



10 September 2014

**ASX & MEDIA RELEASE**

**EXPLORATION UPDATE**

The Directors of Saracen Mineral Holdings Limited (ASX: SAR) ("Saracen" or the "Company") are pleased to provide an update on current and planned exploration activities, specifically at the Red October, Thunderbox and Karari Projects.

**Exploration highlights & planned activities:-**

- **Red October** – exploration drilling from the hangingwall drill drive has proven the continuity of the high grade Footwall lode at depth;
- **Thunderbox** – RC and diamond drilling designed to test for potential extensions of the bulk mineralisation either side of the Gap Fault at the Thunderbox deposit set to commence in October 2014;
- **Bannockburn** – RC drilling within the boundaries of the Bannockburn resource set to commence in October 2014;
- **Karari** – commencement of the Karari exploration decline scheduled for November 2014;
- **Blue Manna** – RC drilling to test for potential extensions of the high grade mineralisation set to commence in December 2014;
- **Resources & Reserves** – revised statement for the Carosue Dam and Thunderbox Operations, including the Waterloo nickel deposit, set to be released in October 2014.

**Significant intercepts from Red October include:-**

- **ROGC305 – 10.4m @ 11.2g/t from 97m (Footwall lode);**
- **ROGC355 - 0.4m @ 93.9g/t from 152m (Hangingwall lode);**
- **ROGC357 - 1.8m @ 216.3g/t from 186m (Footwall lode);**
- **ROGC379 - 4.5m @ 20.0g/t from 126m (Footwall lode);**
- **ROGC383 - 1.8m @ 93.6g/t from 101m (Footwall lode);**
- **ROGC385 - 3.0m @ 62.7g/t from 139m (Footwall lode);**
- **ROGC390 - 3.9m @ 131.5g/t from 149m (Footwall lode);**

**Comment by Saracen's Managing Director, Raleigh Finlayson:**

*"Recent drilling results from our Red October underground mine has proven continuity of the high grade footwall lode at depth. We are particularly excited about ROGC357, the deepest hole currently drilled into the footwall lode, returning assay results of 1.8m @ 216.3g/t, approximately 125 metres below our existing workings. Based on average advance rates, this would represent potential mining inventory for FY2017.*

*We are also pleased to announce that drilling at our recently acquired Thunderbox operations will commence in October 2014. This is the first drill program to be undertaken at Thunderbox under Saracen's ownership and is designed to test potential extensions to the bulk mineralisation at depth which included down plunge drilling of 74m @ 1.5g/t and 97m @ 2.6g/t."*

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## Red October

Exploration drilling from the hangingwall drill drive at Red October has progressed well, with a focus on the near mine extensional opportunities. Recent drilling has fully defined the FY2015 life of mine plan ("LOMP"), with the current program planned to extend the LOMP into FY2016 and FY2017. The hangingwall drill drive has provided an optimum location to drill test extensions to both the Hangingwall and Footwall lodes (refer Figure 1 below).

