



## Gold Resources & Ore Reserve Upgrade

- Saracen gold resources and gold ore reserves have both increased, even after accounting for 8 months depletion from operations at Carosue Dam.
- Million Dollar gold resources up from 211,000 ounces to 327,000 ounces, an increase of 55%.
- Million Dollar gold ore reserves increased from 25,000 ounces to 94,000 ounces, an increase of 275%.
- Drilling to test zone down-dip and between Million Dollar and Porphyry underway.

Saracen Mineral Holdings Ltd (ASX:SAR) has increased **total gold resources by 8% to 3,279,000 ounces, with gold reserves also increased to 885,000 ounces**, the equivalent of seven years mine life at current production rates.

**Gold ore reserves at the Million Dollar deposit have also increased significantly.**

The Million Dollar gold deposit lies 2km south of the Porphyry deposit in a similar geological and structural setting. Both Porphyry and Million Dollar have significant mineralisation outcropping at surface and both offer significant down-dip and down-plunge potential. Previous drilling on both deposits was limited to shallow depths (mostly <150m, deepest drill hole <300m). (See sections below)

Drilling is underway to further delineate the largely undrilled zone between the Million Dollar and Porphyry deposits along a 750 metre strike length.

The increase in ounces at Million Dollar results from an extensive RC drilling program designed to further delineate the deposit down-dip and plunge. The geological model was reviewed and updated with these recent drilling results, and re-optimised at A\$1,250/oz.

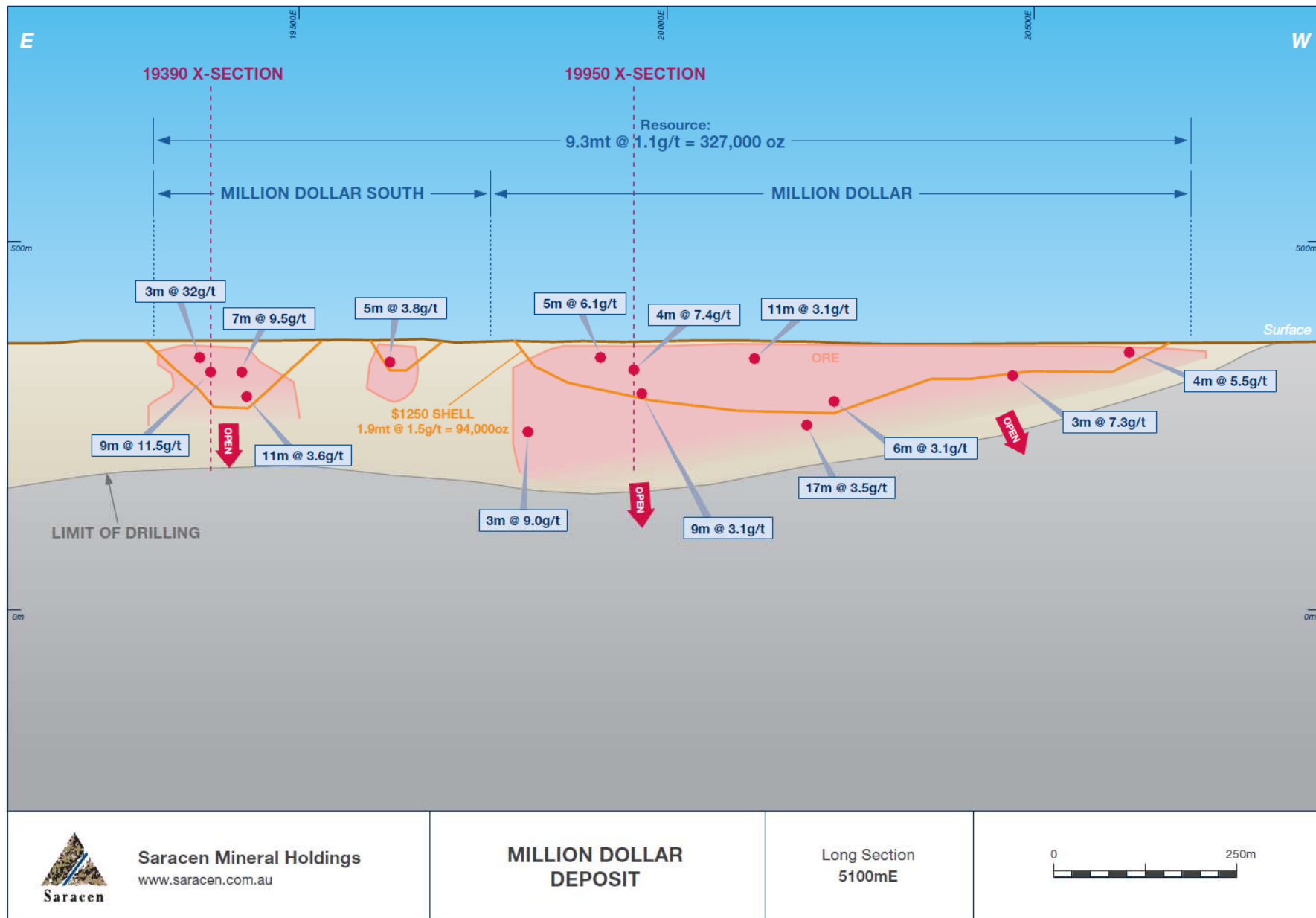
**For further information please contact:**

