

Saracen Mineral Holdings Limited

ACN 009 215 347

ASX Release

25 September 2012



Saracen

Corporate Details:

As at 30 June 2012

ASX codes:

Ordinary shares: SAR
30 June 2013 Options: SARO

Issued capital:

594.8 m ordinary shares

7.1m participating options expiring 30 June 2013 exercisable at 23.51c.

2.5m unlisted participating options expiring 30 June 2013 exercisable at 23.51c.

13.9m unlisted incentive options with various expiry dates and exercise prices.

Substantial Shareholders:

Van Eck Associates Corporation
36.1m (6%)

Registered Office:

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Telephone: (61 3) 9670 0040
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Directors:

Mr Guido Staltari
Executive Chairman

Mr Ivan Hoffman OAM
Non-executive

Mr Barrie Parker
Non-executive

Mr Carl Thompson
Non-executive

Mr Martin Reed
Non-executive

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2012 Mineral Resources and Ore Reserves

- **Ore Reserves up 57% to 1.1 million ounces** (after production depletion)
- **Mineral Resources up 15% to 4.1 million ounces** (with the increase attributable mostly to the Indicated category)
- **Mine Life extended to ~7years** (based on stage 1 expanded plant throughput to 3.2mtpa).
- **Significant increases in open pit Ore Reserves**
- **Red October underground mine Ore Reserves added**
- **Deep South underground Ore Reserves added**
- **Whirling Dervish underground Ore Reserves added**

Saracen (ASX: SAR) has completed an update of its Mineral Resources and Ore Reserves statements with total Resources (Measured, Indicated and Inferred) increasing by 15% to 4.1 Million ounces, with the increase attributable mostly to the Indicated category.

Ore Reserves increased from 825,000oz to 1,098,000oz, a nominal increase of 33% since the 2011 statement. After taking into account production depletion, Ore Reserves increased by 399,000oz or 57% since the 2011 statement.

Saracen Executive Chairman, Guido Staltari said

'This substantial lift in ore reserves and resources arises directly from the past year's successful investment expenditure program.

'Particularly important is our increased confidence in Red October, with the first-time inclusion of underground ore reserves, based on data gathered in the initial stages of the underground resource delineation drill program. Also, we have added high grade underground ore from Red October to the plant for the first time, with a very positive impact on the production profile. Red October continues to demonstrate considerable upside potential.

'The addition also of Deep South and Whirling Dervish underground ore to the expanded Carosue Dam plant would result in a significant uplift in future production which, together with our large resource position, would make Saracen's performance highly leveraged to the currently rising gold price.'

Category	Tonnes	Grade	Ounces
Proved	4,312,000	0.9	125,000
Probable	17,914,000	1.7	973,000
TOTAL	22,226,000	1.5	1,098,000

Table 1 Ore Reserves Summary as at June 30, 2012

Category	Tonnes	Grade	Ounces
Measured	9,663,000	1.3	401,000
Indicated	58,013,000	1.5	2,756,000
Inferred	21,200,000	1.4	979,000
TOTAL	88,876,000	1.4	4,136,000

Table 2 Mineral Resources Summary as at June 30, 2012

Saracen's exploration program has resulted in substantial increases in resources and reserves at several deposits. Since early 2006, when Saracen acquired the Carosue Dam project, Ore Reserves have increased from zero to 1.1moz, and Mineral Resources from 760,000oz to 4.1moz. Most of the latter is in the Measured and Indicated categories. In addition, there has been total gold production of approximately 267,000oz since commencement in January 2010.

The latest large increase in both resources and reserves has resulted from Saracen's A\$21m exploration expenditure in FY2012, comprising 25,300m of diamond core (surface and underground) and 48,400m of RC drilling. The main drill targets during the year were Whirling Dervish, Red October, Wallbrook and Deep South, all of which have seen a net increase in ore reserves as a result.

Saracen has overseen a steady increase in resources and reserves since assuming ownership of Carosue Dam six years ago and is confident that ongoing exploration will add considerably to this inventory. The company will continue to target organic growth through exploration and development.

