

REVIEW AND RESULTS OF OPERATIONS

Gold Resource Statement

Deposit	Mining Style	Indicated Resource Category Tonnes	Inferred Resource Category Tonnes	Gold Grade (g/t Au)	Contained Gold (oz)
Whirling Dervish	O	3,400,000		2.1	229,500
	O		1,117,000	1.9	68,200
Elliot's Lode	O	585,000		2.3	43,300
	O		47,000	1.5	2,300
Karari	O	1,400,000		1.9	85,500
Luvironza	O		2,100,000	1.3	87,800
Monty's Dam	O	190,000		2.7	16,500
	O		20,000	3.3	2,100
Enterprise	O	504,000		2.4	38,900
	O		130,000	2.5	10,400
Margaret	O	85,000		1.7	4,600
Porphyry	O	3,800,000		2.0	244,300
	O		282,000	1.5	13,600
Yundamindera	O	730,000		2.3	54,000
Deep South	O	590,000		2.3	43,600
	U		750,000	5.4	130,200
Deep South-Mexico	O		140,000	1.5	6,800
	U		215,000	4.9	33,900
Safari	O	640,000		2.7	55,600
	O		78,000	2.6	6,500
Red October	U		393,000	8.4	106,100
	O	577,000		4.0	74,200
Red October Stockpile	O		321,000	5.5	56,800
	S		130,000	1.4	5,900
Butcher Well	O	150,000		2.7	13,000
	O		160,000	3.5	18,000
Butcher Well Stockpile	S	80,000		1.7	4,400
TOTAL Indicated & Inferred Resources			18,614,000 tonnes	2.4 g/t	1,456,000 ounces

Notes:

- The tonnages, grades and contained metal have been rounded to reflect the accuracy of the calculations and the subsequent compilation. Rounding errors will occur.
- Open pittable Resources are contained in several unmined deposits, as well as remnant mineralisation within the key deposits recently subject to mining activity.
- Various top cuts applied, subject to variography and statistical analysis.
- For Red October Underground, a lower cut of 3.5g/t and a top-cut of 100g/t were applied.
- For Deep South Underground, a lower cut of 3.5g/t and a top-cut of 100g/t were applied.
- O means open-pittable, U means underground, and S means surface stockpile.
- Approximately 88,000 ounces of Resources occur within tenements that are the subject to complaints and/or objections. Notwithstanding that Saracen will defend these actions, these resources might be removed if the complaints and/or objections are successful and the DoIR does not limit its directions to the mere imposition of fines.

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Wallbrook Project Resources

Jackson has in its 2006 Annual Report, as well as other pertinent ASX releases, published the following JORC Resource statement for the Wallbrook project: -

Gold Deposit	Measured Resource	Indicated Resource	Inferred Resource	Total	Gold Ounces
Eleven Bells	873,300t @ 1.57g/t	2,074,400t @ 1.75g/t	852,800t @ 2.11g/t	3,800,500t @ 1.79g/t	218,700
Redbrook	1,089,200t @ 1.18g/t	2,627,800t @ 1.04g/t	432,800t @ 1.02g/t	4,149,800t @ 1.07g/t	142,700
Red Flag	165,300t @ 2.12g/t	702,600t @ 1.90g/t	224,100t @ 1.45g/t	1,092,000t @ 1.84g/t	64,600
Crusader		1,252,000t @ 1.48g/t	1,199,600t @ 1.52g/t	2,451,600t @ 1.50g/t	118,200
Total				11,494,000t @ 1.5g/t	544,000

Notes:

- Eleven Bells resource excludes material below 185m from surface.
- Bottom-cut grade is 0.5g/t
Top-cut grades are 8g/t for Oxide material, 10g/t for Transitional material, and 12g/t for Fresh material.
- Measured SG's are: -

Oxide	2.4
Transitional	2.55
Fresh Volcanic	2.75
Fresh Granite	2.7
- Resource grade interpolation using inverse-distance-squared method.

Gold Ore Reserves Statement

Gold Deposit	Probable Reserve Tonnes	Gold Grade (g/t Au)	Ounces
Whirling Dervish	1,445,000	2.2	103,000
Porphry...##	2,386,000	2.1	161,000
Enterprise	225,000	2.4	18,000
Deep South O/C	242,000	4.2	33,000
Total	4,298,000 tonnes	2.3 g/t	314,000 ounces

Notes:

- Mining studies completed on the Resources for the above mentioned pits comprised optimisations, pit design and costings. Pit optimisations were run using NPV Scheduler, with key inputs as follows.
- Resource Models prepared by Saracen's Principal Geologist-Technical Services and General Manager-Exploration.
- 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.
- Australian dollar gold price of \$700 per ounce used for pit optimisation and design purposes.
- Plant recovery of 93 percent.
- ...## Porphyry reserves are presently being re-evaluated as part of the DFS, following recent RC drilling, and are subject to a downward revision.
- Mining costs based on contractor submissions, and reconciled with known operating conditions and further research by Saracen's General Manager-Operations.
- Metallurgical parameters based on previous work at each of the three proposed pits.