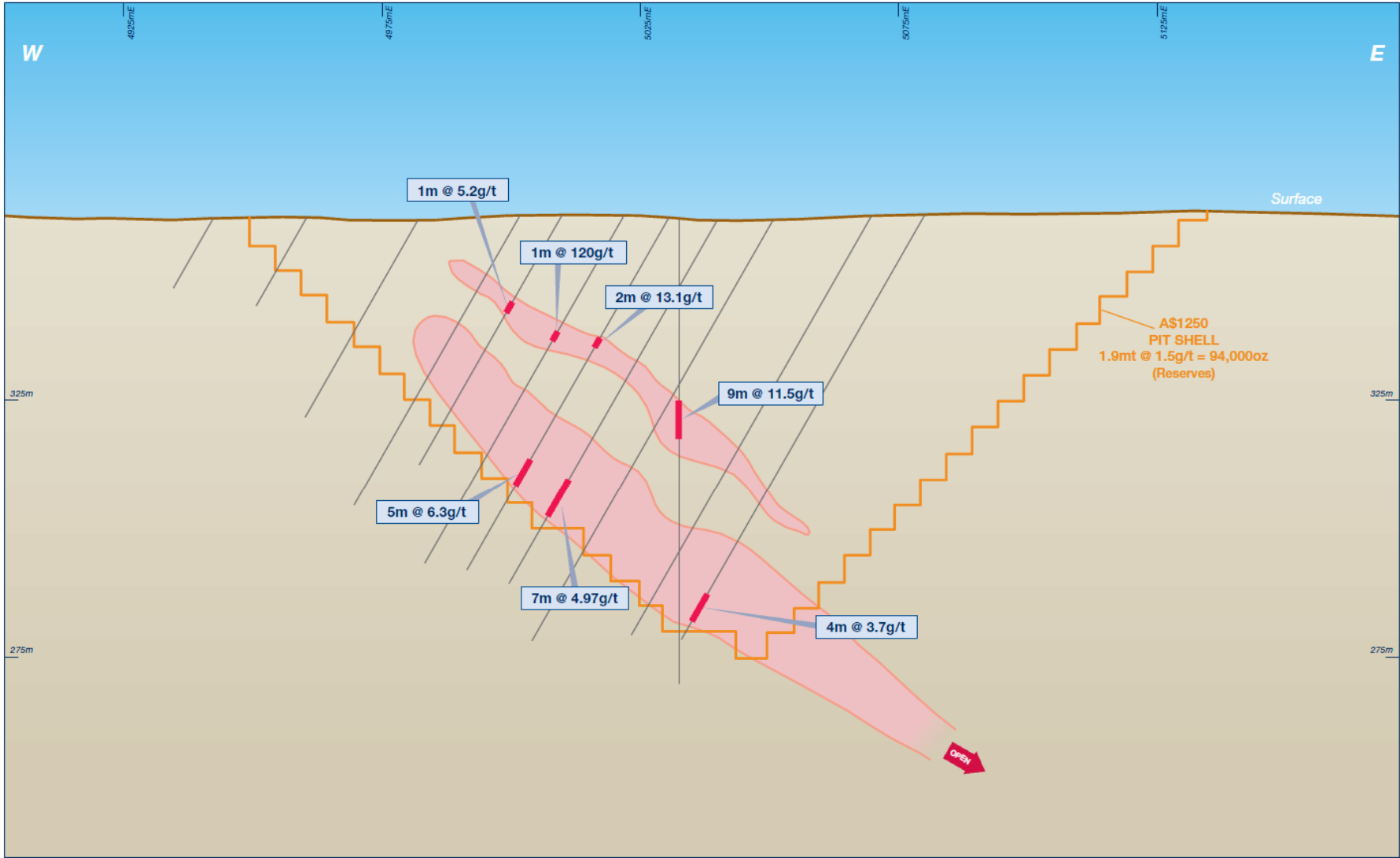
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