



# SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

## QUARTERLY REPORT: MARCH 2014

### Corporate Details:

As at 31 March 2014

**ASX code:** SAR

#### Issued capital:

792.8 m ordinary shares

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

1.5 m unvested employee performance rights

#### Substantial Shareholders:

Van Eck Associates Corporation  
80.8m (10.8%)

Paradise Investment Management  
54.6m (6.9%)

Vinva Investment Management  
41.6m (5.2%)

#### Registered Office:

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Perth WA 6000  
Telephone: (61 8) 6229 9100  
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#### Directors:

Mr Guido Staltari  
Non-Executive Chairman

Mr Raleigh Finlayson  
Managing Director

Mr Geoff Clifford  
Non-executive

Mr Barrie Parker  
Non-executive

Mr Martin Reed  
Non-executive

Ms Samantha Tough  
Non-executive

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### Highlights

- **March 2014 Quarter gold production of 31,242 oz, exceeding guidance for 6<sup>th</sup> consecutive quarter;**
- **FY2014 YTD gold production of 103,580 oz, on track to achieve the upper end of the revised upwards full year guidance of 125,000 – 135,000 oz;**
- **C1 Cash Costs for March Quarter – A\$868/oz (YTD A\$807/oz versus FY2014 full year guidance of A\$900/oz);**
- **Second consecutive quarterly production record for the Red October underground mine of 16,830 contained ounces;**
- **500,000<sup>th</sup> ounce produced under Saracen's ownership;**
- **Gold sales for the quarter – 33,603 oz;**
- **Gold sales revenue of A\$51.6 million for the quarter;**
- **Equity Raising of A\$61.2m (before costs) successfully completed;**
- **Cash and equivalents of A\$66.7m;**
- **Debt reduced to A\$12.0 million (\$10 million repaid);**
- **Net cash position of A\$50 million;**
- **Thunderbox acquisition on track for completion in May 2014;**
- **Gold hedging of 149,423 oz at an average price of A\$1,647/oz;**
- **Approximate Mark to Market value of hedge book of A\$32.4 million based on A\$1,384.30/oz spot price (at 31 March 2014);**

### Comment from Managing Director, Raleigh Finlayson:

"Delivery is one of Saracen's four core values and we are pleased to advise that the March quarter has seen Saracen deliver its 6<sup>th</sup> consecutive production guidance, with C1 cash costs and all-in sustaining costs both below guidance.

During the quarter we also announced the acquisition of the Thunderbox Gold Operations, which comprise over 2.0 million ounces of resources and over 700,000 ounces of reserves. Combined Saracen resources now stand at approximately 6 million ounces with reserves of approximately 1.5 million ounces.

Saracen also completed a A\$61.2m equity raising via a 15% institutional placement and an accelerated 2 for 11 non-renounceable entitlement offer. The funds raised will be used to pay the remainder of the Thunderbox acquisition price, reduce debt and for exploration on key targets including Red October, Karari and the Thunderbox deeps.

The Company is now well very positioned for the future, with:

- All-in sustaining cash costs forecast to fall to A\$950/oz in FY2015;
- Hedge price increasing to A\$1,750/oz by July 2016 (refer Table 7);
- Cash and cash equivalents totalling A\$66.7m;
- Significant exploration news flows over the next 6-12 months; and
- Two operations with the ability to generate in excess of 240-270kozpa."

## Summary

### Operations

Carosue Dam		Previous Qtr	Current Qtr	Year to Date
<b>Mill Production</b>	Unit	Dec 13 Qtr	Mar 14 Qtr	FY2014
Total Ore Milled	<i>t</i>	678,000	<b>616,000</b>	<b>1,948,000</b>
	<i>g/t</i>	1.67	<b>1.77</b>	<b>1.89</b>
Recovery	%	85.2%	<b>89.1%</b>	<b>87.4%</b>
Gold Produced	<i>oz</i>	31,096	<b>31,242</b>	<b>103,580</b>
<b>Open Pit Mining</b>				
Total Mining	<i>BCM</i>	2,033,000	<b>1,749,000</b>	<b>6,100,000</b>
Total Ore Mined	<i>t</i>	549,000	<b>525,000</b>	<b>1,321,000</b>
	<i>g/t</i>	1.04	<b>1.13</b>	<b>1.31</b>
Contained Ounces	<i>oz</i>	18,351	<b>19,062</b>	<b>55,606</b>
<b>Underground Mining</b>				
Total Ore Mined	<i>t</i>	86,000	<b>75,000</b>	<b>230,000</b>
	<i>g/t</i>	5.91	<b>6.96</b>	<b>6.55</b>
Contained Ounces	<i>oz</i>	16,345	<b>16,888</b>	<b>48,281</b>

**Table 1 – Carosue Dam Operations Statistics**

Note: Open Pit Mining includes Whirling Dervish and Karari. Underground Mining is solely Red October.

### Thunderbox Operations

- Settlement due to be completed in May 2014;
- Two out of three Conditions Precedent now complete;
- Thunderbox Feasibility Study commenced;
- On track for completion of all relevant approvals and feasibility studies by Q3 FY2015.

### Exploration

- Further high grade drilling results received from Red October, highlights include:
  - ROGC281: 4.3m @ 6.8g/t
  - ROGC286: 1.0m @ 80.4g/t
  - ROGC292: 1.0m @ 25.6g/t
  - ROGC302: 2.0m @ 55.6g/t
- Exploration drill drive at Red October commenced, with exploration drilling from the hangingwall scheduled to commence during the June quarter 2014, with over 15,000 metres planned to be drilled with two rigs over a 4-5 month period;
- Far South Prospect - Definition of an additional 3.5km of prospective Deep South stratigraphy;
- Improved geological interpretation at Blue Manna with extensive field mapping exercise undertaken.

### Finance

- Equity raising of A\$61.2m (before costs) via 15% institutional placement and 2 for 11 non-renounceable entitlement offer successfully completed.
- Cash at bank at quarter end totalled A\$62.3 million. Net cash \$50.3 million after debt of \$12 million;
- Total gold hedging in place of 149,423 ounces at an average price of A\$1,647/oz.
- Mark to Market value of the hedging of A\$32.4 million based on a spot price of A\$1,384.30/oz (as at 31 March 2014).

### Health and Safety

There was one Lost Time Injury (“LTI”) recorded during the quarter due to a contractor sustaining a lower back injury whilst positioning a hydraulic jack into position during routine maintenance of an underground machine, in a surface workshop environment.

## Processing

		Previous Qtr	Current Qtr	Year to Date
Mill Production	Unit	Dec 13 Qtr	Mar 14 Qtr	FY2014
Total Ore Milled	<i>t</i>	678,000	<b>616,000</b>	<b>1,948,000</b>
	<i>g/t</i>	1.67	<b>1.77</b>	<b>1.90</b>
Recovery	%	85.2%	<b>89.1%</b>	<b>86.9%</b>
Gold Produced	<i>oz</i>	31,096	<b>31,242</b>	<b>103,580</b>

*Table 2 – Carosue Dam Operations Processing Statistics*

A **batch trial** of processing higher quantities of Red October ore in an approx 50:50 blend with Whirling Dervish ore (as opposed to the **blending** of approx 15% Red October and 85% Whirling Dervish) was conducted as planned during the March 2014 quarter, with the objective of trying to optimise the milling parameters for both ore sources, by maximising throughput for the Whirling Dervish ore and maximising recoveries (finer grind/reduced throughput) for Red October ore.

The batch trial was very successful, with average recoveries improving 3.9% compared to the previous quarter (89.1% v 85.2%). Before the batch trial, when solely Whirling Dervish ore was treated, the grind size was increased to approx 220 micron which resulted in higher mill throughputs without decreasing recoveries (Whirling Dervish ore is not grind sensitive). The Red October ore was batched treated with a grind size of approx 145 micron, which resulted in lower mill throughputs, but was more than compensated for with higher recoveries.

Total ore milled was 9% lower than the December quarter due to the batch trial. Mill throughput was 297 tonnes per hour, down from 315 and 309 tonnes per hour in the December and September quarters respectively.

Total gold produced for the March quarter of 31,242 oz, slightly above the December quarter of 31,096 oz.

## Open Pit Mining

**Whirling Dervish** was the only open pit mined during the quarter.

Mining at Whirling Dervish was impacted by significant rainfall during the quarter, with 1.75 million bcm's mined (versus 2.0 million bcm's mined in the December quarter), however total movement year to date in FY2014 is approximately 110,000 cubic metres ahead of schedule (+2%).

Total ore mined for the March quarter was 525,000 tonnes @ 1.13g/t for 19,062 contained ounces. There was a significant increase in head grade compared with the previous quarter (1.13g/t v 1.04g/t), representing a 10% increase. This is in line with expectations with the head grade set to increase quarter by quarter into FY2015.

The average strip ratio for the March quarter was 7.6:1 (w:o), declining from 8.3:1 and 21:1 in the December and September 2013 quarters respectively. The strip ratio for the remainder of the open pit is 3.7:1 (versus 4.5:1 in the December quarter).

Total cash expenditure for Whirling Dervish during the December quarter was A\$17.3 million versus a budget of A\$18.1 million, a 5% reduction due primarily to savings in load and haul activities associated with wet weather delays.

Total unit mining costs year to date are \$8.79/bcm versus \$9.41/bcm budgeted, a 7% reduction.

As at the end of the March quarter, mining at Whirling Dervish had advanced to the 270mRL (approximately 85m below surface) as shown in Figure 2 below. The primary ore zones in the hangingwall structures are providing the mill feed in FY2014. The bulk footwall lode remains on schedule to be reached in Q1 FY2015,

with significantly higher ore quantities and grades enabling “all-in” sustaining cash costs to fall to A\$950/oz in FY2015.

41,203 contained ounces have been mined year to date in FY2014 from Whirling Dervish as shown below. This reconciles to within 2% of reserve, with 7% higher grade being mined compared with reserve.

