SARACEN MINERAL HOLDINGS LIMITED

ACN: 009 215 347

FY15 financial results

EBITDA[1] up 58% to $66.5m

Company debt-free and on track to double production rate to ~300,000ozpa within two years

Corporate Details:

27th August 2015

ASX code: SAR

Corporate Structure:

Ordinary shares on issue: 792.8m

Unvested employee performance rights: 7.3m

Market Capitalisation: A$365m
(share price A$0.46)

Cash & Bullion (30 June): A$44.9m

Debt: Nil

Directors:

Mr Geoff Clifford
Non-Executive Chairman

Mr Raleigh Finlayson
Managing Director

Mr Mark Connelly
Non-Executive

Mr Barrie Parker
Non-Executive

Mr Martin Reed
Non-Executive

Ms Samantha Tough
Non-Executive

Substantial Shareholders:

Wroxby Pty Ltd 8.0%

Paradice Investment Management 7.8%

Karara Capital Pty Ltd 5.6%

Eley Griffiths Group 5.3%

Registered Office:

Level 4
89 St Georges Terrace
Perth WA 6000
Telephone: +61 8 6229 9100
Facsimile: +61 8 6229 9199

For further details contact:

Troy Irvin
Telephone +61 8 6229 9100
info@saracen.com.au

Key Points

- **25% increase in gold production to a record 167,531 ounces (2014: 133,492 ounces)**
- **18% increase in Revenue to $249.9 million (2014: $211.4 million)**
- **58% increase in EBITDA[1] to $66.5 million (2014: $42.1 million)**
- **86% increase in Net Profit after Tax to $11.1 million (2014: $6.0 million)**
- **Debt-free with net cash and bullion of $44.9 million at 30 June 2015**
- **FY16 production outlook of 150-160koz at AISC of A$1025-1075/oz (Carosue Dam only)**
- **On track to double gold production to ~300,000ozpa at an AISC of <A$1075/oz within two years, funded from internal cash flows**

Saracen Mineral Holdings **(ASX: SAR)** is pleased to report an 86% increase in net profit after tax to $11.1 million for FY2015, capping a strong operational and financial performance by its WA gold operations.

The NPAT, which was after allowing for an income tax provision of $5 million, was struck on an 18% increase in sales revenue to $249.9 million driven by increased gold sales of 164,114 ounces (2014: 138,081 ounces).

EBITDA[1] rose by 58% to $66.5 million reflecting the higher production levels combined with a 25% reduction in All-in Sustaining Costs (AISC) to A$1139/oz. The key results are tabulated overleaf.

The average received gold price for the year was A$1,547/oz compared with A$1,526/oz in FY2014. This reflected the benefits of the Company's substantial gold hedge book, which insulated revenues to a significant degree from movements in the spot gold price.

Due to the increase in production, operating costs increased from $150.9 million in 2014 to $162.7 million and the charge for amortisation and depreciation increased from $32.1 million to $49.5 million.

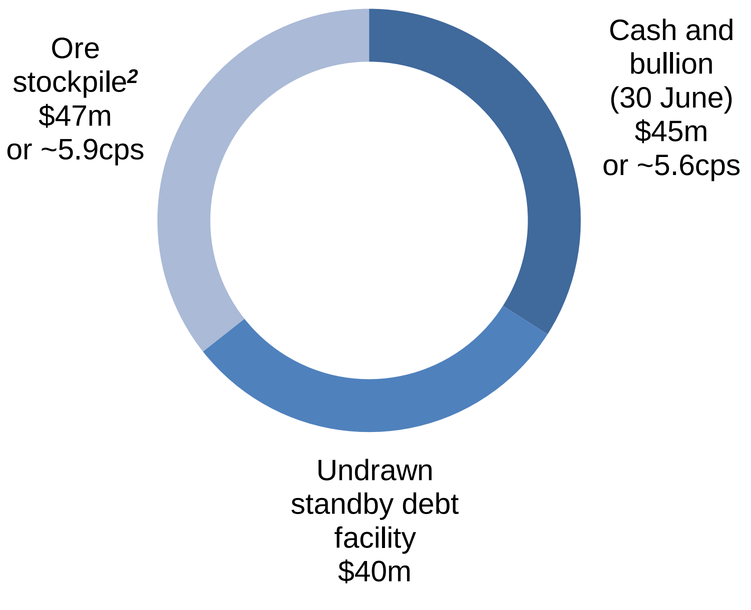
During the year the Company repaid all outstanding debt ($12.0 million) and funded the Karari underground development ($12.4 million), Thunderbox open pit development ($6.9 million) and exploration activities ($11.1 million) from operational cash flows. This puts Saracen in an outstanding position for a pivotal FY2016 as it develops its second processing centre at Thunderbox and doubles gold production to a targeted rate of ~300,000ozpa within two years.

Key results are presented below:

	FY15	FY14	% Variance
Key financials ($m)			
Revenue	249.9	211.4	18%
EBITDA[1]	66.5	42.1	58%
Profit before income tax	16.2	7.9	105%
NPAT	11.1	6.0	86%
Net cash at end	38.4	23.9	61%
Production			
Gold produced (koz)	167.5	133.5	25%
AISC ($/oz)	1139	1515	-25%
Average gold price realised	1547	1526	1%

At the end of the year, the Company held cash and bullion of $44.9 million with no debt. On the back of significantly improved financials flowing from the latest Thunderbox life of mine plan, Saracen's undrawn debt facility has increased to $40m (from $33m) and remains available as a standby facility. The Thunderbox project is fully funded without this facility.

Saracen's total available funding of $132m is presented below:



Saracen has taken advantage of the recent increase in the gold price by locking away an additional 40,000oz of hedging at an average price of A$1,600/oz to further underpin the first year of Thunderbox production.

Saracen's Managing Director Raleigh Finlayson said the strong financial and operating results for FY2015 provides a robust foundation for the Company's plans to join the ranks of mid-tier gold producers.

"The strong cash generation by our WA gold operations during the year has enabled us to repay all of our debt while at the same time funding mine development and a significant exploration campaign," he said.

"The continuing strong performance of the Carosue Dam operations will generate significant cash-flows in FY2016, allowing the Thunderbox development to be funded through internal sources."

For further information please contact:

Investors:
Troy Irvin
Chief Corporate Development Officer

Email: info@saracen.com.au
www.saracen.com.au

Media Enquiries:
Read Corporate
Paul Armstrong/Nicholas Read

Contact: (08) 9388 1474
Email: info@readcorporate.com

Notes:

[1]EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA and EBITDA are financial measures which are not prescribed by the International Financial Reporting Standards (IFRS) and represent the profit under IFRS adjusted for specific significant items. EBITDA has not been subject to any specific review procedures by the auditor but has been extracted from the half year financial statements by the Company.

[2] Ore stockpile (deferred free cash flow) - Based on A$1500/oz gold price and estimated AISC $A861/oz.

Saracen Mineral Holdings Limited
ACN: 009 215 347

PO Box 2563
Perth WA 6001
Phone: +61 8 6229 9100
Fax: +61 8 6229 9199

ASX APPENDIX 4E

SARACEN MINERAL HOLDINGS LIMITED

ABN: 52 009 215 347

RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE YEAR ENDED 30 JUNE 2015

(Previous corresponding period is the year ended 30 June 2014)

KEY INFORMATION	30 Jun 2015 $'000	30 Jun 2014 $'000	Up / (down) $'000	Percentage increase / (decrease)
Revenue from ordinary activities	249,872	211,424	38,448	18%
Profit from ordinary activities after tax attributable to members	11,148	5,995	5,153	86%
Net Loss attributable to members	(2,412)	(6,920)	4,508	N/A

DIVIDEND INFORMATION

No dividend has been proposed or declared.

NET TANGIBLE ASSETS PER SECURITY	30 June 2015	30 June 2014
Net tangible assets per security	$0.29	$0.35

EARNINGS PER SHARE	30 June 2015 Cents	30 June 2014 Cents
Basic earnings per share	**1.41**	**0.91**
Diluted earnings per share	**1.40**	**0.91**

CONTROL GAINED OR LOST OVER ENTITIES IN THE PERIOD

There have been no gains or losses of control over entities during the year ended 30 June 2015.

Additional Appendix 4E disclosure requirements under ASX Listing Rule 4.3A can be found in the Directors Report to the financial statements, which is attached, at the following page reference:-

Review of results (Directors' Report)	Page 4
Statement of Profit or Loss and Other Comprehensive Income	Page 26
Statement of financial position	Page 27
Statement of changes in equity	Page 28
Statement of cash flows	Page 29
Notes to the financial statements	Page 30
Earnings per security	Page 42
Segment results	Page 55
Independent audit report	Page 61

Entities over which control has been gained or lost over the period	N/A
Details of dividend distribution	N/A
Details of reinvestment plans	N/A
Details of joint venture entities and associates	N/A
Foreign entity accounting standards	N/A
Audit dispute or qualification	N/A

This report is based on, and should be read in conjunction with, the attached financial report for the period ended 30 June 2015 for Saracen Mineral Holdings Limited, which has been audited by BDO Audit (WA) Pty Ltd.

Saracen

SARACEN MINERAL HOLDINGS LIMITED

ACN 009 215 347

Financial Report for the Year Ended 30 June 2015

Financial Report
For the year ended 30 June 2015

CORPORATE DIRECTORY 3
DIRECTORS' REPORT 4
AUDITOR'S INDEPENDENCE DECLARATION 25
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 26
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 28
CONSOLIDATED STATEMENT OF CASH FLOWS 29
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30
DIRECTORS' DECLARATION 60
INDEPENDENT AUDITORS REPORT 61

Corporate Directory

Board of Directors

Mr Geoffrey Clifford	(Non-Executive Chairman)
Mr Raleigh Finlayson	(Managing Director)
Mr Mark Connelly	(Non-Executive Director)
Mr Barrie Parker	(Non-Executive Director)
Mr Martin Reed	(Non-Executive Director)
Ms Samantha Tough	(Non-Executive Director)

Secretary

Mr Gerard Kaczmarek

Registered Office and Business Address

Level 4
89 St Georges Terrace
Perth WA 6000

Telephone: 08 6229 9100
Facsimile: 08 6229 9199
Website: saracen.com.au

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: SAR)

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Telephone: +61 8 6382 4600
Facsimile: +61 8 6382 6401

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

Commonwealth Bank of Australia Limited
367 Collins Street
Melbourne VIC 3000

and

Macquarie Bank Limited
50 Martin Place
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

Telephone: 1300 787 272 or 03 9415 5000
Facsimile: 03 9473 2500

Directors' Report

The Directors of Saracen Mineral Holdings Limited ("Saracen" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Saracen Mineral Holdings Limited and its controlled entities (the "Group") for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follow:-

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire period unless otherwise stated.

Geoffrey Clifford

Non-Executive Chairman (appointed Director 1 October 2013 & Chairman 26 November 2014) (Member of the Audit and Risk Management Committees)

Mr Clifford is an accountant with more than 35 years' experience in senior accounting, finance and company secretarial roles. He holds a Bachelor of Business degree from Curtin University and is a FCPA, FCIS and FAICD. Mr Clifford is a professional company director, currently serving as a non-executive director on the Board of Independence Group NL. From 2007 to 2011, he was a non-executive director (including as Chairman for the period 2008 to 2011) of Atlas Iron Limited. Prior to this, he spent eight years as the General Manager Administration and Company Secretary of Portman Limited.

Mr Clifford became Non-Executive Chairman of the Company upon the retirement of the then Chairman, Mr Staltari, at the conclusion of the Annual General Meeting held on 26 November 2014.

During the past three (3) years Mr Clifford has held directorships in the following other listed entities:-

Company	Appointed	Resigned
Independence Group Limited	December 2012	Current

Raleigh Finlayson

Managing Director (appointed 2 April 2013) (Member of the Risk Management Committee)

Mr Finlayson is a Mining Engineer, having studied at the Western Australian School of Mines and is the holder of a First Class Mine Managers Certificate, a Graduate Certificate in Applied Finance and Investment and is part way through a Masters of Mineral Economics at Curtin University. He is a member of the Australasian Institute of Mining and Metallurgy. Mr Finlayson has over 17 years of technical and operational experience in the mining industry in multiple disciplines including both underground and open pit operations. Since joining the Company, he has managed the timely completion of the Definitive Feasibility Study and development of the Carosue Dam operations in 2009 and was the Chief Operating Officer before being appointed Managing Director in April 2013. Mr Finlayson is a member of the Risk Management Committee. Mr Finlayson does not hold, and has not over the last 3 years held, a directorship in any other public listed company.

Mark Connelly

Non-Executive Director (appointed 1 May 2015) (Chairman of the Audit Committee and member of the Remuneration & Nomination Committee)

Mr Connelly holds a Bachelor of Business degree from Edith Cowan University and has over 27 years' experience covering the development, construction and operation of mining projects across a variety of commodities (including gold and base metals) and jurisdictions (including Australia, West Africa, North America and Europe).

Most recently Mr Connelly was Managing Director of Papillon Resources and was instrumental in the US$570m takeover of Papillon by B2Gold Corp in October 2014. Prior to Papillon, Mr Connelly was Chief Operating Officer of Endeavour Mining Corporation, following its merger with Adamus Resources Limited, where he was Managing Director and CEO. Mr Connelly has also held senior executive positions with Newmont Mining Corporation and Inmet Mining Corporation. He is a CPA, MIACD, AIM and SME.

During the past three (3) years Mr Connelly has held directorships in the following other listed entities:-

Company	Appointed	Resigned
West African Resources Limited	June 2015	Current
Ausdrill Limited	July 2012	Current
B2Gold Corporation	October 2014	Current
Manas Resources Limited	January 2013	June 2015
Papillon Resources Limited	November 2012	October 2014
Endeavour Mining Corporation	December 2011	October 2012

Barrie Parker

Non-Executive Director (appointed 24 December 2007) (Member of the Risk Management Committee)

Mr Parker holds a degree in Minerals Engineering from the University of Birmingham and is a Fellow of the Australasian Institute of Mining and Metallurgy. He has worked in the international mining industry for almost 50 years, primarily in operations management and project development roles, including managing the initial development of the Boddington and Sunrise Dam Gold mines. His most recent position was as the Regional Manager and Director of the AngloGold companies in Australia and South East Asia. Mr Parker is a member of the remuneration and chairman of the risk management committee. Mr Parker does not hold, and has not over the last 3 years held, a directorship in any other public listed company.

Martin Reed

Non-Executive Director (appointed 24 August 2012) (Chairman of the Risk Management Committee and a member of the Remuneration & Nomination Committee)

Mr Reed is a qualified mining engineer (BE Mining, Grad Dip Management, AICD Diploma) with over 35 years' experience in operations management and project development across a range of commodities, countries and sizes of operations. Recent roles have included Chief Operating Officer and Project Manager for a number of metals companies including Sirius Resources, Sandfire Resources, St Barbara Limited, Paladin Energy Ltd and Windimurra Vanadium Limited. Prior to these appointments, Mr Reed held a number of senior executive positions in the mining industry including roles where he was responsible for the planning and development of several large mining operations in remote locations.

During the past three (3) years Mr Reed has held directorships in the following other listed entities:-

Company	Appointed	Resigned
Endeavour Mining Corporation	December 2011	October 2012

Samantha Tough

Non-Executive Director (appointed 1 October 2013) (Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee)

Ms Tough completed a Bachelor of Laws and Bachelor of Jurisprudence at the University of Western Australia and worked as a barrister and solicitor before progressing to the commercial sector. She is a Fellow of the AICD. Ms Tough is a professional company director with more than 15 years' experience on public and private company boards. She has a depth of industry experience in resources and energy. Ms Tough's executive roles include General Manager North West Shelf at Woodside Energy Ltd, Director Strategy for Hardman Resources Ltd, Senior Vice President Natural Resources at the Commonwealth Bank and Project Director for the Pilbara Power Project.