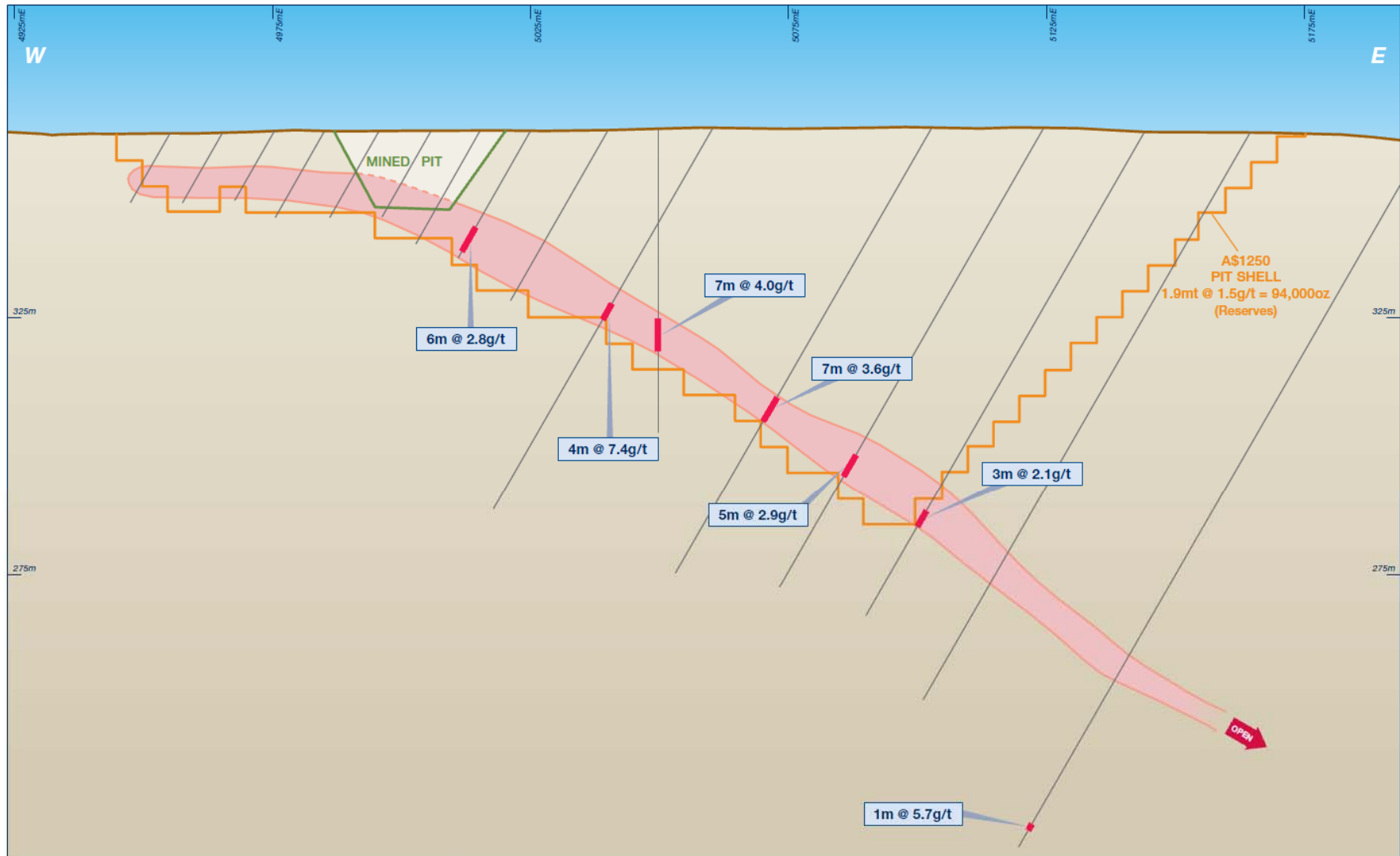


