



# SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

## QUARTERLY REPORT: JUNE 2014

### Corporate Details:

As at 30 June 2014

ASX code: SAR

#### Issued capital:

792.8 m ordinary shares

0.4 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  
93.4m (11.8%)

Paradise Investment Management  
54.6m (6.9%)

Eley Griffiths Group  
42.7m (5.4%)

#### 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

For further details contact:

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### Highlights

- June 2014 Quarter gold production of 29,912 oz, gold sold of 32,473 oz;
- FY2014 gold production of 133,492 oz, the upper end of the revised upwards full year guidance of 125,000 – 135,000 oz;
- Total gold sold for FY2014 of 138,081 oz;
- C1 Cash Costs for June Quarter of A\$1,067/oz;
- FY2014 C1 Cash Costs A\$864/oz, versus guidance of A\$900/oz;
- Gold sales revenue of A\$49.0 million for the quarter;
- Cash and equivalents of A\$35.9m;
- Thunderbox acquisition completed with the final upfront payment of \$18.0m settled during the quarter;
- Debt unchanged at A\$12.0 million;
- Net cash position of A\$23.9 million;
- Gold hedging of 128,387 oz at an average price of A\$1,661/oz;
- Approximate Mark to Market value of hedge book of A\$27.5 million based on A\$1,407.83/oz spot price (at 30 June 2014);
- Blue Manna Prospect returns 23.0m @ 3.52g/t (from 15m below surface).

### Comment from Managing Director, Raleigh Finlayson:

“Saracen has delivered an exceptional result for FY2014, with gold production in excess of 130,000 for the second consecutive year, significantly exceeding the original guidance set for the year of 115,000-125,000 ounces.

The Carosue Dam Operations are now well set to deliver exceptional results in FY2015, with many highlights to look forward to, including:

- Significantly declining strip ratio and increasing grade from the Whirling Dervish open pit set to deliver exceptional free cashflow;
- Red October hangingwall drill drive complete with a significant exploration program underway, with the aim of defining a minimum two year ore reserve;
- FY2015 guidance increase on the back of increased reserves from Red October;
- Karari exploration decline set to commence during the 1H FY2015;
- Resource extension drilling at Thunderbox to be conducted during the 1H FY2015;
- Thunderbox feasibility study due to be completed Q3 FY2015, with a development decision soon thereafter. Thunderbox has the potential to double Saracen's gold production within 18 months.”

## Summary

### Operations

Carosue Dam		Previous Qtr	Current Qtr	Full Year
Mill Production	Unit	Mar 14 Qtr	Jun 14 Qtr	FY2014
Total Ore Milled	<i>t</i>	616,000	<b>621,000</b>	<b>2,569,000</b>
	<i>g/t</i>	1.77	<b>1.68</b>	<b>1.85</b>
Recovery	%	89.1%	<b>89.0%</b>	<b>87.4%</b>
Gold Produced	<i>oz</i>	31,242	<b>29,912</b>	<b>133,492</b>
Open Pit Mining				
Total Mining	<i>BCM</i>	1,749,000	<b>1,921,000</b>	<b>8,021,000</b>
Total Ore Mined	<i>t</i>	525,000	<b>587,000</b>	<b>1,908,000</b>
	<i>g/t</i>	1.13	<b>1.25</b>	<b>1.29</b>
Contained Ounces	<i>oz</i>	19,062	<b>23,614</b>	<b>79,220</b>
Underground Mining				
Total Ore Mined	<i>t</i>	75,000	<b>63,000</b>	<b>293,000</b>
	<i>g/t</i>	6.96	<b>5.82</b>	<b>6.38</b>
Contained Ounces	<i>oz</i>	16,888	<b>11,761</b>	<b>60,042</b>

**Table 1 – Carosue Dam Operations Statistics**

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

### Thunderbox Operations

- Acquisition settlement of \$18 million was completed during the quarter;
- Feasibility of a potential large scale underground mine at Thunderbox has commenced;
- Thunderbox Feasibility Study ongoing;
- On track for completion of all relevant approvals and feasibility studies by Q3 FY2015.

### Exploration

- Exploration drill drive at Red October completed, with exploration drilling from the hangingwall ongoing, with over 15,000 metres planned to be drilled with two rigs over a 4-5 month period;
- Far South Prospect, recent discovery, highlights include:
  - FSRC014 – 2.0m @ 7.99g/t
  - FSRC015 – 2.0m @ 7.52g/t
- Blue Manna, resource extensions to the south of the know mineralisation, highlight includes:
  - OPCRC053 – 23.0m @ 3.52g/t (from 15m below surface)

### Finance

- Cash at bank at quarter end totalled A\$35.9 million. Net cash \$23.9 million after debt of \$12 million;
- Total gold hedging in place of 128,387 ounces at an average price of A\$1,661/oz.
- Mark to Market value of the hedging of A\$37.5 million based on a spot price of A\$1,407.83/oz (as at 30 June 2014).

### Health and Safety

There was one LTI recorded for the quarter, a process operator at the Carosue Dam Treatment plant received a strain to the shoulder when he slipped and fell over whilst cleaning up spilt material on the process floor. Otherwise all key safety indicators have been improving over the course of the year.

## Processing

Carosue Dam		Previous Qtr	Current Qtr	Full Year
Mill Production	Unit	Mar 14 Qtr	Jun 14 Qtr	FY2014
Total Ore Milled	<i>t</i>	616,000	<b>621,000</b>	<b>2,569,000</b>
	<i>g/t</i>	1.77	<b>1.68</b>	<b>1.85</b>
Recovery	%	89.1%	<b>89.0%</b>	<b>87.4%</b>
Gold Produced	<i>oz</i>	31,242	<b>29,912</b>	<b>133,492</b>

**Table 2 – Carosue Dam Operations Processing Statistics**

621,000 tonnes of ore were processed during the June 2014 quarter, up slightly from the March 2014 quarter total of 616,000 tonnes. Batch processing of high grade Red October ore has continued to be successful with average mill recovery remaining steady at 89.0%, consistent with the previous quarter and up materially from the December quarter's 85.2% before batch treatment was introduced.