During the past three (3) years Ms Tough has held directorships in the following other listed entities:-

Company	Appointed	Resigned
Cape plc	January 2015	Current
Molopo Energy Limited	December 2014	Current
Southern Cross Goldfields Limited	July 2007	September 2013
Strike Resources Limited	January 2012	Current
Murchison Metals Limited	May 2011	February 2012

Guido Staltari
Non-Executive Chairman (retired 26 November 2014)

Mr Staltari holds a Bachelor of Science (Honours) degree and is a Fellow of the Australian Institute of Geoscientists. He worked for North Broken Hill Ltd, BHP Minerals Ltd, and also as a mining and petroleum industry consultant before establishing his first publicly listed mineral exploration company in early 1987. He has experience in the management of public companies and is currently a director of Renaissance Capital Pty Limited. Mr Staltari held the joint positions of Executive Chairman and Managing Director until 2 April 2013 when he stood down from the role of Managing Director. He remained as Executive Chairman before reverting to a Non-executive Chairman role effective 1 July 2013. Mr Staltari does not hold, and has not over the last 3 years held, a directorship in any other public listed company.

Mr Staltari retired as the Chairman and as a Director of the Company at the conclusion of the Annual General Meeting held on 26 November 2014.

COMPANY SECRETARY

Gerard Kaczmarek
(appointed 17 September 2012)

Mr Kaczmarek graduated from the Australian National University (ANU) with a Bachelor in Economics and Accounting. He has over 30 years' experience in the resources and mineral processing industry in Australia and overseas. He was Company Secretary and Chief Financial Officer for gold mining company Troy Resources for almost ten years and prior to that spent seven years at Burmine Limited before its merger with Sons of Gwalia Limited. He commenced his career with the base metals division of CRA, now Rio Tinto. He is a CPA and MAICD.

During the past three (3) years Mr Kaczmarek has held directorships in the following other listed entities:-

Company	Appointed	Resigned
Kimberley Rare Earths Limited	2 December 2010	9 February 2012

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the direct and indirect interests of the Directors and their related parties in the shares and options of Saracen were:-

Director	Ordinary Shares	Options over ordinary shares	Performance Rights over ordinary shares - unlisted
Geoffrey Clifford	-	-	-
Raleigh Finlayson	1,181,819	-	12,235,000 [(i)]
Mark Connelly	-	-	-
Barrie Parker	118,182	-	-
Martin Reed	30,000	-	-
Samantha Tough	-	-	-

(i) Includes 10,000,000 Performance Rights which are subject to approval of shareholders at the Annual General Meeting in November 2015. For further details refer to *"Summary of Proposed FY2016 Performance Rights to be Issued to Managing Director (Tranche 5)"* under section "**(e) Executive remuneration policy and framework"** of the Remuneration Report on page 16 of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was gold mining and mineral exploration.

REVIEW AND RESULTS OF OPERATIONS

Overview

Carosue Dam Operations

Saracen Mineral Holdings Limited owns 100% of the Carosue Dam Operations (CDO) through its wholly owned subsidiary Saracen Gold Mines Pty Ltd. Saracen acquired the CDO assets in 2006 and commenced commercial production in 2010. During this period over 700,000 ounces of gold have been won from several open pits and the Red October and Karari underground mines.

Saracen's CDO tenement holdings and gold deposits are located in one of the world's most prospective gold provinces, incorporating the Laverton and Keith Kilkenny Tectonic Zones, north-east of Kalgoorlie, Western Australia. This province is home to several world class gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby. In excess of 23 million ounces of gold in resources have been found and/or brought into production in this province. Saracen is building a long-term strategic infrastructure and resource position in this area.

CDO comprises a processing plant, a modern 238 person accommodation village and water and power infrastructure located approx. 120 km north-north-east of Kalgoorlie. The CDO processing plant was originally commissioned in November 2000 and has a nameplate capacity of 2.4mtpa based on a blend of hard and soft ores.

Thunderbox Operations

In January 2014, the Group acquired the Thunderbox Operations (TBO) from Norilsk Nickel Australia Pty Ltd for consideration of A$20 million cash on settlement, A$3 million cash upon the sooner of commencement of commercial production, or if, after a period of 24 months following settlement, the prevailing gold price has exceeded A$1,550/oz for a calendar month and a 1.5% NSR Royalty on the TBO gold production (capped at A$17 million). The acquisition was completed on 7 May 2014 with the payment of the $20 million initial amount.

TBO is located in the highly prospective Yandal Belt and the Agnew-Wiluna Belt in the North Eastern Goldfields of Western Australia and are centred on the Thunderbox Open Pit and CIL gold treatment plant located 45km south of the town of Leinster in Western Australia and immediately adjacent to the sealed Goldfields Highway.

TBO includes the Thunderbox Project (comprising the Thunderbox, Rainbow and Mangilla gold deposits), the Bannockburn Project (comprising the Bannockburn and North Well gold deposits) and the Waterloo Project (comprising the Waterloo and Amorac nickel deposits).

The Thunderbox processing facility, which has been in care and maintenance since 2007, has an annual capacity of 2.5 Mtpa and incorporates a single-stage crusher, a SAG mill and a ball mill as well as conventional CIL leaching and elution circuits. Existing infrastructure included in the acquisition comprises a 268 person accommodation village, an airstrip, contract power supply, Goldfields Gas pipeline spur, borefield water supply and telecommunication services.

During the year, Saracen completed a detailed feasibility study on both the open pit and the underground potential of TBO. Subsequent to the study, in March 2015, a decision to re-commence mining at the Thunderbox deposit was taken by the Board. The mining pre-strip commenced in July 2015 with mill refurbishment to commence later in 2015.

Health and Safety

Safety performance improved markedly during the year. There were two Lost Time Injuries (LTIs) recorded during the year, both at the lower end of the severity scale. The LTI frequency rate for the year was 2.0, a significant reduction from 3.1 in FY2014.

At the beginning of FY2014, the Group introduced a new safety index which records the Total Incident Frequency Rate (TIFR). This index records and aggregates the number of "incidents" including lost time injuries, medically treated injuries, alternate duty injuries, equipment damage and environmental incidents which are then weighted by severity to produce a composite number. This is also monitored on a rolling 12 month basis. After commencing the year at 449, the index finished at 336, a reduction of 25% and well below the target of 400. The Group is aiming to reduce the rate further and has set a lower target of 294 for FY2016, a reduction of 12.5%.

Saracen entered the first all female Mines Rescue Team to compete in the Chamber of Minerals and Energy of Western Australia (CMEWA) annual Surface Mine Rescue Competition in Kalgoorlie on May 1-3 2015. Eight teams took part in the event, which took place over the three days and 10 scenarios. Saracen's team took first place in the First Aid and Medical treatment, second in Confined Space Rescue and third in Hazard Chemical Management.

Financial Performance

The Group reported a net profit before tax of $16.2 million (2014: $7.9m) and profit after tax of $11.1 million (2014: $6.0m).

Sales revenue for the year was $249.9 million, up 18% from $211.4 million in the previous year. Gold production for the year was 167,531 ounces up 25% from 133,492 ounces in FY2014. Gold sales for the year were 164,114 versus 138,081 ounces in 2014. Average gold price for the year was A$1,547/oz (2014: A$1,526/oz). During the year, approx. $4.4 million of gold sales were made from gold recovered from development activities at the Karari underground mine. This amount was offset against the project's capital development costs and is not accounted for as sales revenue.

Gross profit from mining operations for the year was $26.5 million (2014: $20.5 million) after deducting $11.1 million for royalties and $49.5 million in depreciation and amortisation (2014: $7.9 million and $32.1 million respectively).

Net cash flow from operations for the year was $65.4 million (2014: $49.4 million). Capital expenditure on purchases of plant & equipment, mine development and exploration totalled $49.3 million for the year (2014: $76.9 million).

As at 30 June 2015, the Group had in place a total gold hedging program comprising 280,717 oz of forward and spot sales contracts at an average price of A$1,520/oz.

Production Operations

For the financial year ended 30 June 2015 ("FY2015") gold production from the Carosue Dam Operations was 167,531 oz (2014: 133,492 oz) at an "All in" Sustaining Cost of $1,139/oz (2014: $1,515/oz).

Carosue Dam		**Quarter**				
Mill Production	Unit	September 14	December 14	March 15	June 15	**FY2015**
Total Ore Milled	*t*	587,000	602,000	549,000	576,000	**2,314,000**
	g/t	2.17	2.45	2.58	2.77	**2.49**
Recovery	*%*	89.4%	90.3%	91.5%	90.8%	**90.5%**
Gold Produced	*oz*	36,525	42,894	41,550	46,563	**167,531**
Open Pit Mining						
Total Mining	*BCM*	1,840,000	1,422,000	919,000	505,000	**4,686,000**
Total Ore Mined	*t*	920,000	937,000	875,000	735,000	**3,467,000**
	g/t	1.23	1.48	1.69	1.86	**1.55**
Contained Ounces	*oz*	36,420	44,515	47,420	44,017	**172,372**
Underground Mining						
Total Ore Mined	*t*	79,000	79,000	68,000	119,200	**345,200**
	g/t	6.23	8.43	6.08	4.77	**6.22**
Contained Ounces	*oz*	15,963	21,511	13,252	18,262	**68,988**

Mining of the Whirling Dervish open pit concluded at the end of June 2015. During the year, the Whirling Dervish pit produced 3.48mt @ 1.55g/t for 172,372 contained ounces.

The Red October underground mine produced above budget tonnes and ounces for the year with total production of 304,000t @ 6.65g/t for 65,023 contained ounces. Capital development extended the mine from the 1022 Level in July 2014 to the 922 level in June 2015 (100m vertically). Underground diamond drilling through the year extended the Red October resource to the 800 level.

Development work commenced at the Karari underground mine in November 2014 with 41,000 t @ 2.89g/t, for contained 3,965 ounces, mined to the end of the financial year. The drilling results from the development and exploration declines have been very encouraging and the project is being progressed to full operational status.

Production & Operational Outlook for 2015/16 and Beyond

Carosue Dam Operations

In FY2016, gold production will be sourced principally from the Red October and Karari underground mines and the Whirling Dervish ore stockpiles. Production is forecast to be in the range of 150,000 to 160,000 ozs at an "All in" Sustaining Cost of A$1,025 to A$1,075/oz.

Saracen's business plan for CDO for the next 2 years comprises: -

- Completing the development of the Karari underground mine to deliver approx. 75,000 contained ozs per annum;
- Developing consistent gold production from the Northern (Red October and Deep South) and Southern (Karari and Whirling Dervish) underground mining strategy;
- Delivering consistent gold production from the underground Red October mine in FY2016;
- Extending the life of Red October underground mine through the exploration drilling campaign beyond FY2016;
- Commencing underground development of the Deep South deposit in the second half of FY2016;
- Progressing the feasibility study on the Whirling Dervish underground mining project;
- Extending the life and quality of its open-pittable resources;
- Optimising production through the Carosue Dam processing plant including processing of the extensive ore stockpiles; and
- Generating sustaining cash flows.

Thunderbox Operations

Saracen's business plan for TBO for the next 2 years comprises: -

- Development of the Thunderbox A and C zone open pits;
- Completion of the plant refurbishment and plant commissioning by the third quarter of FY2016;
- First gold production by July 2016;
- Commencing stable, long life, commercial production;
- Completion of the underground mining feasibility study for the Thunderbox A and C zone orebodies;
- Extensional drilling down plunge on the Thunderbox A zone orebody; and
- Generate sustaining cash flows.

Exploration

During FY2015 the exploration effort was heavily focused on near mine extensional opportunities and improving the regional geological framework.

Extensive near mine programs were carried out at Thunderbox, Bannockburn, Red October and Karari. By volume of meters Thunderbox was the largest of the programs. The aim of the program was to test the southern extension of the known mineralisation to ensure the optimisation of the open pit cut back is sufficiently tested. The program successfully added to the resource inventory below the open pit reserves. The Bannockburn drill program served a dual purpose. Firstly the program defined the remnant mineralisation proximal to the previously mined underground voids, but also tested the northern down plunge extensions of the mineralisation. Further mineralisation was intersected to the north and will be followed up with drilling in the future. Our underground efforts continued at Red October with a substantial program completed from the hangingwall drill drive. Drilling targeted the along strike opportunities and the depth extension of known mineralisation. During the second half of the year, development at the Karari underground had progressed with several drill positions established to complete the first diamond drilling at the new mine. The program focused on the near term production areas, before stepping out to commence a significant resource extension campaign which remains in progress.

Regionally a number of small drill programs were carried out at Blue Manna, Yilgangi and Patricia. The Blue Manna program aimed at extending the inferred resource to the north and south. This program was predominantly RC drilling, with the first two diamond holes at the project also completed. The drill programs at Yilgangi and Patricia were aimed at defining the stratigraphy and confirming known mineralised trends.

FY2015 also saw the completion of two large regional gravity surveys. The surveys were completed over the Carosue Dam – Yilgangi trend and the Deep South to Patricia trend. These two areas are considered highly prospective and the completion of the gravity data acquisition will enable the construction of a 3D model of the regional architecture. This adds significant value to our regional data set used for targeting and prospectivity mapping.

Investor Relations

During the year the Company presented at several conferences and undertook roadshows to current and potential investors, analysts and brokers. These included:-

- Diggers & Dealers Conference, Kalgoorlie WA, 4-6 August 2014;
- Macquarie Bank WA Resources Forum 15 October 2014;

- Denver Gold Conference and North American roadshow, September/October 2014;
- North American investor roadshow in February 2015;
- Euroz Conference, WA, 11 March 2015;
- European investor roadshow in May 2015; and
- Various presentations in Sydney & Melbourne during FY2015.

A copy of each presentation given to these conferences and roadshows is released to the ASX and are available on both the ASX and the Group's website, saracen.com.au.

Human Resources

The business currently has 213 employees. We continue to promote a workplace culture that embraces diversity, and we currently have approximately 17% female participation.

Saracen's core values – Accountability, Communication, Delivery and Choose Your Attitude – continue to promote a strong, results-driven culture, where our people are at the heart of the success of our business. We included our core values in the 2014-15 bonuses with the assessment being completed at the employees' annual performance reviews.

With the start-up of the Thunderbox operations under the Saracen Metals banner, a new Enterprise Agreement was required. The Saracen Metals Pty Ltd Enterprise Agreement 2015 was approved by Fair Work on 15 July 2015, with an operational effective date of 22 July 2015.

Community Support

Saracen is proud to be involved in and supportive of community groups and organisations and has maintained our commitment to supporting the local communities in which we operate, despite the current difficult market conditions. During FY2015 Saracen has provided funding to:-

- Rotary Club of Boulder
- Leonora Golden Gift
- The Kalgoorlie City Football Club
- The Kalgoorlie School of Mines
- Ride to Conquer Cancer
- University of NSW Field Trip
- The Chamber of Minerals & Energy Theory Event

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 19 August 2015, the Group has entered into an agreement to acquire 100% of the King of the Hills and Kailis gold projects in Western Australia from St Barbara Limited. Consideration for the acquisition of the two projects is $3m cash in two tranches: $0.3m on Completion, plus $2.7m upon the earlier of commercial production from Kailis or 4 years following Completion.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors continue to seek suitable mineral opportunities for acquisition or farm-in, as well as corporate investment interests, while progressing the Company's operations. Refer to the Production and Operational Outlook for 2015/16 and beyond on page 8.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to environmental regulations attached to the granting of licences by the Department of Mines and Petroleum, Western Australia. The Group continues to comply with these regulations.

