

ASX Announcement

29 August 2016

SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

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Evolution Mining Limited (ASX:EVN) ("**Evolution**" or the "**Company**") is pleased to announce that it has successfully completed the institutional component of its underwritten 2-for-15 accelerated, renounceable entitlement offer (the "**Entitlement Offer**").

Offer Highlights

- A\$311 million raised in the institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**")
- Very strong demand from both existing institutional shareholders and new institutional investors
- Institutional Bookbuild clearing price of A\$2.22, representing a A\$0.17 premium to the Entitlement Offer price of A\$2.05
- Evolution shares will recommence trading today, Monday, 29 August 2016
- Retail component of the Entitlement Offer opens on Thursday, 1 September 2016

On 24 August 2016, Evolution announced an equity capital raising of approximately A\$401 million to support the acquisition of an economic interest in the world class Ernest Henry operation.

The Institutional Entitlement Offer raised approximately A\$311 million from subscriptions for new fully paid ordinary shares in Evolution ("**New Shares**") at a price of A\$2.05 per New Share ("**Offer Price**"). The Institutional Entitlement Offer had very strong support from institutional shareholders with an approximate take-up rate of 86%. This excludes Evolution's major shareholder, La Mancha Group International B.V., who subscribed for A\$60 million in New Shares representing approximately 50% of its pro-rata entitlement under the Entitlement Offer.

A bookbuild for Institutional Entitlement Offer shortfall shares was held on Friday, 26 August 2016 ("**Institutional Bookbuild**"), attracting strong demand from both existing shareholders and new institutional investors. The Institutional Bookbuild cleared at a price of A\$2.22 per share, representing a premium of A\$0.17 per share above the Offer Price.

Eligible institutional shareholders who elected not to take up their entitlements and certain ineligible institutional shareholders will receive A\$0.17 for each entitlement sold through the Institutional Bookbuild, less any applicable withholding tax.

The shares taken up under the Institutional Entitlement Offer are expected to be allotted and commence trading on Monday, 5 September 2016. New Shares will rank equally with existing Evolution shares and will not be entitled to the final dividend declared on 17 August 2016.

Commenting on the outcome, Evolution's Executive Chairman, Jake Klein, said:

"We are delighted with the level of support shown by our existing institutional shareholders. The high level of demand from both new and existing shareholders in the shortfall bookbuild demonstrates strong support for the Ernest Henry transaction. It also reflects the ongoing endorsement of our strategy to upgrade the quality of our asset portfolio. We welcome our new institutional shareholders on to the register."

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in a retail entitlement offer at the same offer price and offer ratio as the Institutional Entitlement Offer ("**Retail Entitlement Offer**"). The Retail Entitlement Offer will open on Thursday, 1 September 2016 and close at 5.00pm (AEST) on Wednesday, 14 September 2016.

Eligible retail shareholders can choose to take up all, part of, or none of their entitlement under the Entitlement Offer ("Entitlement"). Entitlements cannot be traded on the ASX. Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the retail bookbuild on Monday, 19 September 2016 ("**Retail Bookbuild**"). Any proceeds from the sale of Entitlements under the Retail Bookbuild in excess of the Offer Price will be remitted proportionally to those retail shareholders, less any applicable withholding tax. However, there is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Thursday, 1 September 2016. Copies of the retail offer booklet will be available on the ASX website (www.asx.com.au) on or around Tuesday, 30 August 2016.

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About Evolution Mining

Evolution Mining is a leading, growth-focussed Australian gold miner. Post the sale of Pajingo, which is expected to complete in September 2016, Evolution operates six wholly-owned mines – Cowal in New South Wales, Mt Carlton, Mt Rawdon, and Cracow in Queensland, and Mungari and Edna May in Western Australia. On 24 August 2016, Evolution announced that it was acquiring an economic interest in the Ernest Henry copper-gold operations in Queensland.

In FY16 Evolution produced 803,476 ounces of gold at an AISC of A\$1,014 per ounce generating a net mine cash flow of A\$428.2 million.

Assuming completion of both the Pajingo sale and the acquisition of an economic interest in Ernest Henry, Evolution has revised FY17 Group gold production guidance to 800,000 – 860,000 ounces at an AISC of A\$900 – A\$960 per ounce.

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All dollar values are in Australian dollars (“\$” or “A\$”) unless stated otherwise. The pro forma financial information included in this announcement does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that financial data in this announcement include “non-IFRS financial information” under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission and also “non-GAAP financial measures” within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this announcement include “All-in Sustaining Costs”. Evolution believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Evolution. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this announcement.. Such financial information is unaudited and does not purport to be in compliance with Article 3-05 of Regulation S-X.