Whirling Dervish	Unit	Actual	Reserve	Variance	Variance
Ore Tonnes	<i>t</i>	1,189,000	1,291,000	-102,000	-8%
Grade	<i>g/t</i>	1.08	1.01	0.07	+7%
Contained Ounces	<i>oz</i>	41,203	41,965	-762	-2%

*Table 3 – Whirling Dervish reconciliation YTD FY2014*



*Figure 1 – Mining at Whirling Dervish – March 2014*

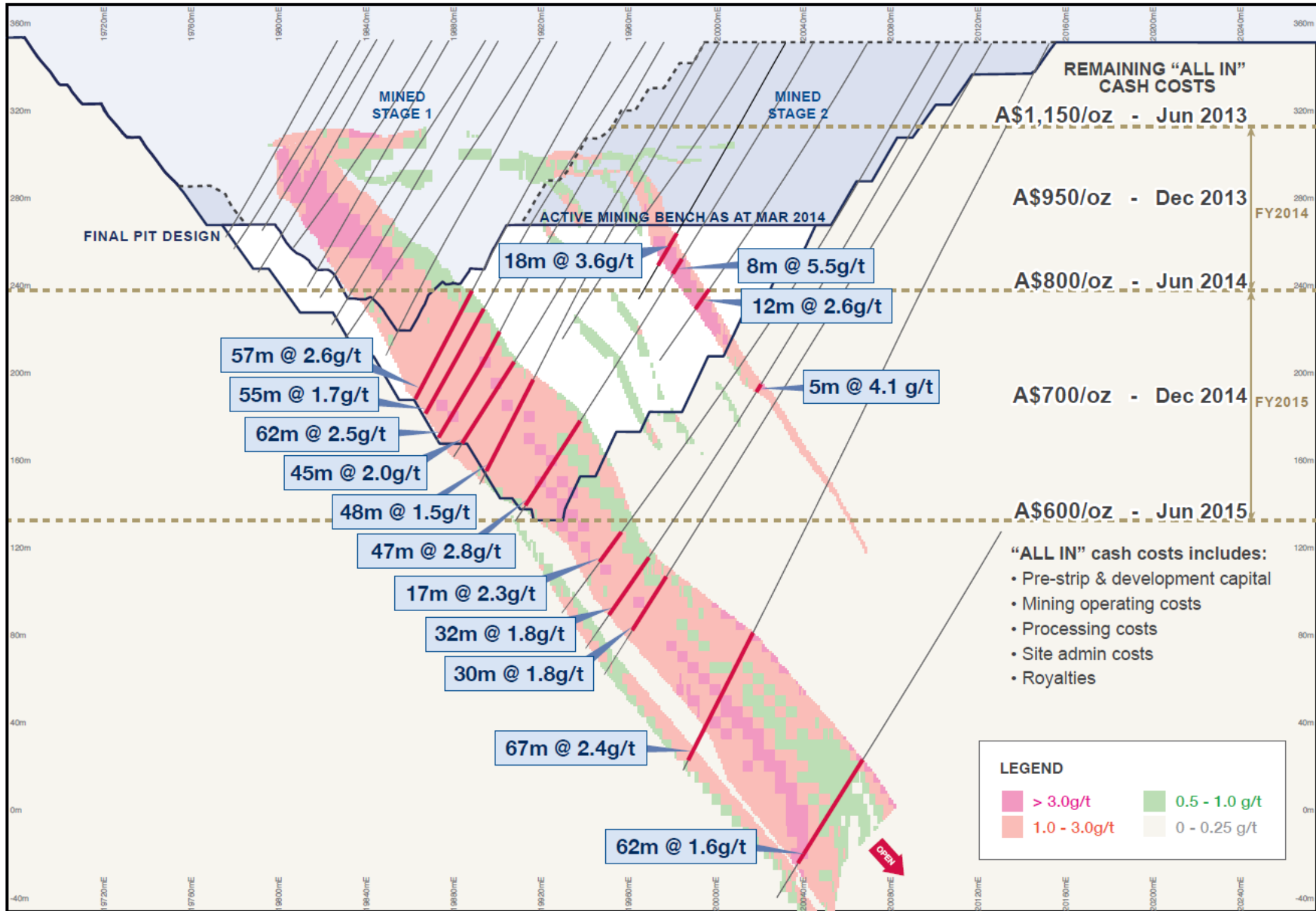


Figure 2 – Cross section of the Whirling Dervish open pit as at March 2014



## Underground Mining

16,888 contained ounces were mined from Red October during the March quarter, eclipsing the previous record of 16,326 oz set in the previous quarter. 48,281 contained ounces have been mined year to date in FY2014, over 12,000 ounces ahead of YTD guidance of 36,150 ounces. Full year guidance for Red October of 48,281 ounces has already been achieved.

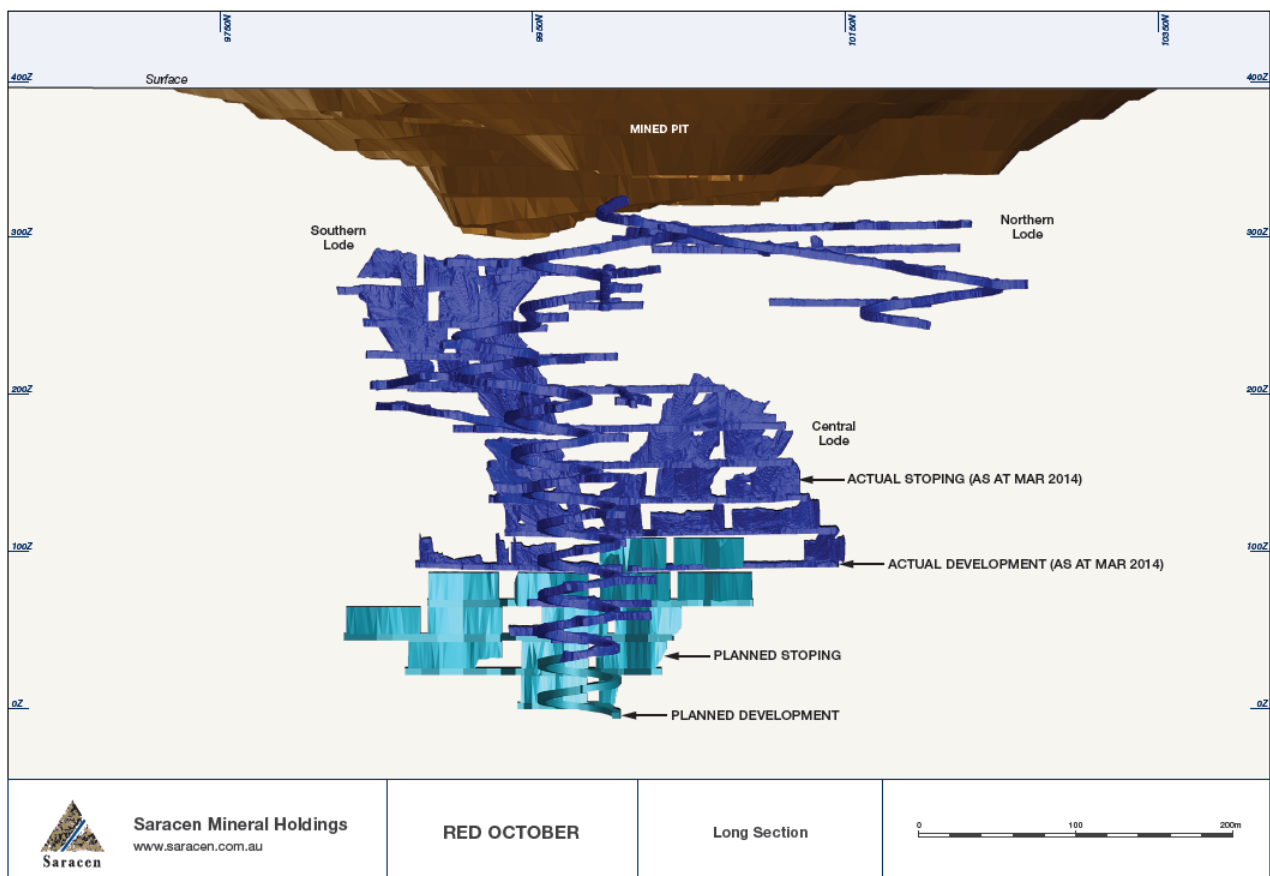
Red October	Unit	Actual	Guidance	Variance	Variance
Ore Tonnes	t	75,000	75,000	0	0%
Grade	g/t	6.96	5.00	1.96	+39%
Contained Ounces	oz	16,888	12,050	4,780	+40%

**Table 4 – Red October reconciliation for the December 2013 quarter**

Capital development extended through to the 1042 level, which is the level for the development of a hangingwall drill drive platform, critical to exploring the Red October ore at depth beyond the known life of mine plan. Development of the level access was completed and the drill platform advanced 20 meters by the end of March. Development of this platform is scheduled to be completed by the end of May 2014, with exploration drilling to commence in June with two underground diamond drills to undertake the planned 15,000 metre exploration programme.

Recent grade control drilling results below the southern end of the Central Lode have provided encouragement that economic extensions of the current life of mine plan ahead of the significant exploration program may be achieved. Further details of these results, as well as an update on the status of the exploration program, are provided under the Exploration section of this report.

Total cash mining expenditure was A\$12.8 million, A\$1.1 million lower than the previous quarter due to the demobilisation of the second development jumbo. Mine cash costs were \$758/oz contained (approx \$872/oz recovered). "All in" sustaining cash costs were approx \$976/oz recovered (includes operating, capital, development, overheads, ore haulage, processing, and exploration expenditure).



**Figure 3 - Red October as at March 2014**

## FY2014 Guidance

Guidance for FY2014 was originally set at 110,000 - 120,000 ounces and was raised to 120,000 - 130,000 ounces in August 2013 and again to 125,000 – 135,000 ounces in January 2014.

103,580 ounces have been produced year to date in FY2014, on track to achieve the upper end of the revised full-year guidance of 125,000 – 135,000 ounces.

## Exploration

### Far South Prospect

The Far South Prospect is located 4km south-south east of the Deep South project. The stratigraphic position of the Deep South mineralisation extends 500m south of the open pit before it crosses onto the neighbouring tenement. It reappears some 3.5km SSE of this position, which is the location of the recently completed Sub-Audio Magnetic survey. The survey has accurately defined the regionally extensive Banded Iron Formation and the preferentially weathered Deep South stratigraphic position.

A geochemical sampling program is underway to collect historical bottom of hole drill spoils for multi-element analysis with the aim to use the results for lithology discrimination and alteration mapping. Work carried out at Deep South will be used as a proxy to define potentially favourable zones for drill testing.