FY2014 total ore milled of 2,569,000 tonnes is up 3% on FY2013's mill throughput of 2,501,000 tonnes and is a reflection of the continued excellent performance and reliability of the Carosue Dam processing plant.

Gold produced during the quarter was 29,912 ounces, down 4% on the March quarter of 31,242 ounces due to a marginally lower overall processed headgrade of 1.68g/t versus 1.77g/t. The reason for the lower grade was that, despite higher tonnes, grade and contained ounces being mined from Whirling Dervish (Open Pit Mining) relative to the previous quarter, this was offset by lower tonnes, grade and contained ounces mined from Red October (Underground Mining) (refer to table 1 above). This was mainly due to the focus on the development of the Red October exploration drill drive resulting in lower quantities of ore being mined and delivered for processing.

Red October tonnes, grades and contained ounces are planned to revert back to the higher levels seen in previous quarters now that the hangingwall drill drive has been complete (refer to Figure 5).

Total gold production for FY2014 was 133,492 ounces (2% below FY2013), which is an excellent result considering the main open pit ore source for FY2014, Whirling Dervish, was in development mode for the majority of the year. This also highlights the significant, above guidance contributions made from the Karari open pit during the September 2013 quarter and the delivery of consistent high grade underground ore from Red October throughout the year.

Total cash costs for the processing was \$11.5 million (\$18.60/t ore) for the June 2014 quarter, down 3% from the March 2014 quarter of \$19.20/t ore. Full year cash costs for processing was \$47.4 million (\$18.50/t ore) for FY2014.

## Open Pit Mining

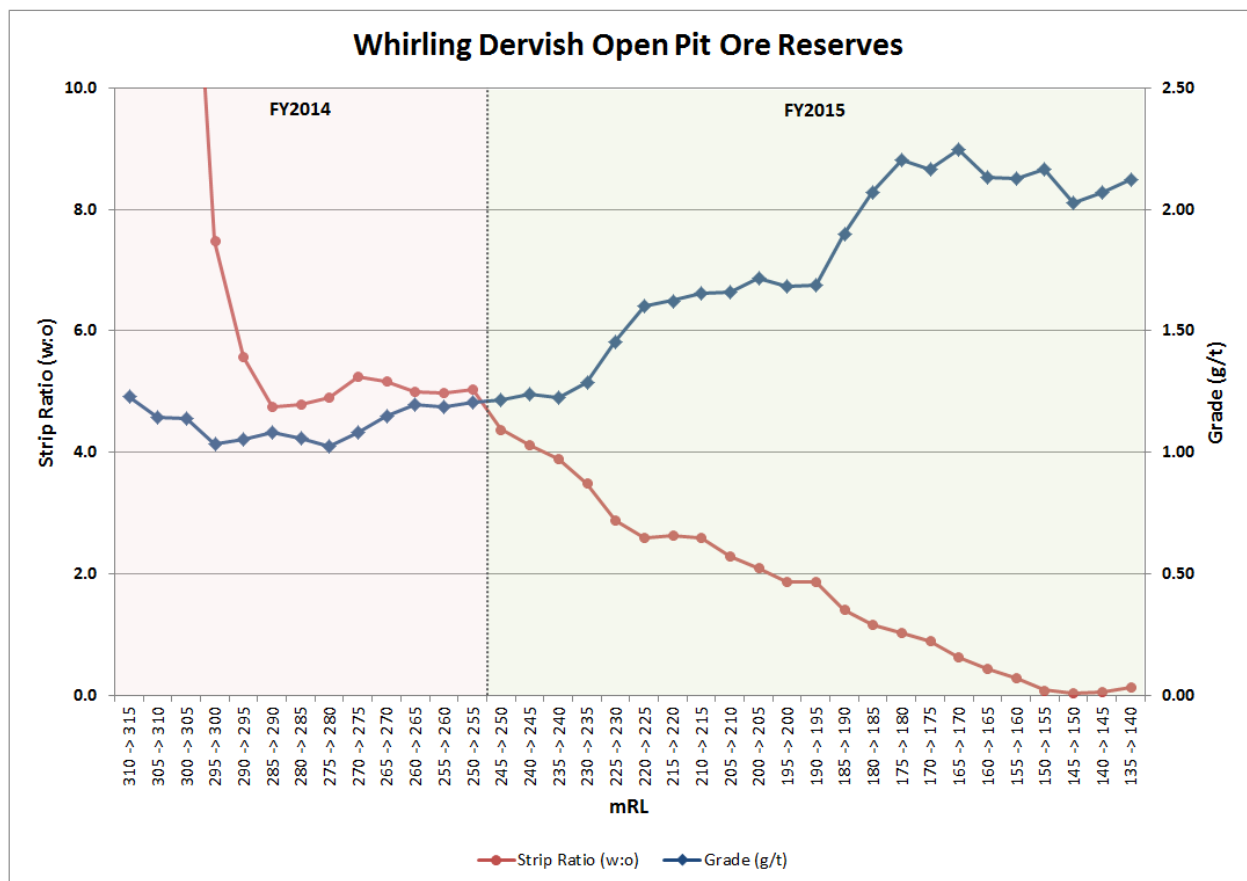
Carosue Dam		Previous Qtr	Current Qtr	Full Year
Open Pit Mining		Mar 14 Qtr	Jun 14 Qtr	FY2014
Total Mining	BCM	1,749,000	<b>1,921,000</b>	<b>8,021,000</b>
Total Ore Mined	t	525,000	<b>587,000</b>	<b>1,908,000</b>
	g/t	1.13	<b>1.25</b>	<b>1.29</b>
Contained Ounces	oz	19,062	<b>23,614</b>	<b>79,220</b>

**Table 3 – Carosue Dam Operations Open Pit Mining Statistics**

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

Total movement at Whirling Dervish (1.92 million BCM) was 10% higher than the previous quarter (1.75 million BCM) which was affected by inclement weather. Total Open Pit Mining exceeded budget by approx 10% (8.0 v 7.3 million BCM) as a result of sustained higher dig rates and production hours being achieved during the year, despite the weather delays.