Mineral Resources

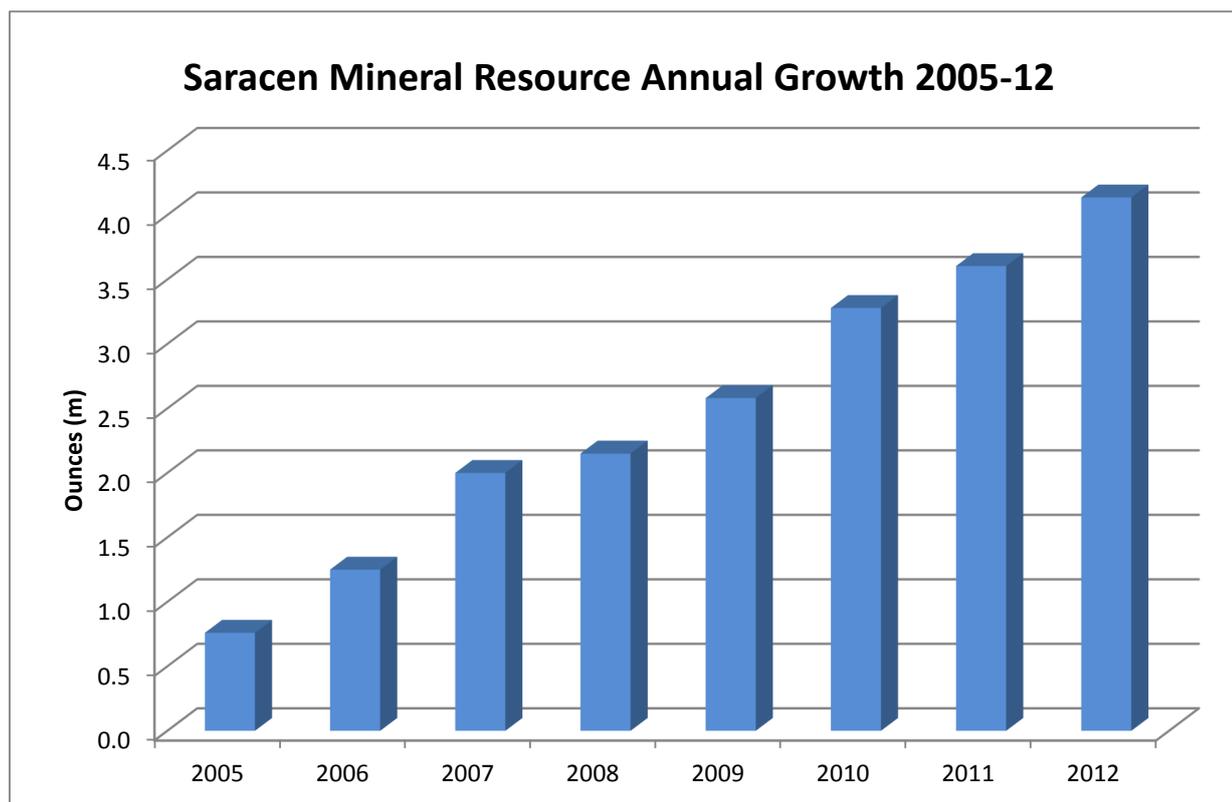


Figure 1 Saracen Annual Mineral Resource growth

Total Mineral Resources have increased by 500,000 ounces from 3.6moz to 4.1moz. Mostly in the Indicated category, the increase has been mainly due to:

- 1) An increase in Whirling Dervish Deeps open pit resources at depth and along strike, due to drilling success, and with the inclusion of underground resources. Total Mineral Resources at Whirling Dervish now approach 1.1 million ounces.
- 2) A significant increase in Butcher Well Mineral Resources, to 288,000oz. The deposit was drilled at depth, resulting in extensions to known mineralisation. Preliminary test-work indicates that, at least some parts of Butcher Well have lower mill recoveries. Butcher Well is part of a considerable mineralised system that has yet to be fully explored along strike and at depth.
- 3) Deep South Mineral Resources increasing to 279,000oz, due to extensions at depth through additional drilling, and re-modelling.
- 4) The Wallbrook resource increased by 140,000oz to 468,000oz through additional drilling, and re-modelling, after initial mining indicated that a bulk approach was more suitable than a selective approach based on previously used higher grade domains. This added about 5mt @ 0.9g/t to the resource.

Additional drilling was also completed at Porphyry, Pinnacles, Elliots, Twin Peaks and Tin Dog. Updated models were completed for Whirling Dervish, Karari, Deep South, Red October, Margarets, Enterprise, Pinnacles and Butcher Well.

Ore Reserves

The increase in Ore Reserves to in excess of 1 million ounces underpins the longevity of the Carosue Dam operations. Exploration and project development continues to add metal to the reserve inventory and Saracen is confident that this trend is sustainable. Of particular significance is the addition of underground reserves to the Ore Reserve statement. These reserves would constitute a source of high grade feed to the Carosue Dam processing plant, augmenting the open pit feed sources.

Saracen has added high grade underground ore from Red October to the plant for the first time with a significant positive impact on the production profile. The inclusion of Deep South and Whirling Dervish underground ore into the expanded Carosue Dam plant would result in a significant uplift in future production which, together with the large resource base, would make Saracen's Carosue Dam Operations highly leveraged to the currently rising gold price.

