

Saracen

27 February 2014

The Manager
Company Announcements Office
ASX Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir/Madam,

LETTERS TO SHAREHOLDERS

Please find attached a copy of letters that have been sent to eligible and ineligible shareholders in relation to the Retail Entitlement Offer announced by the Company on 25 February 2014.

Yours sincerely

G F Kaczmarek
Company Secretary

Saracen Mineral Holdings Ltd
ACN 009 215 347
Level 4, 89 St Georges Terrace
Perth, WA 6000
Australia
Telephone (61 8) 6229 9100
Facsimile (61 8) 6229 9199



Saracen

SARACEN MINERAL HOLDINGS LIMITED

ABN 52 009 215 347

┌ 000001 000 SAR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

27 February 2014

Dear Shareholder

SARACEN MINERAL HOLDINGS LIMITED ("ISSUER")

Re 2 for 11 accelerated non-renounceable entitlement offer of new fully paid ordinary securities in the Issuer ("New Securities") to raise approximately A\$61.2 million ("Offer")

Eligible Retail Shareholder Letter

On Tuesday, 25 February 2014 the Issuer announced the Offer to eligible shareholders to subscribe for 2 new Shares for every 11 existing ordinary shares (**Shares**) held on the Record Date (5.00pm (AEDT) Friday, 28 February 2014 at a price of \$0.31 per Share.

Evans and Partners Pty Ltd and Macquarie Capital (Australia) Limited (**Lead Managers**) are the Underwriters and Bookrunners for the Offer and have fully underwritten the Retail Entitlement Offer.

The Issuer has lodged an Offer Document with the Australian Securities Exchange (**ASX**) which sets out further details in respect of the Offer, particularly in respect of Retail Shareholders.

The proceeds of the Offer will be used to:-

- i) Fund the acquisition of Thunderbox (using equity funding rather than cash on hand and debt facilities);
- ii) Accelerate development and exploration activities at existing operations and Thunderbox; and
- iii) Reduce existing debt and improve financial flexibility.

For the most part, only shareholders with a registered address in Australia or New Zealand are eligible to participate in the retail component of the Offer (**Retail Entitlement Offer**). Further details in respect of the Offer can be found on the announcements platform of the ASX (www.asx.com.au) and the Offer Document to be sent to shareholders on 5 March 2014. The Offer is being made to all shareholders of the Issuer (**Shareholders**) named on its register of members as at the Record Date, whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

New Shares issued under the Offer will rank equally with all fully paid ordinary shares in the capital of the Issuer already on issue.

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As at the date of this Offer Document, the Issuer has on issue 595,263,186 Shares. The Issuer expects that approximately 108.3 million Shares will be issued under the Entitlement Offer with an additional approximately 89.3 million Shares to be issued via the placement to institutional investors as also announced on 25 February 2014.

A copy of the Offer Document is available on the website of the ASX and the Issuer. The Offer Document will be mailed to all Eligible Shareholders, together with an Entitlement and Acceptance Form, by no later than 5 March 2014. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of new Shares.

This notice is to inform you that under the terms of the Offer, you are entitled to participate in the Retail Entitlement Offer and as such, will be offered any new Securities or entitlements under the Retail Entitlement Offer.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Shares pursuant to the Offer Document (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5pm (AEDT) on 20 March 2014 (3pm AEDT for payments by BPAY), by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5pm (AEDT) on 20 March 2014 (3pm AEDT for payments by BPAY), by completing and returning your Entitlement and Acceptance Form by filling in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Issuer will be diluted and you will receive no value for your Entitlement.



Key dates for the Offer

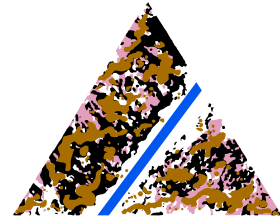
Event	Proposed Date
Trading Halt	25 February 2014 (before market open)
Cleansing Statement released to ASX	25 February 2014
Placement and Institutional Entitlement Offer Bookbuild Opens	25 February 2014
Placement and Institutional Entitlement Offer Bookbuild Closes	26 February 2014
Trading resumes on ex-Entitlement basis	27 February 2014
Lodge Retail Offer Document with ASX	27 February 2014
Record Date for participation in Entitlement Offer (AEDT 5pm)	28 February 2014
Despatch of Retail Entitlement Offer Booklet - Retail Entitlement Offer Opens	5 March 2014
Settlement of Placement and Institutional Entitlement Offer	6 March 2014
Allotment & Normal Trading of Placement and Institutional Entitlement Offer shares	7 March 2014
Retail Entitlement Offer Closes	20 March 2014
Retail Entitlement Offer results announcement	25 March 2014
Allotment of Retail Entitlement Offer shares	27 March 2014
Normal Trading of Retail Entitlement Offer Shares	28 March 2014

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Shares, please contact your financial adviser or Gerard Kaczmarek, Saracen's Company Secretary, on +61 8 6229 9100.