Total ore mined for the June 2014 quarter was 587,000 tonnes @ 1.25g/t for 23,614 contained ounces, representing a 12%, 11% and 24% increase in ore tonnes, grade and contained ounces mined compared with the March 2014 quarter. This is in line with expectations for the head grade to increase and strip ratios set to decrease quarter by quarter into FY2015 (refer to Figure 1 below).



**Figure 1 – Whirling Dervish Open Pit Ore Reserves by bench**

Total cash expenditure for Whirling Dervish during the June quarter was \$20.5 million (\$10.70/bcm). Full year cash expenditure for open pit mining was \$74.1 million (\$9.25/bcm), which compares favourably to a budget of \$9.92/bcm for FY2014.

As at the end of the June quarter, mining had advanced to approximately 105 metres below surface (refer to Figure 4 below). 64,744 contained ounces were mined in FY2014 from Whirling Dervish as shown below. This reconciles to within 0.5% of reserve, with 10% higher grade being mined compared with reserve.

Whirling Dervish	Unit	Actual	Reserve	Variance	Variance
Ore Tonnes	t	1,776,000	1,953,000	-177,000	-10%
Grade	g/t	1.13	1.03	+0.10	+10%
Contained Ounces	oz	64,744	64,951	-207	-0.5%

**Table 4 – Whirling Dervish reconciliation FY2014**



**Figure 2 – Mining at Whirling Dervish – June 2014**



**Figure 3 – Mining at Whirling Dervish – March 2014**

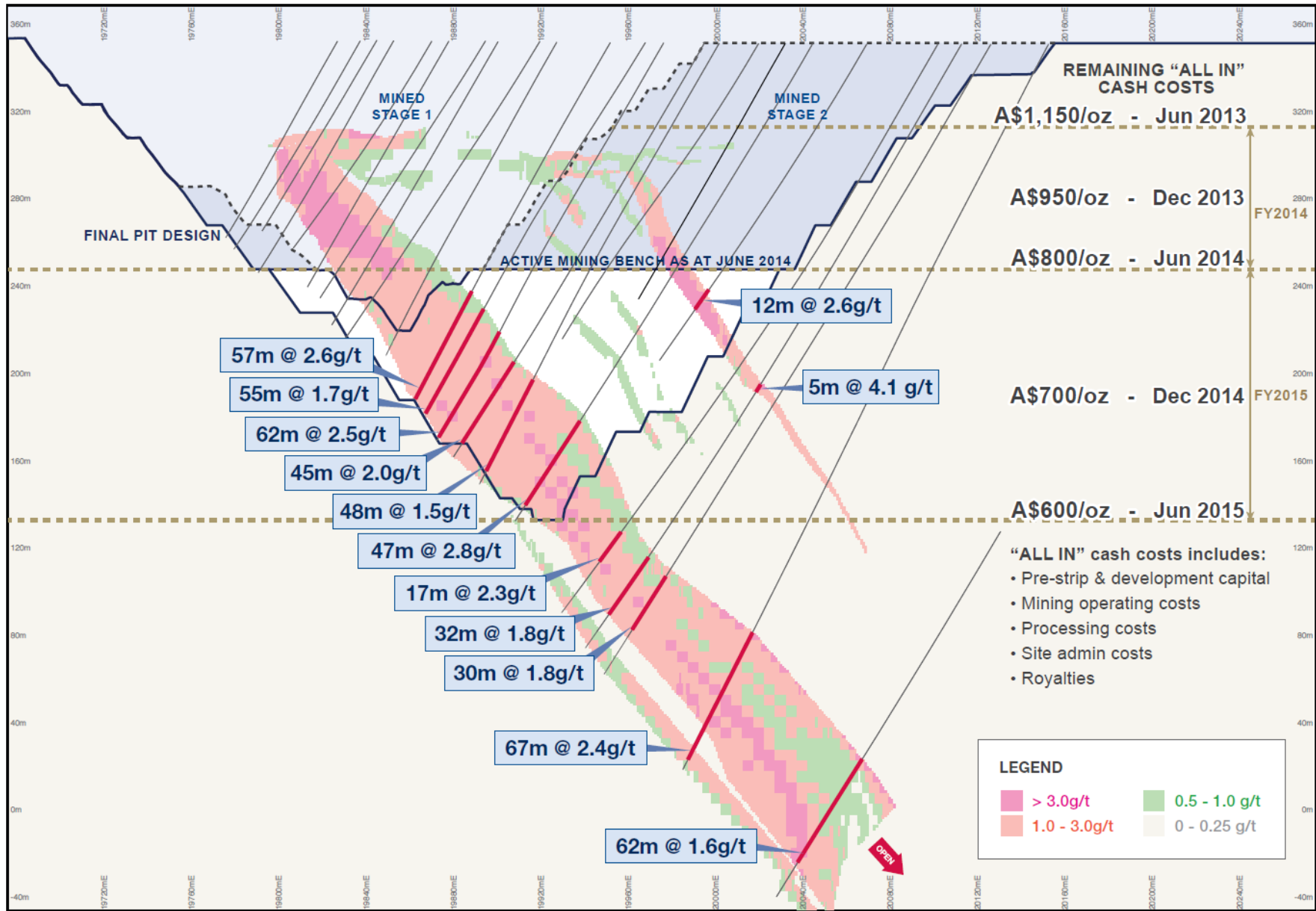
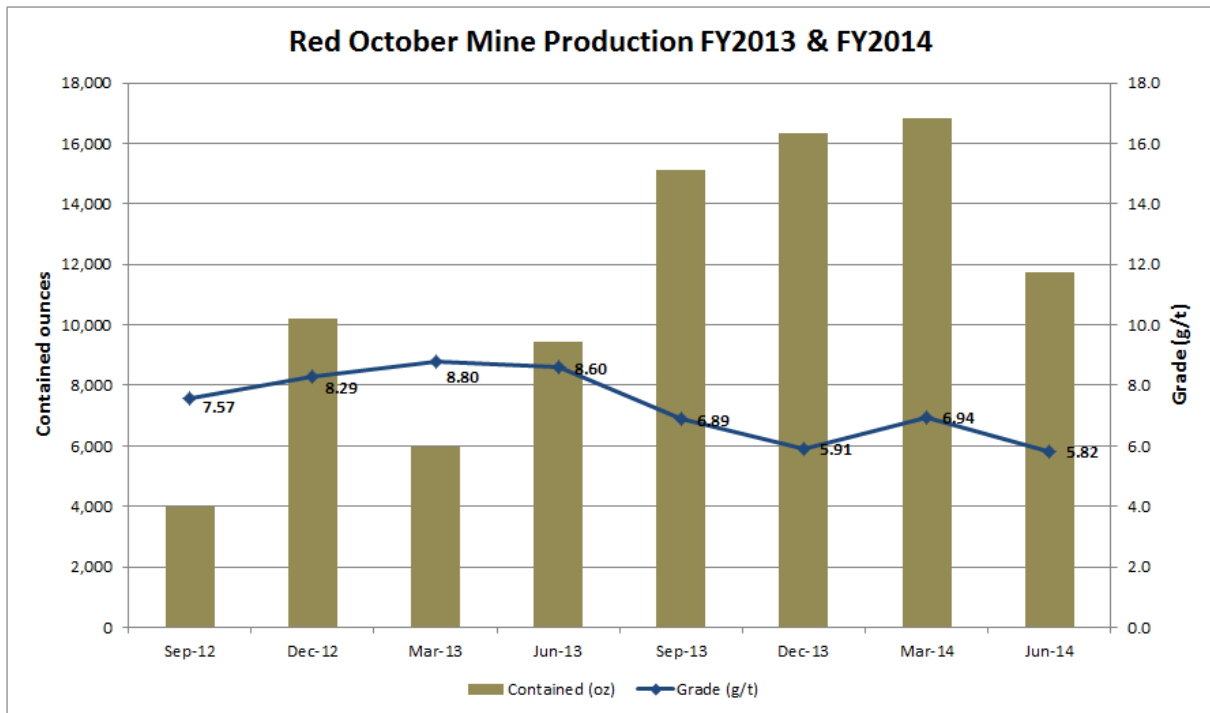