The operations are also licenced under Part 5 of the Environmental Protection Act 1986 and the Rights in Water and Irrigation Act 1914. All licences are up to date and Saracen is in compliance.

The group is subject to the reporting requirements of the National Environment Protection (National Pollutant Inventory) Measure 1998 and the National Greenhouse and Energy Reporting Act 2007.

The National Environment Protection (National Pollutant Inventory) Measure 1998 and the National Greenhouse and Energy Reporting Act 2007 require the group to report its annual greenhouse gas emissions and energy use. The group has implemented systems and processes for the collection and calculation of the data required and submitted reports to the National Pollution Inventory (NPI) in September 2013 and National Green house and Energy (NGER) in October 2013.

DIRECTORS' MEETINGS

The number of Board and Committee meetings held, and the number of those meetings attended by each Director or Committee member during the financial year were:-

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Risk Management Committee Meetings	
	Meetings held while a director	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended	Meetings held while a member	Meetings attended
Geoff Clifford	13	13	4	4	-	-	4	4
Raleigh Finlayson	13	13	-	-	-	-	4	2
Mark Connelly **	1	1	-	-	-	-	-	-
Barrie Parker	13	12	-	-	3	3	4	4
Martin Reed	13	13	4	4	-	-	4	4
Samantha Tough	13	13	2	2	3	3	-	-
Guido Staltari *	5	5	2	2	3	3	-	-

* Retired 26 November 2014
** Appointed 1 May 2015

In addition to the scheduled Board and Committee meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

REMUNERATION REPORT (AUDITED)

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

The Directors present this Remuneration Report which sets out remuneration information for Saracen Mineral Holdings Limited's Executive and Non-executive Directors and other key management personnel. This report forms part of the Directors' Report.

a) Remuneration Guidance

The Board is ultimately responsible for determining and reviewing remuneration arrangements for Directors, within the limits approved by shareholders for such remuneration. The maximum aggregate amount that can be paid for Non-executive Directors remuneration is set at $500,000 as approved by shareholders at the Annual General Meeting held on 25 November 2011.

b) Directors and Key Management Personnel Disclosed in this Report

The Directors of the Group during or since the end of the financial year were:-

Geoffrey Clifford	Non-executive Chairman
Raleigh Finlayson	Managing Director (Executive)
Mark Connelly	Non-Executive Director (appointed 1 May 2015)
Barrie Parker	Non-Executive Director
Martin Reed	Non-Executive Director
Samantha Tough	Non-Executive Director
Guido Staltari	Non-Executive Chairman (retired 26 November 2014)

The Key Management Personnel (KMP) during or since the end of the financial year were:-

Craig Bradshaw	Chief Operating Officer
Gerry Kaczmarek	Company Secretary / Chief Financial Officer
Dan Howe	Chief Geologist
William (Troy) Irvin	Chief Corporate Development Officer (appointed 30 March 2015)

c) Remuneration Governance

The Remuneration & Nomination Committee ("RNC") is a sub-committee of the Board. It is primarily responsible for making recommendations to the Board on:-

- the over-arching executive remuneration framework;
- operation of the incentive plans which apply to executive directors and senior executives (the executive team) including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- Non-executive Director fees.

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

d) Use of Remuneration Consultants

The RNC commissioned Egan Associates (EA) in 2014 to provide information and advice on the level of KMP remuneration, as well as the structure of both the short-term and long-term incentive plans for executives of the Group. Under the terms of the engagement, EA provided remuneration advice as defined in Section 9B of the *Corporations Act 2001*. EA was paid $25,200 for these services.

The following arrangements were made to ensure that the recommendations of EA were free from undue influence:-

- EA was engaged by, and reported directly to, the Chair of the RNC. The agreement for the provision of their consulting services was negotiated by the Chair of the RNC under the delegated authority of the Board;
- The report was provided directly by EA to the Chair of the RNC; and
- EA was not permitted to, and did not, provide any member of management with a copy of their draft or final report regarding any of their advice or recommendations.

As a consequence, the Board is satisfied that the report is free from undue influence from any members of the key management personnel.

e) Executive Remuneration Policy and Framework

The RNC is responsible for determining remuneration policies in respect of executives and key management personnel (KMP). In establishing such policies, the RNC is guided by external remuneration surveys and industry practices, commensurate with the scale and size of the Group's operations. The policies and remuneration levels are reviewed regularly to ensure that the Group remains competitive as an employer.

The executive remuneration framework for KMPs has three components:-

- base pay and benefits, including superannuation;
- short-term incentives through cash bonuses; and
- long-term incentives through participation in the Performance Rights Plan.

(i) Base pay and benefits

The Group has employment agreements with all KMP. These agreements are capable of termination in accordance with standard employment terms. The terms of the agreements are open ended although the Group retains the right to terminate an agreement immediately by making a payment equal to the notice period in lieu of working out the notice period. KMP are also entitled to receive, on termination of employment, their statutory entitlements of accrued annual and long service leave. Each employment agreement outlines the components of remuneration paid to each executive but does not prescribe how remuneration levels are modified from year to year. Remuneration levels are reviewed each year. Additional details of KMP employment agreements can be found below at section "(j) – Service Agreements".

Other than the above, or as disclosed elsewhere in the Remuneration Report, no KMP are subject to specific employment agreements.

Operating and non-operating key performance indicators ("KPIs") relevant to each KMP are set, so as to form a basis of assessment of future levels of remuneration. The KPIs set for KMP are mostly directly aligned to the Group's intrinsic business performance, for example, performance against the annual budget, health and safety measures, and other operational criteria. The Board retains the right to determine an executive's remuneration depending on the outcome of the annual performance reviews and other factors that the Directors consider relevant.

A formal annual performance review system is in place whereby KMP performance against individual and corporate KPI's are reviewed and discussed.

In addition to base salary, superannuation is paid on the base salary at the statutory level. KMP may elect to contribute additional amounts to superannuation subject to legislative limits.

(ii) Short-term incentives ("STI")

The STI is an annual "at risk" component of remuneration for KMP. It is payable based on their performance against KPIs set at the beginning of the financial year. STIs are structured to remunerate KMP for achieving annual targets on an individual and a group basis which are designed around the success of the business. The STI is payable in cash after allowance for tax deductions.

For FY2015, the KPIs set for KMP related to safety, gold production, cash flow generation, closing cash balance and debt level, production costs, business continuity, business growth and personal performance. Refer to the table below for the structure of the STI plan:

Feature	**Description**							
Max opportunity	CEO: 40% of base salary; Other KMP: 30% of base salary							
Performance metrics	**Metric**	**Target**			**Weighting**	**Actuals**	**Bonus Achieved**	**Weighted Bonus**
		Base Case - 0%	**Mid Case - 50%**	**Stretch Case - 100%**				
	Group TFIR	400	360	330	20%	336	91%	18%
	Mill Production	155,000oz	160,000oz	165,000oz	20%	167,531	100%	20%
	Core Values (specific to individual)	3 rating	2 rating	1 rating	20%	2*	50%	10%
	Business Growth	165,000oz	206,000oz	248,000oz	10%	85,000oz	0%	0%
	All in Sustaining Cost	$1,200/oz	$1,150/oz	$1,100/oz	30%	$1,139/oz	64%	19%
Percentage of maximum STI received								67%**

* The CEO and all other KMP achieved the same rating.
** Due to the CEO and other KMP achieving the same rating under core values, everyone achieved the same percentage of maximum available STI.

The RNC determined that for FY2015, the Managing Director and other KMP would receive 67% of their maximum available STI. The STI amounts payable for FY2015 are included in the remuneration calculation in the table under section "(i) Details of Remuneration". These amounts will be paid in FY2016.

(iii) Long-term incentives ("LTI")

LTI awards are structured to reward KMPs for the long term performance of the Group relative to its peers and, from the commencement of FY2014, are granted in the form of Performance Rights. Prior to this, LTIs had been in the form of Employee Options. The latter are no longer used for employee incentive purposes.

Share options

At the date of this report there are no share options on issue. During the year, 357,000 unlisted employee incentive options expired.

Details of movements in the unlisted employee incentive options are provided in Note 19(c) of the Notes to the Financial Statements. Option holders do not have any right, by virtue of the option, to vote or participate in any share issues of any related body corporate.

There were no shares issued during or since the end of the financial year as a result of exercise of options or vesting of Share Rights.

Performance Rights

The Saracen Mineral Holdings Limited Performance Rights Plan ("Plan") was approved by shareholders at the Company's 2013 Annual General Meeting.

The Plan provides the Board with the discretion to grant Performance Rights to eligible participants that will vest subject to the achievement of performance hurdles or KPIs as determined by the Board from time to time.

The objective of the Plan is to attract, motivate and retain KMPs and it is considered by the Group that the Plan and the future issue of Performance Rights under the Plan will provide selected participants with the opportunity to participate in the future growth of the Group.

The Plan will enable the Group to make grants to Eligible Participants so that long term incentives form a key component of their total annual remuneration.
The Board believes that grants under the Plan will serve a number of purposes including:-

- to act as a key retention tool; and
- to focus attention on future Shareholder value generation.

Under the Plan, Eligible Participants will be granted Performance Rights. Vesting of any of these Performance Rights will be subject to the achievement of various KPIs which can be varied each year and aligned to the individual's performance.

Each Performance Right represents a right to be issued one Share at a future point in time, subject to the satisfaction of any vesting conditions. No exercise price is payable and eligibility to receive the Performance Rights under the Plan is at the Board's discretion.

The quantum of Performance Rights to be granted will be determined with reference to market practice and will be subject to approval by the Board.

Performance will be assessed at the end of the performance period.

Any grants under the Plan will be subject to the achievement of KPIs. Appropriate KPIs can be formulated for each Eligible Participant to participate in the Plan based on their role and responsibilities in the Group.

Performance Rights will lapse if the participant leaves the Group prior to all the vesting conditions being fulfilled although the Board has the ability, at its sole discretion, to vest all the Rights if "good leaver" exemptions apply to the ceasing of employment. Persons who are terminated for "bad leaver" reasons automatically lose their entitlement. The Board also has the right to allow early vesting of Rights if a change of control event occurs or the Company applies for voluntary winding up.

The KPIs for the 2013 and 2014 Tranches are the same for the Managing Director and all KMPs and are set out below:-

Class	**Class A**		**Class B**		**Class C**	
Performance Condition	Comparison of the Company's Total Shareholder return (STR) with that of a group of peer companies.		Increase in ore reserves.		Increase in the share price.	
Vesting Condition	**Percentile**	**Proportion of rights vesting**	**Increase in ore reserves**	**Proportion of rights vesting**	**Share price increase**	**Proportion of rights vesting**
	Below 50th percentile	0%	Between 0% and 25%	50%	Below 25%	0%
	Between 50th and 75th percentile	Between 50% and 100% on a straight line basis	More than 25%	100%	Between 25% and 50%	Between 50% and 75%
	Above 75th percentile	100%			More than 50%	100%

For the comparison of shareholder return for the Class A Performance Rights, the peer group includes the following companies:-

- Beadell Resources Limited
- Evolution Mining Limited
- Kingsgate Consolidated Limited
- Millennium Minerals Limited
- Norton Gold Fields Limited
- Northern Star Resources Limited
- Ramelius Resources Limited
- Resolute Mining Limited
- St Barbara Limited
- Silver Lake Resources Limited
- Troy Resources Limited
- Regis Resources Limited
- Doray Minerals Limited
- Perseus Mining Limited
- Teranga Gold Corporation
- Oceanagold Corporation
- Kingsrose Mining Limited

The above peer group will be amended and updated to make allowance for changes in the circumstances of any of the above companies or any new company determined to enter into a peer ranking position.

Summary of 2013 Performance Rights (Tranche 1 – Managing Director)

Vesting Conditions:

- Group peer TSR comparison;
- Growth of Ore Reserves; and
- Increase in share price.

Issue Price: 19 November 2013 - 21.5 cents
Vesting Date: 19 November 2016
Fair Value per Right:

- Class A – 19.5 cents
- Class B – 21.5 cents
- Class C – 13.5 cents

An allocation of 1,500,000 Rights were granted to the Managing Director, Raleigh Finlayson following the Annual General Meeting in November 2013.

A Monte Carlo simulation was undertaken on these Rights to determine the probability of the market conditions associated with the Rights being met. The probability estimates were then applied to ascertain an estimated fair value for the Rights. This value was estimated, for accounting purposes, to be $262,500.

No allocation of Rights has been made to KMPs during 2013.

Summary of 2014 Performance Rights (Tranche 2 - KMPs)

Vesting Conditions:

- Group peer TSR comparison;
- Growth of Ore Reserves; and
- Increase in share price.

Issue Price: 23 September 2014 - 37 cents
Vesting Date: 30 June 2016

Fair Value per Right:

- Class A – 36.3 cents
- Class B – 37.0 cents
- Class C – 23.1 cents

An allocation of 1,115,000 Rights were granted to KMP's on 23 September 2014.

A Monte Carlo simulation was undertaken on these Rights to determine the probability of the market conditions associated with the Rights being met. The probability estimates were then applied to ascertain an estimated fair value for the Rights. This value relating to KMP's was estimated, for accounting purposes, to be $347,434.

Summary of 2014 Performance Rights (Tranche 3 – Managing Director)

Vesting Conditions:

- Group peer TSR comparison;
- Growth of Ore Reserves; and
- Increase in share price.

Issue Price: 26 November 2014 - 27.5 cents
Vesting Date: 30 June 2017
Fair Value per Right:

- Class A – 19.3 cents
- Class B – 27.5 cents
- Class C – 17.3 cents

An allocation of 735,000 Rights were granted to the Managing Director, Raleigh Finlayson following the Annual General Meeting in November 2014.

A Monte Carlo simulation was undertaken on these Rights to determine the probability of the market conditions associated with the Rights being met. The probability estimates were then applied to ascertain an estimated fair value for the Rights. This value was estimated, for accounting purposes, to be $148,029.

Summary of 2015 Performance Rights (Tranche 4 - KMPs)

Vesting Conditions:

- Group peer TSR comparison;
- Growth of Ore Reserves; and
- Increase in share price.

Issue Price: 1 April 2015 - 41 cents
Vesting Date: 30 June 2017
Fair Value per Right:

- Class A – 33.8 cents
- Class B – 41.0 cents
- Class C – 25.3 cents

An allocation of 760,000 Rights were granted to KMP's on 1 April 2015.

A Monte Carlo simulation was undertaken on these Rights to determine the probability of the market conditions associated with the Rights being met. The probability estimates were then applied to ascertain an estimated fair value for the Rights. This value relating to KMP's was estimated, for accounting purposes, to be $241,984.