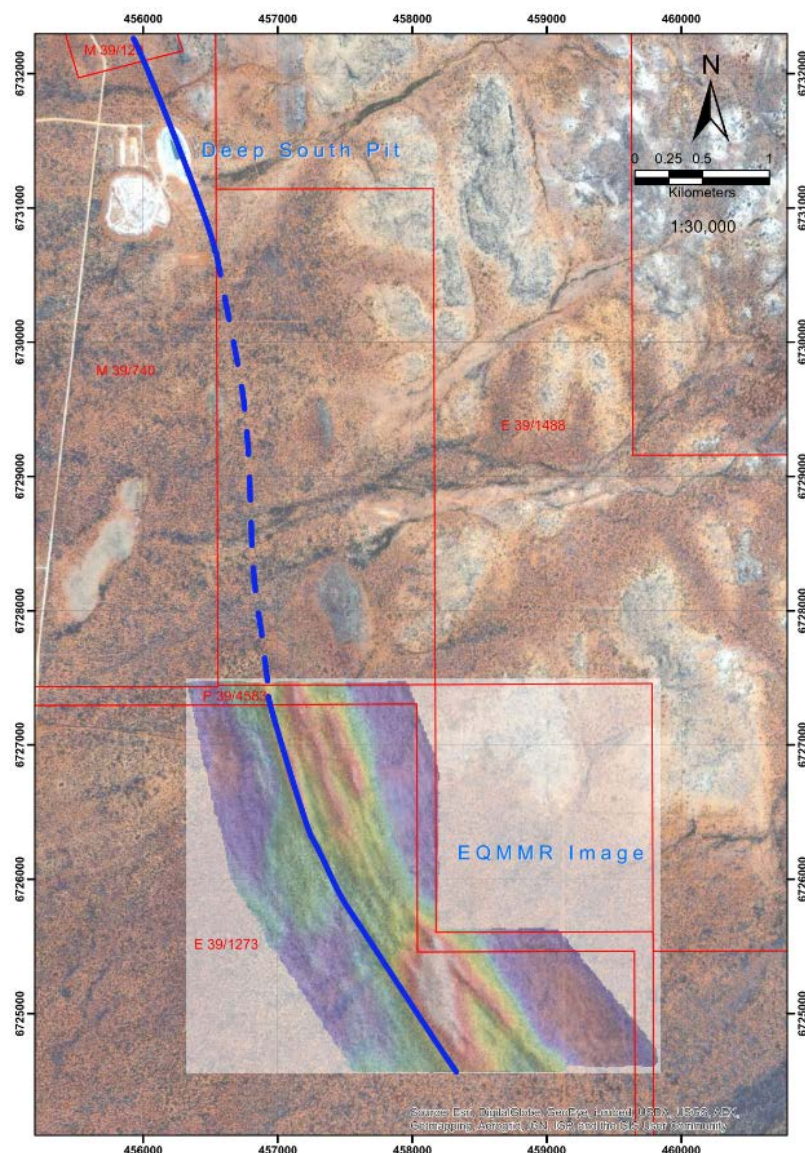


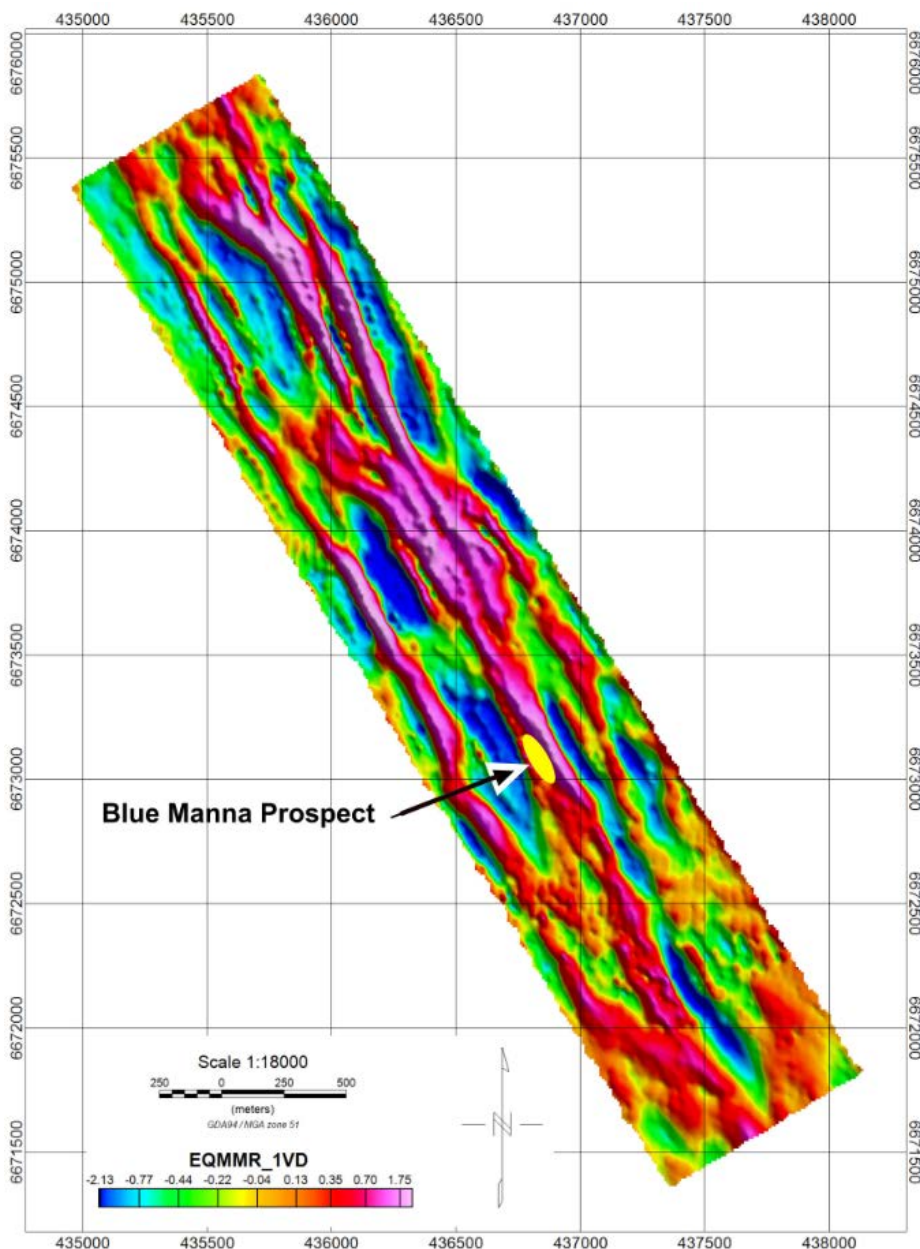
Figure 4 - Far South Project 4km south-southeast of Deep South

## **Blue Manna Project**

A detailed interpretation of the Blue Manna Sub-Audio Magnetic survey, has identified that the area is more structurally complex than first envisaged. Importantly the survey has led to the identification of similar geological settings to the north of the Blue Manna prospect.

Following the significant rainfall event that hampered mining production across the Goldfields in January, the low lying areas at Blue Manna benefited from the high flow runoff to Lake Rebecca. The large volume of runoff has exposed significant areas of outcrop, which had previously been masked by a thin veneer of silt and sand. The new exposures have now been mapped and this important geological information is being integrated into the understanding of the structural architecture and controls on mineralisation. It is hoped that the improved understanding of the current mineralisation, will assist with further regional targeting.

Follow up drilling at Blue Manna will occur in the next quarter. This program will aim to test the strike length of the system, both to the north and south. Drilling will also be strategically positioned to test a shallow northerly plunge component that was identified during the field mapping.



**Figure 5 – Blue Manna Sub-Audio Magnetic survey**



## Red October Exploration

Near mine extension drilling continued with the addition of a second diamond rig taking advantage of an opportunity to expedite the drill results from the immediate mining areas. Drilling activity has focused on the down dip extensions to the Marlin and Central lodes. This drilling has returned mixed results, with the drilling beneath the northern end returning lower grade intercepts, which is consistent with previous drill results.

Drilling beneath the southern end of the Central lode has continued to return some very high grade results (**ROGC302 2.0m @ 55.6g/t and ROGC286 – 1m @ 80.4g/t**), refer to Figure 6 below which highlights recent drill results received during the quarter and the deeper exploration results that will be followed up with drilling next quarter. Additional drilling was carried out beneath and adjacent to the Southern lode, following up 4 historical surface holes. The holes in this area intersected a broader zone of mineralisation, which will require further analysis (**ROGC283 – 9.3m @ 3.3g/t**).

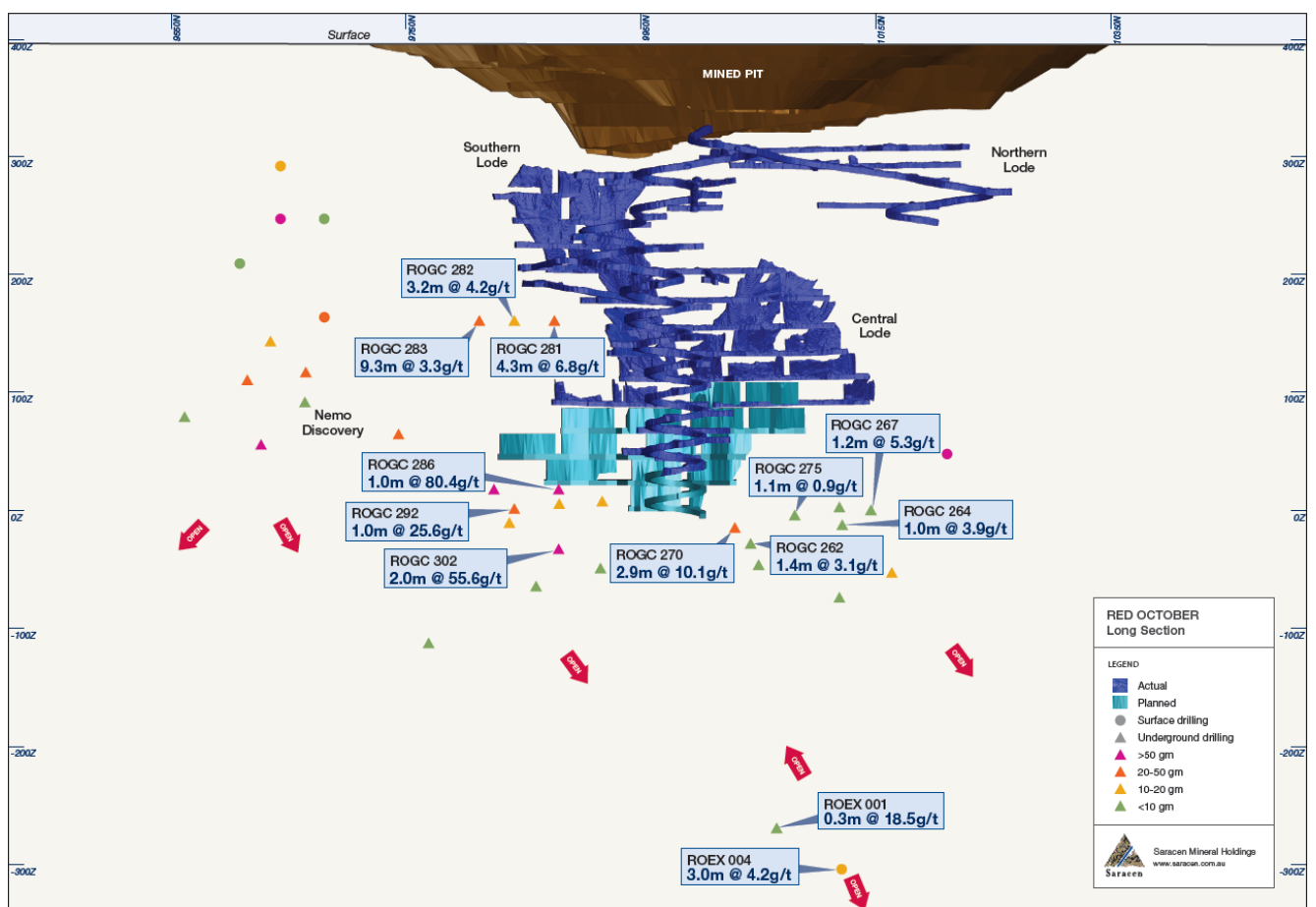


Figure 6 – Red October longsection showing recent drilling results

The hangingwall exploration drill drive at Red October has commenced, with exploration drilling from this position scheduled to commence during the June quarter 2014, with over 15,000 metres planned to be drilled with two rigs over a 4-5 month period. Figure 7 below shows the planned drill drive development and the drillhole traces and pierce points.