Figure 4 – Cross section of the Whirling Dervish open pit as at June 2014

## Underground Mining

11,757 contained ounces were mined from Red October during the June quarter. A focus on capital development with the single jumbo utilised at the mine, specifically into the exploration hangingwall drill drive, resulted in a lower level of ore production from stoping and reduction in ore derived from development activities. Mine production from the September 2014 quarter is expected to be back at the levels seen in the March and December quarters (refer to Figure 5).



**Figure 5 – Red October quarterly mine production (FY2013 & FY2014)**

Red October finished the year with 60,042 contained ounces for FY2014, 11,761 ounces ahead of the full year guidance of 48,281 ounces.

Red October	Unit	Actual	Guidance	Variance	Variance
Ore Tonnes	<i>t</i>	63,000	75,000	-12,000	-16%
Grade	<i>g/t</i>	5.82	5.00	+0.82	+16%
Contained Ounces	<i>oz</i>	11,761	12,057	-296	-2%

**Table 5 – Red October reconciliation for the June 2014 quarter**

Development had two key targets for the June quarter, firstly the completion of the hangingwall exploration drill drive, which was achieved by the end of May. The second key target was the development of the decline to the next level (1022). A second underground diamond drilling rig was mobilised at the start of June and exploration drilling from the hangingwall drill drive has commenced.

Drilling results below the southern end of the Central Lode continue to impress with both consistency of the intercepts and the tenor of the results. A significant effort is going into compiling and updating the Red October resource model based of the recent results.

Total cash mining expenditure was A\$10.5 million. Mine cash costs were \$890/oz contained (approx \$1,072/oz recovered). "All in" sustaining cash costs were approx \$1,200/oz recovered (includes operating, capital, development, overheads, ore haulage, processing, and exploration expenditure).