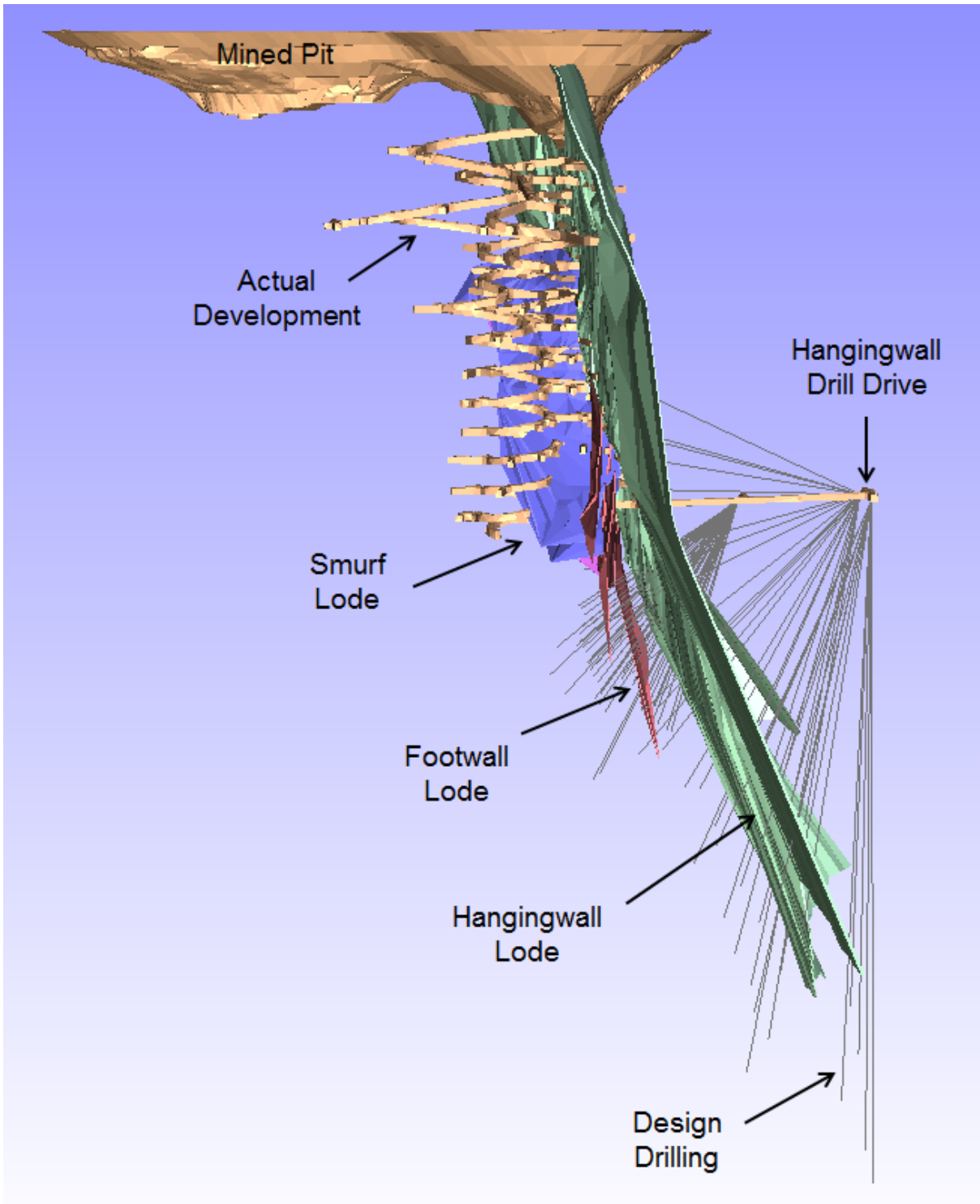


Figure 1: Cross Section view of Red October (looking south)

Mining to date at Red October has highlighted that the grade tenor is generally higher where the Hangingwall and Footwall lodes are steeply dipping and in close proximity to cross cutting structures, including the Smurf, Smurfette and the recently discovered Anchor lode (refer Figures 2 and 4).

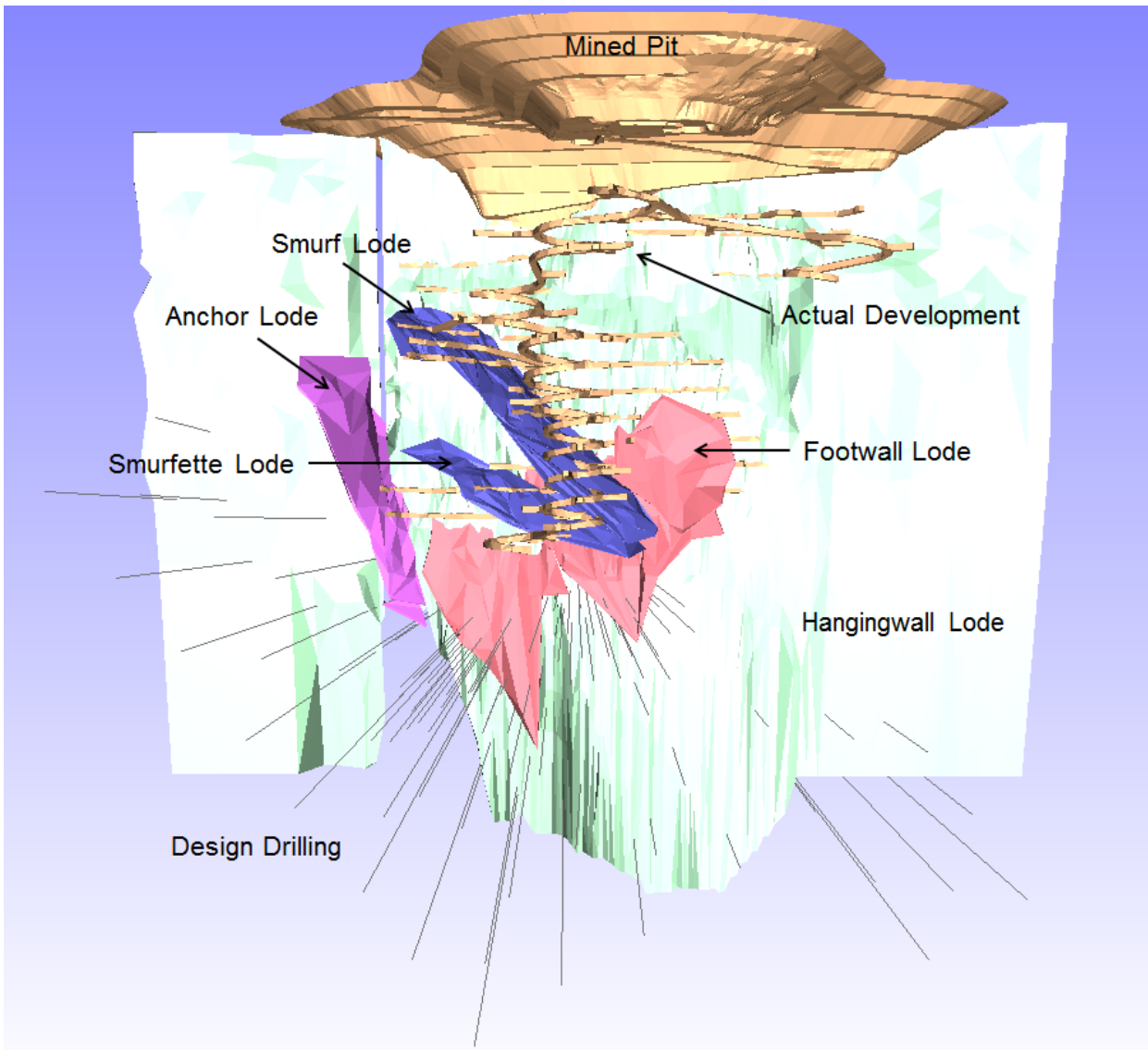


Figure 2: Long Section view of Red October (looking west)

Drilling results have highlighted that the Hangingwall lode has flattened, whilst the Footwall lode remains near vertical (refer Figure 1). The very high grade Anchor lode has been proven to continue down dip from the initial discovery area.

The change in dip of the Hangingwall lode has resulted in a decrease in the grade tenor of mineralisation within the hangingwall shear (refer Figure 3). Future exploration drilling at depth will be designed to test if the shear steepens again, and with it, a consequent increase in grade.

