Pit Mining

Commercial open pit mining operations continued at Deep South and Karari during the quarter. The Deep South open pit, which is located 80km north of the mill, was completed ahead of schedule at the end of April 2013, and the mining fleet was demobilised in May.

The Deep South open pit was a great success, with approximately 5,500oz mined above ore reserve estimates due to a 26% increase in reconciled headgrade. Approximately 20,000t @ 3.92g/t remains on the ROM stockpile as at the end of June and will be processed in the September 2013 quarter.

The uplift in realised grade provides comfort that additional upside may exist in the underground reserves at Deep South.

Deep South Open Pit	Unit	Reserve	Actual	Variance
Ore Tonnes	<i>t</i>	212,000	210,447	99%
Grade	<i>g/t</i>	3.1	3.9	126%
Contained Ounces	<i>oz</i>	21,000	26,482	126%

Table 2 – Deep South Open Pit FY2013 reconciliation reserve v actual mined

The Karari open pit is located within 500m of the mill and has approximately 14,300 ounces remaining to be mined and is due to be completed in the September quarter 2013. The Karari mining fleet was demobilised in June and the remainder of the pit will be mined utilising the 120t fleet from Whirling Dervish, resulting in

better equipment utilisation, scheduling and lower unit mining costs.

The Karari open pit has also yielded over-budget ounces, in the order of 5,200oz, again due to a 19% increase in the reconciled headgrade (1.48g/t v 1.24g/t).

Karari Open Pit	Unit	Reserve	Actual	Variance
Ore Tonnes	t	1,387,733	1,273,617	92%
Grade	g/t	1.24	1.48	119%
Contained Ounces	oz	55,544	60,740	109%

Table 3 – Karari Open Pit FY2013 reconciliation reserve v actual mined

Additional grade upside versus the current reserve estimate is likely to be realised from Karari in the September quarter with the final grade control program in the bottom 30m of the pit providing assurance of the continuity and tenor of the northerly plunging high grade shoot (see figure 1 below).

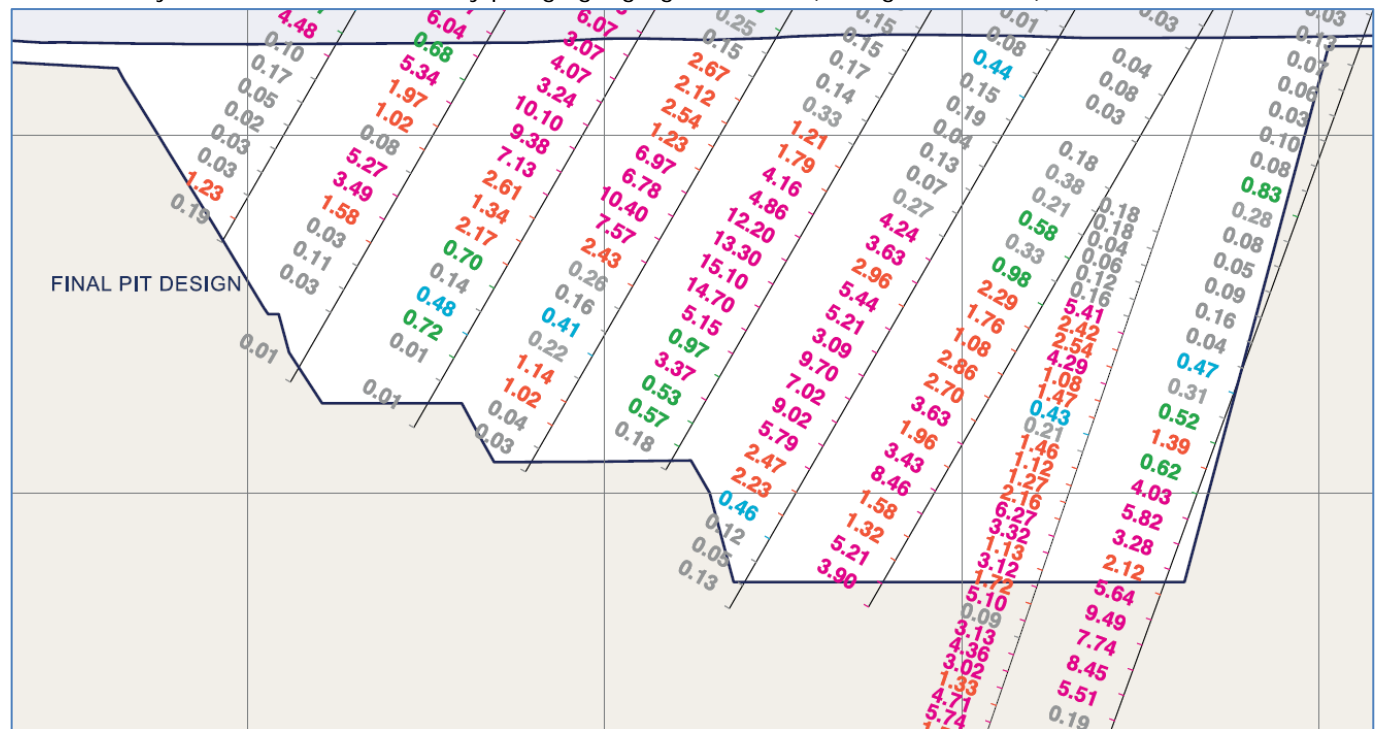


Figure 1 – Karari cross section showing grade control results within remaining pit design

Development

Mining at Whirling Dervish has progressed as scheduled with 7 million bcm of waste (83% of the planned 8.4m BCM pre-strip) removed since mining began in November 2012. First ore was mined in June 2013 from the hangingwall lodes in the northern end of the cutback.

