10 March 2015

ASX & MEDIA RELEASE

RED OCTOBER EXPLORATION UPDATE

The Directors of Saracen Mineral Holdings Limited (**ASX: SAR**) ("Saracen" or the "Company") are pleased to provide an update on exploration activities from the Red October underground mine. Recent high grade drilling results have highlighted the potential to extend the limits of the current ore reserve in coming months.

Red October Significant intercepts include:

- **ROEX030 – 1.3m @ 10.5 g/t from 263.4.0m (estimated true width 1.0m)**
- **ROEX032 – 3.1m @ 94.9 g/t from 131.2m (estimated true width 2.4m)**
- **RORD070 – 1.3m @ 35.9g/t from 142.6m (estimated true width 0.9m)**
- **RORD075 – 3.0m @ 19.2g/t from 25.7m (estimated true width 1.7m)**
- **RORD076 – 0.3m @ 337.0g/t from 95.0m (estimated true width 0.15m)**
- **ROGC449 – 0.4m @ 78.3g/t from 15.9m (estimated true width 0.3m)**
- **ROGC436 – 0.3m @ 47.6g/t from 89.1m (estimated true width 0.2m)**

Red October Highlights include:

- Red October resource extension drilling identifies mineralisation south of the Anchor lode;
- Grade control drilling confirms high grade continuity of the current mine plan;
- High grade zone identified north of the mine with further drilling planned.

Comments from Managing Director, Raleigh Finlayson:

"Continued excellent drilling results from the Red October underground mine has highlighted the potential to grow the ore reserves in the near future, specifically along strike, where we continue to discover high grade, cross cutting structures that materially enhance the overall project. These structures are also accessible from existing development areas.

"Drilling highlights including 3.1m @ 94.9g/t and 1.3m @ 35.9g/t which, coupled with other recent results including 3.7m @ 120.8g/t and 1.8m @ 216.3g/t from directly below the current mine plan, underscores the near mine potential that will support continued high grade production. The record production of 21,511 ounces @ 8.43g/t during the December 2014 quarter emphasised the increased grade tenor coming from the mine."

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Resource extension activities have focused on testing areas proximal to key high grade corridors previously identified. (Refer to Figure 1 below.) These corridors are adjacent to the intersection of the "Smurf" and "Anchor" lodes with the main footwall lode. Recent drilling has identified a new prospective area to the north. This drilling has identified structures analogous to the "Smurf" and "Anchor" lodes with narrow, high grade intersections observed. (Refer to Figure 2 below.)

This new northern target area is the result of following up historical surface drilling (**ROD065 - 0.8m @ 79.2g/t**) which is located in the footwall basalt sequence. As the mine develops, the importance of small scale (0.3 to 1.0 metre) high grade mineralised structures is being appreciated. The follow up drilling intersected "Anchor" style mineralisation, returning a significant result of (**RORD055 - 0.35m @ 32.0g/t**). The characteristics and orientation of these structures highlights the potential that additional high grade corridors are still to be discovered.

To the south of the mine, attention has been focused on understanding the repositioning of the stratigraphy and the structures controlling the discontinuity. Drilling has demonstrated that mineralised structures in the "Anchor" orientation are likely to be the cause for the westerly shift in the stratigraphic sequence. This aligns well with both historical drilling and more recent underground programs. The underground drilling is more optimally orientated than the previous surface programs, which has resulted in a better structural understanding and interpretation relative to historical data.

For further information please contact:

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Competent Persons Statement:

The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based upon information compiled by Mr Daniel Howe, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Daniel Howe is a full-time employee of the company. Daniel Howe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves'. Daniel Howe consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