Drilling has been extended into the Footwall lode which has proven the continuity of the high grades domains, which remain open at depth (refer Figure 4) and are subject to ongoing drilling, with additional results expected to be released during the December quarter 2014.

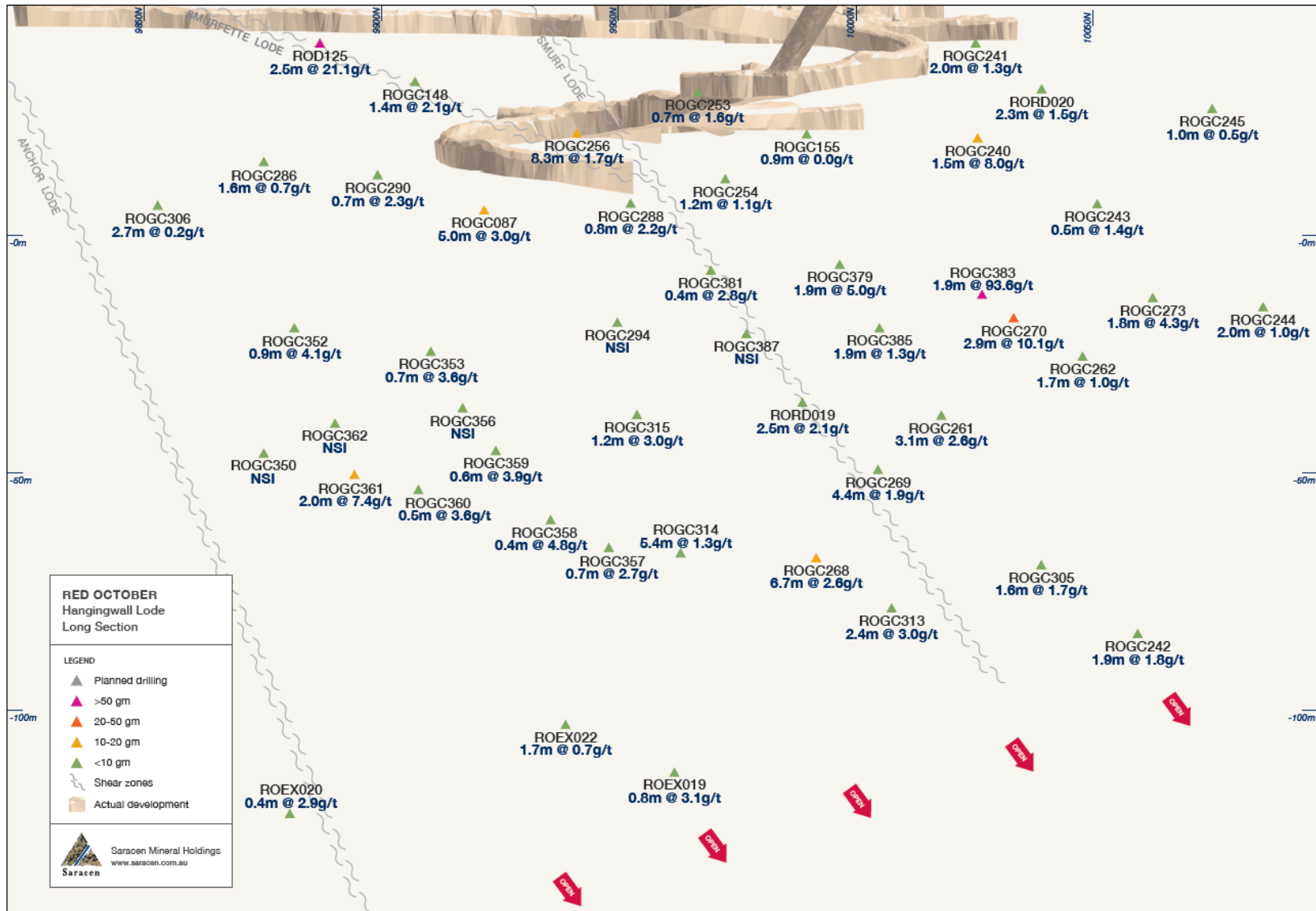


Figure 3: Long Section view of the Hangingwall Lode (looking west)