A\$32.0m has been capitalised on the pre-strip in FY2013 at an average mining cost of A\$4.56/bcm. There is approximately 1.4m bcm of capital pre-strip remaining in Whirling Dervish which will be completed in the September quarter 2013, before commercial production commences.

With the suspension of the plant upgrade, high grade ore mine from Whirling Dervish will be prioritised as mill feed over the next two years, with low grade being stockpiled for processing in FY2016 and beyond. To avoid any potential over-estimation of the mill feed headgrade, a 25% dilution factor at zero grade has been applied to Whirling Dervish high grade ore. Evidence from mining Stage 1 in prior years suggests this should be conservative. This factor has also been used for reserve estimation and guidance preparation purposes to maintain consistency.



Figure 2 – Whirling Dervish open pit looking North (as at July 2013)



Figure 3 – Whirling Dervish open pit looking South (as at July 2013)

Underground Mining

Red October

Full details on the Red October mine have been provided in a separate announcement (refer ASX announcement – Red October Update of 23 July 2013).

Deep South Underground Feasibility Study

The Deep South underground feasibility study has been completed, with robust technical and financial parameters showing an economically viable mine plan at current spot gold prices that would provide cost and logistical synergies with the Red October underground mine. The key outcomes from the feasibility study are:

- Underground Mine Plan of 1.02mt @ 4.0g/t for 130,000 contained ounces
- Stage 1 mine life – 34 months (2.8yrs)
- Start-up capital - A\$4m
- Peak Negative cashflow - A\$15m (assuming A\$1,450/oz gold price)
- Cash Costs of approx \$900/oz
- "All in" Total Costs approx \$1,230/oz (inc all capital, operating and an allocation of corporate costs)

The positive feasibility study results, coupled with the 26% overcall in the headgrade from the mining of the open pit provide, comfort that the Deep South underground mine will feature as a viable standalone production centre despite the current lower gold price environment. The decision to commit to the development of the project will be postponed until at least FY2015 when the existing debt facility has been repaid and/or until a higher gold price environment returns, whereby additional gold hedging can be considered to ensure that overall economic project returns can be achieved.

The orebody remains open at depth and along strike. It's unlikely that additional drilling at depth will be conducted from surface due to the steeply dipping nature of the orebody, and the higher cost of drilling deeper diamond holes. Nevertheless Saracen directors and management remain encouraged that the mine plan will evolve once an underground presence has been established, and underground drilling can extend the resource envelope. The latest drilling program at depth returned one of the highest grade intercepts to date of 18m @ 7.4g/t (DSRD017) (shown in figure 5 below).

The Resource and Reserve statement for the Deep South underground project will be updated in September 2013.

Exploration

Whirling Dervish

A drilling program at Whirling Dervish was completed to infill data on the hangingwall lode at the northern end of the final pit design, with the aim of further optimising the final pit design to maximise ore extraction, ie re-configuring the final ramp position (shown in Figure 4) to extract more high grade ore down dip of WDRC275. A program of 10 infill holes was completed. With the majority of the waste pre-strip now completed, drilling costs were reduced significantly through the effective "removal" of 45m from each hole. The results provide comfort that the contained ounces in the mine plan have been validated, with some localised upside potential evident. Geologically, the holes provide valuable information on the felsic intrusives and cross cutting lamprophyres. Significant hangingwall results include:-

WDRC272	32m @ 2.64 g/t from 79m
WDRC274	22m @ 3.04 g/t from 117m
WDRC275	50m @ 3.54 g/t from 87m
WDRC277	12m @ 3.09 g/t from 89m

Full results of the Whirling Dervish drilling are detailed in Table 5 below.