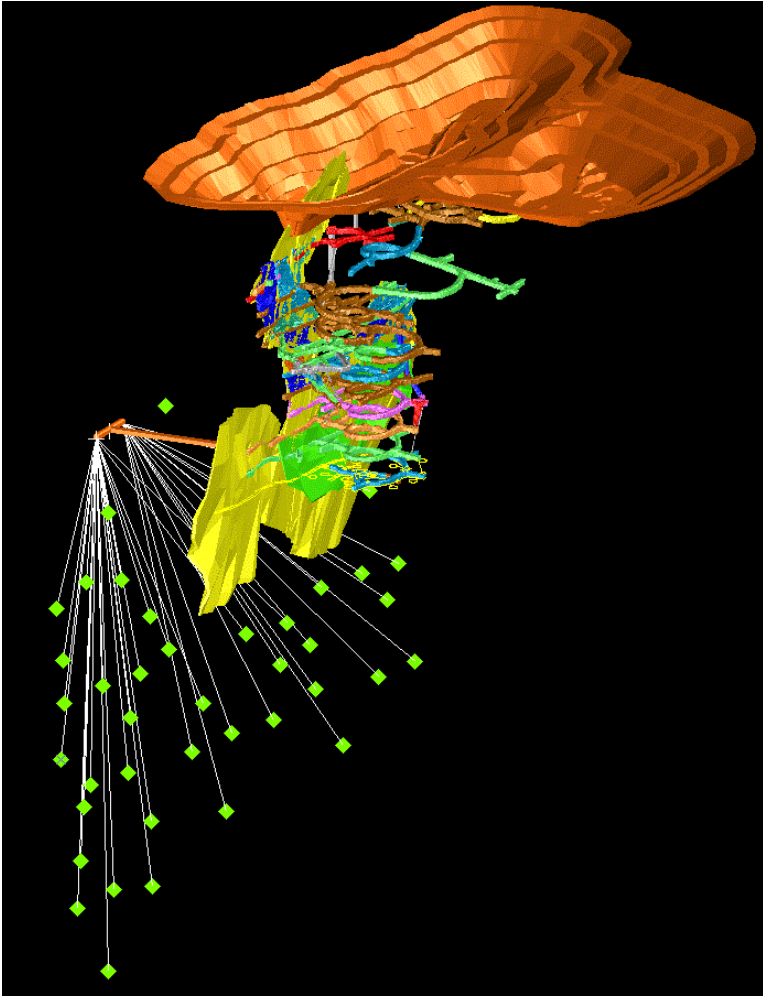


Figure 7 – Red October isometric view showing the planned drill drive and drilling



Figure 8 – Visible gold present in hole ROGC302 2.0m @ 55.6g/t

## Finance

### Cash Position

As at 31 March 2014, Saracen's total cash position was A\$66.7 million, comprising A\$62.3 million held in cash and 3,197 ounces of gold in transit (approx. A\$4.4 million at A\$1,386/oz). The cash position is after the completion of the equity raising of approx \$58 million (net of costs) and the repayment of \$10 million of loans as detailed below.

### Gold Sales

Gold sales for the quarter were 33,603 ounces at an average sale price of A\$1,534/oz for total revenue of A\$51.6 million. Of these sales, 27,940 ounces were delivered into hedging at an average price of A\$1,545/oz.

### Equity Raising

During the quarter Saracen undertook an equity raising of \$61.2 million (before costs) via an institutional placement of 89.3 million shares and an accelerated pro-rata non-renounceable entitlement offer to existing eligible shareholders on a ratio of 2 new shares for every 11 held at the books closing date totalling 108.2 million shares. The issue price of the new shares was 31 cents.

The funds raised from the issue are to be used as follows:-

Payment of Thunderbox purchase price	\$18m
Payment of stamp duty associated with Thunderbox acquisition	\$2m
Thunderbox exploration drilling and resource delineation	\$5m
Red October Exploration	\$5m
Karari Exploration Drive	\$10m
Offer costs, debt Repayment and working capital	<u>\$21.2m</u>
<b>TOTAL</b>	<b>\$61.2m</b>

### Debt

Following the equity raising completed during the quarter (as noted above) the Company repaid \$10 million of debt under its banking facilities to leave outstanding debt of A\$12.0 million at the end of the quarter.

### Exploration and Capital Expenditure

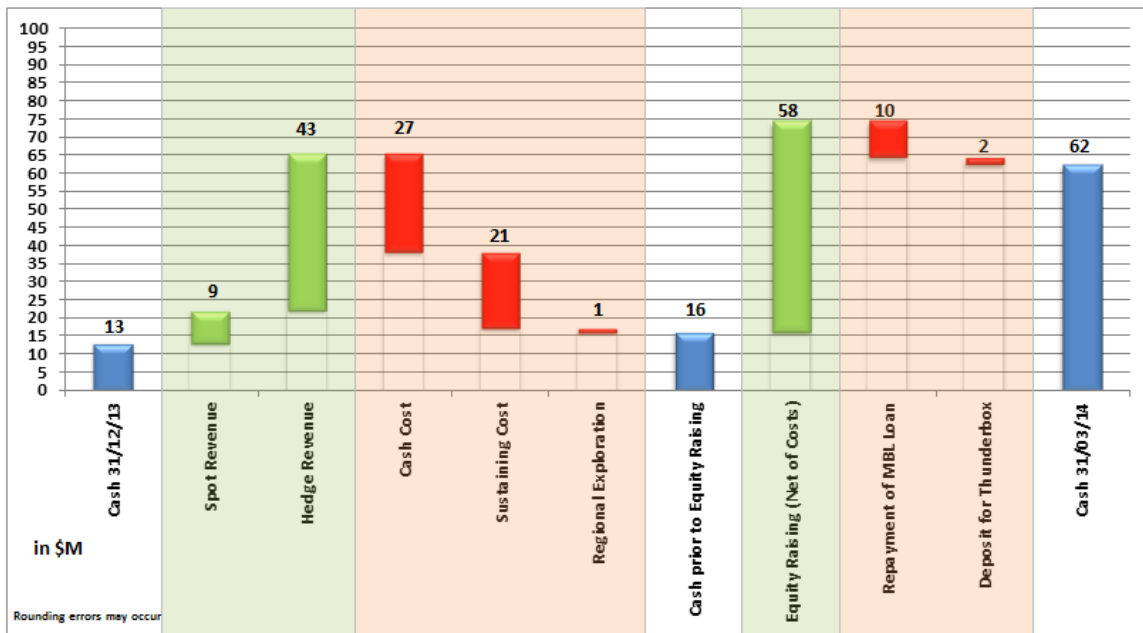
During the quarter, the Company incurred \$0.85 million on exploration activities and \$0.26 million on capital works.

### Cashflows

Closing cash of A\$62.3 million excludes approx A\$4.4 million of bullion in transit. Debt has been reduced to \$12.0 million. This leaves the Company with a net positive cash position of \$50.3 million (excluding gold in transit).

Importantly, Figure 9 below shows that closing cash (prior to adding the equity raising proceeds) was approx. \$3.0 million higher than the previous quarter, despite the continued development of the Whirling Dervish open pit, which had a strip ratio of 7.6:1 for the quarter, with a remaining life of mine strip ratio of only 3.7:1.

Free cashflow generation has again exceeded guidance expectations, with the Saracen's vision of generating A\$60m operating free cashflow from our Carosue Dam Operations by the end of FY2015 remaining ahead of schedule.



**Figure 9 – March 2014 quarter cash movements**

- **Spot Revenue:** Revenue from sales at spot gold price.
- **Hedge Revenue:** Revenue from sales at hedged gold price (including fixed and spot deferred hedging).
- **Cash Costs:** cash outflows for mining, ore cartage, processing, administration and ore purchase.
- **Sustaining Costs:** cash outflows for royalties, capital works, open pit development, underground development, active mine exploration & corporate expenses (including loan interest).
- **Regional Exploration:** cash outflows for regional exploration.
- **Equity Raising:** \$61.2 million less costs.
- **Repayment of MBL Loan:** cash outflows for Debt Repayment.
- **Deposit for Thunderbox:** \$2 million deposit paid upon signing of the agreement for the acquisition of the Thunderbox Project.

### **Cash Costs**

C1 Cash Costs for the March quarter have fallen 8% to A\$868/oz compared with A\$950/oz in the December quarter. Year to date C1 Cash Costs are A\$807/oz, which compare favourably to guidance of A\$900/oz.

All-in Sustaining Cash Costs for the March quarter have fallen 12% to A\$1,574/oz compared with A\$1,786/oz in the December quarter. Year to date All-in Sustaining Cash Costs are A\$1,453/oz which compare favourably to guidance of A\$1,500/oz.

Saracen continues to report cash costs using an actual cashflow methodology (as opposed to the depreciation & amortisation method which is commonly used in the industry) as it provides better reconciliation with actual cashflow movements, thereby providing increased transparency of costs to the market.

All-in Sustaining Cash Costs are forecast to decline to A\$950/oz in FY2015 as declining strip ratios and higher grades from the Whirling Dervish open pit facilitate significantly falling cash cost and increasing cashflow generation.