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MILLION DOLLAR

Cross Section  
19390m North



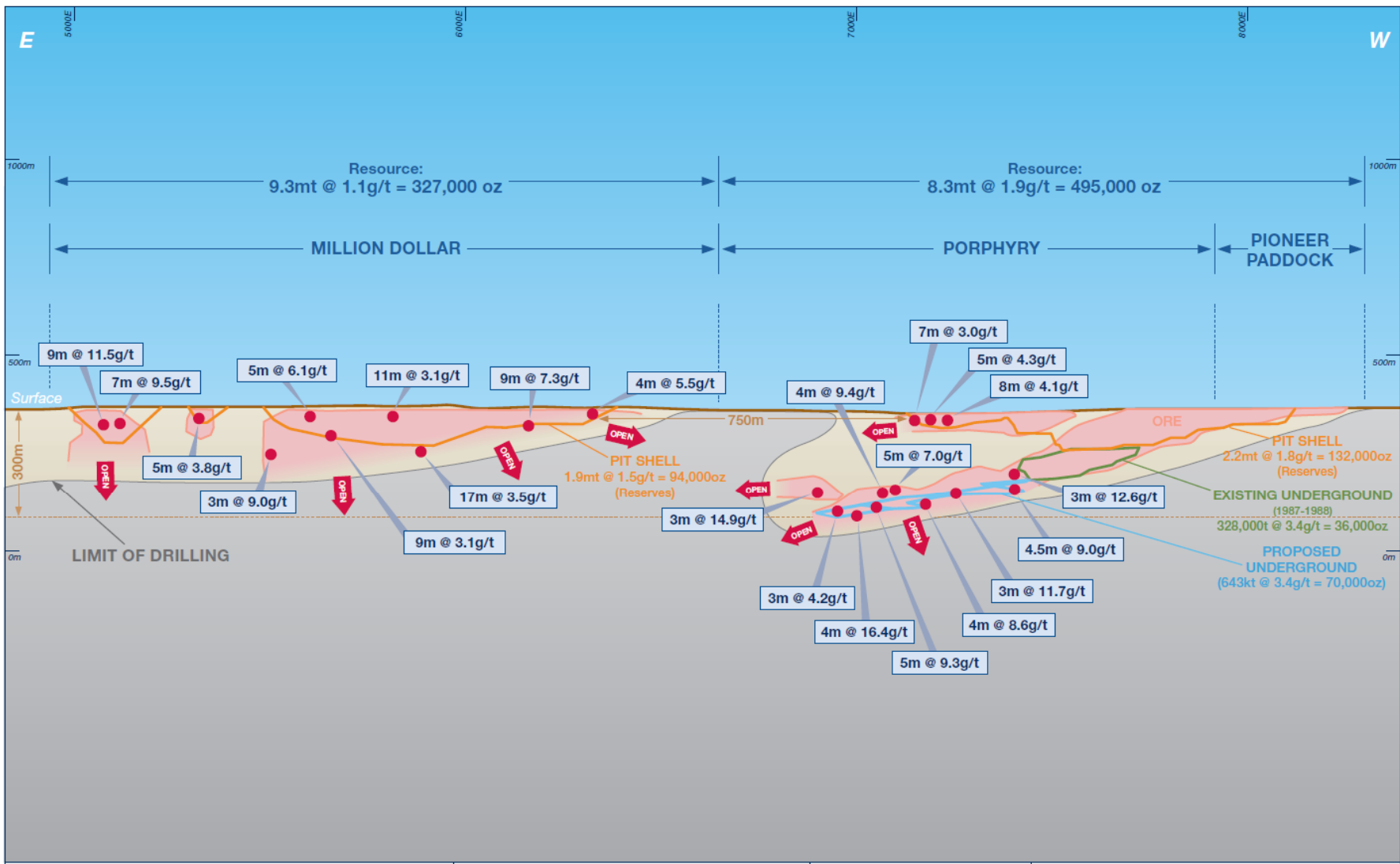


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MILLION DOLLAR

Cross Section  
19950m North

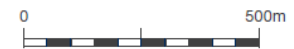




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**PORPHYRY  
MILLION DOLLAR**