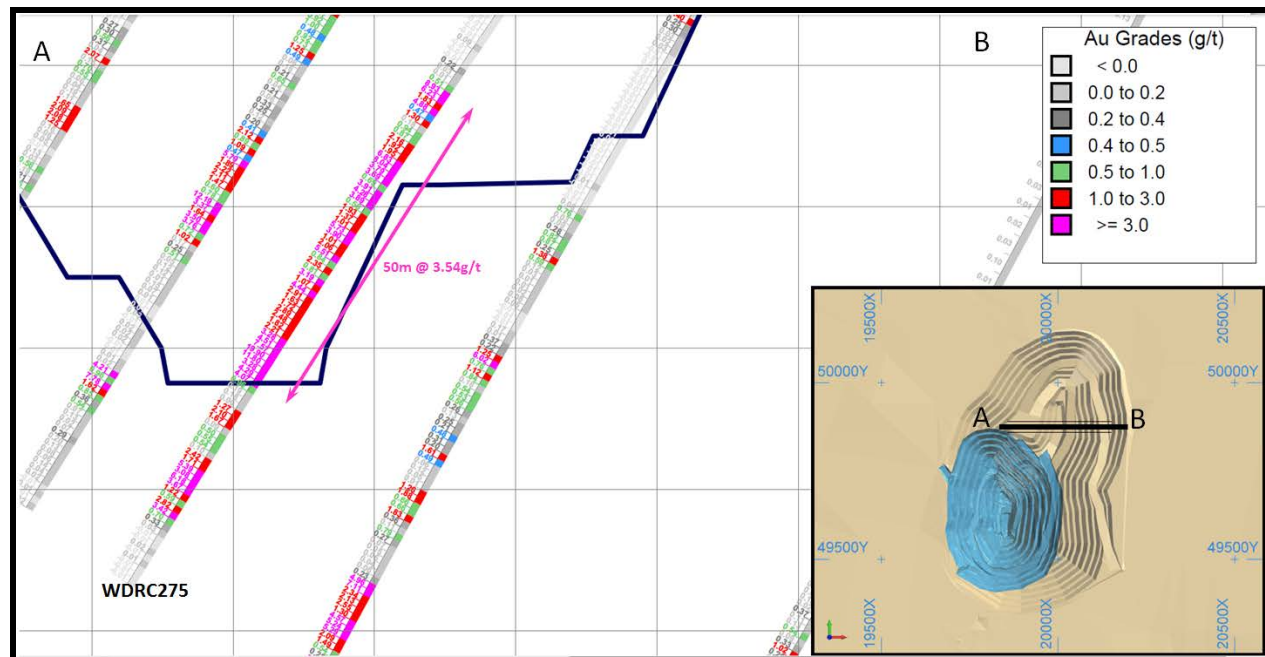


Figure 4 – Whirling Dervish Cross section showing WDRC275

Kalahari

After an initial phase of RC drilling undertaken by Saracen in late 2012 targeting mineralisation along strike from two 200m wide spaced legacy drill lines, a short program of reverse circulation (RC) drilling was undertaken at the Kalahari prospect located 600m north of Safari Bore. This drilling targeted up dip, down dip and strike extensions to mineralisation previously identified. Mineralisation at Kalahari is continuous over a strike of at least 500m with the recent drilling extending this strike a further 40m to the south.

Mineralisation at Kalahari is hosted within a series of steep westerly dipping lodes within a sequence of mafic schists containing considerable quartz veining, alteration and sulphides. Data analysis suggests that steeply plunging, discrete, high grade shoots are present, and congruent with the high grades lodes contained in the historic Safari Bore pit. Significant results include:

KHRC011	2m @ 13.54 g/t from 36m
KHRC019	5m @ 4.07 g/t from 55m
KHRC027	10m @ 2.40 g/t from 35m

Full results of the Kalahari drilling are detailed in Table 6 below.

Blue Manna

Following successful drill results returned in the March 2013 quarter, a follow up program was designed and implemented and drilling completed in the final weeks of the June quarter. Initial observations of the RC chips suggest that the targeted mineralisation has been intersected in several holes. The results are expected imminently.

Deep South

Four holes were drilled at Deep South during the quarter. Mineralisation and structure was intersected at the predicted location in these holes, confirming the interpreted zone to the south of the northern lode, and further illustrating the strong continuity and predictability of the Deep South stratigraphy. Significant results include:

DSRC180	8m @ 5.85 g/t from 273m
DSRC184	2m @ 4.28 g/t from 206m
DSRC186	1m @ 2.14 g/t from 72m

Full results of the Deep South drilling are detailed in Table 7 below.