Summary of Proposed 2015 Performance Rights to be Issued to Managing Director (Tranche 5)

Subject to the approval of shareholders at the 2015 Annual General Meeting (scheduled to be held in November 2015), it is proposed that the following Performance Rights be issued to the Managing Director:

Tranche	Performance Rights	Vesting Conditions	Expiry Date	Estimated Grant Date Fair Value
Class A	2,000,000	(i) Mr Finlayson being Managing Director; and (ii) First gold production at the Thunderbox Operations.	31/12/2016	38.0 cents
Class B	3,000,000	(i) Mr Finlayson being Managing Director; and (ii) Saracen is in the top 50% of Total Shareholder Returns ("TSR") over the period commencing 16 March 2015 and ending on or after 16 March 2017, when compared with the TSR of the Peer Companies calculated over the same period	16/03/2019	33.8 cents
Class C	5,000,000	(i) Mr Finlayson being Managing Director; and (ii) Saracen is in the top 50% of Total Shareholder Returns ("TSR") over the period commencing 16 March 2015 and ending on or after 16 March 2018, when compared with the TSR of the Peer Companies calculated over the same period	16/03/2020	33.8 cents

For the comparison of shareholder return for the Class B and Class C Performance Rights, the peer group includes the following companies:-

- Beadell Resources Limited
- Evolution Mining Limited
- Kingsgate Consolidated Limited
- Millennium Minerals Limited
- Northern Star Resources Limited
- Ramelius Resources Limited
- Resolute Mining Limited
- St Barbara Limited
- Silver Lake Resources Limited
- Troy Resources Limited
- Regis Resources Limited
- Doray Minerals Limited
- Perseus Mining Limited
- Teranga Gold Corporation
- Oceanagold Corporation
- Kingsrose Mining Limited

Refer to "(k) - Details of share based compensation" for a detailed breakdown of performance rights issued to each KMP.

f) Group Performance

The following table shows the sales revenue, profit/(loss) before tax and basic earnings per share (EPS) for the last five years for the Group, as well as the share price at the end of the respective financial years.

	2011	2012	2013	2014	2015
Sales Revenue ($'000)	155,671	183,759	210,605	211,424	249,872
Profit/(loss) before tax ($'000)	51,736	26,692	(88,324)	7,890	16,181
Basic EPS (cents per share)	9.74	3.3	(10.6)	0.91	1.41
Share price	0.54	0.56	0.12	0.41	0.43

g) Non-Executive Director Remuneration Policy

The Board policy for determining the nature and amount of remuneration of Directors and key personnel, as well as the relevant specific arrangements, are detailed below.

Non-executive Directors' remuneration is subject to review from time to time, as the Directors deem appropriate, having regard to the scope, scale and degree of complexity of the Group's operations.

Non-executive directors receive a Board retainer fee and an additional fee for membership of a Board committee. They do not receive performance based pay. The Chairman does not receive additional fees for participating on a committee. All fees provided to non-executive directors are inclusive of superannuation.

The maximum aggregate amount that can be paid for Non-executive Directors remuneration is set at $500,000 as approved by shareholders at the AGM held on 25 November 2011.

Base fees (including superannuation)	**From 1 July 2014 to 30 June 2015**	**From 1 July 2013 to 30 June 2014**
Chairman	$140,000	$140,000
Other non-executive directors	$80,000	$80,000
Additional fees (including superannuation)		
Membership of a Board Committee	$10,000	$10,000

h) Voting on the Remuneration Report at the 2014 AGM

The Group received more than 95% of "yes" votes on its Remuneration Report for the 2014 financial year at the November 2014 Annual General Meeting. The Group did not receive any specific feedback from shareholders at that meeting, or during the year, on its remuneration practices.

i) Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Group and each of the key management personnel of the Group during the financial year are:-

30 June 2015	Short-term Employee Benefits			Post-Employment	Share Based Payments	Long Term Benefits	Total	Proportion of total performance related
	Salary & fees	*Cash bonus*	*Non-monetary benefits*	*Superannuation and other*	*Performance Rights / Options* (vii)	*Long Service Leave* (vii)		
	$	$	$	$	$	$	$	
Directors								
G Staltari (retired 26 November 2014)	56,639	-	-	-	-	-	56,639	-
R Finlayson (i)(ii)	628,679	172,566	5,078	46,349	120,926 169,682(v)	53,403	1,196,683	38.7%
G Clifford	98,784	-	-	24,549	-	-	123,333	-
B Parker	47,945	-	-	42,055	-	-	90,000	-
M Reed – Director Fees(iii)	90,000	-	-	-	-	-	90,000	-
M Reed – Consulting Fees(iv)	227,469	-	-	-	-	-	227,469	-
S Tough	82,191	-	-	7,809	-	-	90,000	-
M Connelly (appointed 1 May 2015)	13,699	-	-	1,301	-	-	15,000	-
Key Management Personnel								
C Bradshaw(ii)	400,000	99,457	-	49,871	48,200	1,630	599,158	24.6%
G Kaczmarek(ii)	350,000	64,712	-	44,243	64,225	2,513	525,693	24.5%
D Howe (i)(ii)	256,250	50,846	4,394	30,979	36,061	6,132	384,662	22.6%
W T Irvin(ii)(vi) (appointed 30 March 2015)	65,997	-	-	6,270	27,301	-	99,568	27.4%
Total	**2,317,653**	**387,581**	**9,472**	**253,426**	**466,395**	**63,678**	**3,498,205**	

(i) Non-monetary benefits include Group provided health insurance.
(ii) Share based payments are the performance rights which are expensed over the vesting period (refer to note 21 in the consolidated financial statements).
(iii) $90,000 is the amount paid/payable to Pilot Hole Pty Ltd referable to Martin Reed's Directors Fees.
(iv) An amount of $227,469 has been paid/is payable to PilotHole Pty Ltd relating to professional service provided by Martin Reed.
(v) This is an estimated value of the Tranche 5 Performance Rights approved by the Board and advised to the ASX on 22 May 2015. Even though these performance rights are subject to shareholder approval (in November 2015), AASB 2 requires an estimate to be made as employment services have been rendered prior to grant date. If the allocation of Performance Rights is not approved, this deemed value will not be received.
(vi) William (Troy) Irvin did not qualify to receive a cash bonus having only being appointed on 30 March 2015.
(vii) These amounts are accounting accruals and have not actually been paid during the year.

30 June 2014	Short-term Employee Benefits			Post-Employment	Share Based Payments	Long Term Benefits	Total	Proportion of total performance related
	Salary & fees	*Cash bonus*	*Non-monetary benefits*	*Superannuation and other*	*Performance Rights / Options* (Vii)	*Long Service Leave* (Vii)		
	$	$	$	$	$	$	$	
Directors								
G Staltari	107,917	-	-	32,083	-	-	140,000	-
R Finlayson (i)(ii)	504,863	165,000	4,778	25,000	58,333	18,490	776,464	7.5%
G Clifford (appointed 1 October 2013)	61,785	-	-	5,715	-	-	67,500	-
B Parker	57,510	-	-	34,990	-	-	92,500	-
M Reed – Director Fees(iii)	92,500	-	-	-	-	-	92,500	-
M Reed – Consulting Fees(iv)	87,633	-	-	-	-	-	87,633	-
S Tough (appointed 1 October 2013)	61,785	-	-	5,715	-	-	67,500	-
I Hoffman (resigned 25 July 2013)	7,628	-	-	705	-	-	8,333	-
Key Management Personnel								
C Bradshaw	400,000	25,500	-	37,000	-	898	463,398	-
G Kaczmarek	346,450	51,000	-	25,000	-	1,208	423,658	-
D Howe (appointed to the position on 9 August 2013)(i)(ii)(vi)	223,579	19,000	3,307	20,681	3,867	1,630	272,064	1.4%
R Maddocks (v) (resigned 9 August 2013)	28,607	-	6,050	24,573	-	-	59,230	-
Total	**1,980,257**	**260,500**	**14,135**	**211,462**	**62,200**	**22,226**	**2,550,780**	-

(i) Non-monetary benefits include Group provided health insurance.
(ii) Share based payments are the performance rights/options expensed over the performance/vesting period (refer to note 21 in the consolidated financial statements).
(iii) $92,500 is the amount paid/payable to Pilot Hole Pty Ltd referable to Martin Reed's Directors Fees.
(iv) An amount of $87,633 has been paid/is payable to Pilot Hole Pty Ltd relating to professional service provided by Martin Reed.
(v) Non-monetary benefits include Group provided health insurance and car parking. Post-employment benefits consist of an annual leave pay-out on resignation of $21,927 and superannuation of $2,646.
(vi) Includes salary for his time in the position of Group Geology Manager prior to being appointed as General Manager – Geology and Exploration.
(vii) These amounts are accounting accruals and have not actually been paid during the year.

<u>Relative proportions of fixed vs variable remuneration expense</u>

The following table shows the relative proportions of executive remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

	Fixed Remuneration		At Risk - STI		At Risk – LTI	
Name	**2015**	2014	**2015**	2014	**2015**	2014
Executive Directors						
R Finlayson	**61%**	92%	**15%**	-	**24%**	8%
Key Management Personnel						
C Bradshaw	**75%**	100%	**17%**	-	**8%**	-
G Kaczmarek	**76%**	100%	**12%**	-	**12%**	-
D Howe	**77%**	99%	**13%**	-	**10%**	1%
W T Irvin	**73%**	-	**-**	-	**27%**	-

j) Service Agreements

Remuneration of the Managing Director and other executives are formalised in letters of appointment and service agreements. These agreements provide details of the salary and employment conditions relating to each employee.

Participation in the Performance Rights Plan is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below.

All service agreements comply with the provisions of Part 2, D.2, Division 2 of the *Corporations Law*.

Name	Term of agreement and notice period	Base salary (excluding superannuation)	Termination payments
R Finlayson, *Managing director*	No fixed term 3 Months	$550,000pa up to 31 March 2015, increasing to $700,000pa from 1 April 2015	If Mr Finlayson is terminated by the Company within 1 year following a "change of control" event, he will be entitled to a redundancy payment equal to 12 months earnings. Otherwise payment is calculated based on the *Fair Work Act 2009*.
C Bradshaw, *Chief Operating Officer*	No fixed term 3 Months	$400,000pa	If Mr Bradshaw is terminated by the Company within 1 year following a "change of control" event, he will be entitled to a redundancy payment equal to 6 months earnings. Otherwise payment is calculated based on the *Fair Work Act 2009*.
G Kaczmarek, *Chief Financial Officer*	No fixed term 1 Month	$350,000pa	This is calculated based on the number of years of service up to a maximum of 12 weeks.
D Howe, *Chief Geologist*	No fixed term 1 Month	$250,000pa up to 31 March 2015, increasing to $275,000pa from 1 April 2015	This is calculated based on the number of years of service up to a maximum of 12 weeks.
W T Irvin (appointed 30 March 2015), *Chief Corporate Development Officer*	No fixed term 1 Month	$275,000pa	If Mr Irvin is terminated by the Company within 1 year following a "change of control" event, he will be entitled to a redundancy payment equal to 6 months earnings. Otherwise payment is calculated based on the *Fair Work Act 2009*.

k) Details of Share Based Compensation

Performance Rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

Tranche 1

Grant Date	Vesting date	Performance period	Value per Performance Right at grant date	% Vested
19 November 2013 – Class A	19 November 2016	1 July 2013 – 30 June 2016	$0.195	-
19 November 2013 – Class B	19 November 2016	1 July 2013 – 30 June 2016	$0.215	-
19 November 2013 – Class C	19 November 2016	19 November 2013 – 19 November 2016	$0.135	-

Tranche 2

Grant Date	Vesting date	Performance period	Value per Performance Right at grant date	% Vested
23 September 2014 – Class A	30 June 2016	1 July 2013 – 30 June 2016	$0.363	-
23 September 2014 – Class B	30 June 2016	1 July 2013 – 30 June 2016	$0.370	-
23 September 2014 – Class C	30 June 2016	1 July 2013 – 30 June 2016	$0.231	-

Tranche 3

Grant Date	Vesting date	Performance period	Value per Performance Right at grant date	% Vested
26 November 2014 – Class A	30 June 2017	1 July 2014 – 30 June 2017	$0.193	-
26 November 2014 – Class B	30 June 2017	1 July 2014 – 30 June 2017	$0.275	-
26 November 2014 – Class C	30 June 2017	1 July 2014 – 30 June 2017	$0.173	-

Tranche 4

Grant Date	Vesting date	Performance period	Value per Performance Right at grant date	% Vested
1 April 2015 – Class A	1 July 2017	1 July 2014 – 30 June 2017	$0.338	-
1 April 2015 – Class B	1 July 2017	1 July 2014 – 30 June 2017	$0.410	-
1 April 2015 – Class C	1 July 2017	1 July 2014 – 30 June 2017	$0.253	-

<u>Tranche 5</u> *(Proposed issue - subject to shareholder approval at the 2015 Annual General meeting)*

Grant Date	Vesting date	Performance period	Provisional Value per Performance Right at grant date	% Vested
21 May 2015 – Class A	31 December 2016	21 May 2015 – 31 December 2016	$0.038	-
21 May 2015 – Class B	16 March 2017	16 March 2015 – 16 March 2017	$0.338	-
21 May 2015 – Class C	16 March 2018	16 March 2015 – 16 March 2018	$0.338	-

Rights granted under the plan carry no dividend or voting rights.

Details of Performance Rights provided as part of remuneration to key management personnel are shown below. The vesting conditions are set out in section "(e) – Executive remuneration policy and framework". Further information on the performance rights is set out in note 21 to the financial statements.

Name	Financial Year of grant	Financial Years in which Performance Rights may vest	Number of Performance Rights granted	Value of the Performance Right at grant date	Number of Performance Rights vested	Vested %
R Finlayson	<u>Tranche 1</u>					
	2013/14 (Class A)	2016/17	600,000	$117,000	-	-
	2013/14 (Class B)	2016/17	300,000	$64,500	-	-
	2013/14 (Class C)	2016/17	600,000	$81,000	-	-
	<u>Tranche 3</u>					
	2014/15 (Class A)	2016/17	294,000	$56,742	-	-
	2014/15 (Class B)	2016/17	147,000	$40,425	-	
	2014/15 (Class C)	2016/17	294,000	$50,862	-	-
	<u>Tranche 5 (Provisional)</u>					
	2014/15 (Class A)	2016/17	2,000,000	$760,000	-	-
	2014/15 (Class B)	2016/17	3,000,000	$1,014,000	-	-
	2014/15 (Class C)	2017/18	5,000,000	$1,690,000	-	-
C Bradshaw	<u>Tranche 2</u>					
	2014/15 (Class A)	2016/17	120,000	$43,560	-	-
	2014/15 (Class B)	2016/17	60,000	$22,200	-	-
	2014/15 (Class C)	2016/17	120,000	$27,720	-	-
	<u>Tranche 4</u>					
	2014/15 (Class A)	2017/18	92,000	$31,096	-	-
	2014/15 (Class B)	2017/18	46,000	$18,860	-	-
	2014/15 (Class C)	2017/18	92,000	$23,276	-	-
G Kaczmarek	<u>Tranche 2</u>					
	2014/15 (Class A)	2016/17	168,000	$60,984	-	-
	2014/15 (Class B)	2016/17	84,000	$31,080	-	-
	2014/15 (Class C)	2016/17	168,000	$38,808	-	-
	<u>Tranche 4</u>					
	2014/15 (Class A)	2017/18	92,000	$31,096	-	-
	2014/15 (Class B)	2017/18	46,000	$18,860	-	-
	2014/15 (Class C)	2017/18	92,000	$23,276	-	-
D Howe	<u>Tranche 2</u>					
	2014/15 (Class A)	2016/17	90,000	$32,670	-	-
	2014/15 (Class B)	2016/17	45,000	$16,650	-	-
	2014/15 (Class C)	2016/17	90,000	$20,790	-	-
	<u>Tranche 4</u>					
	2014/15 (Class A)	2017/18	68,000	$22,984	-	-
	2014/15 (Class B)	2017/18	34,000	$13,940	-	-
	2014/15 (Class C)	2017/18	68,000	$17,204	-	-
W T Irvin	<u>Tranche 2</u>					
	2014/15 (Class A)	2016/17	68,000	$24,684	-	-
	2014/15 (Class B)	2016/17	34,000	$12,580	-	-
	2014/15 (Class C)	2016/17	68,000	$15,708	-	-
	<u>Tranche 4</u>					
	2014/15 (Class A)	2017/18	52,000	$17,576	-	-
	2014/15 (Class B)	2017/18	26,000	$10,660	-	-
	2014/15 (Class C)	2017/18	52,000	$13,156	-	-

The assessed fair value at grant date of Performance Rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Fair values at grant date are independently determined using a Monte Carlo simulation that takes into account the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the Performance Right and the correlation of Group's total shareholders return (TSR) and share price to the TSR and share prices of the other companies within the peer group.

l) Equity Instruments held by Directors and Key Management Personnel

The tables below show the number of:-

(i) options over ordinary shares in the Company;
(ii) performance rights granted under Performance Rights Plan; and
(iii) shares in the Company.

that were held during the financial year by directors and key management personnel of the Group, including their close family members and entities related to them.