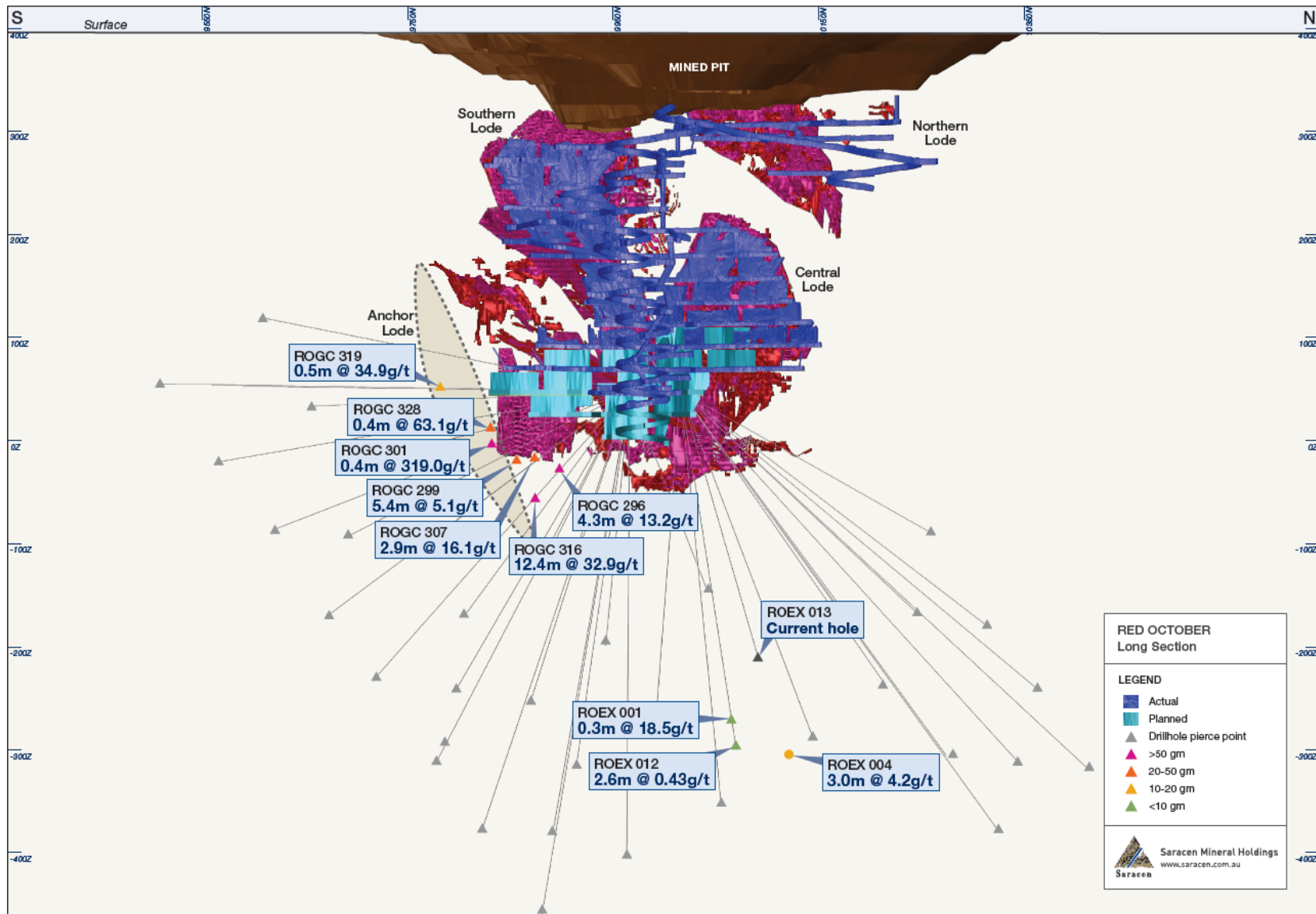


Figure 6 - Red October as at 30 June 2014



## **Thunderbox**

Settlement of the balance of the initial acquisition price of A\$18 million took place on 6<sup>th</sup> May 2014.

Work has commenced on the Thunderbox Feasibility Study.

Saracen is in the process of updating the Thunderbox mineral resource interpretation and modelling via the inclusion of a number of drill holes that had not been included in previous models, expectation is for the resource ounces to increase compared with previously published numbers. The new estimate is expected to be finalised during the September Quarter.

Open pit mining options at Thunderbox and Bannockburn are being re-examined with further consideration of cut backs on A and C Zones at Thunderbox and at Bannockburn. These studies are ongoing and will take into account the new Mineral Resource estimate being prepared.

Underground mining options at Thunderbox are also being evaluated separately to the open pit mining studies. Saracen considers there is considerable potential to add significant life to the operation by developing a large scale, bulk underground mine (subject to positive feasibility results).

Proposed resource extension drilling will be conducted following the completion of the open pit and underground mining studies to take advantage of the review of the new Mineral Resource estimate and the outcomes of the studies.

As part of the acquisition, Saracen took ownership a gas pipeline that connects the Thunderbox Mine with the Goldfields Gas Pipeline. Proposals for gas supply for power generation are being sought from a number of suppliers.

The Thunderbox Processing Plant is in good condition and Saracen continues to assess the work program necessary to bring the Processing Plant and associated infrastructure back on line.

Field studies have already commenced for the re-approval of the Thunderbox Operations. Other data from the previous operations is being sourced and assessed to determine whether any further work will be required in support of the regulatory approvals.

The Thunderbox Feasibility Study and the relevant approvals remain on track for completion in Q3 FY2015.

## **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.

Production for the year was 133,492 ounces which is at the upper end of the revised full-year guidance of 125,000 – 135,000 ounces.

## **FY2015 Guidance**

Current guidance for FY2015 (originally set in FY2013) was for production of 125,000 – 135,000 ounces of gold. This target was based on 100% mill feed from the Whirling Dervish open pit, which remains on track. The guidance assumed no gold production from the high grade Red October mine. The life of mine plan for Red October is currently being updated and is expected to be completed during the September quarter, at which point Carosue Dam production and cost guidance for FY2015 will be provided to the market.

## Exploration

### Far South Prospect

During the quarter further analysis of the previously reported Sub-Audio Magnetic (SAM) survey revealed that additional information could be extracted from the field data. As a result Saracen has been able to extract the Electromagnetic (EM) response from the SAM. This new data identified 3 major conductive units across the Far South prospect. Knowing the target mineralisation has a strong sulphide association, a Moving Loop EM survey was commissioned to validate and model the conductors identified in the SAM-EM data. The Moving Loop EM survey was successful in identifying 4 conductive units. The responses over two of the units seemed more complex and as a result two small Fixed Loop EM surveys were completed to resolve and model the data with more confidence. This was achieved and the final results were 5 confidently modelled conductors, refer Figure 7.

A small drill program was designed to target each of the modelled conductors and validate the geology associated with the geophysical responses. A total of 9 holes have been completed. Pleasingly all the holes intercepted zones of pyrite and pyrrhotite at the location of the modelled conductors. The most encouraging results came from holes drilled close to the Deep South stratigraphic trend. In these holes significant quartz-carbonate veining was present with up to 15-20% sulphide also present. The dominant sulphide phase is pyrrhotite (85%). Mineralisation has been identified on the boundary of this altered zone where it is in contact with a small ultramafic unit.

Best results in the program were **2m @ 7.99g/t** and **2m @ 7.52g/t** (refer Figure 7). These are very encouraging results for the first RC drill program in the area. Previous 1km spaced RAB traverses and shallow Auger sampling had failed to identify any mineralisation. Detailed geochemistry on the holes is currently underway to better understand the geology and alteration prior to further drilling.

