



Saracen

25 February 2014

ASX & MEDIA RELEASE

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SARACEN ANNOUNCES PLACEMENT AND ENTITLEMENT OFFER

The Directors of Saracen Mineral Holdings Limited (**ASX:SAR**) ("**Saracen**" or the "**Company**") are pleased to announce its intention to raise new equity of approximately \$61.2 million (before costs) via an institutional placement ("**Placement**") and an accelerated pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") (together the "**Offer**").

The issue price for shares offered under both the Placement and Entitlement Offer ("**New Shares**") will be A\$0.31 per New Share ("**Issue Price**"). This Issue Price represents a discount of:

- 17.3% to Saracen's last close price of A\$0.375 on 24 February 2014;
- 19.1% to Saracen's 5 day VWAP price of A\$0.383 on 24 February 2014; and
- 13.6% to the theoretical ex-rights price of A\$0.359 ("**TERP**").

New Shares issued under the Offer will rank pari pasu with existing ordinary shares on issue and application will be made for their quotation.

The proceeds of the Offer will be used to:-

- i) Fund the acquisition of Thunderbox (use of 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.

Placement

The Placement will comprise an offer of approximately 89.3 million shares (the "**Placement Shares**") at the Issue Price to raise total proceeds of A\$27.7 million before costs issued without shareholder approval out of the Company's placement capacity pursuant to Listing Rule 7.1.

The Placement Shares will not carry any entitlement to participate in the Entitlement Offer.

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Entitlement Offer

The Entitlement Offer will give existing eligible Saracen shareholders the opportunity to subscribe for 2 New Shares for every 11 existing Saracen shares held at 5.00pm (AEDT) on 28 February 2014 ("**Record Date**"). The Entitlement Offer will comprise an offer of approximately 108.2 million shares (the "**Entitlement Offer Shares**") at the same Issue Price of A\$0.31 per New Share ("**Entitlement**") to total proceeds of A\$33.6 million before costs. The Entitlement Offer is non-renounceable which means that shareholders who do not take up their entitlements will not receive any proceeds from the sale of entitlements not taken up. The entitlements to participate in the Entitlement Offer are not transferable and cannot be traded on the ASX or any other exchange or privately transferred.

The Entitlement Offer will comprise:-

- an offer to existing eligible institutional shareholders ("**Institutional Entitlement Offer**"); and
- an offer to existing eligible retail shareholders ("**Retail Entitlement Offer**").

Any fractional entitlements under the Entitlement Offer will be rounded up to the nearest whole number.

Subject to reconciliation of Entitlements, the Entitlement Offer is expected to be comprised of an offer of approximately A\$17 million under the Institutional Entitlement Offer, with the balance of approximately A\$17 million to be offered under the Retail Entitlement Offer.

Under the Institutional Entitlement Offer, Entitlements not taken up by existing institutional shareholders will be offered to other eligible institutional investors by way of an institutional bookbuild at the same Issue Price.

The Institutional Entitlement Offer will settle at the same time as the Placement.

Eligible institutional shareholders are those institutional shareholders as at the Record Date with a registered address in Australia, New Zealand, Canada (Ontario or British Columbia), Hong Kong, Singapore, Germany, Switzerland, Malaysia, Panama or the United Kingdom.

The Retail Entitlement Offer will be open from 5 March 2014 to 20 March 2014. Eligible retail shareholders will be sent further details about the Entitlement Offer via a retail offer booklet expected to be lodged with ASX on 27 February 2014 and despatched on 5 March 2014. Eligible retail shareholders will also be given the opportunity to subscribe for New Shares over and above their entitlement ("**Retail Oversubscriptions**"). The allocation of any Retail Oversubscriptions will be subject to Saracen's discretion and limited to the extent there are sufficient New Shares from retail shareholders who do not take up their entitlement.

Eligible retail shareholders are those retail shareholders at the Record Date with a registered address in Australia and New Zealand.

The timetable for the Entitlement Offer and Placement is as follows:

Trading Halt	Tuesday, 25 February 2014 (before market open)
Placement and Institutional Entitlement Offer Bookbuild Opens	Tuesday, 25 February 2014
Placement and Institutional Entitlement Offer Bookbuild Closes	Wednesday, 26 February 2014
Resumption of Trading	Thursday, 27 February 2014
Record Date for participation in Entitlement Offer (AEDT 5pm)	Friday, 28 February 2014
Despatch of Retail Entitlement Offer Booklet - Retail Entitlement Offer Opens	Wednesday, 5 March 2014
Settlement of Placement and Institutional Entitlement Offer	Thursday, 6 March 2014
Allotment & Normal Trading of Placement and Institutional Entitlement Offer shares	Friday, 7 March 2014
Retail Entitlement Offer Closes	Thursday, 20 March 2014
Retail Entitlement Offer results announcement	Tuesday, 25 March 2014
Allotment of Retail Entitlement Offer shares	Thursday, 27 March 2014
Normal Trading of Retail Entitlement Offer Shares	Friday, 28 March 2014

This timetable is indicative only and may be subject to change. Subject to the Corporations Act and ASX Listing Rules, Saracen reserves the right to vary the dates and times in connection with the Entitlement Offer, including the closing date, without prior notice.

If there is any shortfall in subscriptions under the Entitlement Offer, the Company reserves the right to place the shortfall shares at their discretion within three months of the closing date of the offer.

Further details of the Entitlement Offer are included in the investor presentation released to ASX.

Evans and Partners Pty Ltd and Macquarie Capital (Australia) Limited are acting as Joint Bookrunners and Joint Lead Managers in relation to the Offer.

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