Cash Costs	Sept-13 Qtr	Dec-13 Qtr	Mar-14 Qtr	YTD FY2014
Open Pit Mining (\$m)	2.4	2.4	4.8	9.6
Underground Mining (\$m)	5.0	8.5	7.2	20.7
Ore Cartage (\$m)	2.5	2.7	1.3	6.5
Processing (\$m)	11.6	12.3	11.9	35.8
Site Administration (\$m)	1.7	2.1	1.9	5.8
Ore Purchase (\$m)	3.6	1.6	-	5.2
<b>Cash Costs (\$m)</b>	<b>\$27</b>	<b>\$30</b>	<b>\$27</b>	<b>\$74</b>
Royalties (\$m)	2.3	1.7	2.3	6.3
Capital Works (Inc TSF) (\$m)	2.6	3.1	0.3	5.9
Open Pit Development (\$m)	3.7	12.8	11.2	27.6
Underground Development (\$m)	6.7	5.8	4.8	17.3
Active Mine Exploration (\$m)	0.7	0.8	0.9	2.3
Corporate (\$m)	3.0	1.8	2.7	7.5
<b>"All in" Cash Costs (\$m)</b>	<b>\$46</b>	<b>\$56</b>	<b>\$49</b>	<b>\$141</b>
Expansion Capital (\$m)	9.9	-	-	9.9
Regional Exploration (\$m)	1.4	1.7	0.9	4.0
<b>Production (rec au)</b>	<b>41,241</b>	<b>31,097</b>	<b>31,242</b>	<b>103,580</b>
Open Pit Mining (\$/oz)	59	76	154	93
Underground Mining (\$/oz)	122	272	230	200
Ore Cartage (\$/oz)	61	85	42	63
Processing (\$/oz)	282	397	380	346
Site Administration (\$/oz)	41	69	62	56
Ore Purchase (\$/oz)	88	51	-	50
<b>Cash Costs (\$/oz)</b>	<b>\$653</b>	<b>\$950</b>	<b>\$868</b>	<b>\$807</b>
Royalties (\$/oz)	55	56	74	61
Capital Works (\$/oz)	62	99	8	57
Open Pit Development (\$/oz)	90	411	357	267
Underground Development (\$/oz)	163	185	153	167
Active Mine Exploration (\$/oz)	16	26	27	22
Corporate (\$/oz)	73	59	86	73
<b>"All in" Cash Costs (\$/oz)</b>	<b>\$1,111</b>	<b>\$1,786</b>	<b>\$1,574</b>	<b>\$1,453</b>

*Table 5 – Cash Costs*

### **Hedging**

As at 31 March 2014, Saracen had gold hedging in place covering 149,423 ounces at an average price of A\$1,647.43/oz. These ounces are to be delivered over the period from April 2014 to July 2016 (inclusive). The mark to market value of the hedge book at 31 March 2014 was A\$32.4m based on a spot gold price of A\$1,384.30/oz. Refer to Table 6 below for the complete details of the hedge book.

**For further information please contact:**

**Raleigh Finlayson**  
**Managing Director**

Contact: [r.finlayson@saracen.com.au](mailto:r.finlayson@saracen.com.au)

## **Competent Persons Statements**

The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based upon information compiled by Mr Daniel Howe, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Daniel Howe is a full-time employee of the company. Daniel Howe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Daniel Howe consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information on the Thunderbox Project Mineral Resources and Ore Reserves is extracted from the ASX announcement titled "Saracen Acquires Thunderbox Operations" dated 21 January 2014. The report is available to view on the ASX Website at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.saracen.com.au](http://www.saracen.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all market assumptions and technical assumptions underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

<b>Month</b>	<b>Ounces</b>	<b>Price A\$</b>
Spot Deferred	25,473	\$ 1,386.92
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
<b>Total</b>	<b>149,423</b>	<b>Avg \$ 1,647.43</b>

***Table 6 – Details of Hedging Contracts***

**Table 7 – Summary of Drill Results**

RED OCTOBER DRILLING MARCH2014 QUARTER										Downhole			
Hole	Easting	Northing	RL	Depth	Azimuth	Dip		From (m)	To (m)	Width (m)	Grade g/t		
ROGC262	443080.7	6767826.677		79.264	180.00	326.19	-41	89.6	91	1.4	3.099		
ROGC263	443081.3	6767827.04		79.069	216.2	341.19	-43	no significant results					
ROGC264	443081.7	6767827.27		79.665	189	348.9	-33.6	177	178	1	3.88		
ROGC265	443081.9	6767827.285		79.162	275.6	359.2	-36.3	85.5	86.4	0.9	3.93		
ROGC266	443082.3	6767827.709		79.302	260.7	2.9	-28.5	no significant results					
ROGC267	443082.6	6767828.044		79.267	272.3	9.9	-25.2	114.4	115.6	1.2	5.3		
ROGC268	443080.4	6767817.164		56.058	212.9	300.2	-41	58	58.5	0.5	5.09		
								and	103.4	105.5	2.1	7.731	
								and	108.4	108.7	0.3	3.99	
								and	113.3	113.5	0.2	27	
								and	179.8	182.8	3	3.847	
ROGC269	443080.7	6767817.269		56.232	179.2	306.2	-39.4	160.4	162.1	1.7	3.236		
ROGC270	443081.2	6767817.538		56.559	174	318.9	-30.5	88.8	89.7	0.9	3.02		
								and	140.9	143.8	2.9	10.137	
ROGC273	443081.5	6767817.853		56.595	156	332.19	-28	144	144.7	0.7	9.04		
ROGC275	443081.7	6767817.946		56.7	155.8	340.3	-23.2	150.5	151.6	1.1	0.94		
ROGC276	443080.8	6767817.35		56.339	170.9	306.9	-31.6	61.7	63	1.3	3.542		
								and	89.5	90.2	0.7	24.1	
								and	124.3	125.1	0.8	6.01	
ROGC279	442933.6	6767737.383		203.184	184.3	289.8	-53.7	71.4	72.4	1	2.82		
								and	82.5	88.9	6.4	2.638	
								and	146.5	146.8	0.3	3.83	
								and	164.3	165.3	1	3.39	
ROGC280	442933	6767736.505		203.135	219	266.7	-47	58.7	59.6	0.9	153		
								and	91.8	98.9	7.1	3.115	
								and	116.6	121.5	4.9	3.201	
ROGC281	442934.5	6767738.966		202.968	116.7	335.4	-47	49.90	54.15	4.25	6.779		
ROGC282	442933.1	6767737.178		203.271	180	285.7	-46	66.40	69.6	3.2	4.189		
								and	107.90	108.4	0.5	5.57	
ROGC283	442933.1	6767736.324		203.66	201	262.9	-34.6	66.8	67.7	0.9	4.76		
								and	75.8	85.1	9.3	3.335	
								and	101.2	102.1	0.9	2.63	
								and	128	129	1	2.92	
								and	130	131.9	1.9	2.658	
								and	195.8	197.2	1.4	3.69	
ROGC284	442933.4	6767735.799		203.762	249.1	248.7	-35.8	89	90.7	1.7	3.591		
								and	98.9	99.3	0.4	4.17	
ROGC285	443013.3	6767770.769		47.165	104.8	284.7	-7.4	78.1	78.4	0.3	56.7		
								and	94.2	95.3	1.1	6.063	
ROGC286	443013	6767770.439		46.9	131.4	279.6	-15	23.1	23.5	0.4	2.86		
								and	56.1	56.4	0.3	11.1	
								and	102.9	103.9	1	80.407	
								and	107.1	107.3	0.2	2.7	
ROGC287	443012.5	6767769.889		46.896	233.7	266.3	-12.4	21	21.6	0.6	2.73		
								and	124.6	125.8	1.2	6.653	
								and	156	156.7	0.7	11.6	
ROGC288	443014.6	6767771.849		46.857	111	318.7	-24.4	24.3	24.9	0.6	3.9		
								and	29.6	30.3	0.7	3.3	
								and	67.9	68.2	0.3	3.23	
								and	87	87.9	0.9	3.18	
ROGC289	443014.1	6767771.527		46.817	120.9	307.1	-24	21.7	22.4	0.7	2.79		
								and	39.3	39.9	0.6	3.98	
								and	90.8	92.6	1.8	3.488	
								and	97	98.9	1.9	3.753	
ROGC290	443014.3	6767771.562		45.55	134.6	288.5	-18	98.4	99.1	0.7	10.26		
ROGC291	443014.3	6767771.562		45.55	254.8	269.7	-22	and	144.3	144.6	0.3	3.18	
								and	169.6	170.4	0.8	4.1	
								and	198.5	199.2	0.7	6.21	
ROGC292	443014.3	6767771.562		45.55	236.7	261.3	-18.1	51.7	52.1	0.4	3.93		
								and	55.8	56.2	0.4	6.75	
								and	141.05	142	0.95	25.6	
ROGC293	443014.3	6767771.562		45.55	156	323.3	-38	23.3	24.5	1.2	4.74		
								and	64.3	65.3	1	3.66	
								and	136.7	139.4	2.7	3.322	
ROGC294	443014.3	6767771.562		45.55	131.3	316.2	-33	22.3	22.7	0.4	6.74		
ROGC295	443014.3	6767771.562		45.55	158.4	302.9	-36	108.4	108.9	0.5	8.59		
ROGC302	443014.3	6767771.562		45.55	336	281.19	-36	18.6	19.4	0.8	3.19		
								and	134.7	136.7	2	55.63	
RORD032	443270.2	6767979.852		268.363	177	354.2	-25	no significant results					
RORD033	443269.3	6767979.034		269.491	98.6	325.1	8.1	11.5	11.9	0.4	3.25		

## JORC 2012 Table 1 – Red October

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Sampling activities conducted at Red October by Saracen include reverse circulation (RC), surface and underground diamond drilling (DD) and underground face chip sampling.  Historic sampling methods conducted since 1989 have included aircore (AC), rotary air blast (RAB), RC and surface and underground DD holes.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Sampling for RC, DD and face chip sampling is carried out as specified within Saracen sampling and QAQC procedures as per industry standard.  RC chips and NQ diamond core provide high quality representative samples for analysis.  RC, RAB, AC and surface DD drilling completed by previous holders is assumed to adhere to industry standard at that time (1989- 2004).
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Saracen sampling activities have been carried out to industry standard.  Reverse circulation drilling is used to obtain 1m samples, diamond core is sampled to geological intervals (0.2m to 1.2m) and cut into half core and UG faces are chip sampled to geological intervals (0.2 to 1m), with all methods producing representative samples weighing under 3kg. Samples are selected to weigh less than 3 kg to ensure total sample inclusion at the pulverisation stage.  Saracen core and chip samples are crushed, dried and pulverised to a nominal 90% passing 75µm to produce a 40 g sub sample for analysis by FA/AAS.  Visible gold is occasionally encountered in drillcore and face samples.  Historical AC, RAB, RC and diamond sampling is assumed to have been carried out to industry standard at that time. Analysis methods include fire assay, aqua regia and unspecified methods.
Drilling Techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	The deposit was initially sampled by 495 AC holes, 73 RAB holes, 391 RC holes (assumed standard 5 1/4" bit size) and 159 surface diamond NQ and HQ core holes.  5 RC holes were drilled using a 143mm diameter bit with a face sampling hammer. The rig was equipped with an external auxiliary/ booster.  Saracen has previously completed 6 reverse circulation drillholes, 9 surface HQ and NQ diamond drillholes, 258 underground NQ diamond drill holes and sampled 622 underground faces.  All diamond drill core has been oriented using an Ezi-mark tool.



## Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
		Some historic surface diamond drill core appears to have been oriented by unknown methods.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	RC chip recoveries are recorded in the database as a percentage based on a visual weight estimate.  Underground and surface diamond core recoveries are recorded as percentages calculated from measured core versus drilled metres, and intervals are logged and recorded in the database. Diamond core recoveries average >90%.  Limited historic surface sampling and surface diamond recoveries have been recorded.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	During RC drilling daily rig inspections are carried out to check splitter condition, general site and address general issues. Ground condition concerns led to extensive hole conditioning meaning contamination was minimised and particular attention was paid to sample recovery.  Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against depth given on the core blocks.  UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody.  Historical AC, RAB, RC and diamond drilling to industry standard at that time.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	There is no known relationship between sample recovery and grade for RC drilling.  Diamond drilling has high recoveries due to the competent nature of the ground meaning loss of material is minimal.  Any historical relationship is not known.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of all RC chips and diamond drill core is carried out. Logging records lithology, mineralogy, texture, mineralisation, weathering, alteration and veining. Logging is both qualitative and quantitative in nature.  Geotechnical and structural logging is carried out on all diamond core holes to record recovery, RQD, defect number, type, fill material, shape and roughness and alpha and beta angles.  Core is photographed in both dry and wet state.  All faces are photographed and mapped.