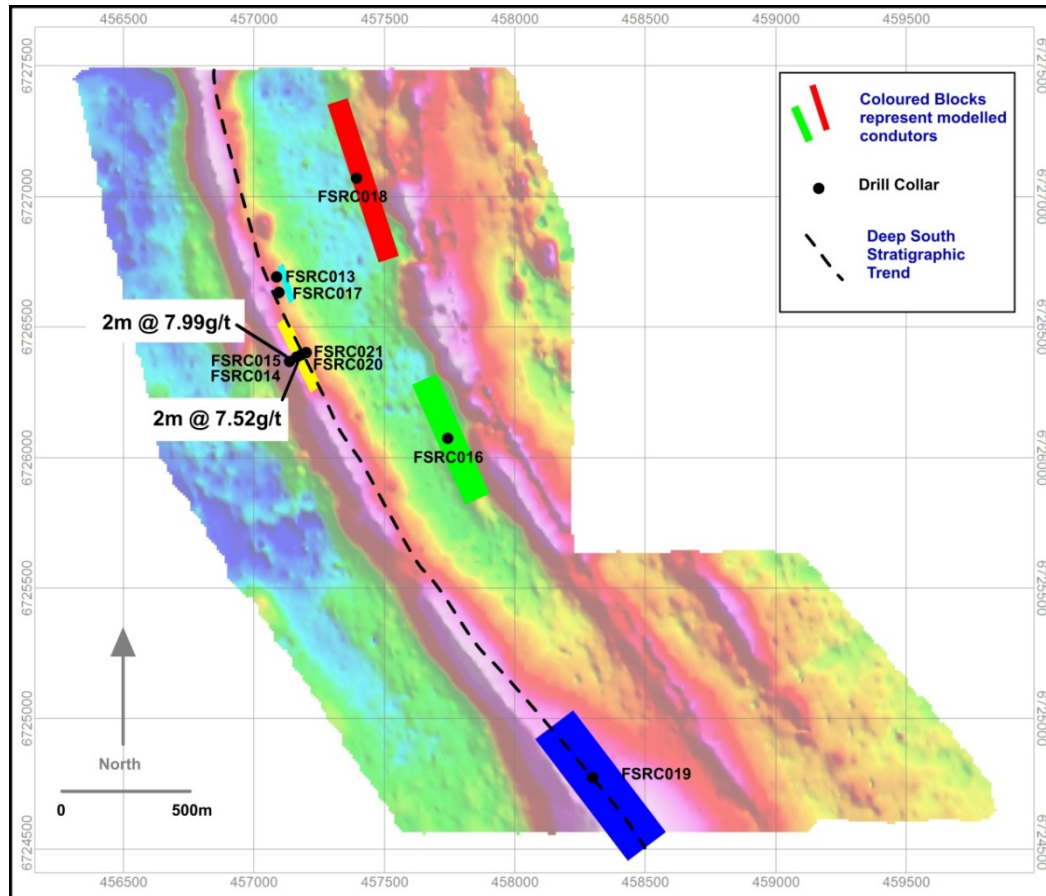


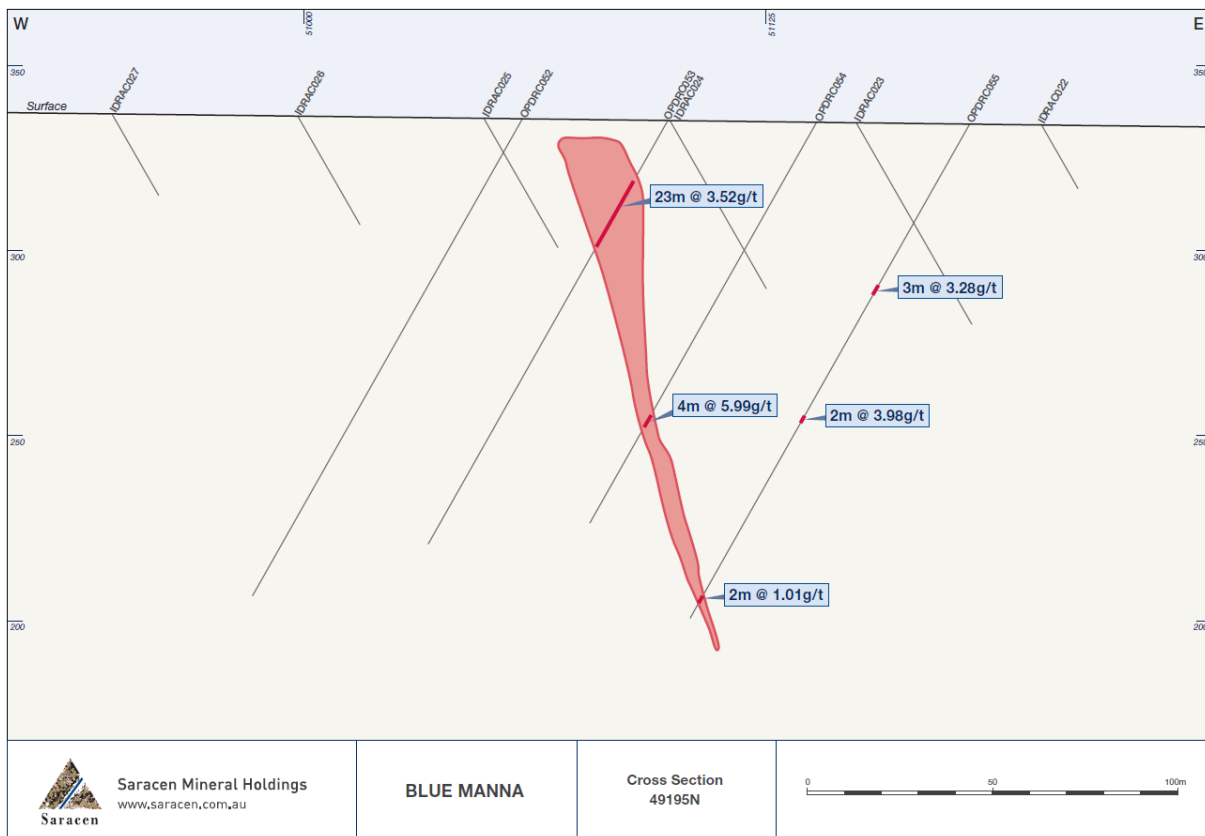
Figure 7 – Far South Moving Loop conductors overlaid on the SAM TMI

**Blue Manna Project**

During the quarter a small drill program was executed with the aim of understanding the depth extents of a previously identified high grade shoot as well as determine any strike extent opportunities at Blue Manna. Three holes were drilled below the previous drilling and sections 80m to the north and south comprising of 4 holes each were completed.