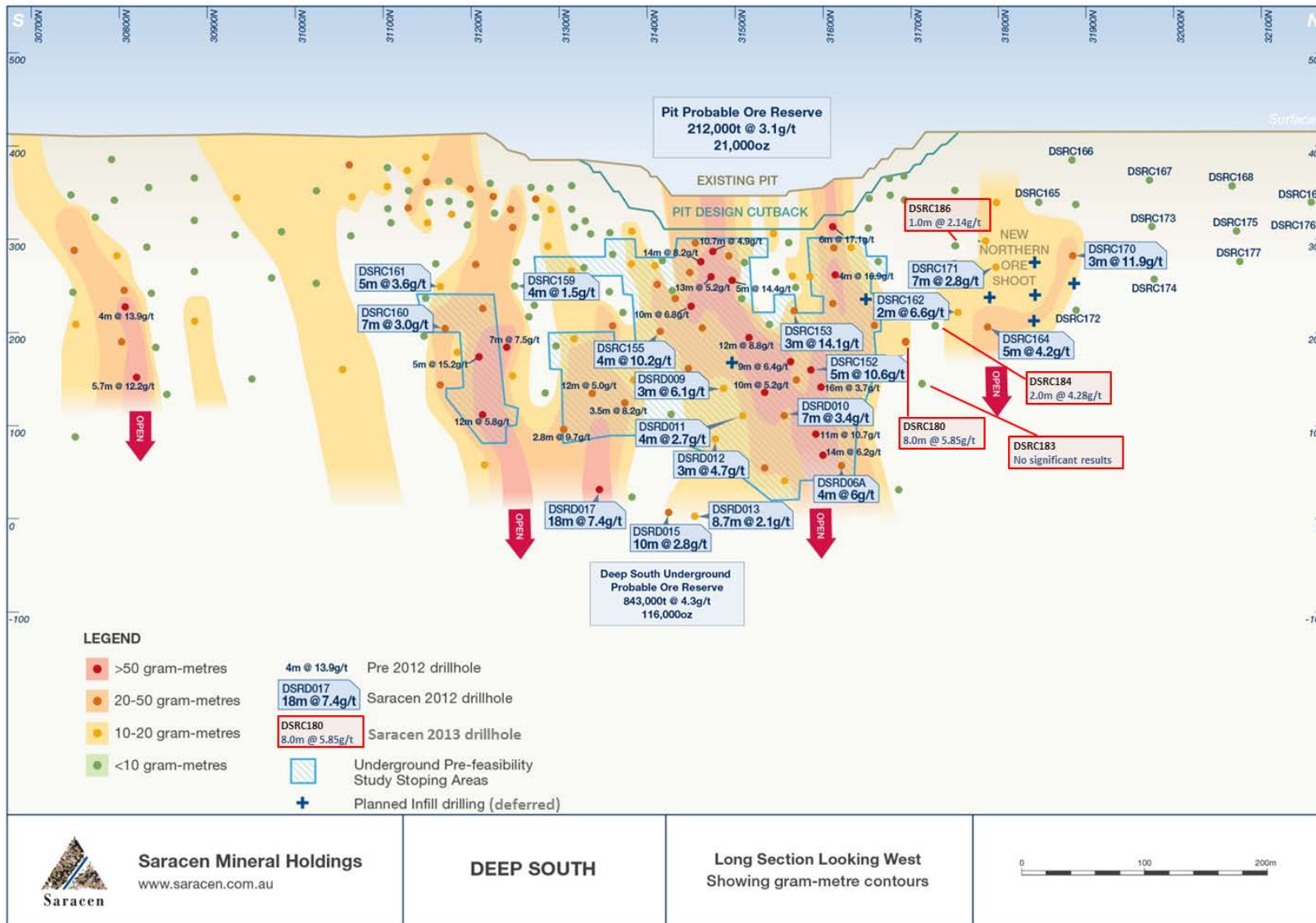


Figure 5 – Deep South Longsection showing drilling results for the quarter

Corporate

Appointment of Managing Director

Mr Raleigh Finlayson was appointed to the Board as Managing Director of the Company effective 2 April 2013.

Mr Finlayson joined the Company in February 2008 and has fulfilled the role of Chief Operating Officer for the past 3.5 years. His appointment to the Managing Director position is in accordance with the Board's long term succession plan.

Move to Non-Executive Chairman

Mr Guido Staltari moved from performing the dual role of Executive Chairman and Managing Director to Executive Chairman on 2 April 2013, following the appointment of Mr Raleigh Finlayson as Managing Director. Mr Staltari remained in an executive capacity during a transitional period before moving to the Non-Executive Chairman role on 1 July 2013.

From a corporate governance perspective, the separation of the Chairman and Managing Director's duties fits with the structure and market standing of the Company, while at the same time remaining consistent with the Company's internal succession planning strategy.

Appointment of Chief Operating Officer

Mr Craig Bradshaw was appointed as Chief Operating Officer of the Company effective 10 April 2013 to replace Mr Finlayson following his promotion to Managing Director.

Mr Bradshaw graduated in 1994 with a Bachelor of Engineering from the WA School of Mines and has held positions within the industry including Underground Manager, Mining Manager, General Manager and Chief Operating Officer, predominantly with gold companies in Western Australia.

Mr Bradshaw was Operations Manager at the 7.0Mtpa St Ives Gold Mine, where he was responsible for four underground mines and three open pit mines as well as heap leach and Carbon-in-Pulp (CIP) processing streams.

Mr Bradshaw provides the company with significant operational experience in both open pit and underground environments.

Option Expiry

On 30 June 2013, 7,083,693 Listed Options expired as well as 2,500,000 unlisted options. In addition a total of 4,144,550 unlisted employee options expired or lapsed during the quarter.

Finance

	Cash Costs	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2013
1	Mining (A\$m)	\$24.7	\$22.1	\$18.2	\$11.6	\$76.6
2	Ore Cartage (A\$m)	\$3.0	\$1.9	\$1.3	\$0.9	\$7.1
3	Processing (A\$m)	\$10.6	\$11.6	\$12.9	\$12.1	\$47.1
4	Site Administration (A\$m)	\$3.2	\$2.9	\$2.5	\$2.7	\$11.3
5	Ore Purchase (A\$m)	\$0.0	\$0.0	\$0.4	\$3.4	\$3.8
6	Cash Costs (A\$m)	\$41	\$38	\$35	\$31	\$146
7	Royalties (A\$m)	\$1.9	\$1.8	\$2.3	\$2.1	\$8.2
8	Capital Works (A\$m)	\$2.2	\$2.5	\$3.2	\$2.5	\$10.4
9	Open Pit Development (A\$m)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
10	Underground Development (A\$m)	\$5.6	\$6.8	\$6.2	\$7.4	\$26.0
11	Active Mine Exploration (A\$m)	\$0.0	\$0.0	\$0.6	\$0.7	\$1.3
12	Corporate (A\$m)	\$1.6	\$1.9	\$1.8	\$1.7	\$6.9
13	"All in" Sustaining Cash Costs (A\$m)	\$53	\$51	\$49	\$45	\$199
14	Expansion Capital (A\$m)	\$0.0	\$7.1	\$12.6	\$17.4	\$37.1
15	Regional Exploration (A\$m)	\$5.1	\$2.7	\$1.3	\$4.3	\$13.5
16	Total Cash Costs (A\$m)	\$58	\$61	\$63	\$67	\$249