There were no shares or options granted as compensation during the reporting period.

(i) Option holdings

30 June 2015	Balance at beginning of period 1 July 2014	Granted as remuneration	Options exercised	Options lapsed	Balance at end of period 30 June 2015	Not exercisable	Exercisable
Directors							
G Clifford	-	-	-	-	-	-	-
R Finlayson	-	-	-	-	-	-	-
M Connelly	-	-	-	-	-	-	-
B Parker	-	-	-	-	-	-	-
M Reed	-	-	-	-	-	-	-
S Tough	-	-	-	-	-	-	-
G Staltari	-	-	-	-	-	-	-
Key Management Personnel							
C Bradshaw	-	-	-	-	-	-	-
G Kaczmarek	-	-	-	-	-	-	-
D Howe	89,250	-	-	89,250	-	-	-
W T Irvin	-	-	-	-	-	-	-
Total	**89,250**	**-**	**-**	**89,250**	**-**	**-**	**-**

(ii) Performance Rights holdings

30 June 2015	Balance at beginning of period 1 July 2014	Granted as remuneration	Vested	Lapsed	Balance at end of period 30 June 2015 (Unvested)
Directors					
G Clifford	-	-	-	-	-
R Finlayson	1,500,000	10,735,000 (i)	-	-	12,235,000 (i)
M Connelly	-	-	-	-	-
B Parker	-	-	-	-	-
M Reed	-	-	-	-	-
S Tough	-	-	-	-	-
G Staltari	-	-	-	-	-
Key Management Personnel					
C Bradshaw	-	530,000	-	-	530,000
G Kaczmarek	-	650,000	-	-	650,000
D Howe	-	395,000	-	-	395,000
W T Irvin	-	300,000	-	-	300,000
Total	**1,500,000**	**12,610,000 (i)**	**-**	**-**	**14,110,000 (i)**

(i) Includes 10,000,000 Performance Rights under Tranche 5 above which are subject to approval of shareholders at the Annual General Meeting in November 2015.

(iii) Shareholdings

30 June 2015	Balance at beginning of period 1 July 2014	Granted as remuneration	Options exercised	Net change - other	Balance at end of period 30 June 2015
Directors					
G Clifford	-	-	-	-	-
R Finlayson	1,181,819	-	-	-	1,181,819
M Connelly	-	-	-	-	-
B Parker	118,182	-	-	-	118,182
M Reed	-	-	-	-	-
S Tough	-	-	-	-	-
G Staltari (retired 26 November 2014)	12,520,155	-	-	-	N/A
Key Management Personnel					
C Bradshaw	-	-	-	-	-
G Kaczmarek	38,100	-	-	-	38,100
D Howe	-	-	-	-	-
W T Irvin	-	-	-	-	-
Total	**13,858,256**	**-**	**-**	**-**	**1,338,101**

m) Other Transactions with Key Management Personnel

During the period July – September 2014, Renaissance Capital Pty Limited ("RenCap") provided the Group with office facilities in Melbourne. RenCap is controlled by interests associated with Mr Guido Staltari. The Company paid RenCap a fee of $90,000 (plus GST) for the provision of those office facilities. The RenCap agreement expired in September 2014.

During the year an amount of $317,469 has been paid/is payable to PilotHole Pty Ltd, an entity controlled by Mr Martin Reed. The amount relates to Director's Fees ($90,000) and professional services in relation to the Thunderbox feasibility study ($227,469).

This concludes the audited Remuneration Report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company indemnifies all Directors of the Company named in this report and current and former KMP of the Group against all liabilities to persons (other than a Group company) which arise out of the performance of their normal duties as a Director or executive officer, unless the liability relates to conduct involving bad faith. The Company also has a policy to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments. There are Director's Deed of Access, Indemnity and Insurance in place for all Directors of the Company.

The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured under the policy.

During the year the Company paid the premium on a Personal Accident - Working Director insurance policy on behalf of the Managing Director as normal insurance coverage for company directors is not allowed under the Western Australian Worker's Compensation scheme.

Other than to the extent permitted by law, the Group has not, during or since the financial year, indemnified or agreed to indemnify an auditor of the Group or any related body corporate against a liability incurred as an auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is attached to this report.

NON-AUDIT SERVICES

During the year, BDO Audit (WA) Pty Ltd, the Group's auditor, and BDO Corporate Tax (WA) Pty Ltd, a related party of the Group's auditor, provided tax compliance and advisory services in addition to audit services. Together, BDO Audit (WA) Pty Ltd and BDO Corporate Tax (WA) Pty Ltd received, or are due to receive, \$63,067 (2014: \$29,700) for the non-audit services. The directors are satisfied that the provision of these services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

For and on behalf of the board

RALEIGH FINLAYSON
Managing Director
26 August 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF SARACEN MINERAL HOLDINGS LIMITED

As lead auditor of Saracen Mineral Holdings Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Saracen Mineral Holdings Limited and the entities it controlled during the period.

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 26 August 2015

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation *other than for the acts or omissions of financial services licensees*

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2015

	Note	2015 $'000	2014 $'000
Revenue from continuing operations	2	**249,872**	211,424
Mine operating costs		**(162,730)**	(150,905)
Depreciation and amortisation	2	**(49,521)**	(32,118)
Royalties		**(11,097)**	(7,919)
Gross profit from mining operations		**26,524**	20,482
Administration expenses	2	**(9,067)**	(10,387)
Share based payments expense		**(583)**	(72)
Finance costs	2	**(1,039)**	(2,530)
Other revenue	2	**802**	776
Profit on disposal of fixed assets		**-**	8
Expensing of deferred exploration costs		**(447)**	(329)
Loss from sale of shares		**(72)**	-
Change in fair value of listed shares		**63**	(58)
Profit before income tax		**16,181**	7,890
Income tax expense	4	**(5,033)**	(1,895)
Profit after income tax for the period		**11,148**	5,995
Other comprehensive income/(loss), net of income tax			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on hedging instruments entered into for cash flow hedges (net of deferred tax)	19(f)	**(13,560)**	(12,915)
Other comprehensive loss for the year		**(13,560)**	(12,915)
Total comprehensive loss attributable to members of Saracen Mineral Holdings Limited		**(2,412)**	(6,920)
Earnings per share for the year attributable to the members of Saracen Mineral Holdings Limited:			
Basic Earnings (cents per share)	5	**1.41**	0.91
Diluted Earnings (cents per share)	5	**1.40**	0.91

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	23(a)	**38,378**	35,859
Trade and other receivables	7	**2,690**	2,843
Financial derivative instruments	11	**8,524**	14,992
Other financial assets	8	**8**	27
Inventories	9	**59,384**	19,251
Other Assets	10	**655**	746
Total current assets		**109,639**	73,718
Non-current assets			
Plant and equipment	13	**44,436**	43,940
Financial derivative instruments	11	**-**	13,158
Other financial assets	12	**55**	110
Deferred tax assets	4	**6,326**	5,548
Deferred exploration and evaluation costs	14	**38,409**	27,811
Mine properties	15	**101,444**	148,901
Total non-current assets		**190,670**	239,468
Total assets		**300,309**	313,186
Current liabilities			
Trade and other payables	16	**17,869**	16,128
Borrowings	18	**802**	1,722
Financial derivative instruments	11	**-**	255
Provisions	17	**4,871**	5,783
Total current liabilities		**23,542**	23,888
Non-current liabilities			
Borrowings	18	**570**	12,323
Provisions	17	**46,970**	45,919
Total non-current liabilities		**47,540**	58,242
Total liabilities		**71,082**	82,130
Net assets		**229,227**	231,056
Equity			
Contributed equity	19(a)	**245,079**	245,079
Reserves	19(f)	**10,068**	23,045
(Accumulated Losses)/Retained profits		**(25,920)**	(37,068)
Total equity		**229,227**	231,056

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2015

	Contributed Equity $'000	(Accumulated Losses) / Retained Profits $'000	Cash Flow Hedge Reserve $'000	Share Based Payments Reserve $'000	Total $'000
As at 30 June 2014	**245,079**	**(37,068)**	**19,527**	**3,518**	**231,056**
Profit for the year after tax	-	11,148	-	-	11,148
Other comprehensive loss	-	-	(13,560)	-	(13,560)
Total comprehensive profit/(loss) for the year after tax	**-**	**11,148**	**(13,560)**	**-**	**(2,412)**
Share based payments	-	-	-	583	583
As at 30 June 2015	**245,079**	**(25,920)**	**5,967**	**4,101**	**229,227**
As at 1 July 2013	**185,901**	**(43,063)**	**32,442**	**3,446**	**178,726**
Profit for the year after tax	-	5,995	-	-	5,995
Other comprehensive income	-	-	(12,915)	-	(12,915)
Total comprehensive profit/(loss) for the year after tax	**-**	**5,995**	**(12,915)**	**-**	**(6,920)**
Transactions with owners in their capacity as owners	61,232	-	-	-	61,232
Share issue cost	(2,054)	-	-	-	(2,054)
Share based payments	-	-	-	72	72
As at 30 June 2014	**245,079**	**(37,068)**	**19,527**	**3,518**	**231,056**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**249,872**	211,424
Payments to suppliers and employees		**(184,316)**	(160,447)
Interest received		**743**	687
Interest paid and other finance costs		**(896)**	(2,307)
Net cash flows provided by operating activities	23(b)	**65,403**	49,357
Cash flows from investing activities			
Proceeds from sale of shares		**10**	-
Purchase of plant, equipment and development assets		**(35,933)**	(70,887)
Stamp duty on Thunderbox acquisition		**(2,260)**	-
Proceeds from the sale of non-current assets		**-**	40
Exploration and evaluation costs		**(11,116)**	(6,042)
Security deposit refund		**55**	7,313
Net cash flows used in investing activities		**(49,244)**	(69,576)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	61,232
Payment of share issue costs		**-**	(2,935)
Payment of finance lease liabilities		**(1,659)**	(1,243)
Repayment of Borrowings		**(11,950)**	(10,000)
Payment of loan establishment fees		**(31)**	-
Net cash flows provided by financing activities		**(13,640)**	47,054
Net increase in cash held		**2,519**	26,835
Add opening cash brought forward		**35,859**	9,024
Closing cash carried forward	23(a)	**38,378**	35,859

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements
For the Financial Year ended 30 June 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Saracen Mineral Holdings Limited is a for-profit, public company listed on the Australian Securities Exchange (trading under the symbol 'SAR'), incorporated and operating in Australia.

Operations and Principal Activities
The operations and principal activities comprise mineral development and exploration.

Registered Office
Level 4, 89 St Georges Terrace, Perth Western Australia 6000.

(b) Basis of preparation

Statement of compliance
The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 26 August 2015

Basis of measurement
The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

Rounding off
The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise stated.

New, revised or amended standards and interpretations adopted by the group
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.
Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.
The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Group:

(i) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

(ii) AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets

(iii) Annual Improvements to IFRSs 2010-2012 Cycle

(iv) Annual Improvements to IFRSs 2011-2013 Cycle

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

(i) AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Group will adopt this standard and the amendments from 1 July 2018. The entity currently applies hedge accounting. It is expected that the application of the new amendments will not have an impact on the entity's financial statements.

(ii) AASB 15 Revenue from Contracts with Customers

The AASB has issued this new standard for the recognition of revenue. This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Group will adopt this standard and the amendments from 1 July 2018. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

(iii) New standards and interpretations not expected to have a significant impact

The following standards are not yet effective and are not expected to have a significant impact on the Group's consolidated financial statements:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Judgements and Estimates

The preparation of the consolidated financial statements in conformity with Australian Accounting Standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group has identified the Provision for Rehabilitation (Note 1(v) and Note 17), Deferred Exploration and Evaluation Costs (Note 1(s) and Note 14), Mine Properties (Note 1(t) and Note 15), Inventories (Note 1(n) and Note 9), Cash Flow Hedges (Note 1(z) and Note 11), Share Based Payments (Note 1(i) and Note 21), Reserve Estimates (Note 1(t)), the Estimation of obligations for post-employment costs (Note 1(i)) and Deferred Tax (Note 1(f) and Note 4), under which significant judgements, estimates and assumptions are made, and where actual results may differ from those estimates under different assumptions and conditions.

(c) Principles of Consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of Saracen Mineral Holdings Limited and its subsidiaries as at 30 June each year (the Group).

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition method of accounting is used to account for business combinations by the group.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses from intra-group transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

Gold and silver sales
Revenue from the sale of gold and silver is measured at fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Interest income
Interest income is recognised when the Group gains control of the right to receive the interest payment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Taxation

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises assets and liabilities for the potential tax effect based on the Group's current understanding of tax laws and requirements. Where the final tax outcome of these items is different from the carrying amounts, such differences will impact the current and deferred tax assets and/or provisions in the period in which such determination is made.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:
- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Financial Assets and Liabilities

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Assets and Liabilities (continued)

Listed shares held for trading are included in the category financial assets at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Financial assets not measured at fair value comprise:

- loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest method.
- held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method.
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost.

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity (except for impairment losses and foreign exchange gains and losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

(h) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line method over the estimated useful life, or over the remaining life of mine if that is shorter and there is no alternative use for the asset. The useful lives of major assets of a cash-generating unit are often dependant on the lives of the orebodies in the region to which they relate. Where the major assets of a cash-generating unit are not dependant on the life of a related ore orebody, management applies judgement in estimating the remaining service potential of long-lived assets.

The following useful lives are used in the calculation of depreciation:

Plant and equipment	3 – 33 years

Capital work in progress is not depreciated, and is transferred to the relevant asset category on completion.

Where depreciation is attributable to exploration and evaluation activities, costs are treated in accordance with the Accounting Policy Note 1(s). The assets' residual value, useful lives and amortisation methods are reviewed at each financial year end and if appropriate adjusted.

(i) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee Benefits (continued)

Share-based payments

Share based compensation benefits are provided to employees via the Incentive Option Scheme and a Performance Rights Plan (Note 21). The fair value of options/rights granted under these schemes is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(j) Superannuation Funds

The Group contributes to several accumulation type superannuation funds. Contributions are charged as an expense as they are made. Further information is set out in Note 20(e).

