

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	43,200
	O		47,000	1.5	2,200
Karari	O	1,400,000		1.9	84,000
Luvironza	O		2,100,000	1.3	86,000
Monty's Dam	O	190,000		2.7	16,000
	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	4,500
Porphyry	O	3,800,000		2.0	244,300
	O		282,000	1.5	13,600
Yundamindera	O	730,000		2.3	53,000
Deep South	O	200,000		4.2	28,000
	O		12,000	2.3	900
	U		730,000	4.7	110,000
Safari	O	640,000		2.7	56,000
	O		78,000	2.6	6,500
Red October	U	140,000		9.7	44,000
	U		210,000	9.1	62,000
Red October Stockpile	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			17,200,000 tonnes	2.3 g/t	1,250,000 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 claims and/or objections. Notwithstanding that Saracen will defend these actions, these resources might be removed if the claims and/or objections are successful and the DoIR does not limit its directions to the mere imposition of fines.

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Gold Ore Reserves Statement

Gold Deposit	Probable Reserve Tonnes	Gold Grade (g/t Au)	Ounces
Whirling Dervish	1,445,000	2.2 g/t	103,000
Porphyry	2,386,000	2.1 g/t	161,000
Enterprise	225,000	2.4 g/t	18,000
Total	4,056,000 tonnes	2.2 g/t	281,000 ounces

Notes:

1. 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.
2. Resource Models prepared by Saracen's Principal Geologist-Technical Services and General Manager-Exploration.
3. 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.
4. Australian dollar gold price of \$700 per ounce used for pit optimisation and design purposes.
5. Plant recovery of 93 percent.
6. Mining costs based on contractor submissions, and reconciled with known operating conditions and further research by Saracen's General Manager-Operations.
7. Metallurgical parameters based on previous work at each of the three proposed pits.

Competent Persons

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves (except for Karari, Luvironza, Monty's Dam, Margaret, Yundamindra, Deep South, Safari, Red October and Butcher Well) is based on information compiled by Mark Pitt, General Manager-Operations, and Peter Kitto, Principal Geologist-Technical Services, both full time employees of the Company. Mark Pitt and Peter Kitto are Fellows of the Australasian Institute of Mining and Metallurgy. They have 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 Competent Persons, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mark Pitt and Peter Kitto consent to the inclusion in this report of the matters based on their information in the form in which it appears.

The information in this report that relates to Exploration Results or Mineral Resources for Karari, Luvironza, Monty's Dam, Margaret, Yundamindra, Deep South, Safari, Red October and Butcher Well is based on the information compiled by Guido Staltari, a consultant to the Company. Guido Staltari is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration herein, as well as the activities he is 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. Guido Staltari consents to the inclusion in this report of the matters based on his information in the form in which it appears.