	Production (rec oz)	30,448	32,032	36,430	37,259	136,169
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1	Mining (A\$/oz)	\$811	\$691	\$498	\$313	\$563
2	Ore Cartage (A\$/oz)	\$100	\$58	\$37	\$23	\$52
3	Processing (A\$/oz)	\$347	\$361	\$354	\$324	\$346
4	Site Administration (A\$/oz)	\$105	\$91	\$68	\$73	\$83
5	Ore Purchase (A\$/oz)	\$0	\$0	\$10	\$91	\$28
6	Cash Costs (A\$/oz)	\$1,363	\$1,201	\$968	\$824	\$1,072
7	Royalties (A\$/oz)	\$63	\$58	\$64	\$56	\$60
8	Capital Works (A\$/oz)	\$72	\$77	\$88	\$67	\$76
9	Open Pit Development (A\$/oz)	\$0	\$0	\$0	\$0	\$0
10	Underground Development (A\$/oz)	\$183	\$212	\$171	\$198	\$191
11	Active Mine Exploration (A\$/oz)	\$0	\$0	\$17	\$18	\$9
12	Corporate (A\$/oz)	\$51	\$60	\$48	\$45	\$51
13	"All in" Sustaining Cash Costs (A\$/oz)	\$1,733	\$1,607	\$1,356	\$1,208	\$1,459

- 1 Cash costs for open pit and underground mining, including load & haul, drill & blast, grade control, mine services, dewatering, rehabilitation and mining overheads
- 2 Cash costs for ore cartage from mine to mill
- 3 Cash costs for ore processing
- 4 Cash costs for site administration, including village, FIFO, OH&S, training, environmental and supply
- 5 Cash costs for ore purchase (3rd parties)
- 6 Cash costs of production for mining, ore cartage, ore processing, site administration and ore purchase, exclusive of accounting adjustments
- 7 Cash costs for royalties
- 8 Cash costs for capital works including surface and underground infrastructure, roads, vehicles, equipment, tails storage facilities
- 9 Cash costs for open pit development, including pre-strip development and waste development at an average strip ratio
- 10 Cash costs for underground development, including decline development and waste access development
- 11 Cash costs for active mine exploration, including all underground exploration and surface exploration within the immediate environs of an active mine
- 12 Cash costs for corporate overheads, including borrowing costs
- 13 "All in" cash costs of sustained production
- 14 Cash costs for expansion capital, including plant expansion, development of new projects and acquisition of new properties
- 15 Cash costs for regional exploration, including all surface exploration outside of active mines, rents, rates and exploration overheads
- 16 Total cash costs for Saracen Mineral Holdings & Saracen Gold Mines