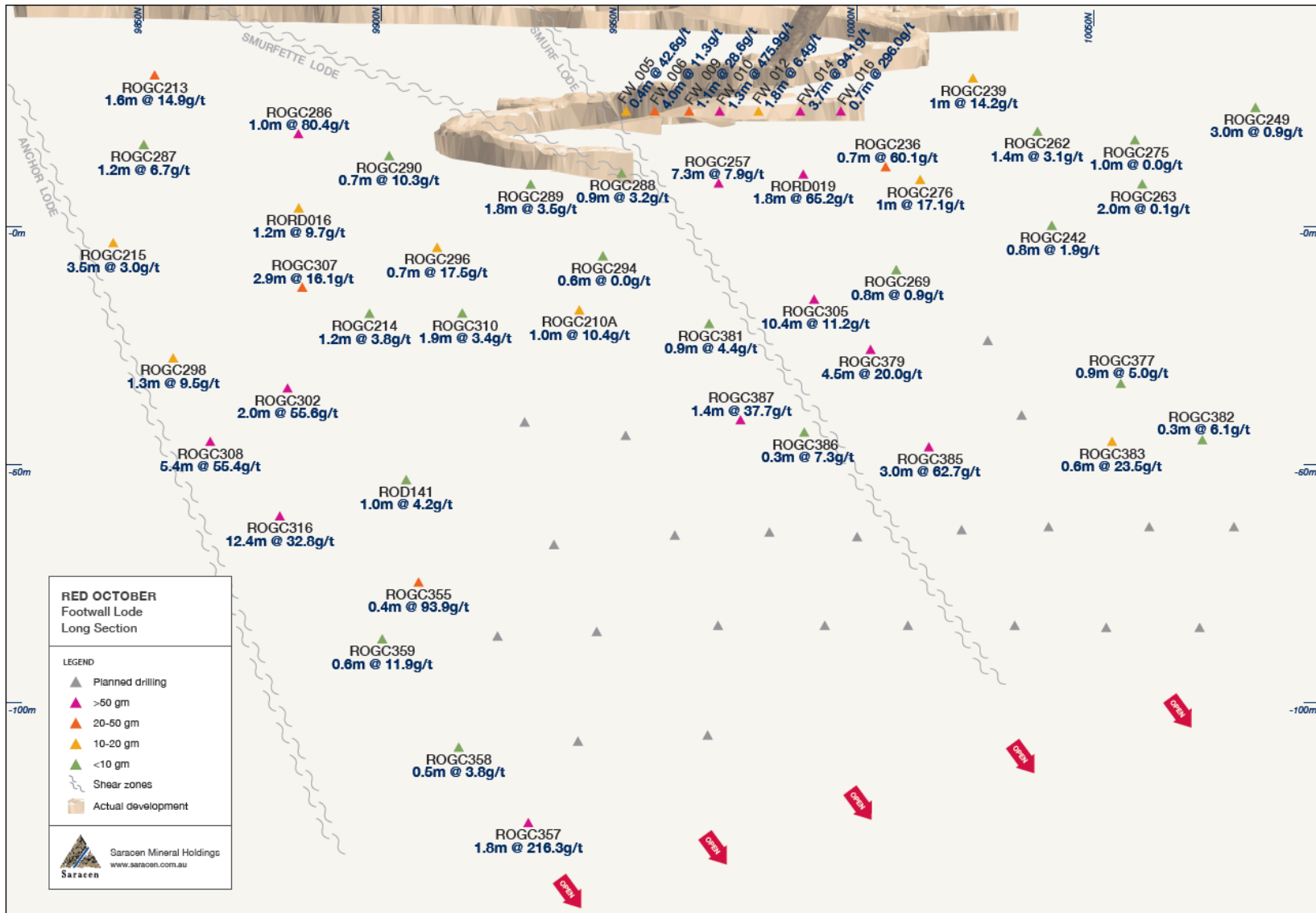


Figure 4: Long Section view of the Footwall Lode (looking west)



Ore development through the Footwall lode during September 2014, up-dip from recent drilling, has seen spectacular grades returned from face samples, with highlights including 1.3m @ 475.9g/t (FW\_010), 3.7m @ 94.1g/t (FW\_014) and 0.7m @ 296.0g/t (FW\_016).

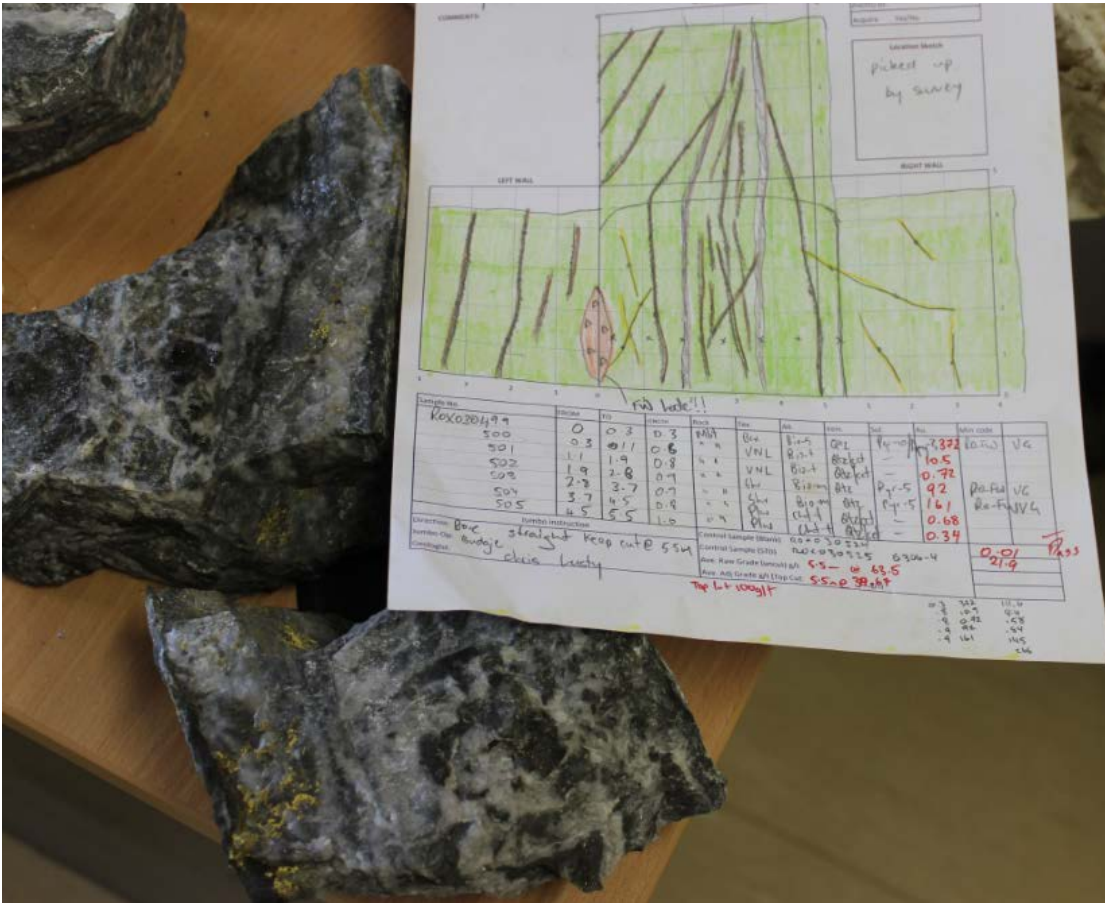


Figure 5: Face Samples and geology log taken from the 1022 Footwall Lode ore drive