Long Section



**GOLD RESOURCES STATEMENT**

**31 August 2010**

Deposit	Style	Measured (tonnes)	Indicated (tonnes)	Inferred (tonnes)	Au (g/t)	Ounces
Porphyry	O	1,943,000			1.5	94,000
	O		3,380,000		1.5	158,000
	O			1,250,000	1.2	48,000
	U		1,158,000		3.9	147,000
Whirling Dervish	U			566,000	2.6	48,000
	O	414,000			1.6	21,000
	O		9,713,000		1.4	436,000
Karari	O			1,203,000	1.1	44,000
	O	4,160,000			1.3	175,000
	O		5,718,000		1.4	265,000
Million Dollar	O			2,822,000	1.3	121,000
	O		7,705,000		1.1	282,000
	O			1,564,000	0.9	45,000
Wallbrook	O		4,718,000		1.3	205,000
	O			445,000	1.4	20,000
Red October	O		522,000		3.5	58,000
	O			3,000	1.6	0
	U		562,000		7.2	130,000
Montys Dam	U			18,000	3.3	2,000
	O	173,000			1.6	9,000
	O		625,000		1.4	27,000
Elliot's	O			335,000	1.3	14,000
	O	323,000			1.5	16,000
	O		425,000		1.7	23,000
North West	O			315,000	1.9	20,000
	O		247,000		0.9	7,000
	O			469,000	0.9	14,000
Margarets	O		894,000		1.4	40,000
	O			130,000	1.2	5,000
Enterprise	O		1,144,000		1.9	71,000
	O			236,000	1.5	11,000
Safari Bore	O	780,000			2.0	51,000
	O		1,358,000		2.3	101,000
	O			672,000	2.3	50,000
Deep South	O		665,000		2.6	56,000
	U		332,000		4.1	44,000
	U			754,000	4.6	110,000
Mexico	O			132,000	1.7	7,000
	U			137,000	2.8	13,000
Twin Peaks	U		291,000		4.0	38,000
	U			249,000	4.3	35,000
Thin Lizzie	O			208,000	1.5	10,000
Tin Dog	O			1,002,000	1.4	44,000
Bulldog	O			409,000	1.1	15,000
Crimson Belle	O		699,000		1.6	36,000
	O			446,000	1.4	21,000
Butcher Well	O		150,000		2.2	11,000
	O			160,000	2.7	14,000
Yundamindera	O		730,000		2.3	54,000
Surface Stockpiles	O		396,000		1.1	14,000
<b>Measured</b>		<b>7,793,000</b>			<b>1.5</b>	<b>365,000</b>
<b>Indicated</b>			<b>41,430,000</b>		<b>1.7</b>	<b>2,203,000</b>
<b>Inferred</b>				<b>13,525,000</b>	<b>1.6</b>	<b>711,000</b>
<b>TOTAL</b>				<b>62,749,000</b>	<b>1.6</b>	<b>3,279,000</b>

**Notes to accompany Resource Statement**

Historical mining activity has taken place by open pit at Karari, Safari Bore, Million Dollar (centre), Red October, Butcher’s Well, Twin Peaks, Safari Bore, Deep South, Mexico and Monty’s. Historical open pit and underground mining have been carried out at Porphyry. Minor workings exist at Wallbrook and Enterprise.

Saracen has been mining in 2010 by open pit at Porphyry and Whirling Dervish, and resources at these two deposits are depleted to end-August 2010. Surface Stockpiles have also been depleted for processed material.

Various top cuts have been applied based on statistical analysis mineralisation domain and deposit.

Ordinary Kriging has been used the resource estimation method.

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.

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

A summary of cut-off and other parameters relevant to each deposit is summarised below.

<b>Deposit</b>	<b>Open Pit Cutoff</b>	<b>UG Cutoff</b>	<b>Pit Base</b>	<b>Drill Spacing</b>
	<b>Au g/t</b>	<b>Au g/t</b>	<b>mRL</b>	
Porphyry	0.60	1.50	250	6x6 Grade Control to 50x50; typically 20m
Whirling Dervish	0.50		50	20x20 with 8x6 grade control in active pit area
Karari	0.50		50	5x5 Grade Control to 25x25; typically 25x12.5
Million Dollar	0.60		50	20x20 to 40x20
Wallbrook	0.60			20x20
Red October	1.30	2.50	270	20x20 to 40x40
Montys Dam	0.60			20x20 to 20x10
Elliots	0.60			20x20 to 20x10
North West	0.60			20x20 to 20x10
Margarets	0.60			20x20
Enterprise	0.60			20x20
Safari Bore	0.70			20x20 to 40x40
Deep South	0.70	2.00	300	20x20
Mexico	0.70	2.00	300	20x20
Twin Peaks		1.50	235	20x20
Thin Lizzie	1.00			40x20
Tin Dog	1.00			50x25
Bulldog	1.00			100x40
Crimson Belle	1.00			50x20
Butchers well	1.00			25x25
Yundamindera	1.00			20x20