Table 4 – FY2013 Cash Cost Reporting

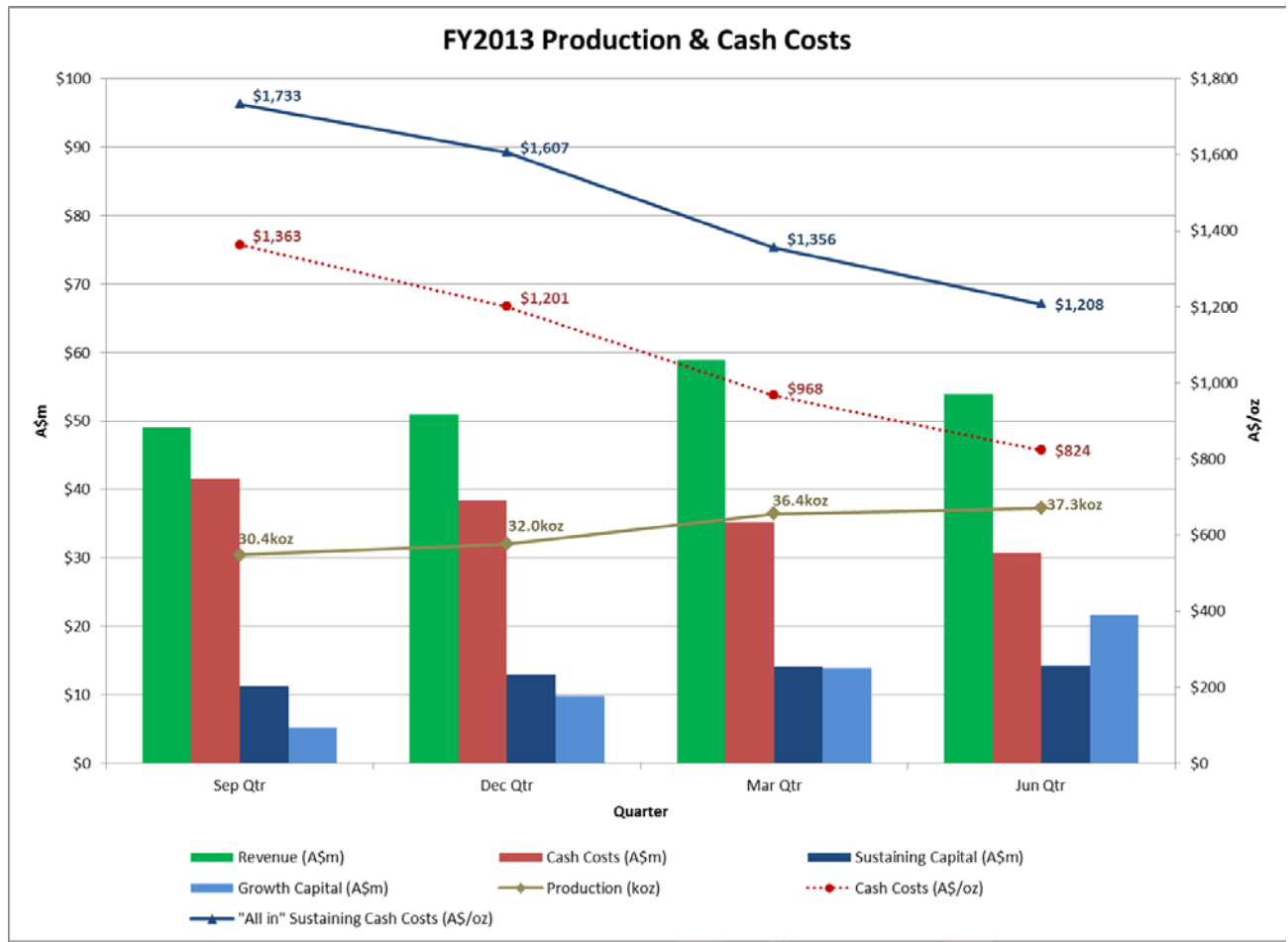


Figure 6 – FY2013 Gold Production & Cash Costs by quarter

Figure 6 clearly shows that a rise in produced ounces quarter on quarter throughout FY2013 has been accompanied by a fall in both cash costs and “all in” sustaining cash costs per ounce. Both Table 4 and Figure 6 show cash costs with no accounting adjustments applied, which provides an accurate representation of cashflow movements quarter on quarter.

Please note that this method of cash cost reporting has only commenced in the June 2013 quarter and therefore does not match previous quarterly reporting methodology which included accounting adjustments. Saracen has adopted this method of reporting structure as highlighted on 10 May 2013 (see ASX announcement – Strategic Review of the Business), ensuring greater transparency of all-in costs. Saracen has adopted this format as it best presents actual cash costs of production in cashflow terms.

Expansion Capital (item 14 in Table 4) is forecast to be zero after the 1.4m bcm capital pre-strip in Whirling Dervish has been completed mid-way through the September quarter 2013. All expenses relating to the Plant Upgrade have now been incurred and reported in Table 4.

A separate announcement with forward looking guidance and adopting the same cash costs forecasting structure used in Figure 6 will be released to the market in the near future.

Cash Position

As at 30 June 2013, Saracen’s total cash position was A\$20.7 million, comprised of A\$9.1 million held in cash, 3,177 ounces of gold in transit (approx. A\$4.3 million at A\$1,351/oz) and A\$7.3 million held as cash backed environmental bonds. No debt was drawn during the quarter (refer below).

Gold Sales

Gold sales for the quarter were 36,138oz at an average sale price of A\$1,497/oz for total revenue of A\$54.1 million. Of these sales, 11,700 ounces were delivered into hedging at an average price of A\$1,647.06.

The cash operating cost for the quarter was \$824/oz excluding royalties, which were approximately \$56/oz.

Debt

During the quarter, the Company did not draw down against its banking facilities to leave the total drawn amount at A\$22 million at the end of the year. As a result of the previously announced suspension of the plant expansion, the capital requirements of the Company have reduced and hence, at the same time as the hedge book was restructured in June 2013 (refer to details in “Hedging” section on page 14 below), the available facility amount was reduced from \$50 million to \$45 million.

Cashflows



Figure 7 June 2013 quarter cash movements

- **Spot Revenue:** Revenue from sales at spot gold price.
- **Hedge Revenue:** Revenue from sales at hedged gold price.
- **Drawdown on MBL Facility:** cash inflows from Debt Drawn
- **Cash Costs:** cash outflows for mining, ore cartage, processing and ore purchase.
- **Sustaining Capital:** cash outflows for royalties, capital works, open pit development, underground development, active mine exploration & corporate expenses (including loan interest).
- **Expansion Capital:** cash outflows for Whirling Dervish expansion capital and the plant expansion project.
- **Regional Exploration:** cash outflows for regional exploration.
- **Note:** the numbers presented in figure 7 will differ slightly from those presented in figure 6, as figure 7 is based on cash movements and figure 6 is based on accruals.