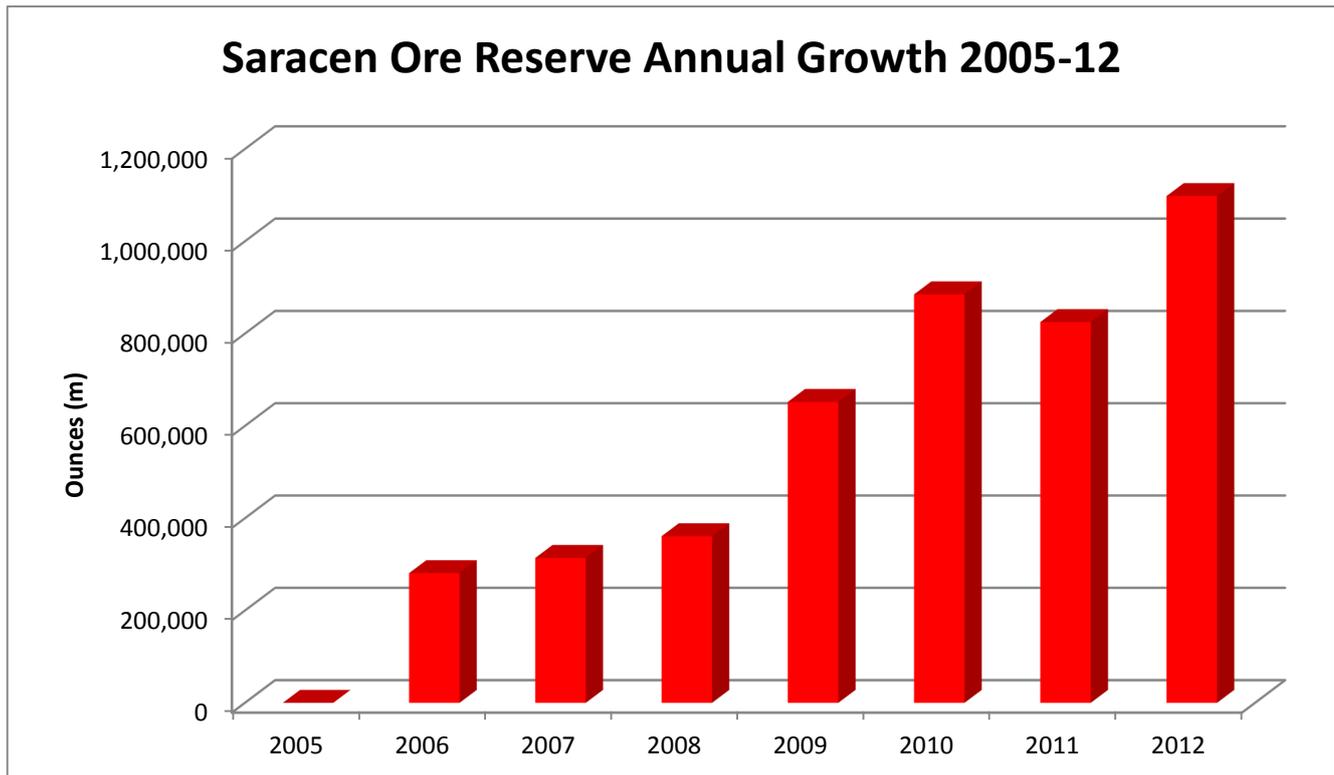


Figure 2 Saracen Ore Reserve annual growth

Total Ore Reserves after production depletion have increased by 399,000 ounces to 1.1moz. The increase mainly has been due to:

- 1) The extension of the Whirling Dervish and Wallbrook open pits. Both deposits have benefited from increased mineral resources through drilling success, coupled with the improved economies of scale resulting from the proposed expanded plant throughput and larger mining fleet.
- 2) The first-time inclusion of Ore Reserve from the Red October Mine, comprising 260,000t @ 8.3g/t reflecting increased confidence in the definition of the mineralisation, based on data gathered in the initial stages of the underground resource delineation drill program.
- 3) The inclusion of the Deep South underground. Infill drilling at Deep South upgraded the resource category so as to enable a reserve to be estimated. It is planned to access the underground from the completed Deep South pit with mining to be conducted by standard up-hole benching mining methods.
- 4) The inclusion of Whirling Dervish Deeps underground. Current planning contemplates underground access from either the Whirling Dervish pit or the Karari pit. The Karari pit access has the benefit of being able to utilise bottom-up mining methods. Mining methods will be a combination of up-hole benching and larger scale open stoping, resulting in lower underground mining costs (\$/t).

Figure 3 illustrates the reconciliation of the 2011 with the 2012 reserve ounces. Production depletion was 126,000oz (reflecting 116,000oz past year production with the application of a 92% processing recovery factor).