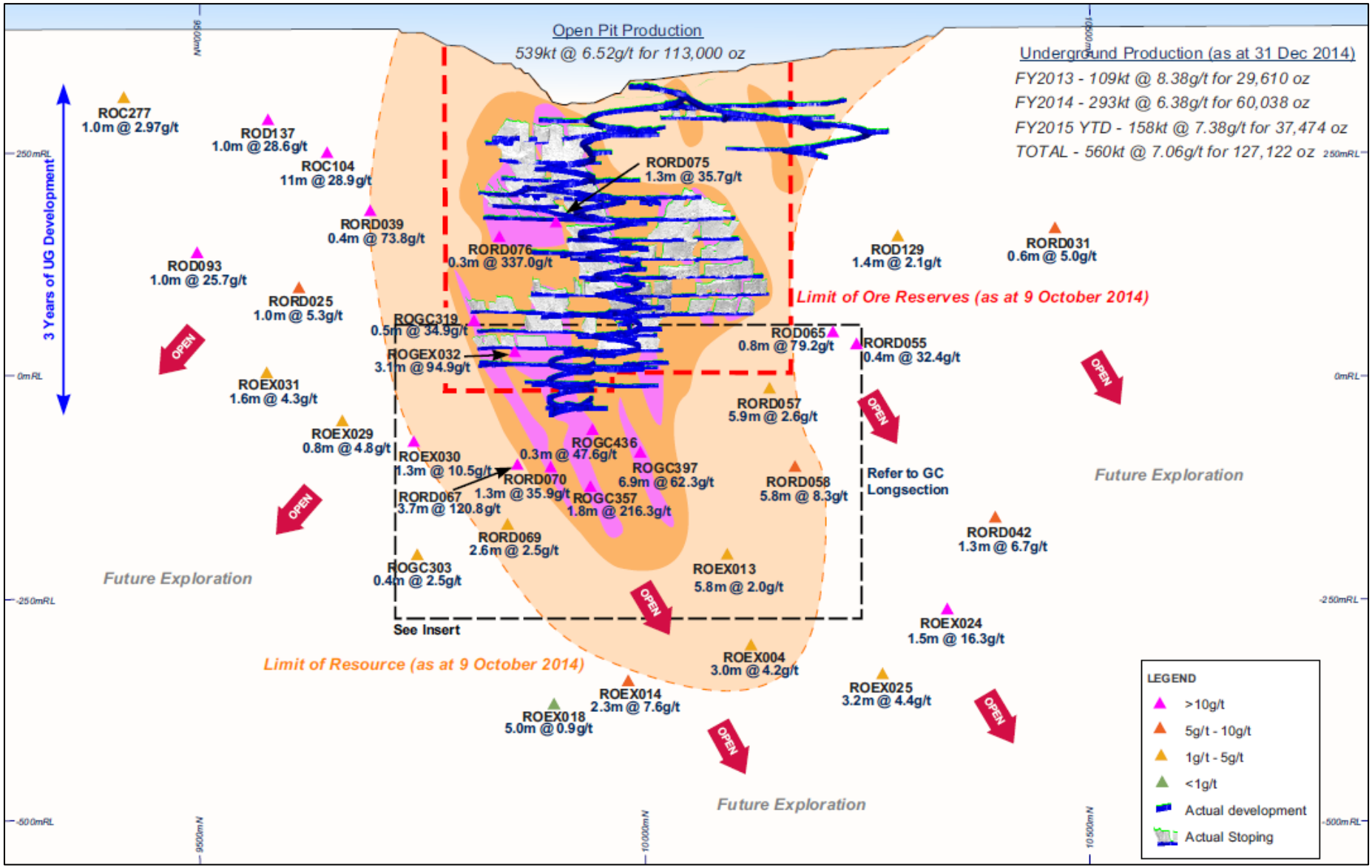


Figure 1 – Red October long section – Exploration plan. (Refer to Figure 2 below for detailed diagram of insert area)