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
		Qualitative and quantitative logging of historic data varies in its completeness. Some surface diamond drill photography has been preserved.
	<i>The total length and percentage of the relevant intersections logged</i>	All RC and diamond drillholes are logged in full and all faces are mapped. Historical logging is approximately 95% complete, some AC, RAB and RC precollar information is unavailable.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	All diamond core is cut in half onsite using an automatic core saw. Samples are always collected from the same side.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC drilling has been cone split and was dry sampled. UG faces are chip sampled using a hammer. AC, RAB and RC drilling has been sampled using spear, grab, riffle and unknown methods.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation of RC chips, diamond core and UG face chips adhere to industry best practice. It is conducted by a commercial laboratory and involves oven drying, coarse crushing then total grinding using an LM5 to a grind size of 90% passing 75 microns. Best practice is assumed at the time of historic sampling.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	All subsampling activities are carried out by commercial laboratory and are considered to be satisfactory. Sampling by previous holders is assumed to adhere to industry standard at the time.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second halvesampling.</i>	RC field duplicate samples are carried out at a rate of 1:20 and are sampled directly from the on-board splitter on the rig. These are submitted for the same assay process as the original samples and the laboratory are unaware of such submissions. No duplicates have been taken of UG diamond core or face samples. Sampling by previous holders assumed to be industry standard at the time.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes of 3kg are considered to be appropriate given the grain size (90% passing 75 microns) of the material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	A 40 gram fire assay with AAS finish is used to determine the gold concentration for RC chip, UG diamond core and face chip samples. This method is considered one of the most suitable for determining gold concentrations in rock and is a total digest method.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
		Historic sampling includes fire assay, aqua regia and unknown methods.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools were utilised for reporting gold mineralisation.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>Certified reference material (standards and blanks) with a wide range of values are inserted into every RC, diamond drillhole and UG face to assess laboratory accuracy and precision and possible contamination. These are not identifiable to the laboratory.</p> <p>QAQC data returned are checked against pass/fail limits with the SQL database and are passed or failed on import. A report is generated and reviewed by the geologist as necessary upon failure to determine further action.</p> <p>QAQC data is reported monthly and demonstrates sufficient levels of accuracy and precision.</p> <p>Sample preparation checks for fineness are carried out to ensure a grindsize of 90% passing 75 microns.</p> <p>The laboratory performs a number of internal processes including standards, blanks, repeats and checks.</p> <p>Industry best practice is assumed for previous holders. . Historic QAQC data is stored in the database but not reviewed.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intercepts are verified by the Geology Manager and corporate personnel.
	<i>The use of twinned holes.</i>	No specific twinned holes have been drilled at Red October but underground diamond drilling has confirmed the width and grade of previous exploration drilling.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols</i>	<p>Primary data is collated in a set of excel templates utilising lookup codes. This data is forwarded to the Database Administrator for entry into a secure acQuire database with inbuilt validation functions.</p> <p>Chips from RC drillholes are stored in chip trays for future reference. Remaining half core is stored in core trays and archived on site</p> <p>Hard copies of face mapping and sampling records are kept on site.</p> <p>Data from previous owners was taken from a database compilation and was validated as much as practicable before entry into the Saracen acQuire database.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data. First gold assay is utilised for resource estimation. Reassays carried out due to failed QAQC will replace original results, though both are stored in the database.
Location of data points	<i>Accuracy and quality of surveys used to locate</i>	All drillhole collar s are picked up by company surveyors using a Leica TS15i (total station) with an

Section 1 Sampling Techniques and Data																							
Criteria	JORC Code Explanation	Commentary																					
	<i>drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>expected accuracy of +/-2mm.</p> <p>Underground faces are located using a Leica D5 disto with an accuracy of +/- 1mm from a known survey point.</p> <p>Exploration RC holes have been gyroscopically downhole surveyed by ABIMS where possible once drilling is completed. Surveys are carried out every 30m downhole during RC and diamond drilling using an Eastman single shot camera.</p> <p>Previous holders' survey accuracy and quality is generally unknown.</p>																					
	<i>Specification of the grid system used.</i>	<p>A local grid system (Red October) is used. It is rotated 44.19 degrees east of MGA_GDA94.</p> <p>The two point conversion to MGA_GDA94 zone 51 is</p> <table border="1"> <thead> <tr> <th></th> <th>ROEast</th> <th>RONorth</th> <th>RL</th> <th>MGAEast</th> <th>MGANorth</th> <th>RL</th> </tr> </thead> <tbody> <tr> <td>Point 1</td> <td>5890.71</td> <td>10826.86</td> <td>0</td> <td>444223.25</td> <td>6767834.66</td> <td>0</td> </tr> <tr> <td>Point 2</td> <td>3969.83</td> <td>9946.71</td> <td>0</td> <td>442233.31</td> <td>6768542.17</td> <td>0</td> </tr> </tbody> </table> <p>Historic data is converted to Red October local grid on export from the database.</p>		ROEast	RONorth	RL	MGAEast	MGANorth	RL	Point 1	5890.71	10826.86	0	444223.25	6767834.66	0	Point 2	3969.83	9946.71	0	442233.31	6768542.17	0
	ROEast	RONorth	RL	MGAEast	MGANorth	RL																	
Point 1	5890.71	10826.86	0	444223.25	6767834.66	0																	
Point 2	3969.83	9946.71	0	442233.31	6768542.17	0																	
	<i>Quality and adequacy of topographic control.</i>	DGPS survey has been used to establish a topographic surface.																					
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The nominal spacing for the reported results are not uniform and therefore a definitive drill spacing will not be quoted																					
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not all data reported meets the required continuity measures to be considered for inclusion in an resource estimate. Holes reported inside or within 40m of the resource will be incorporated into the resource model, or if sufficient density of data confirms continuity, it will be considered for inclusion in the resource.																					
Orientation of data in relation to geological structure	<i>Whether sample compositing has been applied.</i>	<p>RC drillholes are sampled to 1m intervals and underground core and faces are sampled to geological intervals; compositing is not applied until the estimation stage.</p> <p>Some historic RAB and RC sampling was composited into 3-4m samples with areas of interest re-sampled to 1m intervals. It is unknown at what threshold this occurred.</p>																					
	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<p>RC drilling was carried out at the most appropriate angle possible. The mineralisation is intersected as closely as possible to perpendicular. The steeply dipping nature of the mineralisation means that most holes pass through mineralisation at lower angles than ideal. Production reconciliation and underground observations indicate that there is limited sampling bias.</p> <p>Underground diamond drilling is designed to intersect the orebody in the best possible orientation given</p>																					



## Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
		<p>the constraints of underground drill locations.</p> <p>UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody</p>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No significant sampling bias has been recognised due to orientation of drilling in regards to mineralised structures
Sample security	<i>The measures taken to ensure sample security.</i>	Samples are prepared on site under supervision of Saracen geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into larger secured bags and delivered to the laboratory by Saracen personnel.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	An internal review of companywide sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>Red October is wholly located within Mining Lease M39/412.</p> <p>Mining Lease M39/412 is held 100% by Saracen Gold Mines Pty Ltd a wholly owned subsidiary of Saracen Mineral Holdings Limited.</p> <p>Mining Lease M39/412 has a 21 year life (held until 2019) and is renewable for a further 21 years on a continuing basis.</p> <p>There is one Registered Native Title Claim over M39/412 for the Kurrku group (WC10/18), lodged December 2010. Mining Lease M39/412 was granted prior to registration of the Claim and is not affected by the Claim. Aboriginal Heritage sites within the tenement (Site Numbers WO 2442, 2447, 2448, 2451, 2452 and 2457) are not affected by current mining practices.</p> <p>Third party royalties are payable on the tenement:</p> <ul style="list-style-type: none"> <li>• A Royalty is payable under Royalty Deed M39/411, 412, 413 based on a percentage of deemed revenue (minus allowable costs) on gold produced in excess of 160,000 ounces</li> <li>• A Royalty is payable based on a percentage of proceeds of sale or percentage of mineral value.</li> </ul> <p>All production is subject to a Western Australian state government NSR royalty of 2.5%.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenement is in good standing and the licence to operate already exists.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Mount Martin carried out exploration including RAB and RC drilling in 1989. This along with ground magnetics was used to delineate a number of anomalies on islands to the immediate north and south of Red October. Mount Burgess Gold Mining identified a north east trending magnetic anomaly on Lake Carey between the islands considered analogous to Sunrise Dam in 1993. Aircore and RC drilling was carried out to define what would become the Red October pit. Sons of Gwalia entered into a joint venture with Mount Burgess, carrying out RC and diamond drilling to define a pittable reserve before purchasing Mount Burgess' remaining equity.</p> <p>Extension RC and diamond drilling from within and around the pit defined the potential underground resource.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Red October gold mine is situated within an Archaean greenstone belt of the Laverton Tectonic Zone. The stratigraphic sequence consists of footwall tholeiitic basalts, mineralised shale (containing ductile textures defined by pyrite mineralisation) and a hangingwall dominated by ultramafic flows interbedded with high-Mg basalts. Prehnite- pumpellyite facies are evident within both the tholeiitic basalts and komatiite flows. Sulphide mineralisation is hypothesised to have been caused from interaction with an auriferous quartz vein, which has caused the intense pyrite-defined ductile textures of the shale in the upper levels. The</p>

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
		fluid is believed to have been sourced from the intruding granitoid to the south of the deposit
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>- easting and northing of the drill hole collar</li> <li>- elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>- dip and azimuth of the hole</li> <li>- down hole length and interception depth</li> <li>- hole length.</li> </ul> <p>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>A drillhole summary for all holes in the current campaign is attached.</p> <p>All material data is periodically released on the ASX:  14/10/2013, 08/10/2013, 23/07/2013, 10/07/2013, 17/04/2013, 25/01/2013, 10/10/2012, 26/09/2012, 31/07/2012, 14/06/2012, 27/04/2012, 27/01/2012, 06/01/2012, 28/07/2011, 03/06/2011, 21/04/2011, 27/01/2011, 27/10/2010, 29/07/2010, 28/04/2010, 29/01/2010</p>
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	All significant intercepts have been length weighted with a lower cut-off Au grade of 1ppm. No high grade cut is applied
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Intercepts are aggregated with minimum width of 1m and maximum width of 3m for internal dilution. Where stand out higher grade zone exist within the broader mineralised zone, the higher grade interval is reported also.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are reported
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	This announcement includes sufficient detail to clearly describe the geometry of the mineralisation and the drilling. Due to subtle changes in the strike and dip which are known, it is difficult to accurately report true widths, and therefore the majority of results are reported as downhole lengths. Where an estimate of true width is possible it is clearly noted.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any</i>	The release illustrates in longsection and in cross section views the nature of the drilling and its relationship to the mineralisation.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
	<i>significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results are not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All results from the recent campaign have been reported.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Dr John McLellan from GMEX Pty Ltd was contracted to carry out a stress modelling study on the Red October deposit. A data set of structural observations from core and field mapping was compiled and used to create a three dimensional mesh of the deposit. A series of regional scale stress fields of varying deformational stages and strengths were applied to the mesh to predict the behaviour of the Red October deposit and highlight areas of increased stress and strain and thus likely mineralisation. Two targets were drilled in the recent RC campaign with results supporting John's findings.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</i>	The exploration effort continues at Red October. The focus remains in the near mine scale areas to extend and build the resource base.