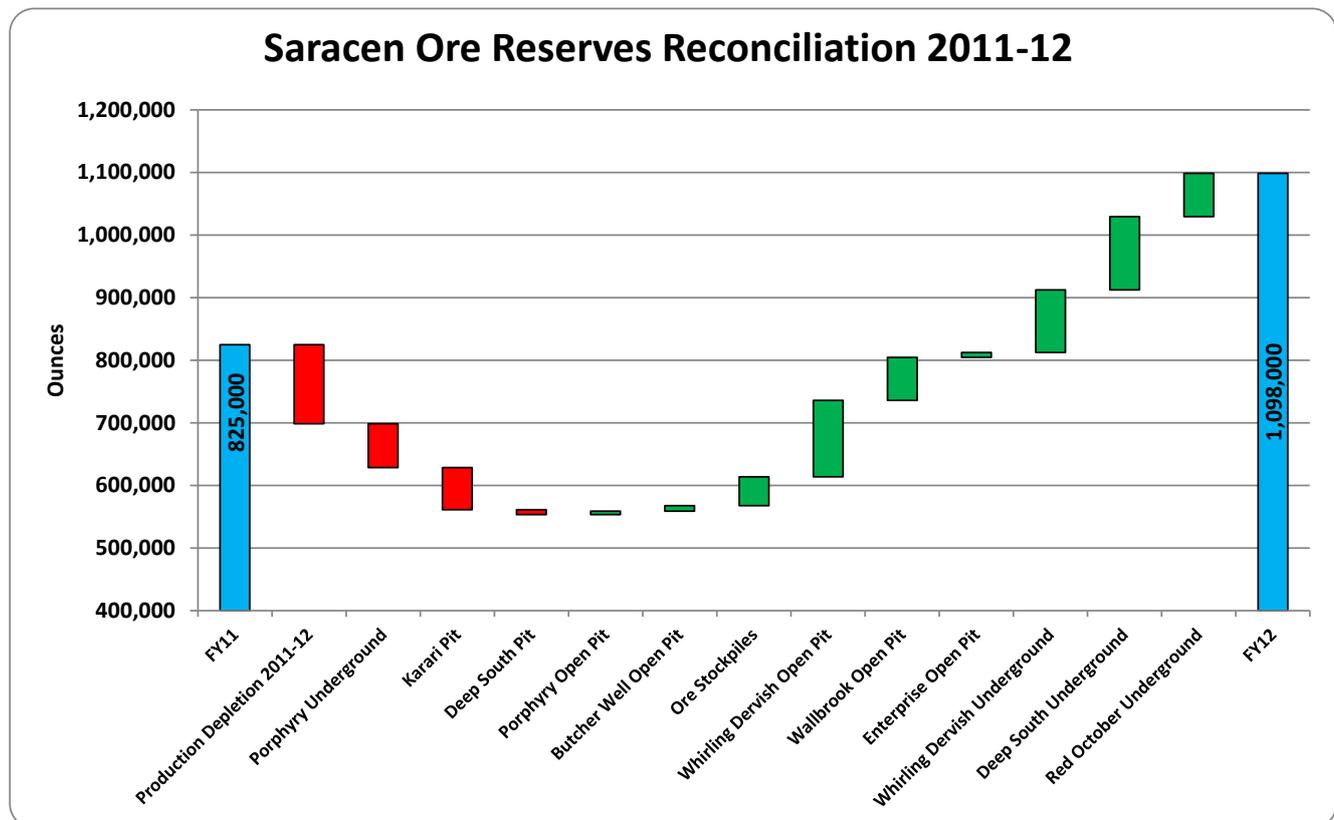


Figure 3 Reconciliation of Ore Reserves movements 2011 - 2012

Depletions and Adjustments:

- **Production Depletion FY2012** - 126,000oz of contained gold (116,000 of gold production at 92% mill recovery).
- **Porphyry Underground** - A re-assessment of the economics of the proposed underground mine, as compared with an additional cutback using the larger mining fleet (being considered as part of the proposed expansion project) resulted in the removal of the underground reserves. This is mitigated in part by a small increase in open pit reserves (Porphyry Open Pit reserves - 550,000t @ 2.2g/t for 38,000 ounces). Additional resource drilling was completed during FY2012 and this is yet to be incorporated into an updated resources and reserves estimation.
- **Karari Open Pit** - The resource model for Karari was updated as a result of poor reconciliation experienced during the middle stages of FY2012 (as disclosed in previous releases (March 21, 2012)). This resulted in a reduction of 67,000 contained ounces from the total Karari reserve (which is a combination of open pit mining in FY2013 and a future cutback scheduled to commence after Whirling Dervish in FY2016).

Reconciliation data gathered in the early part of FY2013 confirms that the model is now performing above expectations and is delivering higher grade ore to the plant than was previously experienced. More detailed information will be provided in the forthcoming September Quarter report.

- **Deep South Open Pit** - A very small reduction of the open pitable reserve was made following a small re-design to cater for the planned underground mine design.

Additions:

- **Porphyry Open Pit** - Explained above under 'depletions'.
- **Butcher Well Open Pit** - Inclusion of three small 'starter' pits that form part of the FY2013 budget mining schedule. Mining has commenced in these shallow oxide pits during the September 2012 Quarter. There is potential to significantly increase the ore reserves at Butcher Well following the mining and reconciliation of these starter pits, with the initial reserve being only 3% of the upgraded mineral resource.
- **Ore Stockpiles** - A combination of a significant increase in low grade stockpiles generated during FY2012 (1.04mt @ 1.0g/t for 32,400 ounces) and the re-assessment of previously sub-economic stockpiles, primarily due to the improved economics of the proposed expanded plant throughput, has resulted in the addition of 2.2mt @ 0.6g/t material classified as sub-grade into the Stockpiles Measured Resource category. Total Stockpiles in Ore Reserves now comprise 3.7mt @ 0.8g/t for 91,000 ounces. These stocks are primarily located at Carosue Dam and Porphyry.
- **Whirling Dervish Open Pit** - The Whirling Dervish open pit received a significant boost in ore reserves following the combined effects of the mineral resource increase (now in excess of 1moz ounces) due to drilling success, and the reduction in the cost profile resulting from the planned expansion of the Carosue Dam Plant (Stage 1 to 3.2mtpa; Stage 2 to 4.0mtpa) and the introduction of larger scale mining equipment (from 120t class excavators to 190t & 260t excavators).
- **Wallbrook Open Pit** - The Wallbrook open pit reserves also received a substantial boost for the same reasons outlined above. The Wallbrook deposits were modelled assuming a bulk mining method with the removal of high and low grade ore categories with one ore classification for processing. The expansion of the plant to provide economies of scale is especially suited to the Wallbrook system which remains largely open at depth and along strike.
- **Enterprise Open Pit** - The inclusion of a Stage 2 cutback resulting from the expansion study.
- **Whirling Dervish Underground** - The completion of a substantial resource extension drilling program over the past 12 months and the underground pre-feasibility study has resulted in 938,000t @ 3.3g/t for 100,000 ounces being added to the inaugural Whirling Dervish underground ore reserve. The Feasibility Study is currently in progress with the potential to add more tonnes and ounces along the strike of the footwall and hangingwall lodes, following receipt of additional drilling results.
- **Deep South Underground** - As above, the completion of the pre-feasibility study and updating the resource model with extensional drilling data has resulted in 843,000t @ 4.3g/t for 116,000 ounces being added to the inaugural Deep South underground ore reserve. The Feasibility study aims to deliver a detailed mine plan that will see the commencement of underground operations follow the completion of open pit mining at Deep South. More information on these plans will be provided in a separate future announcement.
- **Red October Underground** - An initial underground ore reserve of 260,000t @ 8.3g/t for 69,000 ounces has been included. The initial reserve consists predominately of what has been drilled from closely spaced underground programs that commenced in the December 2011 quarter. The current drilling program that commenced during the September 2012 quarter is aimed at converting existing inferred material to indicated and measured (enabling additional ore reserves to be added) as well as testing the along strike and depth potential of the southern and central lodes.

The reconciliation of the newly included ore reserve at Red October with production through the plant since the end of the June 2012 quarter has been positive and provides added confidence to underground ore reserves at Red October. A production update will be provided in the forthcoming September 2012 Quarterly Report.