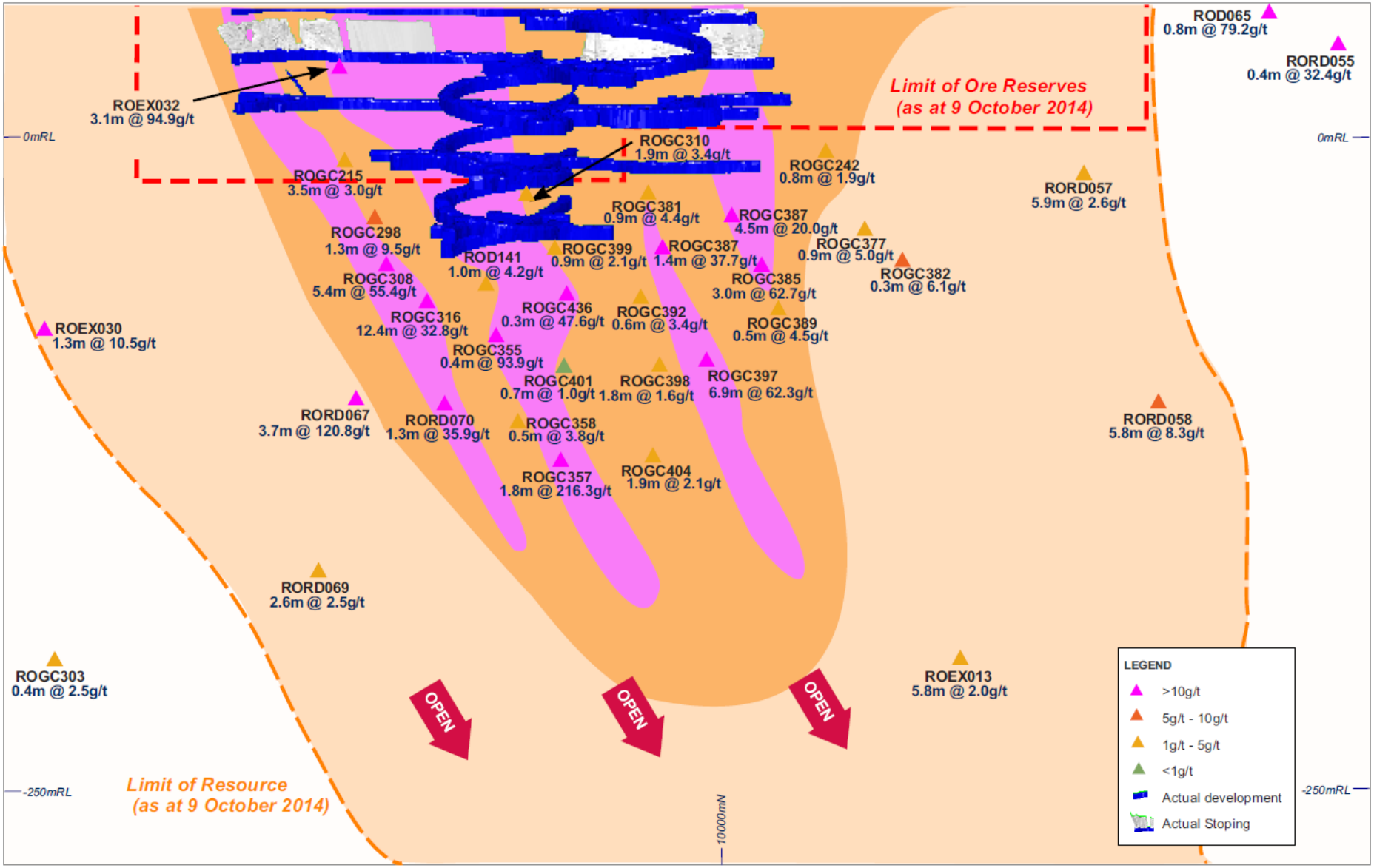


Figure 2 – Red October long section of insert area.