## GOLD ORE RESERVES STATEMENT

Gold Deposit	Proposed Mining Style	Proved Reserve (tonnes)	Probable Reserve (tonnes)	Grade (g/t)	Contained Ounces
Whirling Dervish	O	372,000		1.6	19,000
	O		3,659,000	1.6	183,000
Porphyry	O	946,000		1.6	49,000
	O		1,275,000	2.0	83,000
Porphyry	U		643,000	3.4	70,000
Wallbrook	O		1,591,000	1.5	75,000
Enterprise	O		491,000	1.9	29,000
Deep South	O		253,000	3.6	29,000
Million Dollar	O		1,942,000	1.5	94,000
Safari Bore	O	362,000		2.0	23,000
	O		232,000	2.2	16,000
Karari	O	3,050,000		1.3	126,000
	O		1,437,000	1.6	75,000
Stockpiles	S		396,000	1.1	14,000
<b>Proved</b>		<b>4,730,000</b>		<b>1.4</b>	<b>217,000</b>
<b>Probable</b>			<b>11,919,000</b>	<b>1.7</b>	<b>668,000</b>
<b>Total</b>			<b>16,649,000</b>	<b>1.7</b>	<b>885,000</b>

### Notes to accompany Reserves Statement

1. All reserves are for open-pittable mineralisation, except for Porphyry UG which reflects a proposed underground mining operation.
2. Pit optimisations were run using Whittle and Micromine software, with key inputs as follows:
  - a. Resource models prepared by Saracen's resource geologists & external consultants.
  - b. Geotechnical, hydrogeological, mine operating and milling parameters estimated by reference to known current/ historical Carosue Dam data.
  - c. Australian dollar gold price of A\$1250 per ounce (hedge price) used for all pit optimisation and pit design purposes.
  - d. Planned mining dilution & mining recoveries are factored into the resource models assuming 120t class excavators.
  - e. Additional (unplanned) mining dilution & mining recoveries for each of the open-pittable deposits (based on the size, dip & geometry of the ore zones), and cut-off grades used are:
    - i. Whirling Dervish deposit: 12% dilution @ 0.00g/t & 98% recovery ; cut-off grade 0.7g/t
    - ii. Porphyry deposit: 17% dilution @ 0.00g/t & 98% recovery ; cut-off grade 0.8g/t
    - iii. Wallbrook deposit: 10% dilution @ 0.00g/t & 97.5% recovery ; cut-off grade 0.8g/t
    - iv. Enterprise deposit: 15% dilution @ 0.00g/t & 95% recovery ; cut-off grade 0.8g/t
    - v. Deep South deposit: 20% dilution @ 0.00g/t & 98% recovery ; cut-off grade 0.9g/t
    - vi. Million Dollar deposit: 15% dilution @ 0.00g/t & 98% recovery ; cut-off grade 1.0g/t
    - vii. Safari Bore deposit: 25% dilution @ 0.00g/t & 98% recovery ; cut-off grade 0.9g/t
    - viii. Karari deposit: 15% dilution @ 0.00g/t & 98% recovery ; cut-off grade 0.7g/t
  - f. Average plant processing recovery is 92.1 percent.
3. Mining costs based on current mining contracts at Carosue Dam.

4. Porphyry UG reserves are reported inside mineable design parameters. Unplanned mining dilution of 15% @ 0.5g/t and a mining recovery of 66% have been applied.
5. Metallurgical parameters based on a combination of previous mining and/or recent metallurgical test work.
6. Tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations.  
Rounding errors may occur.
7. The Porphyry and Whirling Dervish deposits, and surface stockpiles, have been depleted to the end of August 2010.

### **Competent Person Statements**

The information in this release relating to ore reserves has been compiled by Chris Burton. 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 and 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 of Exploration Results, Minerals Resources and Ore Reserves. Mr Burton consents to the inclusion in this release of the matters based on his information in the form and context that the information appears.

The information in this report that relates to Mineral resources has been compiled by Mr Lynn Widenbar BSc MSc DIC MAusIMM. Mr Widenbar, who is a member of the Australasian Institute of Mining and Metallurgy, is a consultant to Saracen Gold Mines Pty Ltd. Mr Widenbar 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 Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.