2011-12 Mining Reconciliation

The reconciliation of the resources and reserve estimates with mining production during 2011-12 was very favourable. On average mining delivered 109.8% (3.441mt vs 3.152mt) of the reserve tonnes at 96.3% of the reserve grade (1.42g/t vs 1.48g/t) and contained 105.7% of the reserve ounces (158,656oz vs 150,041oz). This translates into reconciled mined figures producing an additional 310,000t @ 0.86g/t containing 8,615oz above the reserve estimates.

The Modifying Factors used in the estimation of Ore Reserves from Mineral Resources are therefore appropriate and suitable for the style of mining conducted during the year.

Reconciled mined figures have been estimated from mill production figures and stockpile surveys.

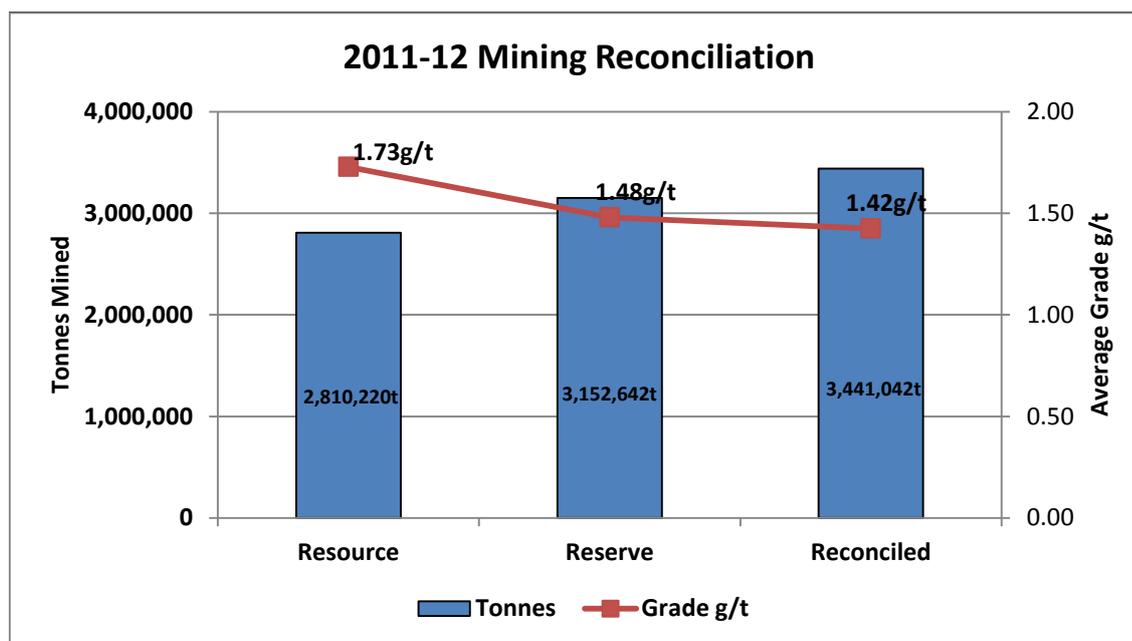


Figure 4 Mining Reconciliation 2011-12 - tonnes and grade

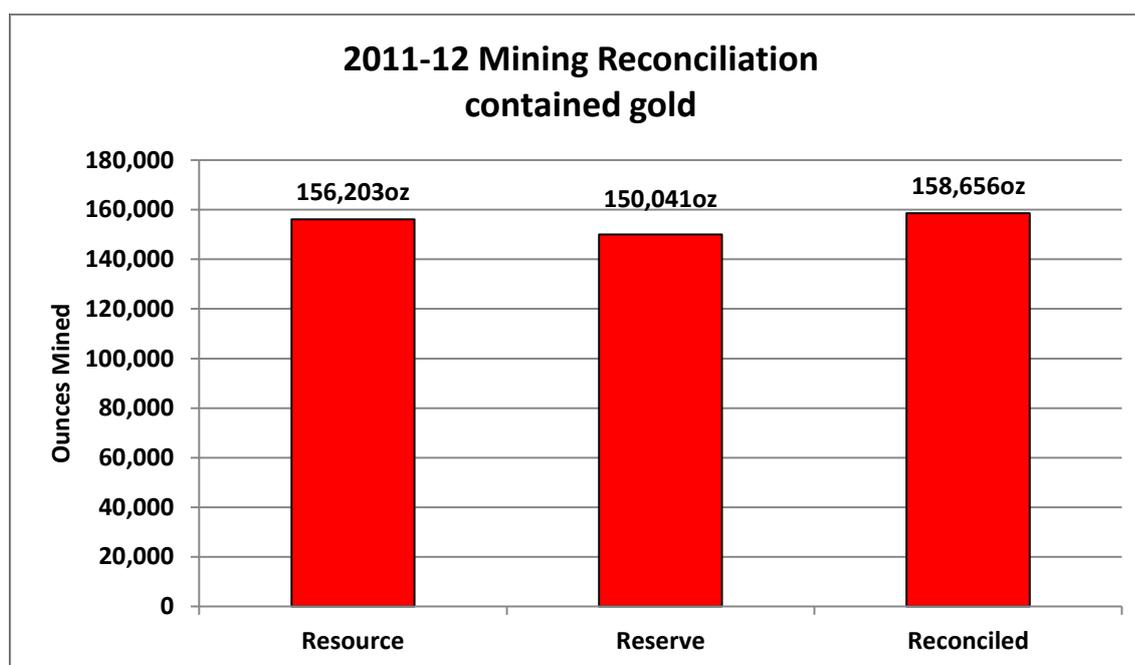


Figure 5 Mining Reconciliation 2011-12 - contained ounces

Table 3 Ore Reserves by individual deposit as of 30 June 2012.