Summary of Drill Results

RED OCTOBER DRILLING MARCH 2015										Downhole	
Hole	Easting	Northing	RL	Depth	Azimuth	Dip		From (m)	To (m)	Width (m)	Grade g/t
ROEX029	442845.25	6767983.535	45	371.4	210.07	-14.5		334.3	335.1	0.8	4.80
ROEX030	442846.02	6767982.647	45.699	411.1	-25.26	210.4		263.4	264.7	1.3	10.50
							and	295	297.6	2.6	3.15
							and	325.3	325.6	0.3	2.68
							and	349.8	350.5	0.7	4.91
							and	407.7	408.4	0.7	4.71
ROEX031	442846.31	6767982.357	46.438	438.1	-3.56	203.8		341.4	342.2	0.8	6.82
							and	421.1	422.7	1.6	4.30
ROEX032	442846.54	6767982.021	46.227	437.8	-8.74	198.1		9.9	13.7	3.8	5.95
							and	131.2	134.3	3.1	94.89
							and	191.3	191.6	0.3	14.60
ROGC419	442984.1	6767732.427	-5.429	177.1	-41.3	309.3		157.5	158.1	0.6	3.09
ROGC422	442983.31	6767729.699	-5.481	192	-45.36	310.1		16	16.3	0.3	5.46
							and	166.8	167.1	0.3	4.48
							and	184.8	185.1	0.3	67.70
							and	190.1	190.4	0.3	49.40
ROGC427	442989.05	6767866.679	3.05	191.4	-37.44	252.6		94.1	94.5	0.4	45.70
							and	182.5	182.8	0.3	2.80
ROGC428	442921.38	6767918.786	3.05		-64.2	113.8	results pending				
ROGC429	442989.05	6767866.679	3.05	212.6	-45.8	246.9		166.8	167.2	0.4	4.33
							and	171.1	171.6	0.5	2.61
							and	177.5	177.8	0.3	2.70
							and	204.7	205.3	0.6	2.62
							and	206.1	207.8	1.7	3.13
ROGC431	442989.05	6767866.679	3.05	230.8	-51.52	247		153.8	154.5	0.7	4.90
							and	182.7	183	0.3	30.30
							and	223.6	225.8	2.2	3.07
							and	229.5	230.1	0.6	2.74
ROGC432	442999.3	6767746.973	181.685	62.5	-18.05	209.3	no significant assays				
ROGC433	442999.26	6767747.854	181.29	47.7	-37.04	218.8		34.8	35.5	0.7	5.80
							and	38.5	39.1	0.6	2.53
ROGC434	442990.19	6767722.851	185.777	102	-25.42	193	no significant assays				
ROGC435	442990.1	6767722.824	185.497	74.9	-36.41	198.2		70.4	74.3	3.9	24.96
ROGC436	442989.05	6767866.679	3.05	222	-47.43	257.8		15.3	16.3	1	6.43
							and	25.1	25.7	0.6	2.51
							and	89.1	89.4	0.3	47.60
							and	208.1	208.4	0.3	3.41
							and	217.1	217.6	0.5	4.96
ROGC439A	442989.05	6767866.679	3.05	242.9	-52.67	270.5	results pending				
ROGC440	442989.05	6767866.679	3.05	270	-57	258.5	results pending				
ROGC442	442999.14	6767748.663	181.507	36.1	-38.78	256.2		26.8	27.3	0.5	3.30
ROGC443	442983.34	6767729.553	-6	163.6	-29.9	293.5	results pending				
ROGC446	442864.69	6767751.502	7.316	27.1	25.01	103.7		22.6	22.9	0.3	14.30
ROGC447	442863.65	6767751.044	7.108	41.8	24.01	135.2		23.2	23.6	0.4	49.70
ROGC448	442900.97	6767783.699	3.789	33.3	-22.87	313		25.5	26	0.5	4.86
ROGC449	442901.81	6767784.353	1002789	32.9	-34	292.5		15.9	16.3	0.4	78.30
ROGC450A	442885.79	6767773.315	4.686	105	-28.26	310.2		15.3	15.7	0.4	3.18
							and	35.7	48.6	12.9	3.00
							and	58.1	58.6	0.5	3.10
ROGC452	442869.21	6767758.281	4.474	66	-21.03	314.2		6.9	7.3	0.4	2.65
							and	11.4	11.9	0.5	10.60
							and	46.6	47.2	0.6	4.15
ROGC453	442900.56	6767790.533	2	54.1	-26.41	276.4	no significant assays				
ROGC454	442990.04	6767731.323	140.181	193	20.36	255.4	results pending				
ROGC455	442990.04	6767731.323	140.181	228	16.7	247.6	results pending				
ROGC456	442990.04	6767731.323	140.181	231	4.2	251.1	results pending				
RORD069	442983.86	6767732.037	-5.334	218.35	-49.94	298.5		98.4	98.7	0.3	4.31
							and	207.1	209.1	2	3.28
							and	212	214	2	2.84
RORD070	442984.09	6767732.515	-5.547	228.2	-41.27	316.7		142.3	143.6	1.3	35.88
							and	147.7	148	0.3	5.09
							and	162.6	163.6	1	7.65
							and	171.7	172.7	1	6.95
RORD071	443006.68	6767735.543	-28.896	131	-43.3	326.9	no significant assays				
RORD072	443006.55	6767735.052	-28.837	95.8	-62.28	317.4	no significant assays				
RORD073	443012.01	6767736.174	-29.09	128.6	-41.31	345.4	no significant assays				
RORD074	443012.47	6767736.128	-29.09	110.3	-51.5	358.9	no significant assays				
RORD075	442981.56	6767777.365	175.817	84	-18.26	149.9		18.4	20.3	1.9	5.33
							and	23.7	26.7	3	19.23
							and	30.4	31.6	1.2	13.32
							and	71.7	72.1	0.4	39.70
RORD076	442981.35	6767777.407	175.864	117	-15.44	202.1		18.2	21.2	3	3.08
							and	22.5	23.3	0.8	2.50
							and	95	95.3	0.3	337.00

About Saracen

Saracen Mineral Holdings Limited (ASX:SAR) owns 100% of the Carosue Dam operations, 120 km NE east of Kalgoorlie, in the South Laverton region of WA, home to many other gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby.

Carosue Dam's 2.4 million tonne per annum processing plant produced 136,168 ounces of gold in FY2013 and is forecast to produce approximately 125-135,000oz in FY2014 and FY2015.

As at 30 June 2013, the Carosue Dam Operations Mineral Resources was 3.9 million ounces of gold, while Ore Reserves were 0.9 million ounces of gold.

Gold production is from the Whirling Dervish open pit mine, supplemented by high grade underground operations at the Red October underground mine.

