



Evolution
MINING

ABN 74 084 669 036

Sydney Office

P +61 2 9696 2900
F +61 2 9696 2901

Level 30
175 Liverpool Street
Sydney NSW 2000

www.evolutionmining.com.au

30 August 2016

Pro-rata Renounceable Entitlement Offer – Notification to Ineligible Shareholders

On 24 August 2016, Evolution Mining Limited ("**Evolution**") announced that it was conducting an accelerated renounceable entitlement offer to eligible shareholders to subscribe for 2 new Evolution shares ("**New Shares**") for every 15 existing Evolution shares ("**Existing Shares**") held at 7pm (AEST) on 29 August 2016 ("**Record Date**") (the "**Offer**") to raise approximately \$401 million. The Offer is fully underwritten by Credit Suisse (Australia) Limited and Royal Bank of Canada, operating as RBC Capital Markets (the "**Joint Lead Managers**"), except for the approximately A\$60 million pre-commitment provided by La Mancha Group International B.V.

The Offer is being conducted in two parts: the institutional offer ("**Institutional Entitlement Offer**") and the retail offer ("**Retail Entitlement Offer**"). The terms of the Offer are detailed in an ASX announcement and investor presentation dated 24 August 2016 and a Retail Offer Booklet dated 30 August 2016 ("**Offer Document**"). The proceeds of the Offer will be used by Evolution, along with debt financing, to fund the acquisition of an economic interest in the Ernest Henry operation.

Under the terms of the Offer, you are either an Ineligible Institutional Shareholder (defined below) or an Ineligible Retail Shareholder (defined below). Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act 2001 (Cth), Evolution wishes to advise you that you are not eligible to subscribe for New Shares and you will not be sent a copy of the Offer Document.

This letter is to inform you about the Offer. It is neither an offer to issue 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. However, you may still receive some benefit from the Offer, as described below.

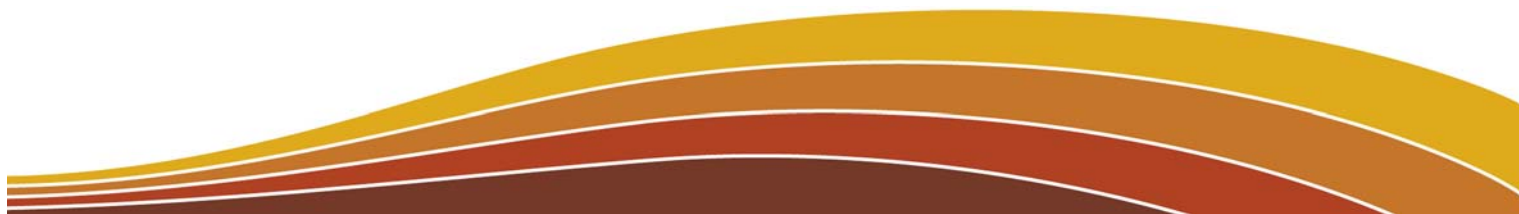
What is the Offer?

The Offer involves an offer to Eligible Institutional Shareholders (as defined below) under the Institutional Entitlement Offer and Eligible Retail Shareholders (as defined below) under the Retail Entitlement Offer, in each case, of an entitlement to subscribe for 2 New Shares for every 15 Existing Shares ("**Entitlement**") held at the Record Date, at a price of A\$2.05 ("**Offer Price**") for each New Share.

Eligibility Criteria

"**Eligible Institutional Shareholders**" are those persons who:

- a) were identified as an Institutional Shareholder by Evolution;
- b) have a registered address on Evolution's share register that is in Australia, New Zealand, or certain other jurisdictions disclosed in the investor presentation;
- c) are eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- d) have successfully received an offer under the Institutional Entitlement Offer.



"Eligible Retail Shareholders" are those persons who:

- a) are registered as a holder of Existing Shares as at 7.00pm (Sydney time) on 29 August 2016;
- b) have a registered address on Evolution's share register that is in Australia or New Zealand;
- c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds securities in Evolution for the account or benefit of such persons in the United States);
- d) are not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- e) are eligible under all securities laws to receive an offer under the Retail Entitlement Offer.

