Saracen

3 November 2005

Manager
Company Announcements
Australian Stock Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ACQUISITION OF SOUTH LAVERTON ASSETS

On 17 October 2005, the Company announced that it had entered into an agreement to acquire from St Barbara Mines Limited various exploration assets situated in the South Laverton region of Western Australia ("Acquisition'). The Acquisition is subject to, inter alia, the Company satisfactorily completing a due diligence.

Directors advise that the Company has satisfactorily completed the due diligence and, in accordance with the terms of the agreement, has paid SBM a further non-refundable deposit of $0.5 million.

The Company will now proceed towards obtaining all necessary shareholder approvals at the AGM to be held on or around 14 December 2005 to progress with the transaction.

Yours faithfully,

Rajan Narayanasamy
Company Secretary

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