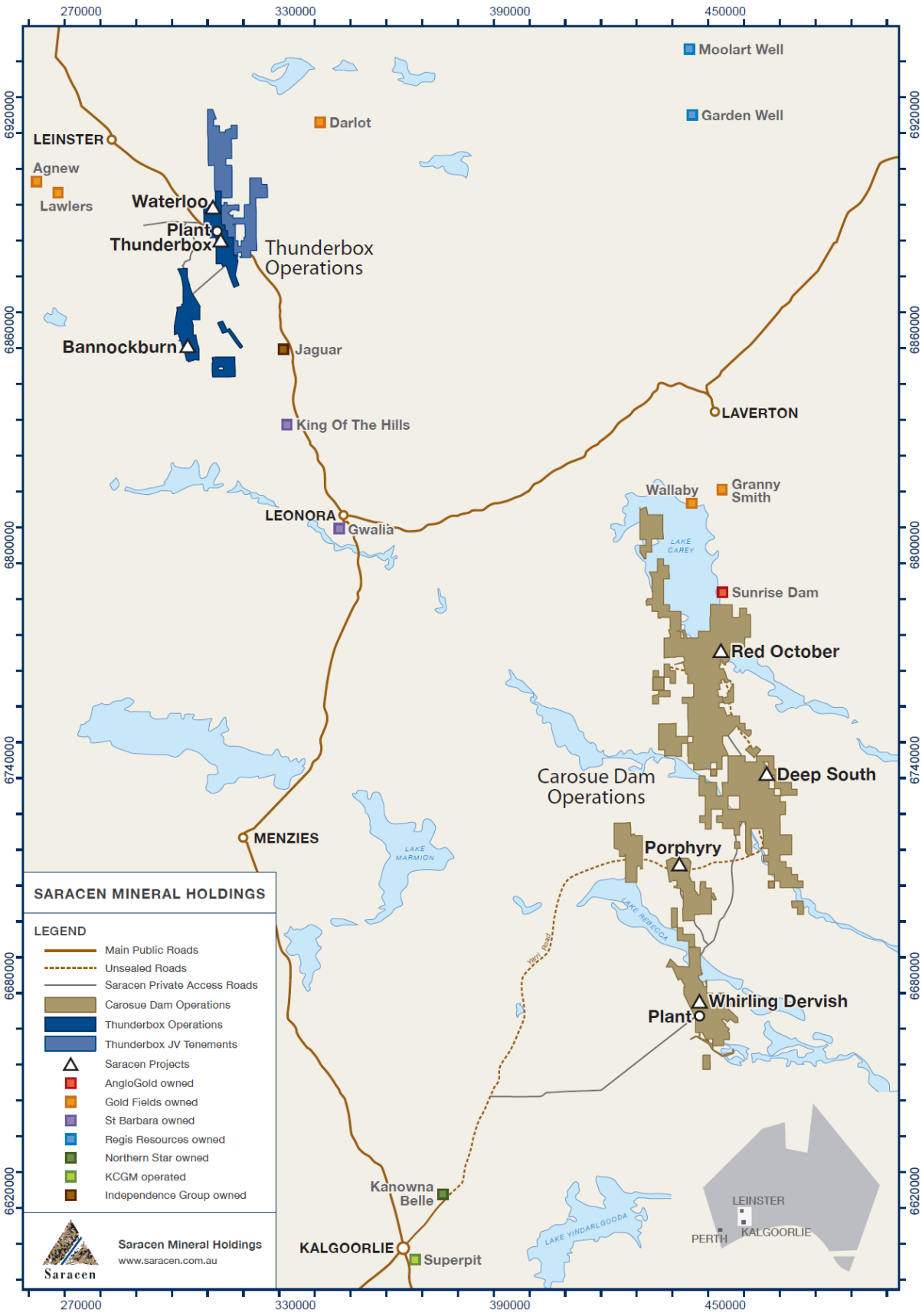
In May 2014, Saracen completed the acquisition of the Thunderbox Operations, located approx 45 kms south of Leinster in WA. The Thunderbox Operations are on care and maintenance and include the Thunderbox and Bannockburn gold mines as well as the Waterloo nickel mine. There is also a 2.5 million tonne per annum CIL processing plant and associated infrastructure.

The Thunderbox Deposit was discovered in 1999. Gold production totalled 805,000 ounces when processing operations ended in September 2007. Thunderbox produced at an average cash cost of US$290/oz with a cash cost in the final year of operation of US$481/oz.

At January 2014, the Thunderbox Operations Mineral Resources stands at 2.0 million ounces of gold, while Ore Reserves stand at 0.7 million ounces of gold.