Closing cash of A\$9m excludes approx A\$4.3m of gold in transit and \$7.3m held as cash backing for environmental bonds. Debt remains unchanged at \$22m. This leave the company with a net debt position of \$8.7m (including gold in transit and excluding cash backed for environmental bonds).

Excluding the A\$4.3m of gold in transit, closing cash equals A\$9.1m, down A\$8.9m from the end of March 2013 closing cash position of A\$18m. The A\$8.9m change in closing cash position effectively means that approximately 50% of the \$18m incurred on Expansion Capital during the June quarter (\$5.1m for the Plant Upgrade and \$12.9m for the Whirling Dervish pre-strip) was funded out of internally generated cashflows, with no additional debt drawn for the quarter, all against the backdrop of a declining gold price.

Hedging

During June 2013, the Company restructured its hedge programme by bringing forward 19,500 hedged ounces from the period August to December 2016 to increase hedging from 3,900 ounces to 5,850 ounces in each month over the period July 2013 to April 2014 inclusive. The total number of ounces hedged remained the same (at 176,600 ounces).

The restructure will see hedged ounces in FY2014 increase from approx. 42% (46,800oz) to approx. 60% (66,300oz) of the forecast production of 110,000 to 120,000oz at an average hedged price of A\$1,640/oz.

Hedging in FY2015 remains at 57,800oz (48%) of forecast production (115,000 to 125,000oz) at an average hedged price of A\$1,689/oz. In FY2016, 52,500 ounces remain at an average price of A\$1,724/oz.

As at 30 June 2013, Saracen had gold hedging in place covering 176,600 ounces at an average price of A\$1680.74/oz. These ounces are to be delivered over the period from July 2013 to July 2016 (inclusive). The mark to market value of our current hedging is A\$45.8m (net after costs) assuming a spot gold price of A\$1,351/oz. Refer to Table 8 below for the complete details of month by month quantity and price of the hedge book.

For further information please contact:

Raleigh Finlayson
Managing Director

Contact: r.finlayson@saracen.com.au

WHIRLING DERVISH UNDERGROUND DIAMOND DRILLING JUNE 2013 QUARTER										Downhole		
Hole	Easting	Northing	RL	Depth	Azimuth	Dip		From (m)	To (m)	Width (m)	Grade g/t	
WDRC272	438144.9	6665581	309.778	120	225	-60		62	63	1	1.09	
								and	79	111	32	2.64
								and	118	119	1	1.64
WDRC273	438155.3	6665557	309.719	130	225	-60		37	38	1	1.01	
								and	54	55	1	2.56
								and	83	86	3	3.417
								and	102	110	8	1.351
WDRC274	438187.9	6665554	309.703	165	225	-60		101	106	5	1.68	
								and	111	112	1	2.1
								and	117	139	22	3.04
								and	154	165	11	3.14
WDRC275	438203.7	6665535	310	170	225	-60		87	137	50	3.54	
								and	141	144	3	1.68
								and	149	159	10	3.05
WDRC276	438165.9	6665497	309.708	130	225	-60		36	46	10	1.65	
								and	50	51	1	1.05
								and	66	69	3	1.80
								and	80	81	1	2.07
								and	88	92	4	1.77
WDRC277	438210.9	6665471	310.204	125	225	-60		and	105	114	9	1.91
								29	30	1	2.36	
								and	44	46	2	1.80
								and	51	53	2	6.33
								and	63	66	3	1.13
WDRC278	438251.1	6665481	309.909	160	225	-60		and	72	73	1	1.36
								and	89	101	12	3.09
								109	114	5	2.57	
								and	120	121	1	1.59
								and	126	130	4	2.22
WDRC279	438235.7	6665430	310.498	140	225	-60		and	135	137	2	4.32
								and	143	147	4	1.72
								12	13	1	1.43	
								and	17	20	3	1.48
								and	24	37	13	1.79
WDRC280	438231.6	6665390	310.492	125	225	-60		and	45	50	5	1.08
								and	74	75	1	1.94
								and	91	100	9	1.36
								and	106	109	3	2.92
								29	33	4	2.78	
WDRC282	438246.7	6665370	310.48	195	225	-60		and	48	52	4	1.76
								and	108	110	2	3.44
								19	20	1	1.24	
								and	55	56	1	2.32
								and	66	70	4	2.67
	and	108	111	3	3.01							
	and	168	181	13	1.78							