Bookbuild

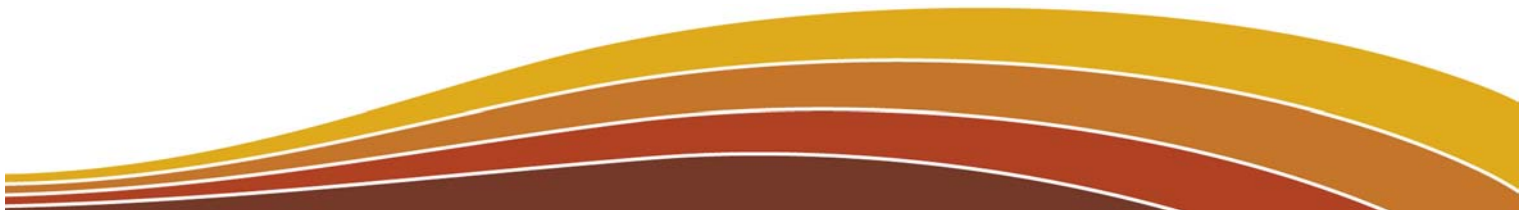
A number of New Shares equal to the number of New Shares not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the New Shares which would have been offered to those institutional shareholders who are ineligible to participate ("**Ineligible Institutional Shareholders**") if they had been eligible to participate in the Institutional Entitlement Offer, were offered for subscription to institutional investors through a bookbuild process following the Institutional Entitlement Offer ("**Institutional Bookbuild**"). Similarly, a number of New Shares equal to the number of New Shares not taken up by Eligible Retail Shareholders in the Retail Entitlement Offer and the New Shares which would have been offered to those retail shareholders who are ineligible to participate ("**Ineligible Retail Shareholders**") if they had been eligible to participate in the Retail Entitlement Offer will be offered for subscription to institutional investors through a bookbuild process, which is to be undertaken by the Joint Lead Managers, following the Retail Entitlement Offer, on 19 September 2016 ("**Retail Bookbuild**").

The Offer Price will be paid to Evolution from the proceeds of each bookbuild as full consideration for the New Shares. The A\$0.17 premium over the Offer Price that was achieved under the Institutional Bookbuild on 26 August 2016 will be paid (less any withholdings required by law) pro rata to Eligible Institutional Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Institutional Shareholder.

Any premium over the Offer Price that is achieved under the Retail Bookbuild on 19 September 2016 will be paid (less any withholdings required by law) pro rata to Eligible Retail Shareholders who did not take up their Entitlement in full (with respect to that part of the Entitlement they did not take up only) and each Ineligible Retail Shareholder.

There is no guarantee that any such premium will be achieved under the Retail Bookbuild, or that the premium achieved for New Shares in the Institutional Bookbuild will be matched in the Retail Bookbuild. The ability to sell New Shares under the Retail Bookbuild and the ability to obtain any premium to the Offer Price will be dependent upon various factors, including market conditions. To the maximum extent permitted by law, none of Evolution, the Joint Lead Managers, or any associates of those entities, will be liable, including for negligence, for any failure to procure applications under the Retail Bookbuild at a price equal to or in excess of the Offer Price.

Any proceeds received may have Australian and overseas tax consequences, depending on individual circumstances. You may be entitled to a refund of some or all tax withheld. You should seek professional tax advice regarding the taxation of any proceeds received.

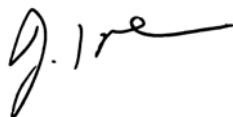


Why am I not eligible to participate in the Offer?

Under the terms of the Offer, investors that are not Eligible Retail Shareholders or Eligible Institutional Shareholders are ineligible to take up Entitlements to subscribe for New Shares under the Offer.

The restrictions upon eligibility are due to legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Evolution has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, and having regard to the relatively small number of shareholders, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements, it would be unreasonable to make the Offer to shareholders resident in any country outside of Australia or New Zealand (in connection with the Retail Entitlement Offer) or the other stated jurisdictions above (in connection with the Institutional Entitlement Offer).

Yours sincerely,



Jake Klein
Executive Chairman

If you have any questions, please contact your professional adviser or the Evolution Shareholder Information Line on 1800 828 558 (toll free within Australia) or +61 1800 828 558 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser

IMPORTANT INFORMATION

No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia. The Offer Document may not be distributed in the United States. This letter does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in Evolution. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the Entitlements nor the New Shares have been, nor will they be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to or exercised by persons in the United States and the New Shares may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States, unless such Entitlements or New Shares have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