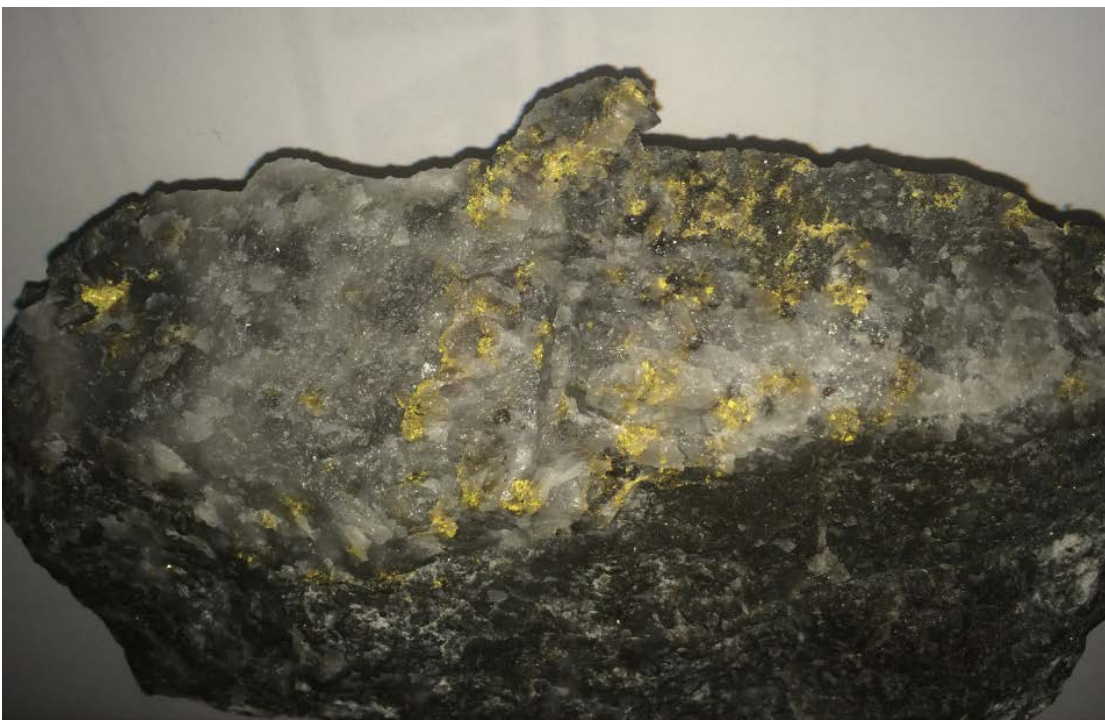


Figure 6: Face Sample taken from the 1022 Footwall Lode ore drive

## Planned Exploration Activity

Op	Exploration	FY2015			
		Q1	Q2	Q3	Q4
Carosue Daim	Red October Drilling	[Green bar]			
	Red October Results	[Blue bar]	[Blue bar]	[Blue bar]	
	Karari Exploration Decline		[Dark Blue bar]		
	Karari Drilling			[Green bar]	
	Karari Results				[Blue bar]
	Blue Manna Drilling		[Green bar]		
	Blue Manna Results			[Blue bar]	
Thunderbox	Thunderbox Drilling		[Green bar]		
	Thunderbox Results		[Blue bar]		
	Bannockburn Drilling		[Green bar]		
	Bannockburn Results			[Blue bar]	
<b>Resources &amp; Reserves</b>			[Grey bar]		

Legend:

[Dark Blue bar]	Development
[Green bar]	Drilling
[Light Blue bar]	Results

Table 1: Key planned Exploration Activity in FY2015

### Red October

The steeply dipping Footwall Lode has been extended at depth and the current drilling is focused on infilling and extending the higher grade zones down plunge with the potential to significantly extend the mine life.

The broader exploration program (drilling from the end of the Hangingwall drill drive – refer Figure 1) will be ongoing, targeting potential extensions to the north, south and at depth of both the Hangingwall and Footwall Lodes, with the view of defining at least a three year mine life that would enable the development of the Deep South underground mine to be advanced with self-funding from Red October free cashflow generation.

### Karari

The exploration decline at Karari is set to commence in November 2014, with RUC Cementation Mining awarded the Stage 1 underground mining contract. A 29,500 metre diamond drilling exploration program is set to commence in Q3 FY2015 and run well into FY2016, with the objective of defining a minimum two year reserve.

### Blue Manna

A combined Aircore and RC drilling program is designed to test resource extensions at the recently discovered Blue Manna prospect, with follow up drilling to the south of OPDRC053, returning 23m @ 3.5g/t (reported in the June 2013 Quarter), and to test nearby regional targets that have not yet been subject to drilling.

### Thunderbox

An 8,000 metre RC drilling program combined with a 2,500 metres diamond drilling program is set to commence in October 2014 at Saracen's recently acquired Thunderbox project. The drilling is designed to test for extensions of the bulk mineralisation either side of the Gap Fault.

### Bannockburn

A 4,500 metre RC drilling program is planned at Bannockburn commencing in November 2014. The drilling program is predominately infill drilling into the existing resource with some extensional opportunities.

**For further information please contact:**

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**Competent Persons Statement:**

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.