## JORC 2012 Table 1 Blue Manna

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Sampling methods undertaken at Blue Manna have included surface aircore (AC) and reverse circulation (RC) drilling.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Sampling was guided by Saracen Sampling and QAQC procedures as per industry standard. Historical RC and AC drilling was completed by previous holders to industry standard at that time (1994).
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Saracen RC samples are crushed, dried and pulverised to a nominal 90% passing 75µm to produce a 40 g sub sample for analysis by FA/AAS.  Historical AC and RC sampling was carried out to industry standard at that time. Analysis methods include fire assay, aqua regia and unspecified methods.
Drilling Techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	The deposit was initially sampled by 77 AC holes and 24 RC holes (assumed standard 5 ¼ "bit size).  Saracen has completed 30 surface RC holes.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Surface sampling recoveries of Saracen RC holes were recorded as a percentage based on a visual weight estimate. No historical record exists in the Saracen database of previous RC and AC sampling recoveries.



Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	At the RC rig, sampling systems are routinely cleaned to minimise contamination and drilling methods are focused on sample quality.  Previous AC and RC drilling were carried out according to industry standard at that time.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No sample recovery issues have impacted on potential sample bias.  Any relationship with historical drilling is not known.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of RC chips records lithology, mineralogy, texture, mineralisation, weathering, alteration, veining and other features.  Structural logging was carried out in selected RC holes using Televiwer acoustic logging technology which recorded the interpreted structure, its depth, dip and dip direction.  Qualitative logging varies in the level of detail.
	<i>The total length and percentage of the relevant intersections logged</i>	Logging is 100% complete with all AC and RC precollar information available.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No diamond core has been drilled yet.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Saracen RC samples were cone split, while historic AC and RC samples were sampled using unknown methods. Occasional wet samples were encountered.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation of AC and RC chips adhere to industry best practice. It is conducted by a commercial laboratory and involves oven drying, coarse crushing then total grinding using an LM5 to a grind size of 90% passing 75 microns.  Best practice is assumed at the time of historic sampling.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	All subsampling activities are carried out by commercial laboratory and are considered to be satisfactory.  Sampling by previous holders assumed to be industry standard at the time.

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second half sampling.</i>	RC field duplicate samples are carried out at a rate of 1:20 and are sampled directly from the on-board splitter on the rig. These are submitted for the same assay process as the original samples and the laboratory are unaware of such submissions.  Sampling by previous holders assumed to be industry standard at the time.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes of 3kg are considered to be appropriate given the grain size (90% passing 75 microns) of the material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	RC chip samples are analysed by external laboratories using a 40g or 50g fire assay with AAS finish. This method is considered suitable for determining gold concentrations in rock and is a total digest method.  Historic sampling includes fire assay and unknown methods.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools, spectrometer, handheld XRF have been utilised for reporting gold mineralisation.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Certified reference material (standards and blanks) with a wide range of values are inserted into every drillhole at a rate of 1:25 for exploration RC drilling. These are not identifiable to the laboratory.  QAQC data returned are checked against pass/fail limits with the SQL database and are passed or failed on import. A report is generated and reviewed by the geologist as necessary upon failure to determine further action.  QAQC data is reported monthly.  Sample preparation checks for fineness are carried out to ensure a grindsize of 90% passing 75 microns.  The laboratory performs a number of internal processes including standards, blanks, repeats and checks.  QAQC data analysis demonstrates sufficient accuracy and precision.  Industry best practice is assumed for previous holders.

**Section 1 Sampling Techniques and Data**

Criteria	JORC Code Explanation	Commentary																					
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intercepts are verified by the Geology Manager and corporate personnel.																					
	<i>The use of twinned holes.</i>	No twinned holes have been drilled at Blue Manna.																					
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols</i>	Primary data is collated in a set of Excel templates utilising lookup codes. This data is forwarded to the Database Administrator for entry into a secure acQuire database with inbuilt validation functions.  Data from previous owners was taken from a database compilation and validated as much as practicable before entry into the Saracen acQuire database.																					
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data. First gold assay is utilised for all reporting.																					
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Exploration drillholes are located using a Leica 1200 GPS with an accuracy of +/- 10mm. Historic RC collars within the immediate surrounds of Saracen-drilled holes were picked up using the same instrument.  Downhole surveys are carried out using an Eastman single shot camera at regular intervals (usually 30m). A number of drillholes have also been gyroscopically surveyed.  Previous holders' survey accuracy and quality is unknown																					
	<i>Specification of the grid system used.</i>	A local grid system (Old Plough Dam East) is used.  The two point conversion to MGA_GDA94 zone 51 is:  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>OPDEEast</th> <th>OPDENorth</th> <th>RL</th> <th>MGAEast</th> <th>MGANorth</th> <th>RL</th> </tr> </thead> <tbody> <tr> <td>Point 1</td> <td>51933.86</td> <td>51985.59</td> <td>0</td> <td>436148.56</td> <td>6675821.82</td> <td>0</td> </tr> <tr> <td>Point 2</td> <td>51312.14</td> <td>51120.80</td> <td>0</td> <td>436061.05</td> <td>6674760.34</td> <td>0</td> </tr> </tbody> </table> Historic data is converted to the Old Plough Dam East local grid upon export from the database.		OPDEEast	OPDENorth	RL	MGAEast	MGANorth	RL	Point 1	51933.86	51985.59	0	436148.56	6675821.82	0	Point 2	51312.14	51120.80	0	436061.05	6674760.34	0
		OPDEEast	OPDENorth	RL	MGAEast	MGANorth	RL																
Point 1	51933.86	51985.59	0	436148.56	6675821.82	0																	
Point 2	51312.14	51120.80	0	436061.05	6674760.34	0																	
<i>Quality and adequacy of topographic control.</i>	DGPS survey has been used to establish a topographic surface.																						
Data spacing and	<i>Data spacing for reporting of Exploration Results.</i>	The nominal spacing for drilling is 25m x 25m.																					

<b>Section 1 Sampling Techniques and Data</b>		
<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
distribution	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Data spacing and distribution are sufficient to establish the degree of geological and grade continuity appropriate for JORC classifications applied.
Orientation of data in relation to geological structure	<i>Whether sample compositing has been applied.</i>	Sample compositing is not applied until the estimation stage.  Historic AC sampling was composited into 4m samples with areas of interest re-sampled to 1m intervals. It is unknown at what threshold this occurred.
	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The majority of drillholes are positioned to achieve optimum intersection angles to the ore zone as are practicable.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No significant sampling bias is thought to occur due to orientation of drilling in regards to mineralised structures
Sample security	<i>The measures taken to ensure sample security.</i>	Samples are prepared on site under supervision of Saracen geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into secured cages and collected by the laboratory personnel.  Sample submissions are documented via laboratory tracking systems and assays are returned via email.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	An internal review of companywide sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>Blue Manna is wholly located within Mining Lease M31/156. The tenement is held 100% by Saracen Gold Mines Pty Ltd, a wholly owned subsidiary of Saracen Mineral Holdings Limited. Mining Lease M31/156 has a 21 year life (held until 2029) and is renewable for a further 21 years on a continuing basis.</p> <p>Mining Lease M31/156 is subject to two third party royalties and two caveats (Caveats 340981 and 432950). All production is subject to a Western Australian state government NSR royalty of 2.5%.</p> <p>Mining Lease M31/156 is subject to the Gindalbie Pastoral Compensation Agreement.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenement is in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The Blue Manna area was covered by Pancontinental Mining's regional exploration programme in the early 1990s. The prospect itself was traversed by auger and a few AC and RC drillholes (drilled in 1994). RAB holes, drilled between 1993 and 1997, are located further to the NW of the Blue Manna deposit.</p> <p>Saracen tightened up the auger sampling in 2008 and followed it up by 4 RC drillholes in 2012. Significant intercepts were encountered in all the drillholes such that follow up drilling was carried out in May 2013.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Blue Manna deposit sits along the regional NNW-trending Keith-Kilkenny fault zone within the eastern edge of the Norseman-Wiluna greenstone belt.</p> <p>Mineralization appears to be associated with lithological and/or structural contacts in between the shale and sandstone-siltstone interbed, with the best grades occurring within a dilated sandstone unit. Mineralization is</p>



Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
		accompanied by silicification, quartz veining, and minor sulphidation. Sericite alteration has been logged in some mineralized intervals.
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>- <i>easting and northing of the drill hole collar</i></li> <li>- <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>- <i>dip and azimuth of the hole</i></li> <li>- <i>down hole length and interception depth</i></li> <li>- <i>hole length.</i></li> </ul> <p>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	Material information about Saracen's Blue Manna drilling campaign was reported on ASX releases dated 17 April 2013 and 6 August 2013 and in the 2013 Annual Report.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	All significant intercepts have been length-weighted with a minimum Au grade of 1ppm.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No interval below 1m was sampled.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Metal equivalent values are not reported.
Relationship between mineralisation widths and	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be</i>	All drilling has been completed as perpendicular to the mineralisation as possible. Any drill hole information stated in table for will describe whether the length is downhole or estimated true width.

<b>Section 2 Reporting of Exploration Results</b>		
<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
intercept lengths	<i>reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	A plan view of the recent geophysical Sub Audio Magnetic survey has been provided in this announcement. It clearly illustrates the location of the survey in relation to the Blue Manna Prospect.
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results are not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All drill holes at Blue Manna drilled by Saracen have been reported in full. These results were reported on ASX releases dated 17 April 2013 and 6 August 2013 and in the 2013 Annual Report.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	A Sub Audio Magnetic survey was completed at Blue Manna, with the aim of delineating the major structural features and stratigraphic framework of the immediate Blue Manna prospect. The survey found that the mineralisation is located in a subtle low on the EQMMR_vd1, adjacent to a significant high feature. This is evident in the map provided in this announcement.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</i>	Follow up drilling will be planned at Blue Manna to understand the strike extents of the known mineralisation. Further field investigations across the district will determine what approach will be adopted to identify repetitions of the Blue Manna style of mineralisation.