The drilling under the previous high grade results indicated that the shoot had narrowed and decreased in grade. This observation is consistent with the interpretation that the higher grade shoots are lenticular in nature and the pinch and swell of the veins observed in surface outcrop are reflected in the large scale shoot geometry.

The sections 80m north and south have provided further encouragement that the strike of the mineralised system is larger than initial indications. The northern section intersected mineralisation in three of the four holes drilled with the best result returning **9m @ 2.57g/t**. This section identified two lenses of mineralisation. The southern section also intersected mineralisation across three of the four holes. Here the mineralisation was strong, returning a significant result **23m @ 3.52g/t**. This intersection is 15m below surface and was not identified by the historical drilling. Follow up drilling will be planned and tied into future drilling campaigns at Carosue Dam.



**Figure 8 – Blue Manna, southern step out section 80m south of previous drilling**

**Red October Exploration**

Full details on the Red October exploration program have been provided in a separate announcement (refer ASX announcement – Red October Update of 23 June 2014).

Since this announcement a number of holes have been completed and await results, a more detailed separate announcement will be made again during the September quarter.

# Finance

## Cash Position

As at 30 June 2014, Saracen’s total cash position was A\$35.9 million. This is after the payment of \$18.0 million for the settlement of the acquisition of the Thunderbox Project was made during the quarter.

## Gold Sales

Gold sales for the quarter were 32,473 ounces at an average sale price of A\$1,508/oz for total revenue of A\$49.0 million. Of these sales, 21,036 ounces were delivered into hedging at an average price of A\$1,566/oz.

Gold sales for the 2013/14 year were 138,081 ounces at an average sale price of A\$1,526/oz.

## Debt

The Company has outstanding debt of A\$12.0 million at the end of the quarter under its finance facility with Macquarie bank Limited.

## Exploration and Capital Expenditure

During the quarter, the Company incurred \$1.4 million on exploration activities and \$2.8 million on capital works. Capital works includes the development of the exploration drive at the Red October mine.

## Cashflows

Closing cash of A\$35.9 million less debt of A\$12.0 million leaves the Company with a net positive cash position of A\$23.9 million.

Figure 9 below shows cash prior to the settlement of the Thunderbox Operations acquisition of A\$54.0 million, a reduction of A\$8 million from the cash position as at 31 March 2014. Approximately A\$4.0 million is accounted for in the development of the Red October exploration drive and drilling program, whilst the remainder is the continued development of the Whirling Dervish open pit, with average strip ratios set to fall dramatically over the course of the next 12 months (refer Figure 1).

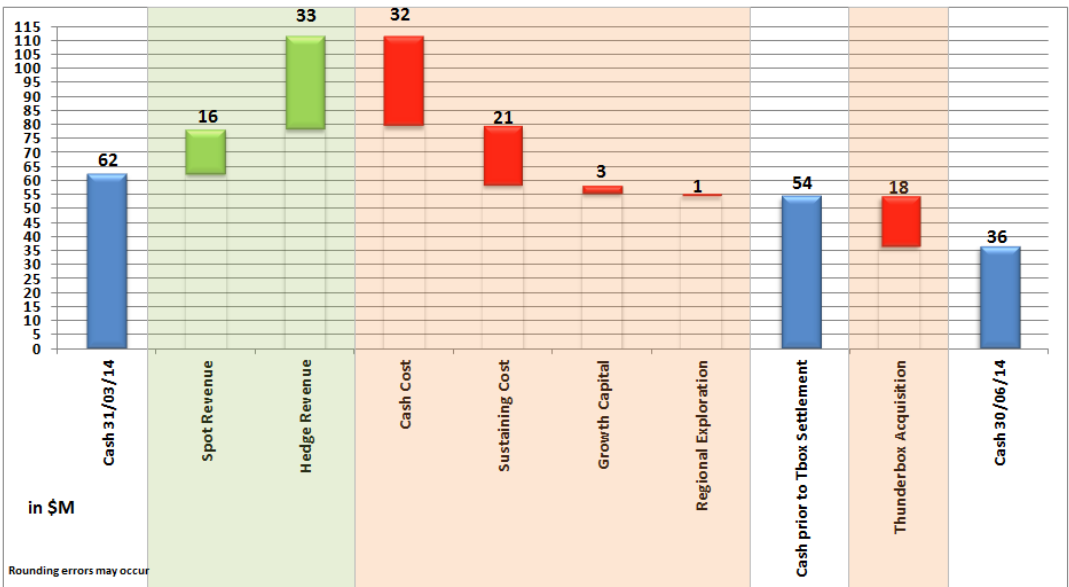


Figure 9 – June 2014 quarter cash movements

- **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).
- **Growth Capital:** Capital expenditure on new projects.
- **Regional Exploration:** cash outflows for regional exploration.
- **Acquisition of Thunderbox:** \$18 million paid on settlement of the acquisition of the Thunderbox Project.

## Cash Costs

C1 Cash Costs for the June quarter were A\$1,061/oz. Full year FY2014 C1 Cash Costs were A\$864/oz, which compare favourably to guidance of A\$900/oz.