Table 5 – Drilling Results from Whirling Dervish, June Quarter 2013

KALAHARI RC DRILLING JUNE 2013 QUARTER												Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip		From (m)	To (m)	Width (m)	Grade g/t		
KHRC007	450820	6733320	375	78	88.4	-60		no significant intercepts					
KHRC008	450850	6733280	375	88	88.4	-60		no significant intercepts					
KHRC009	450969.91	6733120.04	375	98	88.4	-60		23	27	4	4.248		
KHRC010	450760	6733488	375	141	88.4	-60		49	50	1	1.49		
							and	58	60	2	1.353		
							and	90	91	1	2.778		
KHRC011	450760	6733443	375	86	88.4	-60		36	38	2	13.543		
							and	43	47	4	1.886		
KHRC012	450875	6733260	375	70	88.4	-60		24	29	5	1.039		
KHRC013	450855	6733260	375	86	88.4	-60		64	65	1	1.813		
KHRC014	450862	6733250	375	96	88.4	-60		65	69	4	2.874		
KHRC015	450882	6733250	375	61	88.4	-60		23	28	5	2.177		
							and	36	37	1	2.079		
							and	42	43	1	1.269		
KHRC016	450889	6733240	375	51	88.4	-60		no significant intercepts					
KHRC017	450897	6733230	375	66	88.4	-60		no significant intercepts					
KHRC018	450877	6733230	375	86	88.4	-60		45	54	9	1.535		
							and	65	67	2	2.313		
KHRC019	450860	6733240	375	111	88.4	-60		55	60	5	4.075		
							and	64	65	1	1.319		
KHRC020	450932	6733182	375	76	88.4	-60		42	45	3	2.796		
KHRC021	450912	6733182	375	81	88.4	-60		31	32	1	2.789		
							and	56	57	1	1.629		
KHRC023	450916	6733161	375	106	88.4	-60		38	39	1	4.509		
							and	45	51	6	1.443		
							and	71	73	2	2.934		
KHRC024	450769	6733476	375	100	88.4	-60		30	31	1	1.242		
							and	34	36	2	1.266		
							and	52	54	2	1.392		
							and	77	78	1	2.057		
							and	82	83	1	1.145		
KHRC025	450761	6733459	375	131	88.4	-60		23	24	1	2.036		
							and	28	31	3	2.146		
							and	40	44	4	1.359		
							and	48	55	7	1.551		
							and	86	88	2	1.76		
KHRC026	450764	6733422	375	61	88.4	-60		no significant intercepts					
KHRC027	450743	6733422	375	91	88.4	-60		35	45	10	2.405		
							and	67	70	3	1.627		

Table 6 – Drilling Results from Kalahari, June Quarter 2013

DEEP SOUTH RC DRILLING JUNE 2013 QUARTER												Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip		From (m)	To (m)	Width (m)	Grade g/t		
DSRC180	456047.921	6731508.137	405	294	88.4	-60		273	281	8	5.858		
DSRC183	456001.917	6731583.136	405	293	88.4	-60		no significant intercepts					
DSRC184	456062.918	6731583.138	405	227	88.4	-60		62	63	1	2.074		
							and	206	208	2	4.28		
							and	212	213	1	2.518		
DSRC186	456102.917	6731608.14	405	148	88.4	-60		72	73	1	2.14		

Table 7 – Drilling Results from Deep South, June Quarter 2013

Competent Persons Statement

The information in this report that relates to Exploration results and Mineral Resources has been compiled under the supervision of Mr Daniel Howe (BSc). Mr Howe, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr Howe 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 Howe 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.

31/07/2013	5,850	\$ 1,623.00
30/08/2013	5,850	\$ 1,630.00
30/09/2013	5,850	\$ 1,630.00
31/10/2013	5,850	\$ 1,630.00
29/11/2013	5,850	\$ 1,630.00
31/12/2013	5,850	\$ 1,630.00
31/01/2014	5,850	\$ 1,640.00
28/02/2014	5,850	\$ 1,640.00
31/03/2014	5,850	\$ 1,645.00
30/04/2014	5,850	\$ 1,645.00
30/05/2014	3,900	\$ 1,680.00
30/06/2014	3,900	\$ 1,680.00
31/07/2014	3,900	\$ 1,680.00
29/08/2014	3,900	\$ 1,680.00
30/09/2014	5,000	\$ 1,680.00
31/10/2014	5,000	\$ 1,680.00
28/11/2014	5,000	\$ 1,690.00
31/12/2014	5,000	\$ 1,690.00
30/01/2015	5,000	\$ 1,690.00
27/02/2015	5,000	\$ 1,690.00
31/03/2015	5,000	\$ 1,690.00
30/04/2015	5,000	\$ 1,690.00
29/05/2015	5,000	\$ 1,700.00
30/06/2015	5,000	\$ 1,700.00
31/07/2015	4,500	\$ 1,700.00
28/08/2015	4,500	\$ 1,700.00
30/09/2015	4,500	\$ 1,710.00
30/10/2015	3,900	\$ 1,710.00
30/11/2015	3,900	\$ 1,720.00
31/12/2015	3,900	\$ 1,720.00
29/01/2016	3,900	\$ 1,720.00
29/02/2016	3,900	\$ 1,730.00
31/03/2016	3,900	\$ 1,730.00
29/04/2016	3,900	\$ 1,740.00
31/05/2016	3,900	\$ 1,740.00
30/06/2016	3,900	\$ 1,750.00
29/07/2016	3,900	\$ 1,750.00
Total	176,600	\$ 1,680.74

Table 8 – Details of Hedging Contracts

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 is forecasting production rates of 110-120,000oz in FY2014 and 115-125,000ozs in FY2015.

As at 30 June 2012, Mineral Resources stood at around 4.1 million oz while Ore Reserves stood at 1.1 million oz. The Carosue Dam operations area contains a large number of known gold deposits and is divided into the Southern and Northern regions.

Gold production is from the Karari and Whirling Dervish (currently under development) open pit mines in the Southern region ("Southern Operations") supplemented by high grade underground operations at Red October mine in the Northern region ("Northern Operations").