(k) Earnings Per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members, adjusted for costs of servicing equity (other than dividends) and preference share dividends, the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses, and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

(m) Trade and Other Receivables

Receivables to be settled within 30 - 90 days are carried at amounts due. The collectability of debts is assessed at the reporting date and specific allowance is made for any doubtful accounts.

(n) Inventories

Raw materials and stores are valued at the lower of cost and net realisable value. Regular reviews are undertaken to establish whether any items are obsolete or damaged, and if so their carrying value is written down to net realisable value.

Inventories of ore and gold in circuit are valued at the lower of cost and net realisable value. Costs comprise direct material, labour and an appropriate proportion of variable and fixed overhead on the basis of normal operating capacity, and are included as part of mine operating costs in the consolidated statement of profit or loss and comprehensive income. Net realisable value is the estimated selling price in the ordinary course of business less cost of completion and the estimated cost necessary to perform the sale.

Inventories require certain estimates and assumptions most notably in regards grades, volumes and densities. Such estimates and assumptions may change as new information becomes available and could impact on the carrying value of inventories (Note 9).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(p) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group. Trade payables are usually settled within 30 days of recognition.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(r) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable a future sacrifice of economic benefits will be required and a reliable estimate of obligation can be made.

(s) Exploration and Evaluation Expenditure

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

- the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs include the acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

The above accounting policy requires certain estimates and assumptions on future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available and could have a material impact on the carrying value of deferred exploration and evaluation costs (Note 14). Exploration and evaluation assets are assessed for impairment where facts and circumstances suggest that the carrying amount of the assets may exceed its recoverable amount. If the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount and an impairment loss recognised.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Exploration and Evaluation Expenditure (continued)

Where economically recoverable reserves for an area of interest have been identified, and a decision to develop has occurred, capitalised expenditure is classified as mines under construction. In the event that an area of interest is abandoned or if the directors consider the expenditure to be of no value, accumulated costs carried forward are written off in the year in which that assessment is made.

(t) Mines Properties

Mines under construction are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of construction, an appropriate allocation of overheads and where applicable borrowing costs capitalised during construction. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production.

Mines in production represent the aggregated exploration and evaluation expenditure and capitalised development costs in respect of areas of interest in which mining is ready to or has commenced. Mine development costs are deferred until commercial production commences, at which time they are amortised on a units-of-production basis over the mineable reserves. Once production commences, further development expenditure is classified as part of the cost of production, unless substantial future economic benefits can be established.

Deferred stripping costs represent certain mining costs, principally those that relate to the stripping of waste, which provides access so that future economically recoverable ore can be mined. Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of Mine Properties.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions.

Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the income statement on systematic units of production basis over the expected useful life of an identified component of the ore body. The expected life of mine and component ratio is based on proved and probable reserves of the mine as per the annual mine plan. These are a function of the mine design and therefore any changes to the design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact on reserves may also have an impact on the component ratio even though they may not impact the mine design.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Mines Properties (continued)

Reserve estimates
Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve estimates in accordance with the JORC Code, guidelines prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia.

(u) Borrowing Costs

Borrowing costs incurred for the acquisition, construction or production of qualifying assets are capitalised during the period of time it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(v) Restoration, Rehabilitation and Environmental Provision

Obligations associated with exploration and development assets are recognised when the Group has a present obligation, the future sacrifice of the economic benefits is probable, and the provision can be measured reliably. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognised. The determination of the provision requires significant judgement in terms of the best estimate of the costs of performing the work required, the timing of the cash flows and the appropriate discount rate. In support of these judgements, the Group periodically seeks independent external advice on the adequacy of the provision. A change in any, or a combination of, the key assumptions used to determine the provision could have a material impact on the carrying value of the provision (Note 17).

On an ongoing basis, the rehabilitation will be remeasured in line with the changes in the time value of money (recognised as an expense and an increase in the provision), and additional disturbances (recognised as additions to a corresponding asset and rehabilitation liability).

(w) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Group or at the fair value of equity issued as consideration for the acquisition of assets. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(x) Leased Assets

Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed, unless they are directly attributable to qualifying assets, in which case they are capitalised. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Where amortisation is attributable to exploration and evaluation activities, costs are treated in accordance with the Accounting Policy Note 1(s).

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Asset Acquisition not constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(z) Derivative Financial Instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and commodity risk exposures. On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reporting profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, any changes therein are accounted for as described below.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(aa) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with the current year disclosures.

NOTE 2 REVENUE AND EXPENSES

	2015 $'000	2014 $'000
Gold sales	**249,487**	210,764
Silver sales	**385**	660
Revenue from continuing operations	**249,872**	211,424
Interest revenue	**702**	705
Other revenue	**100**	71
Other revenue	**802**	776
Total revenue	**250,674**	212,200
Amortisation of mine properties	**40,762**	23,475
Depreciation of plant and equipment	**8,759**	8,643
Depreciation and amortisation	**49,521**	32,118
Directors and employee expenses	**6,244**	6,949
Indirect taxes and charges	**1,071**	1,939
Management fees	**90**	360
Professional fees	**458**	218
Other	**1,204**	921
Administration expenses	**9,067**	10,387
Borrowing costs	**1,039**	2,530
Finance costs	**1,039**	2,530
Perth office rentals	**419**	404
Provision of office facilities to Chairman (note 24)	**90**	360
Operating lease rentals	**509**	764
Defined contribution superannuation expense	**2,935**	2,447

NOTE 3 AUDITOR'S REMUNERATION

	2015 $'000	2014 $'000
Amounts received or due and receivable by the auditor of the Group for:		
BDO Audit (WA) Pty Ltd		
- Audit / review of the financial report	**87**	98
- Other assurance services	**28**	-
	115	98
Amounts received or due and receivable by an associate of the auditor of the Group for:		
BDO Corporate Tax (WA) Pty Ltd		
- Tax services	**35**	30

	2015	2014
	$'000	$'000

NOTE 4 INCOME TAX

(a) Income tax expense comprises:

	2015 $'000	2014 $'000
Current income tax		
- Current income tax charge / (benefit)	**-**	(9,104)
- Under / (over) recognition in the prior year	**-**	(499)
Deferred tax		
- Movement in temporary differences	**5,033**	11,498
Income tax expense / (benefit)	**5,033**	1,895

(b) Reconciliation of prima facie income tax expense to income tax expense per the Consolidated Statement of Profit or Loss and Comprehensive Income:

	2015 $'000	2014 $'000
Accounting profit before tax	**16,181**	7,890
Prime facie income tax expense / (benefit) at 30% (2014: 30%)	**4,854**	2,367
- Non-deductible expenses	**185**	27
- Recognition of previously unrecognised temporary differences	**(6)**	(499)
Income tax (benefit)/expense	**5,033**	1,895
Effective tax rate	**31%**	24%

(c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Balance at 1 July 2014 $'000	**Charged / credited to income** $'000	**Charged / credited to equity** $'000	**Balance at 30 June 2015** $'000
Deferred tax assets				
Tax losses	**23,060**	**(10,256)**	**-**	**12,804**
Provisions	**7,737**	**201**	**-**	**7,938**
Other	**64**	**145**	**-**	**209**
Undeducted borrowing cost	**83**	**(77)**	**-**	**6**
Undeducted share issue costs	**1,189**	**(438)**	**-**	**751**
Total	**32,133**	**(10,425)**	**-**	**21,708**
Deferred tax liabilities				
Deferred mining expenditure	**(18,216)**	**5,392**	**-**	**(12,824)**
Derivatives	**(8,369)**	**-**	**5,811**	**(2,558)**
Total	**(26,585)**	**5,392**	**5,811**	**(15,382)**
Net deferred tax asset	**5,548**	**5,033**	**5,811**	**6,326**

(d) Tax-consolidated group

Saracen Mineral Holdings Limited and its wholly-owned subsidiaries formed a tax consolidated group with effect from 1 July 2003. Saracen Mineral Holdings Limited is the head entity in the tax consolidated group. At the financial year end, members of the tax consolidated group have not yet entered into a tax funding arrangement. Hence, no compensation is receivable or payable for any deferred tax asset arising from tax losses or current tax payable assumed by the head entity from the wholly owned subsidiaries.

	2015 $'000	2014 $'000

NOTE 5 EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share.

	2015 $'000	2014 $'000
Net profit from continuing operations	**11,148**	5,995
Net profit after tax	**11,148**	5,995

	Number	Number
Weighted average number of ordinary shares for basic earnings per share	**792,784,738**	655,751,724
Effect of dilution – share options and performance rights	**4,692,137**	1,500,000
Weighted average number of ordinary shares adjusted for the effect of dilution	**797,476,875**	657,251,724

NOTE 6 DIVIDENDS

During the year no dividends were paid or provided for.

	2015 $'000	2014 $'000
Franking account balance at the end of the financial year at 30%.	**19**	19

NOTE 7 TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Current		
Goods and services tax (GST) recoverable	**2,059**	2,396
Other (i)	**631**	447
	2,690	2,843

(i) Other receivables comprise accrued interest income and fuel supplied to contractors which are settled on 30 day terms. These receivables are within term and do not show signs of impairment.

The Group's exposure to credit and market risks is disclosed in Note 26.

NOTE 8 OTHER FINANCIAL ASSETS

	2015 $'000	2014 $'000
Current		
Listed shares at fair value	**8**	27

The value of listed shares, designated as financial assets at fair value through profit and loss, has been determined by reference to the quoted last trade price at the close of business on the reporting date. Listed shares are readily saleable and have no fixed maturity date.

NOTE 9 INVENTORIES

	2015 $'000	2014 $'000
Ore stocks (i)	**44,280**	7,136
Gold in circuit	**3,824**	3,028
Gold on hand	**4,561**	2,849
Consumable supplies and spares	**6,219**	5,738
Consumables acquired on acquisition of Thunderbox	**500**	500
	59,384	19,251

(i) Inventories require estimates and assumptions most notably in regards to grades, volumes, densities, future completion costs and ultimate sale price. Such estimates and assumptions may change as new information becomes available which may impact upon the carrying value of inventory. There were no write down to net realisable value of ore stockpiles in the current financial year (2014: Nil).

NOTE 10 OTHER ASSETS

	2015 $'000	2014 $'000
Prepayments	**655**	746

Prepayments consist of prepaid insurance and prepaid establishment/professional fees on the Macquarie Bank Limited debt facilities.

NOTE 11 FINANCIAL DERIVATIVE INSTRUMENTS

	2015 $'000	2014 $'000
Financial derivative assets		
Current: Cash flow hedge asset	**8,524**	14,992
Non-Current: Cash flow hedge asset	**-**	13,158
Current: Cash flow hedge liability	**-**	(255)
	8,524	27,895

The Group has exposure to gold commodity prices. To manage any adverse impact of movements in commodity prices, management determined it may be appropriate to protect predicted financial outcomes by hedging the price of gold on gold bullion sales. Anticipated gold sales are forecast after considering reserve calculations and mine production schedules.

The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve to the extent that the hedge is effective. All hedging was deemed effective as at reporting date.

NOTE 12 OTHER FINANCIAL ASSETS

	2015 $'000	2014 $'000
Non-Current		
Security deposits	**55**	110

The $55,000 is held as security for minor guarantees and facilities provided by the Commonwealth Bank.

NOTE 13 PLANT AND EQUIPMENT

	2015 $'000	2014 $'000
Plant and equipment		
Opening balance net of accumulated depreciation	**39,807**	34,712
Acquired on acquisition of Thunderbox	**-**	8,167
Additions	**160**	67
Transfer from capital work in progress	**3,417**	5,536
Disposals	**-**	(32)
Depreciation	**(8,768)**	(8,643)
Closing balance net of accumulated depreciation	**34,616**	39,807
Capital work in progress		
Opening balance net of accumulated depreciation	**4,133**	5,493
Additions	**11,020**	9,841
Transfer to mines in production	**(897)**	(5,665)
Transfer to mines under construction	**(1,019)**	-
Transfer to plant and equipment	**(3,417)**	(5,536)
Closing balance net of accumulated depreciation	**9,820**	4,133
Cost	**74,557**	65,293
Accumulated depreciation	**(30,121)**	(21,353)
Net carrying amount	**44,436**	43,940

NOTE 14 DEFERRED EXPLORATION AND EVALUATION COSTS

	2015 $'000	2014 $'000
Deferred exploration and evaluation costs		
Balance at the start of the year	**27,811**	22,098
Additions	**11,116**	6,042
Transferred to mines under construction	**(518)**	-
Capitalised exploration expensed	**-**	(329)
Balance at the end of the year	**38,409**	27,811

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

The Group has interests in the following non-wholly owned exploration activities:

Agreement	Principal Activity	Percentage Interest	Other Participants
PHANTOM WELL	Exploration	85.15%	Royal Harry Gold Mines NL
MOUNT MINNIE	Exploration	73.9%	Anglogold Ashanti Australia Ltd
WILGA WELL WEST	Exploration	90.0%	Richmond, William Robert
MOUNT FLORENCE	Exploration	87.8%	Ladyman, R.P; Ladyman, I.M; Evans, A.
LEHMANNS WELL	Exploration	90.0%	Black Mountain Gold Ltd
SPIDER WELL	Exploration	65.0%	Devant Pty Ltd; Charles George Chitty
WARRIDA WELL	Exploration	67.8%	Agnew Gold Mining Company

As at 30 June 2015 the Group's interests in the above mentioned exploration activities, being deferred exploration and evaluation costs, total $3,844,142 (2014: $3,034,414).

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet minimum expenditure requirements. As these expenditure commitments can be reduced by selective rationalisation of interests in exploration tenements or by renegotiation of the agreement terms it is difficult to accurately forecast the amount of future expenditure. The Group's nominal expenditure obligations over the above tenements for the next 12 months are approximately $1 million. Contingent liabilities are nil.

NOTE 15 MINE PROPERTIES

	2015 $'000	2014 $'000
Mine properties		
Mines under construction	**56,986**	36,213
Mines in production	**44,458**	80,480
Deferred mining expenditure	**-**	32,208
Balance at the end of the year	**101,444**	148,901
Mines under construction		
Balance at the start of the year	**36,213**	-
Additions – Thunderbox Project	**6,877**	16,333
Additions – Karari	**12,359**	10
Transferred from capital work in progress	**1,019**	-
Transferred from deferred exploration and evaluation costs	**518**	-
Increase in rehabilitation provision (Thunderbox Project)	**-**	19,870
Balance at the end of the year	**56,986**	36,213

Thunderbox was subject to impairment testing in 2015 and no impairment was identified.

NOTE 15 MINE PROPERTIES (continued)

	2015 $'000	2014 $'000
Mines in production		
Balance at the start of the year	**80,480**	78,313
Additions	**3,843**	9,881
Transferred from capital work in progress	**897**	5,665
Amortisation for the year	**(40,762)**	(23,475)
Increase in rehabilitation provision	**-**	10,096
Balance at the end of the year	**44,458**	80,480

The Group undertakes regular impairment reviews incorporating an assessment of recoverability of cash generating assets. Cash generating assets relate to specific areas of interest in the Group's mine property assets. The recoverable value of specific areas of interest are assessed by value in use calculations determined with reference to the projected net cash flows estimated under the life of mine plan. No impairment charges for producing mines or mines under development have been recorded in 2015.