All-in Sustaining Cash Costs for the June quarter were A\$1,731/oz. Full year FY2014 All-in Sustaining Cash Costs were A\$1,515/oz, within 1% of 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	Sep-13 Qtr	Dec-13 Qtr	Mar-14 Qtr	Jun-14 Qtr	FY 2014
Mining - Open Pit	2.4	2.4	4.8	11.3	20.9
Mining - Underground	5.0	8.5	7.2	6.0	26.7
Ore Cartage	2.5	2.7	1.3	1.0	7.5
Processing	11.6	12.3	11.9	11.6	47.4
Site Administration	1.7	2.1	1.9	1.8	7.6
Ore Purchase	3.6	1.6	-	-	5.2
<b>Cash Costs</b>	<b>\$27</b>	<b>\$30</b>	<b>\$27</b>	<b>\$32</b>	<b>\$115</b>
Royalties	2.3	1.7	2.3	1.6	7.9
Capital Works (Inc TSF)	2.6	3.1	0.3	2.0	7.9
Open Pit Development	3.7	12.8	11.2	8.2	35.8
Underground Development	6.7	5.8	4.8	3.9	21.2
Active Mine Exploration	0.7	0.8	0.9	0.5	2.8
Corporate	3.0	1.8	2.7	3.8	11.3
<b>"All in" Cash Costs</b>	<b>\$46</b>	<b>\$56</b>	<b>\$49</b>	<b>\$52</b>	<b>\$202</b>
Expansion Capital	9.9	-	-	2.8	12.7
Regional Exploration	1.4	1.7	0.9	1.4	5.4
<b>Production</b>	<b>41,241</b>	<b>31,097</b>	<b>31,242</b>	<b>29,912</b>	<b>133,492</b>
Mining - Open Pit	59	76	154	379	157
Mining - Underground	122	272	230	202	200
Ore Cartage	61	85	42	34	56
Processing	282	397	380	387	355
Site Administration	41	69	62	60	57
Ore Purchase	88	51	0	0	39
<b>Cash Costs</b>	<b>\$653</b>	<b>\$950</b>	<b>\$868</b>	<b>\$1,061</b>	<b>\$864</b>
Royalties	55	56	74	54	59
Capital Works	62	99	8	66	59
Open Pit Development	90	411	357	274	269
Underground Development	163	185	153	131	159
Active Mine Exploration	16	26	27	17	21
Corporate	73	59	86	127	85
<b>"All in" Cash Costs</b>	<b>\$1,111</b>	<b>\$1,786</b>	<b>\$1,574</b>	<b>\$1,731</b>	<b>\$1,515</b>

**Table 6 – Cash Costs**

## **Hedging**

As at 30 June 2014, Saracen had gold hedging in place covering 128,387 ounces at an average price of A\$1,660.87/oz. These ounces are to be delivered over the period from July 2014 to July 2016 (inclusive). The mark to market value of the hedge book at 30 June 2014 was A\$27.5 million based on a spot gold price of A\$1,407.83/oz. Refer to Table 7 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	18,087	\$ 1,389.19
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>128,387</b>	<b>Avg \$ 1,660.87</b>

**Table 7 – Details of Hedging Contracts**

**Table 8 – Summary of Drill Results**

**Far South**

FAR SOUTH DRILLING JUNE 2014 QUARTER										Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip	From (m)	To (m)	Width (m)	Grade g/t	
FSRC013	457056.414	6726657.853	398.199	126	65.1	-60	33	34	1	1.46	
FSRC014	457068.611	6726353.423	396.531	234	65.1	-60	202	204	2	7.99	
FSRC015	457104.029	6726369.251	396.823	216	65.1	-60	179	181	2	7.525	
FSRC016	457651.122	6726050.774	396.604	300	65.1	-60	no significant intercepts				
FSRC017	457075.804	6726621.878	397.889	144	65.1	-60	no significant intercepts				
FSRC018	457320.256	6727041.909	402.462	235	65.1	-60	95	96	1	3.06	
FSRC019	458148.702	6724651.879	391.797	474	65.1	-60	417	418	1	13.1	
FSRC020	457171.901	6726404.443	397.52	174	65.1	-60	no significant intercepts				
FSRC021	457130.682	6726383.096	397.16	132	65.1	-60	75	76	1	1.74	
							and	100	101	1	1.47

**Blue Manna**

BLUE MANNA RC DRILLING JUNE 2014 QUARTER										Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip	From (m)	To (m)	Width (m)	Grade g/t	
OPDRC045	436840.915	6673192.818	333.587	175	239.7	-60	77	80	3	0.40	
							and	146	148	2	0.89
OPDRC046	436663.615	6673266.938	334.301	111	239.6	-59	10	11	1	1.86	
OPDRC047	436697.842	6673287.487	333.67	128	239.8	-60	21	30	9	1.86	
OPDRC048	436732.576	6673308.497	333.633	122	239.3	-61	71	73	2	1.07	
OPDRC049	436766.126	6673328.569	333.613	134	239.7	-59	78	87	9	2.57	
OPDRC050	436815.819	6673235.94	333.615	176	239.1	-61	32	33	1	1.11	
							and	74	75	1	1.16
							and	87	88	1	1.12
							and	90	91	1	1.34
							and	93	96	3	7.38
							and	142	147	5	2.67
							and	155	160	5	2.094
OPDRC051	436815.726	6673206.653	333.477	153	239.1	-60	60	61	1	3.27	
							and	73	76	3	1.467
							and	88	89	1	1.01
							and	114	115	1	1.65
							and	126	128	2	4.42
OPDRC052	436836.587	6672980.214	336.259	152	239.1	-60	no significant intercepts				
OPDRC053	436870.391	6673000.323	335.63	134	239.1	-60	18	41	23	3.52	
OPDRC054	436904.465	6673020.759	334.667	123	239.1	-60	35	36	1	2.28	
							and	95	99	4	5.992
OPDRC055	436939.598	6673041.707	334.763	158	239.1	-60	51	54	3	3.28	
							and	67	68	1	2.32
							and	84	85	1	3.32
							and	91	93	2	3.98
							and	121	122	1	2.23
							and	148	150	2	1.01



## 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>	<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>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 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>	<p>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.</p> <p>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.</p> <p>Previous holders' survey accuracy and quality is unknown</p>																									
	<i>Specification of the grid system used.</i>	<p>A local grid system (Old Plough Dam East) is used.</p> <p>The two point conversion to MGA_GDA94 zone 51 is:</p> <table border="1"> <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> <p>Historic data is converted to the Old Plough Dam East local grid upon export from the database.</p>						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.																									

Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
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.

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
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.