**Table 2: Summary of Drill Results**

RED OCTOBER DRILLING SEPTEMBER 2014										Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip	From (m)	To (m)	Width (µ)	Grade g/t	
ROGC305	443014.993	6767772.052	46.724	212.7	351.19	-36	29.3	30.9	1.6	2.8	
						and	97.4	107.8	10.4	11.2	
ROGC350	442917.265	6767916.88	43.94	242.9	207.19	-40	128.2	129.1	0.9	4.1	
ROGC351	442917.682	6767916.57	43.968	212.1	196.19	-37	56.6	57.1	0.5	4.3	
						and	86	87	1	3.5	
						and	170.3	171.2	0.9	4.3	
ROGC352	442918.417	6767916.024	43.385	207	196.19	-32	167	167.8	0.8	3.2	
						and	172	172.9	0.9	4.1	
						and	184.7	185.4	0.7	4.0	
ROGC353	442918.417	6767916.024	43.385	251.8	183.19	-38	39.2	41	1.8	3.0	
						and	108.4	109.1	0.7	3.6	
						and	152.1	153.8	1.7	5.0	
ROGC354	442918.906	6767916.362	43.59	218.7	170.8	-44.9	139.7	140.1	0.4	3.0	
ROGC355	442918.662	6767916.435	43.432	178.7	175.8	-49.8	25.8	26.5	0.7	4.3	
						and	152.8	153.2	0.4	93.9	
ROGC356	442918.222	6767916.447	43.59	242.7	184.3	-46.4	48	48.6	0.6	4.2	
						and	158.3	159.2	0.9	3.5	
ROGC357	442918.972	6767916.893	43.348	260.9	163.3	-63.5	22	23	1	2.5	
						and	123.2	123.9	0.7	2.7	
						and	186.2	188	1.8	216.3	
ROGC358	442918.516	6767916.193	43.647	182.4	176.8	-60.6	33.2	33.7	0.5	4.1	
						and	118.4	118.8	0.4	4.8	
						and	174	174.5	0.5	3.8	
ROGC359	442918.185	6767916.305	43.74	195	184.8	-53.3	54.7	55.25	0.55	3.5	
						and	58.65	58.95	0.3	3.4	
						and	110.45	111.05	0.6	3.9	
						and	161.4	161.95	0.6	11.9	
ROGC360	442917.925	6767916.499	43.751	278.8	192.8	-51.5	109.9	110.4	0.5	3.6	
						and	166.8	169	2.2	15.8	
						and	173	175.35	2.35	4.0	
						and	194.1	194.4	0.3	2.6	
						and	209.65	209.95	0.3	4.0	
						and	240.45	241.2	0.75	2.7	
ROGC361	442917.812	6767916.435	43.908	209.9	198.8	-45.9	167	169	2	7.4	
						and	194.85	195.15	0.3	2.8	
ROGC362	442917.651	6767916.531	44.019	225	202.8	-42.1	74.5	75.55	1.05	3.7	
						and	76.35	76.75	0.4	2.6	
						and	117.2	118.35	1.15	5.4	
ROGC376	442922.253	6767919.693	43.357	182.7	95.19	-27	no significant results				
ROGC377	442922.253	6767919.693	43.357	191.9	102.3	-28.5	89.85	90.7	0.85	5.0	
ROGC379	442922.253	6767919.693	43.357	149.6	122.3	-32.6	91.4	93.3	1.9	5.0	
						and	96.4	97.2	0.8	8.3	
						and	126.2	130.7	4.5	20.0	
						and	139	139.4	0.4	3.2	
ROGC380	442922.246	6767919.69	43.35	156	131.19	-33	118.5	119.1	0.6	9.0	
ROGC381	442922.253	6767919.693	43.357	153.2	142.19	-34	7.6	8	0.4	2.8	
						and	118.1	119	0.9	4.4	
ROGC382	442922.393	6767937.809	43.1	186	93.19	-32	182.7	183	0.3	6.1	
ROGC383	442922.393	6767937.809	43.1	176.8	107.69	-33	101.3	103.15	1.85	93.6	
						and	122.6	123.2	0.6	23.5	
ROGC385	442922.253	6767919.693	43.357	167.9	116.19	-38	97.65	99.55	1.9	1.3	
							139.25	142.25	3	62.7	
ROGC386	442922.253	6767919.693	43.357	165	126.19	-39	134	134.3	0.3	7.3	
						and	160.8	161.25	0.45	3.6	
ROGC387	442922.253	6767919.693	43.357	189	137.19	-40	127.9	129.3	1.4	37.7	
ROGC389	442922.253	6767919.693	43.357	216	110.19	-44	156.9	157.35	0.45	4.5	
						and	161	161.3	0.3	2.5	
ROGC390	442922.253	6767919.693	43.357	174.1	119.19	-45	149.1	153	3.9	131.5	
ROGC391	442922.253	6767919.693	43.357	165	130.19	-46	139.15	140.15	1	3.0	
ROGC392	442922.253	6767919.693	43.357	171.1	141.19	-48	138	138.6	0.6	3.4	