Yours sincerely

G F Kaczmarek
Company Secretary

No action has been or will be taken to register, qualify or otherwise permit a public offering of the new Securities in any jurisdiction outside Australia or New Zealand. In particular, this letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. The new Securities have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the new Securities may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.



Saracen

27 February 2014

SAM SAMPLE
123 SAMPLE STREET
SAMPLE TOWN VIC 9999

Dear Shareholder,

SARACEN MINERAL HOLDINGS LIMITED ("ISSUER")

Re 2 for 11 accelerated non-renounceable entitlement offer of new fully paid ordinary securities in the Issuer ("New Securities") to raise approximately A\$61.2 million ("Offer")

Ineligible Retail Shareholder Letter

On Tuesday, 25 February 2014 the Issuer announced the Offer to eligible shareholders to subscribe for 2 new shares for every 11 existing ordinary shares ("**Shares**") held on the Record Date (5.00pm (AEST) Friday, 28 February 2014) at an issue price of \$0.31 per Share.

Evans and Partners Pty Ltd and Macquarie Capital (Australia) Limited ("**Lead Managers**") are the Lead Managers and Bookrunners for the Offer.

The Issuer has lodged an Offer Document with the Australian Securities Exchange ("**ASX**") which sets out further details in respect of the Offer, particularly in respect of Retail Shareholders.

The proceeds of the Offer will be used to:-

- i) Fund the acquisition of Thunderbox (using equity funding rather than cash on hand and debt facilities);
- ii) Accelerate development and exploration activities at existing operations and Thunderbox; and
- iii) Reduce existing debt and improve financial flexibility.

For the most part, only shareholders with a registered address in Australia or New Zealand are eligible to participate in the retail component of the Offer ("**Retail Entitlement Offer**").

New Shares issued under the Offer will rank equally with all fully paid ordinary shares in the capital of the Issuer already on issue.

As at the date of this Offer Document, the Issuer has on issue 595,263,186 Shares. The Issuer expects that approximately 108,229,670 Shares will be issued under the Entitlement Offer with an additional 89,289,478 Shares to be issued via the placement to institutional investors as also announced on 25 February 2014.

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This notice is to inform you that under the terms of the Offer, you are not entitled to participate in the Retail Entitlement Offer and, as such, will not be offered any new Shares or entitlements under the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are shareholders who:

- (a) were a holder of the Issuer's shares as at 5.00pm (AEST) on the Record Date;
- (b) have a registered address on the Issuer's share register in Australia or New Zealand;
- (c) are not in the United States and not acting for the account or benefit of any person in the United States;
- (d) were not invited to participate under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Pursuant to the ASX Listing Rules and the Corporations Act, the Issuer has determined that it would be unreasonable to make or extend offers to shareholders in countries outside of Australia and New Zealand under the Retail Entitlement Offer. The decision relating to eligibility has been made having regard to the legal limitations on making or extending an offer of securities in some countries, the relatively small number of shareholders in those countries, the number and value of securities for which those shareholders would otherwise be entitled to subscribe and the potential cost of complying with regulatory requirements in those countries.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder and in compliance with the ASX Listing Rules and the Corporations Act, the Company advises you that you will not be able to apply for new Shares or be sent the Offer Document.

The Offer is non-renounceable. A number of shares equal to the number that you would otherwise be entitled to subscribe for under the Offer will be offered to other eligible shareholders in the Company. As a result no amount will be payable to you. This notice is not an offer to issue new Shares to you, nor an invitation for you to apply for new Shares. You are not required to do anything in response to this letter. It is provided to you for information only.

Yours sincerely

G F Kaczmarek
Company Secretary

No action has been or will be taken to register, qualify or otherwise permit a public offering of the new Securities in any jurisdiction outside Australia or New Zealand. In particular, this letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. The new Securities have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the new Securities may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.