District	Deposit	Mine Type	Proved Reserves			Probable Reserves			Total Ore Reserves		
			tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Carosue Dam	Whirling Dervish	OP				5,592,000	1.3	237,000	5,592,000	1.3	237,000
	Whirling Dervish	UG				938,000	3.3	100,000	938,000	3.3	100,000
	Karari	OP				2,500,000	1.4	112,000	2,500,000	1.4	112,000
	Monty's/Elliots	OP	264,000	1.4	12,000	47,000	1.3	2,000	311,000	1.4	14,000
Carosue Dam Sub-Total			264,000	1.4	12,000	9,077,000	1.5	451,000	9,341,000	1.5	463,000
Porphyry	Porphyry	OP				550,000	2.2	38,000	550,000	2.2	38,000
	Million Dollar	OP				3,045,000	1.0	101,000	3,045,000	1.0	101,000
	Wallbrook	OP				3,032,000	1.2	117,000	3,032,000	1.2	117,000
	Margarets	OP				143,000	1.9	9,000	143,000	1.9	9,000
	Enterprise	OP				374,000	2.1	26,000	374,000	2.1	26,000
Porphyry Sub-Total			0	0.0	0	7,144,000	1.3	291,000	7,144,000	1.3	291,000
Safari Bore	Safari Bore	OP	362,000	2.0	23,000	232,000	2.2	16,000	594,000	2.1	39,000
	Deep South	OP				212,000	3.1	21,000	212,000	3.1	21,000
	Deep South	UG				843,000	4.3	116,000	843,000	4.3	116,000
Safari Bore Sub-Total			362,000	2.0	23,000	1,287,000	3.7	153,000	1,649,000	3.3	176,000
Red October	Red October	UG	0	0.0	0	260,000	8.3	69,000	260,000	8.3	69,000
	Butcher Well	OP				146,000	1.9	9,000	146,000	1.9	9,000
Red October Sub-Total			0	0.0	0	406,000	6.0	78,000	406,000	6.0	78,000
All	Stockpiles	S	3,686,000	0.8	90,000	0	0	0	3,686,000	0.8	90,000
	Total Ore Reserves		4,312,000	0.9	125,000	17,914,000	1.7	973,000	22,226,000	1.5	1,098,000

Table 4 Mineral Resources by individual deposit as of 30 June 2012.

District	Deposit	Measured			Indicated			Inferred			Total		
		tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz	tonnes	g/t	oz
Carosue Dam	Whirling Dervish O/P	203,000	1.3	8,000	13,514,000	1.2	538,000	245,000	0.7	5,000	13,962,000	1.2	551,000
	Whirling Dervish U/G			0	5,993,000	2.1	399,000	1,917,000	2.2	136,000	7,910,000	2.1	535,000
	Karari O/P	1,314,000	1.5	62,000	3,379,000	1.7	189,000	446,000	1.3	19,000	5,139,000	1.6	270,000
	Karari U/G			0	947,000	1.7	51,000	322,000	1.8	19,000	1,269,000	1.7	70,000
	Monty's/Elliots	542,000	1.4	25,000	1,138,000	1.4	52,000	697,000	1.5	34,000	2,377,000	1.5	111,000
	Twin Peaks			0	291,000	4.0	37,000	248,000	4.3	34,000	539,000	4.1	71,000
	Pinnacles			0	387,000	2.1	27,000	26,000	1.4	1,000	413,000	2.1	28,000
Carosue Dam Sub-Total		2,059,000	1.4	95,000	25,649,000	1.6	1,293,000	3,901,000	2.0	248,000	31,609,000	1.6	1,636,000
Porphyry	Porphyry O/P	702,000	1.1	25,000	7,262,000	1.0	239,000	1,551,000	1.0	48,000	9,515,000	1.0	312,000
	Porphyry U/G			0	488,000	5.0	78,000	243,000	2.9	23,000	731,000	4.3	101,000
	Million Dollar			0	9,270,000	1.0	298,000	1,639,000	0.9	47,000	10,909,000	1.0	345,000
	Wallbrook	2,064,000	1.1	72,000	7,319,000	1.0	234,000	4,784,000	1.1	162,000	14,167,000	1.0	468,000
	North West			0	332,000	0.8	9,000	691,000	0.8	18,000	1,023,000	0.8	27,000
	Margarets			0	192,000	2.0	12,000	651,000	1.1	24,000	843,000	1.3	36,000
Enterprise	218,000	2.1	15,000	294,000	2.3	21,000	179,000	2.4	14,000	691,000	2.3	50,000	
Porphyry Sub-Total		2,984,000	1.2	112,000	25,157,000	1.1	891,000	9,738,000	1.1	336,000	37,879,000	1.1	1,339,000
Safari Bore	Safari Bore	780,000	2.0	50,000	1,358,000	2.3	100,000	672,000	2.3	50,000	2,810,000	2.2	200,000
	Deep South O/P			0	387,000	2.9	36,000			0	387,000	2.9	36,000
	Deep South U/G			0	1,605,000	3.8	198,000	356,000	3.9	45,000	1,961,000	3.9	243,000
Safari Bore Sub-Total		780,000	2.0	50,000	3,350,000	3.1	334,000	1,028,000	2.9	95,000	5,158,000	2.9	479,000
Red October	Red October O/P	33,000	5.5	6,000	150,000	1.8	9,000	64,000	1.5	3,000	247,000	2.3	18,000
	Red October U/G	121,000	12.1	47,000	223,000	7.2	52,000	92,000	3.1	9,000	436,000	7.7	108,000
	Thin Lizzie			0				325,000	1.3	14,000	325,000	1.3	14,000
	Tin Dog			0				1,284,000	1.3	54,000	1,284,000	1.3	54,000
	Bulldog			0				1,529,000	0.9	44,000	1,529,000	0.9	44,000
	Crimson Belle			0	916,000	1.4	41,000	577,000	1.3	24,000	1,493,000	1.4	65,000
Butcher Well			0	2,568,000	1.6	136,000	2,662,000	1.8	152,000	5,230,000	1.7	288,000	
Red October Sub-Total		154,000	10.7	53,000	3,857,000	1.9	238,000	6,533,000	1.4	300,000	10,544,000	1.7	591,000
All	Ore Stockpiles	1,526,000	1.0	49,000							1,526,000	1.0	49,000
	Sub-grade stockpiles	2,160,000	0.6	42,000							2,160,000	0.6	42,000
Total Mineral Resources		9,663,000	1.3	401,000	58,013,000	1.5	2,756,000	21,200,000	1.4	979,000	88,876,000	1.4	4,136,000