Total Mineral Resources for Saracen stands at 6.0 million ounces of gold and 1.6 million ounces of Ore Reserves.

For the location of Saracen's projects, refer to the map below.



Saracen's Thunderbox & Carosue Dam Operations

JORC 2012 Table 1 Red October

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Sampling activities conducted at Red October by Saracen include reverse circulation (RC), surface and underground diamond drilling (DD) and underground face chip sampling. Historic sampling methods conducted since 1989 have included aircore (AC), rotary air blast (RAB), RC and surface and underground DD holes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Sampling for RC, DD and face chip sampling is carried out as specified within Saracen sampling and QAQC procedures as per industry standard. RC chips and NQ diamond core provide high quality representative samples for analysis. RC, RAB, AC and surface DD drilling completed by previous holders is assumed to adhere to industry standard at that time (1989- 2004).
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. *Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information*	Saracen sampling activities have been carried out to industry standard. Reverse circulation drilling is used to obtain 1m samples, diamond core is sampled to geological intervals (0.2m to 1.2m) and cut into half core and UG faces are chip sampled to geological intervals (0.2 to 1m), with all methods producing representative samples weighing under 3kg. Samples are selected to weigh less than 3 kg to ensure total sample inclusion at the pulverisation stage. Saracen core and chip samples are crushed, dried and pulverised to a nominal 90% passing 75µm to produce a 40 g sub sample for analysis by FA/AAS. Visible gold is occasionally encountered in drillcore and face samples. Historical AC, RAB, RC and diamond sampling is assumed to have been carried out to industry standard at that time. Analysis methods include fire assay, aqua regia and unspecified methods.
Drilling Techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube,depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method,etc.).*	The deposit was initially sampled by 495 AC holes, 73 RAB holes, 391 RC holes (assumed standard 5 ¼'' bit size) and 159 surface diamond NQ and HQ core holes. 5 RC holes were drilled using a 143mm diameter bit with a face sampling hammer. The rig was equipped with an external auxiliary/ booster. Saracen has previously completed 6 reverse circulation drillholes, 9 surface HQ and NQ diamond drillholes, 258 underground NQ diamond drill holes and sampled 622 underground faces. All diamond drill core has been oriented using an Ezi-mark tool.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
		Some historic surface diamond drill core appears to have been oriented by unknown methods.
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC chip recoveries are recorded in the database as a percentage based on a visual weight estimate. Underground and surface diamond core recoveries are recorded as percentages calculated from measured core versus drilled metres, and intervals are logged and recorded in the database. Diamond core recoveries average >90%. Limited historic surface sampling and surface diamond recoveries have been recorded.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	During RC drilling daily rig inspections are carried out to check splitter condition, general site and address general issues. Ground condition concerns led to extensive hole conditioning meaning contamination was minimised and particular attention was paid to sample recovery. Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against depth given on the core blocks. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody. Historical AC, RAB, RC and diamond drilling to industry standard at that time.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	There is no known relationship between sample recovery and grade for RC drilling. Diamond drilling has high recoveries due to the competent nature of the ground meaning loss of material is minimal. Any historical relationship is not known.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature.* *Core (or costean, channel, etc) photography.*	Logging of all RC chips and diamond drill core is carried out. Logging records lithology, mineralogy, texture, mineralisation, weathering, alteration and veining. Logging is both qualitative and quantitative in nature. Geotechnical and structural logging is carried out on all diamond core holes to record recovery, RQD, defect number, type, fill material, shape and roughness and alpha and beta angles. Core is photographed in both dry and wet state. All faces are photographed and mapped. Qualitative and quantitative logging of historic data varies in its completeness. Some surface diamond drill photography has been preserved.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
	The total length and percentage of the relevant intersections logged	All RC and diamond drillholes are logged in full and all faces are mapped. Historical logging is approximately 95% complete, some AC, RAB and RC precollar information is unavailable.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All diamond core is cut in half onsite using an automatic core saw. Samples are always collected from the same side.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC drilling has been cone split and was dry sampled. UG faces are chip sampled using a hammer. AC, RAB and RC drilling has been sampled using spear, grab, riffle and unknown methods.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of RC chips, diamond core and UG face chips adhere to industry best practice. It is conducted by a commercial laboratory and involves oven drying, coarse crushing then total grinding using an LM5 to a grind size of 90% passing 75 microns. Best practice is assumed at the time of historic sampling.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	All subsampling activities are carried out by commercial laboratory and are considered to be satisfactory. Sampling by previous holders is assumed to adhere to industry standard at the time.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second halfsampling.	RC field duplicate samples are carried out at a rate of 1:20 and are sampled directly from the on-board splitter on the rig. These are submitted for the same assay process as the original samples and the laboratory are unaware of such submissions. No duplicates have been taken of UG diamond core or face samples. Sampling by previous holders assumed to be industry standard at the time.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes of 3kg are considered to be appropriate given the grain size (90% passing 75 microns) of the material sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	A 40 gram fire assay with AAS finish is used to determine the gold concentration for RC chip, UG diamond core and face chip samples. This method is considered one of the most suitable for determining gold concentrations in rock and is a total digest method. Historic sampling includes fire assay, aqua regia and unknown methods.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their	No geophysical tools were utilised for reporting gold mineralisation.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
	derivation, etc.	
	Nature of quality control procedures adopted (e.g.standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e.lack of bias) and precision have been established.	Certified reference material (standards and blanks) with a wide range of values are inserted into every RC, diamond drillhole and UG face to assess laboratory accuracy and precision and possible contamination. These are not identifiable to the laboratory. QAQC data returned are checked against pass/fail limits with the SQL database and are passed or failed on import. A report is generated and reviewed by the geologist as necessary upon failure to determine further action. QAQC data is reported monthly and demonstrates sufficient levels of accuracy and precision. Sample preparation checks for fineness are carried out to ensure a grindsize of 90% passing 75 microns. The laboratory performs a number of internal processes including standards, blanks, repeats and checks. Industry best practice is assumed for previous holders. . Historic QAQC data is stored in the database but not reviewed.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intercepts are verified by the Geology Manager and corporate personnel.
	The use of twinned holes.	No specific twinned holes have been drilled at Red October but underground diamond drilling has confirmed the width and grade of previous exploration drilling.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols	Primary data is collated in a set of excel templates utilising lookup codes. This data is forwarded to the Database Administrator for entry into a secure acQuire database with inbuilt validation functions. Chips from RC drillholes are stored in chip trays for future reference. Remaining half core is stored in core trays and archived on site Hard copies of face mapping and sampling records are kept on site. Data from previous owners was taken from a database compilation and was validated as much as practicable before entry into the Saracen acQuire database.
	Discuss any adjustment to assay data.	No adjustments have been made to assay data. First gold assay is utilised for resource estimation. Reassays carried out due to failed QAQC will replace original results, though both are stored in the database.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All drillhole collar s are picked up by company surveyors using a Leica TS15i (total station) with an expected accuracy of +/-2mm. Underground faces are located using a Leica D5 disto with and accuracy of +/- 1mm from a known survey point.