## Summary of Drill Results (Cont'd)

RED OCTOBER DRILLING SEPTEMBER 2014										Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip	From (m)	To (m)	Width (	Grade	g/t)
ROEX019	4802.274	10002.028	45.468	420.1	152.9	-52.2	142.5	143.3	0.8	2.83	
							and	198	198.8	0.8	3.1
							and	264.9	266.3	1.4	9.082
							and	293.4	293.7	0.3	3.48
ROEX020	442867.243	6768001.048	45.12	410.8	185.19	-48	172	172.5	0.5	2.89	
							and	183.5	185.1	1.6	2.61
							and	185.8	186.2	0.4	2.50
							and	189	190.7	1.7	4.45
							and	229.2	231	1.8	2.55
							and	233	235.3	2.3	2.69
							and	242.2	243.3	1.1	3.30
							and	256.1	256.5	0.4	2.89
							and	367.5	368.3	0.8	3.06
							and	371	372	1	2.87
ROEX021	442869.591	6768002.734	45.339	435.6	117.19	-54	224.1	226.1	2	4.1	
ROEX022	442869.591	6768002.734	45.339	384	165.8	-50.4	no significant results				
ROEX024	442871.423	6768007.417	45.822		66.49	-40	in progress				
ROEX025	442871.68	6768007.125	45.129	498.1	59.8	-53.4	20.2	20.7	0.5	4.3	
							and	87.6	88	0.4	16.1
							and	156.3	156.8	0.5	8.1
							and	424	424.4	0.4	5.0
							and	469	471.6	2.6	4.9
ROEX026	442857.107	6767990.317	44.94	319.4	130.89	-50.5	197.7	198.9	1.2	3.9	
							and	274.5	275.1	0.6	2.8
ROEX027	442857.107	6767990.317	44.94	338.9	105.89	-36.3	results outstanding				
RORD037	442713.047	6767604.01	9.2	242.4	241.89	-8.6	no significant results				
ROSD001	442955.641	6767685.314	177.936	60.05	144.6	0	no significant results				
ROSD002	442956.321	6767685.888	177.734	20.6	116.19	0	11.85	12.15	0.3	189.0	
ROSD003	442955.947	6767685.865	179.853	26.2	116.19	45	no significant results				
ROSD004	442952.6	6767688.76	177.807	17.9	315.19	0	no significant results				
ROSD005	442950.367	6767718.661	189.747	29.3	137.19	-15	21.75	23.3	1.55	6.3	
ROSD006	442949.824	6767718.713	190.183	41.8	170.19	-6	34.9	35.3	0.4	25.6	
ROSD007	442949.37	6767718.684	190.268	50.7	183.19	-5	44.3	44.6	0.3	4.2	
ROSD008	442949.506	6767718.674	189.659	67	178.19	-37	39.6	39.9	0.3	13.1	
ROSD009	442970.181	6767740	175.488	9	222.7	0	0	1.35	1.35	3.2	
ROSD010	442970.237	6767737.847	175.55	12	209.7	0	0.9	1.5	0.6	2.5	
ROSD011	443077.906	6767815.758	56.516	120	330.8	-6.2	no significant results				
ROSD012	443077.906	6767815.758	56.516	135.1	345	-9.1	68.75	70.05	1.3	4.3	
							and	74.4	78.15	3.75	2.9
ROSD013	443079.34	6767814.365	56.516	141.2	351.2	-11.7	76.7	81.4	4.7	2.8	
ROSD014	443079.34	6767814.365	56.516	140	335.7	-12.8	132.4	133.1	0.7	2.7	
FW_004	442972.735	6767830.364	23.7	5	135.19	0	3	5	2	5.4	
FW_005	442976.966	6767833.541	23.7	4.5	169.19	0	3.1	3.5	0.4	42.6	
FW_006	442979.956	6767833.061	23.7	5.4	169.19	0	1.4	5.4	4	11.3	
FW_007	442983.164	6767834.124	23.7	4.3	164.19	0	3	3.4	0.4	10.9	
FW_008	442987.267	6767834.837	23.9	4	162.612	0	0.8	3	2.2	15.4	
FW_009	442987.329	6767836.597	23.9	4.7	129.89	0	1	2.1	1.1	28.6	
FW_010	442990.552	6767839.165	23.9	4.2	126.906	0	0.4	1.7	1.3	475.9	
FW_011	442991.448	6767843.321	23.9	5.8	130.39	0	4	4.3	0.3	1.1	
FW_012	442995.781	6767845.614	23.95	3.9	135.74	0	1	2.8	1.8	6.4	
FW_013	442997.95	6767848.573	24	4.1	129.19	0	2	3.3	1.3	191.7	
FW_014	442999.863	6767852.189	24	5.5	123.09	0	0	3.7	3.7	94.1	
FW_015	443001.823	6767855.896	24	5.3	121.46	0	2.8	4.3	1.5	295.6	
FW_016	443004.504	6767858.8	24.4	4.7	137.36	0	3	3.7	0.7	296.0	

## **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 145-155,000oz in FY2014 and FY2015.

As at 30 June 2013, the Carosue Dam Operations Mineral Resources was 3.9 million ounces of gold, while Ore Reserves were 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 underground mine.