## JORC 2012 Table 1 Far South

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>Saracen has undertaken reverse circulation drilling (RC) at Far South.</p> <p>Rotary air blast (RAB) drilling was conducted by previous owners in the project area in 1996 and 2002.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	<p>Sampling for RC drilling is carried out as specified within Saracen sampling and QAQC procedures as per industry standard.</p> <p>RC chips provide high quality representative samples for analysis.</p> <p>RAB drilling was completed by previous holders to industry standard at that time (1996- 2002).</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	<p>RC chips were cone split and sampled into 1m intervals with total sample weights under 3kg</p> <p>Samples are selected to weigh less than 3 kg to ensure total sample inclusion at the pulverisation stage.</p> <p>Saracen chip samples are crushed, dried and pulverised to a nominal 90% passing 75µm to produce a 50g sub sample for analysis by FA/AAS.</p> <p>Historical RAB sampling was carried out to industry standard at that time. Analysis methods are unknown.</p>
Drilling Techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	<p>The project area was initially sampled by 62 RAB holes</p> <p>Saracen has previously completed 11 surface RC drillholes utilising a 5 ¼" face sampling hammer bit.</p>

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	RC sampling recoveries are recorded in the database as a percentage based on a visual weight estimate; no historic recoveries have been recorded.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	During RC drilling daily rig inspections are carried out to check splitter condition, general site and address general issues.  Historical RAB drilling recovery measures are assumed to industry standard at that time.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	There is no known relationship between sample recovery and grade for RC drilling.  Any historical relationship is not known.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of RC chips records lithology, mineralogy, texture, mineralisation, weathering, alteration and veining.  Chips from all RC holes are stored in chip trays for future reference.  Qualitative and quantitative logging of historic data varies in its completeness; lithology has been recorded as a minimum.
	<i>The total length and percentage of the relevant intersections logged</i>	All RC drill holes are logged in full.  Historical logging is complete.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No diamond drilling has been completed in the project area.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All RC samples were cone split. Occasional wet samples were encountered; increased air capacity was routinely used to aid in keeping the sample dry when water was encountered.  Historic RAB drilling was sampled using unknown methods.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation of RC chips adheres to industry best practice. It was conducted by a commercial laboratory and involved oven drying, coarse crushing then total grinding to a size of 90% passing 75 microns.

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
		Best practice is assumed at the time of historic sampling.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	All subsampling activities were carried out by commercial laboratory and were considered to be satisfactory.  Sampling by previous holders assumed to be industry standard at the time.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second halvesampling.</i>	RC field duplicate samples were carried out at a rate of 1:20 and were sampled directly from the on-board splitter on the rig. These were submitted for the same assay process as the original samples and the laboratory were unaware of such submissions.  Sampling by previous holders assumed to be industry standard at the time.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes of 3kg were considered to be appropriate given the grain size (90% passing 75 microns) of the material sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	RC chip samples were analysed by external laboratories using a 50g fire assay with AAS finish. This method is considered suitable for determining gold concentrations in rock and is a total digest method.  Historic analysis methods are unknown.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools have been utilised for reporting gold mineralisation.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Certified reference material (standards and blanks) with a wide range of values were inserted into every drillhole at a rate of 1:25. These were not identifiable to the laboratory.  QAQC data returned were checked against pass/fail limits with the SQL database and were passed or failed on import. A report was generated and reviewed by the geologist as necessary upon failure to determine further action.  QAQC data was reported monthly.  Sample preparation checks for fineness were carried out to ensure a grind size of 90% passing 75 microns.



Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
		<p>The laboratory performed a number of internal processes including standards, blanks, repeats and checks.</p> <p>QAQC data analysis demonstrates sufficient accuracy and precision.</p> <p>Industry best practice is assumed for previous holders.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intercepts were verified by the Geology Manager and corporate personnel. No significant intercepts have been drilled at this stage.
	<i>The use of twinned holes.</i>	No specific twinned holes have been drilled at Far South as no significant mineralisation has been identified.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols</i>	<p>Primary data was collated in a set of excel templates utilising lookup codes. This data was forwarded to the Database Administrator for entry into a secure acQuire database with inbuilt validation functions.</p> <p>Data from previous owners was taken from a database compilation and validated as much as practicable before entry into the Saracen acQuire database.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to assay data. First gold assay is utilised for resource estimation.
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>Exploration RC drillholes were located using a Leica 1200 GPS with an accuracy of +/- 10mm.</p> <p>Downhole surveys were carried out on RC drillholes using an Eastman single shot camera at regular intervals (usually 30m).</p> <p>Previous holders' survey accuracy and quality is unknown</p>
	<i>Specification of the grid system used.</i>	The grid system used in the Far South project area is MGA94 zone 51.
	<i>Quality and adequacy of topographic control.</i>	Topographic control originally used site based survey pickups in addition to Kevron aerial photogrammetric surveys with +/- 5m resolution.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The nominal spacing for drilling for the reconnaissance drilling was 150m x 900m
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource</i>	The drill coverage and spacing is not sufficient to establish any geological or grade continuity.

<b>Section 1 Sampling Techniques and Data</b>		
<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
	<i>and Ore Reserve estimation procedure(s) and classifications applied.</i>	
Orientation of data in relation to geological structure	<i>Whether sample compositing has been applied.</i>	Sample compositing is not applied until the estimation stage.  Some historic RAB sampling was composited into 3m samples.
	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The majority of drillholes are positioned to achieve optimum intersection angles to the ore zone as are practicable. Little is known so the orientation has arbitrarily been chosen from regional observations.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No significant sampling bias has been recognised due to orientation of drilling in regards to mineralised structures. No significant mineralisation has been located.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples are prepared on site under supervision of Saracen geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into secured cages and collected by the laboratory personnel.  Sample submissions are documented via laboratory tracking systems and assays are returned via email
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	An internal review of companywide sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

<b>Section 2 Reporting of Exploration Results</b>		
<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park</i>	The Far South project is located on E39/1273 and P39/4583. The tenements are held in joint venture by Saracen Gold Mines Pty Ltd (83.44%), and Royal Harry Gold Mines NL (16.56%). Saracen Gold Mines Pty Ltd is a wholly owned subsidiary of Saracen Mineral Holdings Limited. The tenements are subject to the Phantom Well Exploration Joint Venture Agreement dated 17 March 1995, the Phantom Well Joint Venture Deed of Assumption

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
	<i>and environmental settings.</i>	<p>dated 16 August 1999 and the Deed of Assignment and Assumption dated 28 July 2006.</p> <p>Exploration Licence E39/1273 and Prospecting Licence P39/4583 are each subject to one royalty agreement and one caveat (303492 and 404289, respectively). All production is subject to a Western Australian state government NSR royalty of 2.5%.</p> <p>The tenements are subject to the Edjudina Pastoral Compensation Agreement and there are no registered Aboriginal Heritage sites within Exploration Licence E39/1273 or Prospecting Licence P39/4583.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	<p>An extension of term application lodged for Exploration Licence E39/1273 (February 2014) has not yet been determined. The term of Prospecting Licence P39/4583 has been extended to April 2017.</p> <p>The tenements are in good standing and there are no known impediments to obtaining a licence to operate.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Exploration in the vicinity of the Far South project has been limited. Aberfoyle carried out a series of E-W oriented RAB drilling lines in 1996 to test a number of soil/auger anomalies. Minor anomalous intercepts were encountered in the transported profile. Many holes failed to penetrate to the residual profile.</p> <p>Sons of Gwalia completed another series of RAB traverses in the project area in 2002, undertaken to test the interpreted southern strike extension of the Deep South and Safari mineralised trends. Weakly anomalous gold values were returned.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Far South project area is located on the eastern margin of the Norseman-Wiluna greenstone belt in the Eastern Goldfields Province of the Archaean Yilgarn Craton. The geology of the region is complex, with major NW-SE traversing faults separating the western low-medium metamorphic grade Edjudina Domain from the central high grade Linden Domain, with a granitoid complex on the eastern margin.</p> <p>Rock types outcropping in the area include banded iron formation, talc-chlorite schist, amphibolite and gneissic granite. Transported sands and clays cover the majority of the project area with depth of cover extending beyond 100m in places.</p>
Drillhole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material</i>	No Drilling has been completed and therefore there are no details.

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
	<p><i>drill holes:</i></p> <ul style="list-style-type: none"> <li>- <i>easting and northing of the drill hole collar</i></li> <li>- <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>- <i>dip and azimuth of the hole</i></li> <li>- <i>down hole length and interception depth</i></li> <li>- <i>hole length.</i></li> </ul> <p>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	No drilling is reported with this announcement. No mineralisation has been identified.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	No drilling is reported with this announcement. No mineralisation has been identified.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No drilling is reported with this announcement, and therefore no metal equivalents. No mineralisation has been identified.
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	No drilling is reported with this announcement. No mineralisation has been identified.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any</i>	No drilling is reported with this announcement.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
	<i>significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results are not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	No drilling is reported with this announcement. No mineralisation has been identified.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	A SAM (Sub-Audio Magnetic) survey has been carried out over the project area. The survey has confirmed the location of several BIF units and importantly the preferentially weathered stratigraphy known to host mineralisation. Several other trends have also been identified sub-parallel to the stratigraphic position.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</i>	Further geophysical methods are being considered to narrow the search space. We also will be looking to identify if any historical drill spoils are suitable for initial handheld XRF analysis of possible multi-element analysis. This may assist with the determination of the underlying lithology. It is unlikely this process will be overly successful, given the age of the historical drilling, and possible contamination of samples.



## **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 produced 136,168 ounces of gold in FY2013 and is forecast to produce approximately 125 - 135,000oz in FY2014 and 125 - 135,000ozs in FY2015.

As at 30 June 2013, Carosue Dam Operations Mineral Resources stood at 3.9 million ounces of gold, while Ore Reserves stood at 0.9 million ounces of gold.

Gold production is from the Whirling Dervish open pit mine, supplemented by high grade underground operations at the Red October mine.

In January 2014, Saracen agreed to acquire 100% of the Thunderbox Operations, located approx 45 kms south of Leinster in WA. The Thunderbox Operations are on care and maintenance and include the Thunderbox and Bannockburn gold mines as well as the Waterloo nickel mine. There is also a 2.5 million tonne per annum CIL processing plant and associated infrastructure.

The Thunderbox Deposit was discovered in 1999. Gold production totalled 805,000 ounces when processing operations ended in September 2007. Thunderbox produced at an average cash cost of US\$290/oz with a cash cost in the final year of operation of US\$481/oz.

As at January 2014, the Thunderbox Operations Mineral Resources stand at 2.0 million ounces of gold, while Ore Reserves stand at 0.7 million ounces of gold.

Total Mineral Resources stand at 6.0 million ounces of gold and 1.6 million ounces of Ore Reserves.

For the location of Saracen's projects, refer to the Figure below.