Notes to accompany Resource Statement

Historical mining activity has taken place by open pit at Karari, Million Dollar, Red October, Butcher Well, Twin Peaks, Safari Bore, Deep South and Monty's. Historical open pit and underground mining has been carried out at Porphyry.

In 2011-12 Saracen mined open pits at Karari, Whirling Dervish, Porphyry, Wallbrook, Margarets and Enterprise and reserves and resources at these deposits are depleted. Underground mining has been conducted at Red October. reserves and resources are estimated as of June 30, 2012. Surface Stockpiles have also been depleted for processed material.

Various top cuts have been applied based on statistical analysis of mineralization, domain and deposit.

Ordinary Kriging has been used as the resource estimation method, with MIK and ID2 models run on numerous deposits for comparison purposes. Bulk density is applied on the basis of oxide, transition and fresh material boundaries interpreted from geological logging data and has been derived from a substantial number of measurements from diamond drill core at each deposit. Density measurements are routinely taken at all operating mines. Resource categories have been applied based on geological confidence and the density of sampling data.

Tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations. Rounding errors will occur. Resources are inclusive of reserves.

A summary of cut-off and other parameters relevant to each deposit is summarized below. Cut-off grades for open pit resources are generally estimated as the marginal cut-off grade determined by transport to and processing costs at the Carosue Dam processing plant.

Deposit	Mineral Resource Parameters				
	Open Pit Cutoff Au g/t	UG Cutoff Au g/t	Pit Base mRL	District	Drill Spacing
Whirling Dervish	0.4	1.0	100	Carosue Dam	20x20 with 8x6 grade control in active pit area
Karari	0.4	1.8	150	Carosue Dam	5x5 Grade Control to 25x25; typically 25x12.5
Montys Dam	0.5		50	Carosue Dam	20x20 to 20x10
Elliots	0.5		50	Carosue Dam	20x20 to 20x10
Twin Peaks		1.5	235	Carosue Dam	20x20
Pinnacles	0.4		180	Carosue Dam	20x20
Porphyry	0.4	2.0	250	Porphyry	6x6 Grade Control to 50x50; typically 20m
Million Dollar	0.5		50	Porphyry	20x20 to 40x20
Wallbrook	0.4		50	Porphyry	20x20
North West	0.4		50	Porphyry	20x20 to 20x10
Margarets	0.4		50	Porphyry	20x20
Enterprise	0.4		50	Porphyry	20x20 with 8x6 grade control in active pit area
Safari Bore	0.7		50	Safari Bore	20x20 to 40x40
Deep South	0.5	2.0	300	Safari Bore	20x20
Red October	0.8	2.0	300	Red October	15x15 to 40x40
Thin Lizzie	0.8		50	Red October	40x20
Tin Dog	0.8		50	Red October	50x25
Bulldog	0.8		50	Red October	100x40
Crimson Belle	0.8		50	Red October	50x20
Butcher Well	0.8		50	Red October	20x20 to 40x20 with some 10x10

Table 5: Mineral Resources parameters table.

Note: Mineral Resources are reported inclusive of Ore Reserves

Ore Reserve Parameters					
Deposit	Style	Cutoff	Basis	Dilution	Ore Loss
Karari	OP	0.7	Design	25%	2%
Whirling Dervish	OP	0.5	Design	10%	1%
Whirling Dervish	UG	3.0	Design	15%	15%
Monty's Elliots	OP	0.6	A\$1250 pit shell	15%	2%
Wallbrook	OP	0.5	Design	10%	2%
Million Dollar	OP	0.5	Design	40%	2%
Margarets	OP	0.7	Design	20%	2%
Enterprise	OP	0.5	Design	15%	2%
Porphyry	OP	0.5	A\$1250 pit shell	15%	4%
Deep South	OP	1.0	Design	35%	2%
Deep South	UG	2.5	Design	7%	5%
Safari Bore	OP	0.9	Design	25%	2%
Butcher Well	OP	0.7	Design	25%	2%
Red October	UG	3.0	Design	49%	16%

Table 6: Ore Reserves parameters table.

