

REVIEW AND RESULTS OF OPERATIONS

Gold Resource Statement

Deposit	Proposed Mining Style	Indicated Resource Tonnes	Inferred Resource Tonnes	Gold Grade (g/t)	Contained Ounces
Whirling Dervish	O	4,900,000		2.0	310,000
	O		2,300,000	1.7	126,000
Elliots Lode	O	657,000		2.0	41,600
	O		50,200	1.8	3,000
Karari	O	1,400,000		1.9	85,500
Montys Dam	O	190,000		2.7	16,500
	O		20,000	3.3	2,100
Enterprise	O	469,000		2.6	38,500
	O		48,000	2.2	3,400
Margaret	O	85,000		1.7	5,000
Porphyry	O	5,800,000		1.8	335,000
	O		7,844,000	1.6	403,500
Yundamindera	O	730,000		2.3	54,000
Deep South	O	698,000		2.7	60,600
	U	456,000		5.4	79,200
	U		236,000	4.8	36,400
	U		111,000	5.6	20,000
Mexico	U				
Safari Bore	O	640,000		2.7	55,600
	O		78,000	2.6	6,500
Red October	U	628,000		8.1	164,000
	U		128,000	9.6	39,500
Red October Stockpile	S		130,000	1.4	5,900
Wallbrook	O	3,337,000		1.6	173,900
	O		1,053,000	1.8	60,350
Butcher Well	O	150,000		2.7	13,000
	O		160,000	3.5	18,000
Total			32,300,000	2.0	2,150,000

Notes:

- The tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations. Rounding errors will occur.
- Resources listed occur in both previously un-mined and mined deposits. Underground resources shown are all unmined deposits.
- Various top cuts have been applied to all resource calculations based on the deposit / domain variography and analysis of geostatistics.
- All tonnes and grades are reported at a 1.0 g/t lower cut-off grade. This results in a marked reduction for Wallbrook resources (previously 544,000 ounces), which were previously stated by the previous owner at a 0.5g/t cut-off grade.
- Proposed Mining styles include: O – Open-pit; U – Underground; and S – Stockpile.
- 3.5g/t lower cut-off grade applied to Deep South U/G, Mexico U/G and Red October U/G Resources.
- The following Resources stated in the Company's previous Resource Statement have been removed. Luvironza resources have been removed as it is now planned to use the existing pit for tailings disposal. Butcher Well stockpiles resources have been removed as the dumps containing them have been re-habilitated as part of the Company's environmental rehabilitation programme.
- Since completion and signing of the Directors' Report on 30 September 2008, and as foreshadowed in that report, the Company has completed its re-evaluation of the Gold Resources and Gold Ore Reserves. The total Gold Resources of 2.15 million ounces as published in the table above represents a reduction of the figure referred to in the Directors' Report.

Competent Person

The information in this report that relates to Mineral Resources is based on information compiled by Byron Dumpleton, Consulting Geologist. Byron is a Member of the Australasian Institute of Mining and Metallurgy. Byron has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration herein, as well as the activities they are undertaking, to qualify as a Competent person, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Byron consents to the inclusion in this report of the matters based on their information in the form in which it appears.

REVIEW AND RESULTS OF OPERATIONS

Gold Ore Reserves Statement

Deposit	Proposed Mining Style	Probable Reserve Tonnes	Gold Grade (g/t)	Contained Ounces
Whirling Dervish	0	1,596,000	2.0	103,000
Porphyry...##	0	2,290,000	1.7	122,000
Wallbrook	0	1,604,000	1.6	84,000
Enterprise	0	255,000	2.2	18,000
Deep South	0	331,000	3.2	34,000
Total		6,076,000 tonnes	1.9	361,000 ounces

Notes:

1. Definitive Feasibility Studies completed on the resources for the above mentioned pits comprised optimisations, pit design and costings. Pit optimisations were run using Whittle, 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 Carosue Dam historical data, and updated through the use of external consultants and contractors during the DFS.
 - c. Australian dollar gold price of \$920 per ounce used for 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 deposits (based on the size, dip & geometry of the ore zones) are:
 - i. Whirling Dervish deposit: 2.5% dilution @ 0.25g/t & 98% recovery
 - ii. Porphyry deposit: 10% dilution @ 0.25g/t & 98% recovery
 - iii. Wallbrook deposit: 2.5% dilution @ 0.25g/t & 98% recovery
 - iv. Enterprise deposit: 10% dilution @ 0.25g/t & 98% recovery
 - v. Deep South deposit: 12.5% dilution @ 0.25g/t & 98% recovery
 - f. Average plant processing recovery is 94 percent.
2. ## The Porphyry Reserves have been re-evaluated as part of the DFS, following RC drilling and remodelling, and previously stated reserves have been subject to a downward revision.
3. Mining costs based on recent contractor submissions, and reconciled with known operating conditions and further research by Saracen's General Manager-Operations.
4. Metallurgical parameters based on a combination of previous mining and/or recent metallurgical testwork as part of the DFS.
5. Rounding errors will occur.

Competent Person

The information in this report that relates to Ore Reserves is based on information compiled by Raleigh Finlayson, General Manager-Operations. Raleigh is a Member of the Australasian Institute of Mining and Metallurgy. Raleigh has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration herein, as well as the activities they are undertaking, to qualify as a Competent person, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Raleigh consents to the inclusion in this report of the matters based on their information in the form in which it appears.