	2015 $'000	2014 $'000
Deferred mining expenditure		
Balance at the start of the year	**32,208**	3,595
Additions	**2,849**	32,208
Expensing of deferred costs	**(35,057)**	(3,595)
Balance at the end of the year	**-**	32,208

NOTE 16 TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Current		
Trade and other payables	**17,869**	16,128

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 17 PROVISIONS

	2015 $'000	2014 $'000
Current		
Employee benefits	**4,871**	3,683
Provision for stamp duty – Thunderbox Acquisition	**-**	2,000
Provision for rehabilitation	**-**	100
	4,871	5,783
Non-current		
Employee benefits	**756**	437
Deferred consideration – Thunderbox Acquisition	**3,000**	3,000
Provision for rehabilitation	**43,214**	42,482
	46,970	45,919
Movement in provision for rehabilitation		
Balance at the start of the year	**42,582**	12,341
Unwinding of discount	**632**	274
Increase as a result of Thunderbox acquisition	**-**	19,870
Increase in provision on existing assets	**-**	10,097
Balance at the end of the year	**43,214**	42,582

The nature and purpose of the provision for rehabilitation is disclosed in Note 1(v).

NOTE 18 BORROWINGS

	2015 $'000	2014 $'000
Current		
Finance lease liabilities	**802**	1,722
	802	1,722
Non-current		
Macquarie Bank loan	**-**	11,950
Prepaid establishment fees	**-**	(570)
Finance lease liabilities	**570**	943
	570	12,323

(a) Macquarie Bank Loan

During the year the Group repaid the Macquarie Bank Loan and elected to close out the remaining working capital facility.

The group's exposure to risks arising from current and non-current liabilities is set out in Note 26.

(b) Leasing arrangements

Finance leases relate to equipment and vehicles with lease terms not exceeding 5 years.

(c) Finance lease liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2015 $'000	2014 $'000	**2015** $'000	2014 $'000
No later than 1 year	**854**	1,844	**802**	1,722
Later than 1 year and not later than 5 years	**593**	987	**570**	943
Minimum future lease payments	**1,447**	2,831	**1,372**	2,665
Less future finance charges	**(75)**	(166)	**-**	-
Present value of minimum lease payments	**1,372**	2,665	**1,372**	2,665

	2015	2014
Included in the Statement of Financial Position as:		
Current Borrowings	**802**	1,722
Non-current Borrowings	**570**	943
	1,372	2,665

NOTE 19 CONTRIBUTED EQUITY AND RESERVES

	Number of shares	**2015 $'000**	Number of shares	2014 $'000
(a) Issued capital				
Ordinary shares fully paid	**792,784,738**	**245,079**	792,784,738	245,079

The Company does not have a limited authorised capital and issued shares have no par value.

(b) Movements in shares on issue

Beginning of the financial period	**792,784,738**	**245,079**	595,263,186	185,901
- share placement & rights issue	**-**	**-**	155,812,369	48,302
- rights issue	**-**	**-**	41,709,183	12,930
- share issue costs	**-**	**-**	-	(2,935)
- Tax effect on share issue costs	**-**	**-**	-	881
End of the financial period	**792,784,738**	**245,079**	792,784,738	245,079

NOTE 19 CONTRIBUTED EQUITY AND RESERVES (continued)

(c) Share options

	2014	**Granted**	**Exercised**	**Lapsed**	**2015**
Unlisted incentive options exercisable between 1 October 2014 and 31 December 2014 at 98.88 cents each	**357,000**	**-**	**-**	**357,000**	**-**

	2013	Granted	Exercised	Lapsed	2014
Unlisted incentive options exercisable between 1 October 2013 and 31 December 2013 at 58.00 cents each	2,796,550	-	-	2,796,550	-
Unlisted incentive options exercisable between 1 October 2013 and 31 December 2013 at 92.00 cents each	331,500	-	-	331,500	-
Unlisted incentive options exercisable between 1 March 2014 and 31 May 2014 at 96.00 cents each	497,250	-	-	497,250	-
Unlisted incentive options exercisable between 1 October 2014 and 31 December 2014 at 98.88 cents each	497,250	-	-	140,250	357,000
	4,122,550	-	-	3,765,550	357,000

(d) Performance Rights (See note 21(a))

	2014	**Granted**	**Exercised**	**Lapsed**	**2015**
Tranche 1					
Class A performance rights vesting on 19 November 2016	**600,000**	**-**	**-**	**-**	**600,000**
Class B performance rights vesting on 19 November 2016	**300,000**	**-**	**-**	**-**	**300,000**
Class C performance rights vesting on 19 November 2016	**600,000**	**-**	**-**	**-**	**600,000**
Tranche 2					
Class A performance rights vesting on 30 June 2016	**-**	**1,148,000**	**-**	**-**	**1,148,000**
Class B performance rights vesting on 30 June 2016	**-**	**574,000**	**-**	**-**	**574,000**
Class C performance rights vesting on 30 June 2016	**-**	**1,148,000**	**-**	**-**	**1,148,000**
Tranche 3					
Class A performance rights vesting on 30 June 2017	**-**	**294,000**	**-**	**-**	**294,000**
Class B performance rights vesting on 30 June 2017	**-**	**147,000**	**-**	**-**	**147,000**
Class C performance rights vesting on 30 June 2017	**-**	**294,000**	**-**	**-**	**294,000**
Tranche 4					
Class A performance rights vesting on 30 June 2017	**-**	**890,000**	**-**	**-**	**890,000**
Class B performance rights vesting on 30 June 2017	**-**	**445,000**	**-**	**-**	**445,000**
Class C performance rights vesting on 30 June 2017	**-**	**890,000**	**-**	**-**	**890,000**
Tranche 5 (i)					
Class A performance rights vesting on 31 December 2016	**-**	**2,000,000**	**-**	**-**	**2,000,000**
Class B performance rights vesting on 16 March 2017	**-**	**3,000,000**	**-**	**-**	**3,000,000**
Class C performance rights vesting on 16 March 2018	**-**	**5,000,000**	**-**	**-**	**5,000,000**
	1,500,000	**15,830,000**	**-**	**-**	**17,330,000**

(i) Includes 10,000,000 Performance Rights which are subject to approval of shareholders at the Annual General Meeting in November 2015. For further details refer to *"Summary of Proposed FY2016 Performance Rights to be Issued to Managing Director (Tranche 5)"* under section "**(e) Executive remuneration policy and framework"** of the Remuneration Report on page 16 of this report.

	2013	Granted	Exercised	Lapsed	2014
Tranche 1					
Class A performance rights vesting on 19 November 2016	-	600,000	-	-	600,000
Class B performance rights vesting on 19 November 2016	-	300,000	-	-	300,000
Class C performance rights vesting on 19 November 2016	-	600,000	-	-	600,000
	-	1,500,000	-	-	1,500,000

NOTE 19 CONTRIBUTED EQUITY AND RESERVES (continued)

(e) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(f) Reserves

	2015 $'000	2014 $'000
Share based payments		
Balance at beginning of year	**3,518**	3,446
Share based payments - options	**-**	14
Share based payments – performance rights	**583**	58
Balance at end of year	**4,101**	3,518

The share based payments reserve is used to recognise the fair value of options and performance rights issued.

	2015 $'000	2014 $'000
Cash Flow Hedge Reserve		
Balance at beginning of year	**19,527**	32,442
Hedge reserve	**(19,371)**	(18,450)
Tax effect on the movement in hedge reserve	**5,811**	5,535
Balance at end of year	**5,967**	19,527

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

NOTE 20 COMMITMENTS

(a) Gold delivery commitments

	Gold for physical delivery oz	**Contracted sales price A$/oz**	**Value of committed sales $'000**
Within one year*	48,600	1,722	83,679
Within one year**	92,117	1,414	130,282
Later than one but not later than five years	140,000	1,520	212,800
	280,717		426,761

*The forward sales gold delivery contracts entered into in December 2012 were classified as falling within the scope of AASB 139 Financial Instruments: Recognition and Measurement and hedge accounting has been applied to these instruments (also refer to note 11).

**The counterparty to the physical gold delivery contracts is Macquarie Bank Limited. Contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to Macquarie. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. Hence, no derivatives recognised.

NOTE 20 COMMITMENTS (continued)

(b) Operating lease commitments

	2015 $'000	2014 $'000
The Group has entered into commercial leases on items of plant, machinery and property. Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
- not later than one year	**547**	524
- later than one year and not later than five years	**473**	1,030
	1,020	1,554

(c) Other expenditure commitments

	2015 $'000	2014 $'000
Commitments contracted for corporate services as at 30 June, but not recognised as liabilities are as follows:		
- not later than one year	**-**	90

(d) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet minimum expenditure requirements. As these expenditure commitments can be reduced by selective rationalisation of interests in exploration tenements or by renegotiation of joint venture commitments it is difficult to accurately forecast the amount of future expenditure. On current tenement holdings, the Group's nominal expenditure obligations for the next 12 months are approximately $7.9 million.

(e) Superannuation

The Group contributes to superannuation funds in accordance with the requirements of the Superannuation Guarantee Legislation. Employer contributions are based on various percentages of salaries or directors' fees. All funds are accumulation type and as such an actuarial assessment is not required.

NOTE 21 SHARE BASED PAYMENTS

(a) Performance Rights

During the financial year the Group granted Performance Rights to eligible management personnel under the Saracen Mineral Holdings Limited Performance Rights Plan ("Plan") (Refer to Tranche 2 and 4 below). In addition to this the group also granted Performance Rights to Mr Raleigh Finlayson (Managing Director) under the Plan (Tranche 3). The issue of Performance Rights to Mr Finlayson were approved by shareholders at the Company's Annual General Meeting held in November 2014. Under the Plan, Eligible Participants will be granted Performance Rights. Vesting of any of these Performance Rights will be subject to the satisfaction of performance hurdles. Each Performance Right represents a right to be issued one Share at a future point in time, subject to the satisfaction of any vesting conditions. No exercise price will be payable and eligibility to receive Performance Rights under the Plan will be at the Board's discretion. The Performance Rights cannot be transferred and are not quoted on the Australian Securities Exchange (ASX). There are no voting rights attached to the Performance Rights.

In the 2014 financial year, Performance Rights were issued to Mr Finlayson under the same Plan (refer to Tranche 1 below). In addition to this, subject to the approval of shareholders at the 2015 Annual General Meeting (in November 2015), another 10,000,000 performance rights will be issued to Mr Finlayson (refer to Tranche 5 below).

NOTE 21 SHARE BASED PAYMENTS (continued)

(a) Performance Rights (continued)

Tranche 1 – Managing Director

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.215	$0.215	$0.215
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	68.9%	68.9%	68.9%
Grant Date	19/11/2013	19/11/2013	19/11/2013
Performance Period	01/07/13 - 30/06/2016	01/07/13 - 30/06/2016	19/11/13 - 19/11/2016
Vesting Date	19/11/2016	19/11/2016	19/11/2016
Risk free rate	3.06%	3.06%	3.06%
Number of rights granted	600,000	300,000	600,000

At the reporting date there were 600,000 Class A, 300,000 Class B and 600,000 Class C performance rights on issue.
The fair value of the Performance Rights granted is $262,500.

Tranche 2 - Management

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.37	$0.37	$0.37
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	75.5%	75.5%	75.5%
Grant Date	23/09/2014	23/09/2014	23/09/2014
Performance Period	01/07/13 - 30/06/2016	01/07/13 - 30/06/2016	01/07/13 - 30/06/2016
Vesting Date	30/06/2016	30/06/2016	30/06/2016
Risk free rate	2.87%	2.87%	2.87%
Number of rights granted	1,148,000	574,000	1,148,000

At the reporting date there were 1,148,000 Class A, 574,000 Class B and 1,148,000 Class C performance rights on issue.
The fair value of the Performance Rights granted is $894,292.

Tranche 3 – Managing Director

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.275	$0.275	$0.275
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	76.5%	76.5%	76.5%
Grant Date	26/11/2014	26/11/2014	26/11/2014
Performance Period	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017
Vesting Date	30/06/2017	30/06/2017	30/06/2017
Risk free rate	2.81%	2.81%	2.81%
Number of rights granted	294,000	147,000	294,000

At the reporting date there were 294,000 Class A, 147,000 Class B and 294,000 Class C performance rights on issue.
The fair value of the Performance Rights granted is $148,029.

NOTE 21 SHARE BASED PAYMENTS (continued)

(a) Performance Rights (continued)

Tranche 4 - Management

The fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at Grant	$0.41	$0.41	$0.41
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	80%	80%	80%
Grant Date	01/04/2015	1/04/2015	1/04/2015
Performance Period	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017	01/07/14 - 30/06/2017
Vesting Date	30/06/2017	30/06/2017	30/06/2017
Risk free rate	2.65%	2.65%	2.65%
Number of rights granted	890,000	445,000	890,000

At the reporting date there were 890,000 Class A, 445,000 Class B and 890,000 Class C performance rights on issue. The fair value of the Performance Rights granted is $708,440.

Tranche 5 - Managing Director

Tranche 5 performance rights are subject to shareholder approval however, in accordance with AASB 2, when services have been rendered before grant date, services should be recognised when received. In this instance an estimate should be made of the grant date fair value.

The estimated fair value at grant date is determined using a Monte Carlo model with the following factors relevant:-

	Class A	Class B	Class C
Stock Price at date from which services are rendered	$0.465	$0.465	$0.465
Exercise Price	N/A	N/A	N/A
Volatility based on historical annual volatility of SAR securities	80%	80%	80%
Date from which services rendered	21/05/2015	21/05/2015	21/05/2015
Performance Period	21/05/15 - 31/12/2016	16/03/15 - 16/03/2017	16/03/15 - 16/03/2018
Vesting Date	31/12/2016	16/03/2017	16/03/2018
Risk free rate	2.65%	2.65%	2.65%
Number of rights granted	2,000,000	3,000,000	5,000,000

At the reporting date there were 2,000,000 Class A, 3,000,000 Class B and 5,000,000 Class C performance rights on issue.
The estimated fair value of the Performance Rights granted is $3,464,000.

(b) Options

An incentive option scheme has been established where employees and other eligible participants of the Group are issued with options over the ordinary shares of Saracen Mineral Holdings Limited. The options, issued for nil consideration, are issued in accordance with the position, skills, experience and length of service with the Group and such other criteria that the Directors consider appropriate in the circumstances. The options cannot be transferred and are not quoted on the Australian Securities Exchange (ASX). There are no voting rights attached to the options.

During the financial year no employee options were granted. The last 357,000 outstanding options expired during the year and as at balance date there are no options on issue.

NOTE 21 SHARE BASED PAYMENTS (continued)

(c) Share based payments expense reconciliation

	2015 $'000	2014 $'000
Share based payments expense		
Options	**-**	14
Performance Rights	**583**	58
Total	**583**	72

NOTE 22 INTERESTS IN SUBSIDIARIES

	Percentage of equity interest held by the Group	
	2015 %	2014 %
Parent Entity:		
Saracen Mineral Holdings Limited (i)(ii)		
Subsidiaries:		
Saracen Gold Mines Pty Limited (ii)(iii)	**100**	100
Saracen Metals Pty Limited (ii)	**100**	100

All entities are incorporated in Australia and shareholdings relate to ordinary shares.

(i) Saracen Mineral Holdings Limited is the head entity within the tax-consolidated group and the parent entity.
(ii) These companies are members of the tax-consolidated group.
(iii) The subsidiaries have entered into a deed of cross guarantee with Saracen Mineral Holdings Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

In the current and prior year the consolidated statements of profit or loss and other comprehensive income and financial position of the entities party to the Deed of Cross Guarantee are the same as the Group's and have therefore not been reproduced.