Notes to accompany Reserves Statement

- Pit optimisations were run using Whittle and Micromine software, with key inputs as follows:

 - Resource models prepared by Saracen's resource geologists.
 - Geotechnical, hydrogeological, mine operating and milling parameters estimated by reference to known current/ historical Carosue Dam data.
 - An average Australian dollar gold price of A\$1500 per ounce used for pit optimisations and pit design purposes unless stated.
 - Planned mining dilution & mining recoveries are factored into the resource models assuming 120t, 190t and 260t class excavators and based on previous mining experience.
 - Additional (unplanned) mining dilution & mining recoveries for each deposits shown in Table 6.
 - Average plant processing recovery is 92.1 percent.
- Mining costs based on current mining contracts at Carosue Dam Operations and expansion study feasibility costs provided by an independent consultant.
- Metallurgical parameters based on a combination of previous mining and/or recent metallurgical test work.
- Pre-feasibility studies have been completed for underground mining at Deep South and Whirling Dervish. These studies have considered all capital cost requirements and operating costs are based on current underground mining activities at Saracen's operating mines.
- Red October Ore Reserves are estimated on the basis of initial drilling results from an ongoing underground drilling programme. Ore Reserves will be updated on a regular basis as additional information becomes available. Due to the mine's location on Lake Carey it is not practical to conduct additional drilling activities from surface. Underground drilling platforms will be utilised to extend resources and reserves and these only become available when underground development has advanced to planned levels.
- Tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations. Rounding errors may occur.
- All deposits and stockpiles have allowed for depletion to the end of June 2012.

Competent Person Statements

The information in this report that relates to Exploration results and Mineral Resources has been compiled under the supervision of Mr Richard Maddocks (BSc MSc). Mr Maddocks, who is a Fellow of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr Maddocks has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Maddocks consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to underground Ore Reserves at Red October, Deep South and Whirling Derbish has been compiled under the supervision of Mr Stephen King (B.Eng). Mr King, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr King has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to open pit Ore Reserves has been compiled under the supervision of Mr Chris Burton (Dip App.Sc). Mr Burton, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full-time employee of Saracen Gold Mines Pty Ltd. Mr Burton has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent person as defined in the 2004 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Burton consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

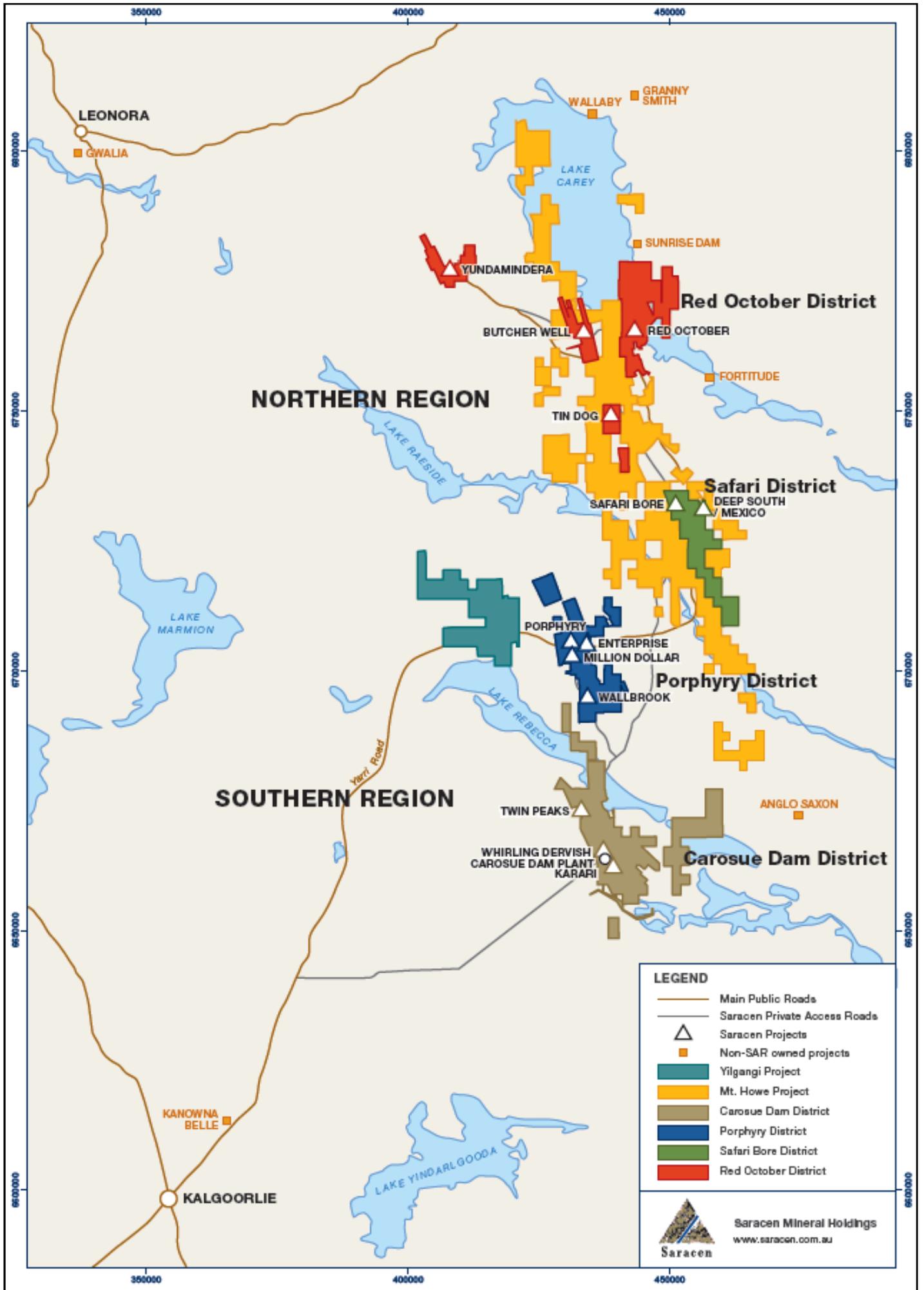


Figure 6 Carosue Dam Operations shown by District