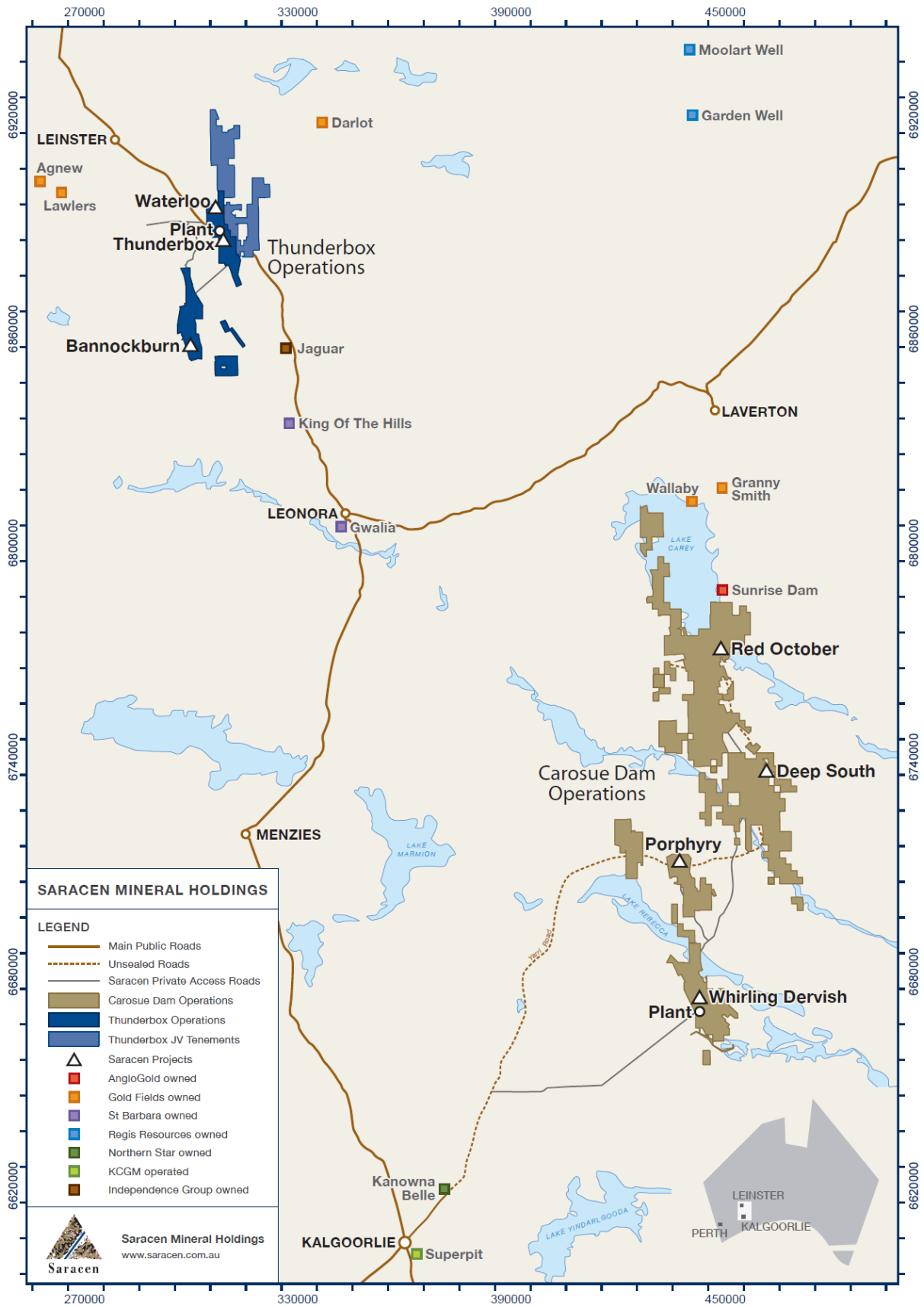
In May 2014, Saracen completed the acquisition of the Thunderbox Operations, located approx 45 kms south of Leinster in WA. The Thunderbox Operations are on care and maintenance and include the Thunderbox and Bannockburn gold mines as well as the Waterloo nickel mine. There is also a 2.5 million tonne 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.

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

Total Mineral Resources for Saracen stands 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 map below.



Saracen's Thunderbox & Carosue Dam Operations

## 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 ¼" 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.



Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
		<p>All diamond drill core has been oriented using an Ezi-mark tool.</p> <p>Some historic surface diamond drill core appears to have been oriented by unknown methods.</p>
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	<p>RC chip recoveries are recorded in the database as a percentage based on a visual weight estimate.</p> <p>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 &gt;90%.</p> <p>Limited historic surface sampling and surface diamond recoveries have been recorded.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	<p>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.</p> <p>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.</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> <p>Historical AC, RAB, RC and diamond drilling to industry standard at that time.</p>
	<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>	<p>There is no known relationship between sample recovery and grade for RC drilling.</p> <p>Diamond drilling has high recoveries due to the competent nature of the ground meaning loss of material is minimal.</p> <p>Any historical relationship is not known.</p>
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>	<p>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.</p> <p>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.</p> <p>Core is photographed in both dry and wet state.</p> <p>All faces are photographed and mapped.</p>

Section 1 Sampling Techniques and Data		
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		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. Historic sampling includes fire assay, aqua regia and unknown methods.

## Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
	<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.

Section 1 Sampling Techniques and Data																							
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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>All drillhole collars are picked up by company surveyors using a Leica TS15i (total station) with an 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
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<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>																					

Section 1 Sampling Techniques and Data		
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	<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 at 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 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>Aboriginal Heritage sites within the tenement (Site Numbers WO 2442, 2447, 2448, 2451, 2452 and 2457)</p>



Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
		<p>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>	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 fluid is believed to have been sourced from the intruding granitoid to the south of the deposit
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 drill holes: □ Easting and northing of the drill hole collar □ Elevation or RL (Reduced Level – elevation</i>	<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>

Section 2 Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
	<p>above sea level in metres) of the drill hole collar  <input type="checkbox"/> Dip and azimuth of the hole  <input type="checkbox"/> Down hole length and interception depth  <input type="checkbox"/> Hole length.</p> <p>• 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.</p>	
Data aggregation methods	<p>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.</p>	All significant intercepts have been length weighted with a lower cut-off Au grade of 1ppm. No high grade cut is applied
	<p>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.</p>	Intercepts are aggregated with minimum width of 1m and maximum width of 3m for internal dilution. Where stand out higher grade zone exist with in the broader mineralised zone, the higher grade interval is reported also.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalents are reported
Relationship between mineralisation widths and intercept lengths	<p>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 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').</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	<p>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.</p>	The release illustrates in longsection and in cross section views the nature of the drilling and its relationship to the mineralisation.
Balanced Reporting	<p>Where comprehensive reporting of all Exploration Results are not practicable, representative reporting</p>	All results from the recent campaign have been reported.

Section 2 Reporting of Exploration Results		
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	<i>of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
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.