NOTE 23 STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

	2015 $'000	2014 $'000
Cash balance comprises:		
- Cash	**37,993**	25,791
- Cash at call and in short term deposits	**385**	10,068
Closing cash balance	**38,378**	35,859

NOTE 23 STATEMENT OF CASH FLOWS (continued)

	2015	2014
	$'000	$'000
(b) Reconciliation of the operating result after income tax to the net cash flows from operating activities		
Operating profit/(loss) after income tax	**11,148**	5,995
Non-cash items		
Depreciation and amortisation	**49,521**	32,118
(Profit)/Loss on the sale of assets	**-**	(8)
Effective interest on establishment fees	**795**	471
Decrease in market value of listed securities	**(63)**	58
Loss on the sale of listed securities	**72**	-
Expensing of deferred exploration cost	**-**	329
Expensing of deferred mining costs	**35,057**	3,595
Tax effect of movement in temporary differences	**5,033**	1,895
Share based payments	**583**	72
Unwinding of discount - rehab provision	**340**	-
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	**152**	205
(Increase)/Decrease in prepayments	**(103)**	(171)
(Increase)/Decrease in inventory	**(40,134)**	6,286
Increase in trade and other payables	**3,496**	(3,211)
Increase in provisions	**(494)**	1,723
Net cash flows provided by operating activities	**65,403**	49,357

(c) Non-cash financing and investing activities

In the current year, the Group acquired $373,000 (30 June 2014: $75,000) of equipment under finance lease. These acquisitions will be reflected in the statement of cash flows over the term of the lease via their lease payments.

(d) Cash balances not available for use

As described in Note 12, the Group has deposits of $55,000 (2014: $110,000) held as security by a bank for guarantees.

This amount is not available for use and has therefore not been included in cash and cash equivalents.

NOTE 24 RELATED PARTY DISCLOSURES

(a) Ultimate parent

Saracen Mineral Holdings Limited is the ultimate parent company.

Information relating to Saracen Mineral Holdings Limited:		
Current assets	**39,767**	50,727
Total assets	**232,119**	244,748
Current liabilities	**2,509**	1,694
Total liabilities	**2,516**	11,998
Contributed equity	**245,079**	245,079
Share based payment reserve	**4,101**	3,518
Hedge Reserve	**5,967**	19,527
Accumulated loss	**(25,920)**	(37,068)
Total equity	**229,227**	231,056
Net profit/(loss) of the parent	**11,148**	6,012

Saracen Mineral Holdings Limited is party to a deed of cross guarantee with its wholly owned subsidiary Saracen Gold Mines Pty Limited and Saracen Metals Pty Limited as described in Note 22(iii) pursuant to ASIC Class Order 98/1418.
At 30 June 2015 Saracen Mineral Holdings Limited had no contingent liabilities and had not entered into contractual commitments to purchase property, plant or equipment (2014: Nil).

NOTE 24 RELATED PARTY DISCLOSURES (continued)

(b) Subsidiaries

Details of interests in subsidiaries are set out in Note 22.
Loans between group entities have no specific repayment terms and are unsecured.

The aggregate amounts receivable/ (payable) by the Company from/to subsidiaries at the reporting date were:

	2015 $'000	2014 $'000
Non-current receivable	**185,617**	174,520
Reconciliation of non-current receivable		
Balance at beginning of year	**174,520**	137,093
Loans repaid by subsidiaries	**(11,666)**	23,668
Reversal of prior year impairment	**60,319**	74,078
Impairment	**(37,556)**	(60,319)
Balance at end of year	**185,617**	174,520

During the year the non-current receivable was written down to the net asset value of the subsidiary.

(c) Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report in the directors' report.

	2015 $	2014 $
Short term benefits	**2,705,234**	2,240,757
Post-employment benefits	**253,426**	211,462
Non-monetary benefits	**9,472**	14,135
Long term benefits	**63,678**	22,226
Equity	**466,395**	62,200
	3,498,205	2,550,780

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 23.

Transactions with related parties
The following transactions occurred with related parties:

	2015	2014
Payment for goods and services:		
Provision of office facilities to Renaissance Capital Pty Ltd (a director related entity of Guido Staltari)	**90,000**	360,000
Professional services from PilotHole Pty Ltd (director related entity of Martin Reed)	**227,469**	87,633
Director's fees PilotHole Pty Ltd (director related entity of Martin Reed)	**90,000**	92,500
Payable to related parties		
PilotHole Pty Ltd	**-**	40,488

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
Transactions with Directors and key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

NOTE 25 SEGMENT INFORMATION

The Group require operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segments and to assess their performance. On this basis the Group's reportable segments under AASB 8 are as follows:

- Saracen Gold Mines Pty Limited ("SGM") which includes the Group's exploration, production and related administration (excluding Thunderbox)
- Saracen Mineral Holdings Limited ("SAR") which includes the Group's corporate administration
- Saracen Metals Pty Limited ("SME") which includes the Group's exploration, development, production and administration relating to the Thunderbox operations.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. The CODM reviews segment profit before tax in assessing segment performance which corresponds to operating profit before other income / expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Information regarding the Group's reportable segments is presented below.

	2015	2014
	$'000	$'000
(a) Segment external revenues		
SGM - Metal sales	**249,872**	211,424
SGM - Interest income	**70**	7
SGM - Other	**100**	71
SAR - Interest income	**632**	698
	250,674	212,200

(b) Segment profit before tax

SGM	**23,079**	14,231
SAR	**(6,069)**	(4,457)
Operating profit before other income / (expenses)	**17,010**	9,774
Finance costs	**(1,039)**	(2,530)
Other income	**802**	776
Share based payments expense	**(583)**	(72)
Loss from sale of share	**(72)**	-
Change in fair value of listed shares	**63**	(58)
Profit before income tax	**16,181**	7,890

(c) Segment assets and liabilities

Assets		
SGM	**195,111**	197,117
SAR	**39,799**	64,110
SME	**59,073**	46,411
Unallocated – Deferred Tax Asset	**6,326**	5,548
	300,309	313,186
Liabilities		
SGM	**43,800**	43,963
SAR	**2,515**	13,122
SME	**24,767**	25,045
	71,082	82,130

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments other than tax assets and liabilities.

(d) Other segment information

Depreciation and amortisation of $49.521 million (2014: $32.118 million) is attributable to the SGM segment.
Total non-current asset additions of $35.636 million (2014: $56.535 million) and $12.588 million (2014: $26.013 million) are attributable to the SGM and SME segments respectively.
The Group operates within one geographical segment, being Australia.

NOTE 26 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash, short-term deposits, borrowings and derivatives. In addition the Group has financial assets at fair value through profit and loss, trade receivables, trade payables and finance leases arising directly out of its operations. The Board as a whole guides and monitors the business and affairs of Saracen. Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement depending upon the nature and materiality of the matter being dealt with.

(a) Market risk

(i) Interest rate risk

The Group's exposure to interest rate risk relates primarily to the assets and liabilities bearing variable interest rates. The Group does not engage in any hedging or derivative transactions to manage interest rate risk. The following tables sets out the carrying amount, by maturity of the Group's exposure to interest rate risk and the effective weighted average interest rate for each financial instrument.

30 June 2015	**Weighted average rate**	**Variable Interest Rate**	**Fixed Interest Rate**				**Non-interest bearing**	**Consolidated Total**
			Under 1 year	**1 – 2 years**	**2 – 5 years**	**5+ years**		
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets								
Cash assets	1.84	38,378	-	-	-	-	-	38,378
Other receivables	N/A	-	-	-	-	-	2,690	2,690
Security deposits	N/A	-	-	-	-	-	55	55
Financial Derivative Asset	N/A	-	-	-	-	-	8,524	8,524
Listed Investments	N/A	-	-	-	-	-	8	8
Total Financial Assets		38,378	-	-	-	-	11,277	49,655
Financial Liabilities								
Trade payables	N/A	-	-	-	-	-	17,869	17,869
Finance leases	5.71	-	802	376	194	-	-	1,372
Total Financial Liabilities		-	802	376	194	-	17,869	19,241

30 June 2014	**Weighted average rate**	**Variable Interest Rate**	**Fixed Interest Rate**				**Non-interest bearing**	**Consolidated Total**
			Under 1 year	**1 – 2 years**	**2 – 5 years**	**5+ years**		
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets								
Cash assets	2.46	35,859	-	-	-	-	-	35,859
Other receivables	2.50	41	-	-	-	-	2,802	2,843
Security deposits	N/A	-	-	-	-	-	110	110
Financial Derivative Asset	N/A	-	-	-	-	-	28,150	28,150
Listed Investments	N/A	-	-	-	-	-	27	27
Total Financial Assets		35,900	-	-	-	-	31,089	66,989
Financial Liabilities								
Trade payables	N/A	-	-	-	-	-	16,128	16,128
Financial Derivative Liability	N/A	-	-	-	-	-	255	255
Borrowings	5.99	11,380	-	-	-	-	-	11,380
Finance leases	6.93		1,722	650	293	-	-	2,665
Total Financial Liabilities		11,380	1,722	650	293	-	16,383	30,428

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(ii) Commodity risk

The Group's exposure to commodity risk arises from movements in the gold price. The Group is party to a hedge contract (Note 11) whereby specified quantities of gold are sold on specific dates to partly manage the commodity risk.

(iii) Currency risk

The Group is exposed to the Australian dollar currency risk on gold sales, which are denominated in US dollars. The Group is party to a hedge contract (Note 11) for specified quantities of gold on specific dates to partly manage the currency risk.

(b) Credit risk

The Group trades only with recognised, creditworthy third parties. There are no significant concentrations of credit risk within the Group. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by reputable credit rating agencies.

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows. At the reporting date there is no significant liquidity risk. The table below analyses the Group's maturity of financial liabilities:

30 June 2015	**< 6 month** $'000	**6 – 12 months** $'000	**1 – 5 years** $'000	**5+ years** $'000	**Total** $'000
Trade payables	17,869	-	-	-	17,869
Finance leases	465	337	570	-	1,372
Total Financial Liabilities	18,334	337	570	-	19,241

30 June 2014	**< 6 month** $'000	**6 – 12 months** $'000	**1 – 5 years** $'000	**5+ years** $'000	**Total** $'000
Trade payables	16,128	-	-	-	16,128
Borrowings	-	-	11,380	-	11,380
Finance leases	909	813	943	-	2,665
Total Financial Liabilities	17,037	813	12,323	-	30,173

(d) Sensitivity analysis

The following table summarises the Group's exposure to interest rate risk, commodity and currency risk (AUD gold price) at the reporting date. The sensitivities are based on management's best estimate of the market views for future interest rates, gold price and currency movements over the next 12 months with reference to recent historical movements. The analysis demonstrates the after tax effect on the profit/(loss) and equity which could result from changes based on the following:

30 June 2015

	Profit/(loss)	**Equity**
Interest rate risk	$'000	$'000
- Increase interest rate by 1%	259	259
- Decrease interest rate by 1%	(259)	(259)
Gold price risk associated with the financial derivative instruments		
- Increase $AUD gold price by 10%	-	(7,423)
- Decrease $AUD gold price by 10%	-	7,423

30 June 2014

	Profit/(loss)	**Equity**
Interest rate risk	$'000	$'000
- Increase interest rate by 1%	153	153
- Decrease interest rate by 1%	(153)	(153)
Gold price risk associated with the financial derivative instruments		
- Increase $AUD gold price by 10%	-	(18,017)
- Decrease $AUD gold price by 10%	-	18,017

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(e) Derivative assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the fair values of the related hedging instruments.

30 June 2015		Expected cash flows				
	Fair value	Total	2 months or less	2 - 12 months	1 - 2 years	2+ years
	$'000	$'000	$'000	$'000	$'000	$'000
Hedged Assets	8,524	83,679	15,300	68,379	-	-

30 June 2014		Expected cash flows				
	Fair value	Total	2 months or less	2 - 12 months	1 - 2 years	2+ years
	$'000	$'000	$'000	$'000	$'000	$'000
Hedged Assets	27,895	213,230	13,104	109,622	83,679	6,825

(f) Net fair values

The net fair values of financial assets and financial liabilities at the reporting date are as follows:

	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	Consolidated		Consolidated	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Financial Assets				
Cash and cash equivalents	**38,378**	35,859	**38,378**	35,859
Other receivables	**2,690**	2,843	**2,690**	2,843
Investments – listed	**8**	27	**8**	27
Financial Derivative Asset	**8,524**	28,150	**8,524**	28,150
Other financial assets	**55**	110	**55**	110
Total Financial Assets	**49,655**	66,989	**49,655**	66,989
Financial Liabilities				
Trade payables	**17,869**	16,128	**17,869**	16,128
Financial Derivative Liability	-	255	-	255
Borrowings	-	11,380	-	11,380
Finance leases	**1,372**	2,665	**1,372**	2,665
Total Financial Liabilities	**19,241**	30,428	**19,241**	30,428

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014 on a recurring basis:-

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

(f) Net fair values (continued)

	$'000	$'000	$'000	$'000
30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Listed shares at fair value	8	-	-	8
Derivative assets	-	8,524	-	8,524
Total	**8**	**8,524**	**-**	**8,532**

	$'000	$'000	$'000	$'000
30 June 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Listed shares at fair value	27	-	-	27
Derivative assets	-	28,150	-	28,150
Total	27	28,150	-	28,177
Liabilities				
Derivative liabilities	-	255	-	255
Total	-	255	-	255

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2015 and did not transfer any fair value amounts between the fair value hierarchy during the period FY 2015.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

In accordance with AASB 13, *Fair Value Measurement,* the Group has classified, according to fair value hierarchy, the cash flow hedge as a level 2 asset. The fair value of the cash flow hedge is determined by using observable foreign exchange forward prices and the forward gold prices at the reporting date. The forward curves are derived using a combination of cash and futures prices. Cash flows are then net present valued using the derived forward curves.

The Group does not have any level 3 assets or liabilities.

NOTE 27 CAPITAL MANAGEMENT

Management's objective is to ensure the Group continues as a going concern and in the interests of shareholders. It aims to maintain a capital structure with the lowest cost of capital available to the Group. The Group has detailed planning processes, budgets and cash flow forecasts through which it continually monitors its position against the above objectives. At 30 June 2015 the capital structure consisted of total shareholders' funds, cash and other financial assets less finance lease borrowings. The Group's overall strategy remains unchanged from 2014.

NOTE 28 CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2015 (2014: Nil).

NOTE 29 MATTERS SUBSEQUENT TO THE REPORTING DATE

On 19 August 2015, the Group has entered into an agreement to acquire 100% of the King of the Hills and Kailis gold projects in Western Australia from St Barbara Limited. Consideration for the acquisition of the two projects is $3m cash in two tranches: $0.3m on Completion, plus $2.7m upon the earlier of commercial production from Kailis or 4 years following Completion.
The financial effect of this transaction has not been recognised at 30 June 2015.

Directors' Declaration

The Directors of Saracen Mineral Holdings Limited declare that, in their opinion:

(a) the financial statements and notes and the Remuneration Report in the Directors' Report set out on pages 11 to 23, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001 and other mandatory professional reporting requirements.

(b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration there are reasonable grounds to believe that the Company and the group entities identified in Note 22 will be able to meet any obligations or liabilities to which they are or may have become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the directors.

RALEIGH FINLAYSON
Managing Director
26 August 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Saracen Mineral Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of Saracen Mineral Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation *other than for the acts or omissions of financial services licensees*

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Saracen Mineral Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Saracen Mineral Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Saracen Mineral Holdings Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Ian Skelton

Director

Perth, 26 August 2015