

16 November 2011

The Manager
Company Announcements Office
Australian Securities Exchange – Perth office
2 The Esplanade
Perth WA 6000

Entitlement Offer – Notice to ineligible retail shareholders

Reference is made to the accelerated, renounceable entitlement offer announced by Evolution Mining Limited (ASX: EVN) (“**Evolution Mining**”) on 9 November 2011 (“**Entitlement Offer**”).

In accordance with listing rule 3.17, attached is a copy of a letter which is today being sent to those shareholders in Evolution Mining who are not eligible to participate in the retail component of the Entitlement Offer, which opens today.

Yours sincerely



Evan Elstein
Company Secretary
Evolution Mining Limited

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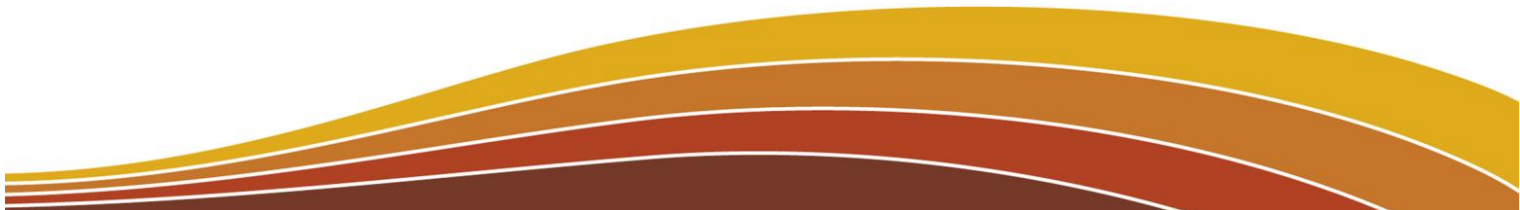
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Evolution
MINING

Wednesday, 16 November 2011

Dear Shareholder

Evolution Mining 3 for 17 accelerated renounceable entitlement offer to raise approximately A\$152.5 million (“Entitlement Offer”) – Notice to ineligible retail shareholders

On Wednesday, 9 November 2011 Evolution Mining Limited ABN (74 084 669 036) (“**Evolution Mining**”) announced a capital raising to raise approximately A\$152.5 million by way of a pro rata offer of new ordinary shares (“**New Shares**”) to eligible shareholders at the offer price of A\$1.45 per New Share (“**Offer Price**”) and the offer ratio of 3 New Shares for every 17 ordinary shares in Evolution Mining (“**Shares**”) held at 7.00pm (AEDT) on Monday, 14 November 2011 (“**Record Date**”).

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The Entitlement Offer comprises an accelerated offer of New Shares to eligible institutional shareholders (“**Institutional Entitlement Offer**”) and an offer of New Shares to eligible retail shareholders on the same terms (“**Retail Entitlement Offer**”).

The Institutional Entitlement Offer was successfully completed on Friday, 11 November 2011.

The purpose of this letter is to inform you that, under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer. As such, you will not be offered any New Shares under the Retail Entitlement Offer. This letter 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.

Eligibility criteria

Evolution Mining has determined that, pursuant to section 9A of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) and rule 7.7.1(a) of the official rules of ASX Limited (“**ASX Listing Rules**”), it would be unreasonable to extend the Retail Entitlement Offer to shareholders in countries (“**Foreign Jurisdictions**”) outside Australia and New Zealand having regard to the number of shareholders in the Foreign Jurisdictions, the number and value of New Shares that shareholders in the Foreign Jurisdictions would otherwise have been offered and the potential cost of complying with the legal requirements and requirements of regulatory authorities in the Foreign Jurisdictions.

According to Evolution Mining’s register of members as at the Record Date, you have a registered address in a Foreign Jurisdiction. Accordingly, in compliance with rule 7.7.1(b) of the ASX Listing Rules and section 9A(3) of the Corporations Act, Evolution Mining wishes to inform you that you will not be eligible to subscribe for New Shares under the Retail Entitlement Offer.

Retail Bookbuild

The Retail Entitlement Offer is renounceable. A bookbuild process will be conducted after the close of the Retail Entitlement Offer (“**Retail Bookbuild**”) under which the New Shares in respect of entitlements not taken up by eligible retail shareholders and the New Shares in respect of entitlements that would otherwise have been available to ineligible retail shareholders (including you) will be offered to certain institutional investors. It is expected that the Retail Bookbuild will take place on 6 December 2011.

The price payable for New Shares under the Retail Bookbuild ("**Clearing Price**") may be equal to or above the Offer Price. If the Clearing Price exceeds the Offer Price, the difference between the two amounts will be remitted to ineligible retail shareholders on a pro rata basis according to the number of New Shares to which they would otherwise have been entitled (less any applicable deductions) ("**Retail Premium**"). Ineligible retail shareholders will not receive any payment if the Clearing Price under the Retail Bookbuild does not exceed the Offer Price.

No assurance or guarantee can be given as to the price that will be achieved under the Retail Bookbuild for the sale of New Shares. The Retail Premium may be zero, in which case no distribution will be made to ineligible retail shareholders. To avoid doubt, the fact that a premium of A\$0.24 to the Offer Price was achieved under the bookbuild of entitlements not taken up by institutional shareholders under the Institutional Entitlement Offer ("**Institutional Premium**") is not an indication that there will be a Retail Premium or an indication of what the Retail Premium may be. The ability to achieve a Retail Premium will be dependent on various factors, including market conditions and the share price of Evolution Mining at the time the Retail Bookbuild is conducted. Also, the Clearing Price may not be the highest price offered for New Shares under the Retail Bookbuild but will be determined by Evolution Mining and the joint lead managers of the Entitlement Offer (Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited (together, the "**Joint Lead Managers**")), having regard to a number of matters, such as having binding and bona fide offers which, in the reasonable opinion of the Joint Lead Managers, will (if accepted) result in allocations in respect of all New Shares offered for sale under the Retail Bookbuild. The Retail Premium may be less than, more than or equal to the Institutional Premium.

To the maximum extent permitted by law, Evolution Mining and the Joint Lead Managers, and their respective related bodies corporate, agents and affiliates, and the directors, partners, officers, employees and advisers of each of the aforementioned persons, disclaim all liability, including but not limited to for negligence, for any failure to achieve a Clearing Price in excess of the Offer Price and for any difference between the Retail Premium and the Institutional Premium.

Any Retail Premium will be paid to you in Australian dollars by way of a cheque sent by ordinary post to your address as recorded on Evolution Mining's register of members.

Any proceeds you may receive as a result of the Retail Bookbuild may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Evolution Mining Offer Information Line on 1300 880 751 (from within Australia) or +61 2 8280 7503 (from outside Australia) at any time between 8:30am and 5:30pm (AEDT) on Monday to Friday between 16 November 2011 and 30 November 2011 or go to the Evolution Mining website (www.evolutionmining.com.au). If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

Yours sincerely



Evan Elstein
Company Secretary
Evolution Mining Limited



This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or for the account or benefit of any person in the United States. 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 and New Zealand. In particular, neither the entitlements under the Entitlement Offer ("**Entitlements**") nor the New Shares have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or sold by, and the Entitlements and the New Shares 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such other applicable securities laws.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information having regard to your personal circumstances. If you have any questions about how the Entitlement Offer affects you, you should contact your accountant, tax advisor, stockbroker or other professional advisor.