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
		Exploration RC holes have been gyroscopically downhole surveyed by ABIMS where possible once drilling is completed. Surveys are carried out every 30m downhole during RC and diamond drilling using an Eastman single shot camera. Previous holders' survey accuracy and quality is generally unknown.
	Specification of the grid system used.	A local grid system (Red October) is used. It is rotated 44.19 degrees east of MGA_GDA94. The two point conversion to MGA_GDA94 zone 51 is ROEast RONorth RL MGAEast MGANorth RL Point 1 5890.71 10826.86 0 444223.25 6767834.66 0 Point 2 3969.83 9946.71 0 442233.31 6768542.17 0 Historic data is converted to Red October local grid on export from the database.
	Quality and adequacy of topographic control.	DGPS survey has been used to establish a topographic surface.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The nominal spacing for the reported results are not uniform and therefore a definitive drill spacing will not be quoted
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not all data reported meets the required continuity measures to be considered for inclusion in an resource estimate. Holes reported inside or with in 40m of the resource will be incorporated into the resource model, or if sufficient density of data confirms continuity, it will be considered for inclusion in the resource.
Orientation of data in relation to geological structure	*Whether sample compositing has been applied.*	RC drillholes are sampled to 1m intervals and underground core and faces are sampled to geological intervals; compositing is not applied until the estimation stage. Some historic RAB and RC sampling was composited into 3-4m samples with areas of interest re-sampled to 1m intervals. It is unknown at what threshold this occurred.
	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	RC drilling was carried out at the most appropriate angle possible. The mineralisation is intersected at closely as possible to perpendicular. The steeply dipping nature of the mineralisation means that tmost holes pass through mineralisation at lower angles than ideal. Production reconciliation and underground observations indicate that there is limited sampling bias. Underground diamond drilling is designed to intersect the orebody in the best possible orientation given the constraints of underground drill locations. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody

Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No significant sampling bias has been recognised due to orientation of drilling in regards to mineralised structures
Sample security	*The measures taken to ensure sample security.*	Samples are prepared on site under supervision of Saracen geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into larger secured bags and delivered to the laboratory by Saracen personnel.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	An internal review of companywide sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

Section 2 Reporting of Exploration Results		
Criteria	**JORC Code Explanation**	**Commentary**
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Red October is wholly located within Mining Lease M39/412. Mining Lease M39/412 is held 100% by Saracen Gold Mines Pty Ltd a wholly owned subsidiary of Saracen Mineral Holdings Limited. Mining Lease M39/412 has a 21 year life (held until 2019) and is renewable for a further 21 years on a continuing basis. Aboriginal Heritage sites within the tenement (Site Numbers WO 2442, 2447, 2448, 2451, 2452 and 2457) are not affected by current mining practices. Third party royalties are payable on the tenement: A Royalty is payable under Royalty Deed M39/411, 412, 413 based on a percentage of deemed revenue (minus allowable costs) on gold produced in excess of 160,000 ounces A Royalty is payable based on a percentage of proceeds of sale or percentage of mineral value. All production is subject to a Western Australian state government NSR royalty of 2.5%.
	The security of the tenure held at the time of reporting along with any known impediments to	The tenement is in good standing and the licence to operate already exists.

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	obtaining a licence to operate in the area.	
Exploration done by other parties	A*cknowledgment and appraisal of exploration by other parties.*	Mount Martin carried out exploration including RAB and RC drilling in 1989. This along with ground magnetics was used to delineate a number of anomalies on islands to the immediate north and south of Red October. Mount Burgess Gold Mining identified a north east trending magnetic anomaly on Lake Carey between the islands considered analogous to Sunrise Dam in 1993. Aircore and RC drilling was carried out to define what would become the Red October pit. Sons of Gwalia entered into a joint venture with Mount Burgess, carrying out RC and diamond drilling to define a pittable reserve before purchasing Mount Burgess' remaining equity. Extension RC and diamond drilling from within and around the pit defined the potential underground resource.
Geology	*Deposit type, geological setting and style of mineralisation.*	Red October gold mine is situated within an Archaean greenstone belt of the Laverton Tectonic Zone. The stratigraphic sequence consists of footwall tholeiitic basalts, mineralised shale (containing ductile textures defined by pyrite mineralisation) and a hangingwall dominated by ultramafic flows interbedded with high-Mg basalts. Prehnite- pumpellyite facies are evident within both the tholeiitic basalts and komatiite flows. Sulphide mineralisation is hypothesised to have been caused from interaction with an auriferous quartz vein, which has caused the intense pyrite-defined ductile textures of the shale in the upper levels. The fluid is believed to have been sourced from the intruding granitoid to the south of the deposit
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *- easting and northing of the drill hole collar* *- elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *- dip and azimuth of the hole* *- down hole length and interception depth* *- hole length.* *• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	A drillhole summary for all holes in the current campaign is attached. All material data is periodically released on the ASX: 14/10/2013, 08/10/2013, 23/07/2013, 10/07/2013, 17/04/2013, 25/01/2013, 10/10/2012, 26/09/2012, 31/07/2012, 14/06/2012, 27/04/2012, 27/01/2012, 06/01/2012, 28/07/2011, 03/06/2011, 21/04/2011, 27/01/2011, 27/10/2010, 29/07/2010, 28/04/2010, 29/01/2010
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	All significant intercepts have been length weighted with a lower cut-off Au grade of 1ppm. No high grade cut is applied

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	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Intercepts are aggregated with minimum width of 1m and maximum width of 3m for internal dilution. Where stand out higher grade zone exist with in the broader mineralised zone, the higher grade interval is reported also.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents are reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	This announcement includes sufficient detail to clearly describe the geometry of the mineralisation and the drilling. Due to subtle changes in the strike and dip which are known, it is difficult to accurately report true widths, and therefore the majority of results are reported as downhole lengths. Where an estimate of true width is possible it is clearly noted.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The release illustrates in longsection and in cross section views the nature of the drilling and its relationship to the mineralisation.
Balanced Reporting	*Where comprehensive reporting of all Exploration Results are not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results from the recent campaign have been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Dr John McLellan from GMEX Pty Ltd was contracted to carry out a stress modelling study on the Red October deposit. A data set of structural observations from core and field mapping was compiled and used to create a three dimensional mesh of the deposit. A series of regional scale stress fields of varying deformational stages and strengths were applied to the mesh to predict the behaviour of the Red October deposit and highlight areas of increased stress and strain and thus likely mineralisation. Two targets were drilled in the recent RC campaign with results supporting John's findings.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	The exploration effort continues at Red October. The focus remains in the near mine scale areas to extend and build the resource base.

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	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	