



facsimile

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EVOLUTION MINING LTD [EVN]
From: Ravi Bains **Fax:** (02) 8225 5114
Citigroup Global Markets Australia Pty Limited
Date: 27 March 2017 **Pages:** 7 (including cover sheet)
Subject: Submission of Form 603 re: EVOLUTION MINING LTD [EVN]

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Notice of Initial substantial shareholder
**Form 603
Corporations Act
Section 671B**

To: EVOLUTION MINING LTD ("EVN", Ordinary Fully Paid)

1. Transaction Summary

CGML has entered into a series of cash-settled call options and put options referencing 123,852,934 shares in Evolution Mining Limited (the Company) (representing approximately 7.4 per cent of total shares outstanding), as part of a derivatives-based financing (the Derivative Financing), entered into with La Mancha Group International B.V. (La Mancha).

In order to collateralise its exposure under the Derivative Financing, on 23 March 2017 La Mancha entered into a stock loan arrangement pursuant a Global Master Securities Lending Agreement (GMSLA), whereby La Mancha has lent to CGML 123,852,934 shares in the Company.

For purposes of hedging its exposure under the Derivative Financing, on 23 March 2017 CGML entered into an underwriting agreement (the Underwriting Agreement) with Citigroup Global Markets Australia Pty Ltd (ACN 003 114 832) (CGMA) under which CGMA agreed to underwrite 100% of a sale of 87,400,000 shares in the Company, representing CGML's initial hedge position under the Derivative Financing.

As a result of the above transactions, both CGML and CGMA have obtained a relevant interest in the Company's shares as set out in section 5 of this Form 603.

2. Details of substantial shareholder

Citigroup Global Markets Australia Pty Limited (ACN 003 114 832) and each of the related bodies corporate in the Citigroup group of companies worldwide (for more details please visit www.citigroup.com).

The holder became a substantial holder on 23 March 2017.

3. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in on the date the substantial holder became a substantial holder are as follows:

Class of securities	Number of securities	Person's vote	Voting Power
EVN, Ordinary Fully Paid	127,043,465	127,043,465	7.56%

4. Collar

Although entry into the Derivative Financing by CGML does not give it a relevant interest in the Shares of the Company, the following information is provided in relation to that arrangement in accordance with the guidance set out in the Takeovers Panel's Guidance Note 20 (Equity Derivatives):

Price (AUD)		Entry Date	Number of securities	Type of derivative
Initial Reference Price	In respect of tranches 1 – 30 under the Derivative Financing: A\$2.0122 In respect of tranches 31 – 230 under the Derivative Financing: A\$2.00	23 March 2017	123,852,934	Cash settled put option, of which CGML is option writer.
Put Option Strike Price	In respect of tranches 1 – 30 under the Derivative Financing: an amount equal to 95% of the Initial Reference Price. In respect of tranches 31 – 230 under the Derivative Financing: an amount equal to 100% of the Initial Reference Price.			
Settlement Price	The volume-weighted average price for EVN shares on the Australian Securities Exchange on each applicable "Valuation Date" (as defined pursuant to the Derivative Financing) for the period between 10.00am and 4.15pm (or such later time as the Australian Securities Exchange may set the closing rotation).			
Initial Reference Price	In respect of tranches 1 – 30 under the Derivative Financing: A\$2.0122 In respect of tranches 31 – 230 under the Derivative Financing: A\$2.00	23 March 2017	123,852,934	Cash settled call option, of which CGML is option taker
Call Option Strike Price	In respect of tranches 1 – 30 under the Derivative Financing an amount equal to 130% of the Initial Reference Price. In respect of tranches 31 – 230 under the Derivative Financing an amount equal to 150% of the Initial Reference Price.			
Settlement Price	The volume-weighted average price for EVN shares on the Australian Securities Exchange on each applicable "Valuation Date" (as defined pursuant to the Derivative Financing) for the period between 10.00am and 4.15pm (or such later time as the Australian Securities Exchange may set the closing rotation).			

5. GMSLA disclosure - ASIC CO 11/272

Section 671B(4) of the *Corporations Act 2001* (Cth) would ordinarily require this substantial holding notice to be accompanied by a copy, or a detailed summary, of the GMSLA. However, pursuant to ASIC CO 11/272 and ASIC Regulatory Guide 222, ASIC has provided

relief from the requirement to attach a copy of the GMSLA provided that the following prescribed information is provided:

Type of agreement	Global Master Securities Lending Agreement
Parties to agreement	CGML and La Mancha
Transfer date	27 March 2017
Holder of voting rights	CGML
Are there any restrictions on voting rights?	No
If yes, detail	N/A
Scheduled return date (if any)	N/A
Does the borrower have the right to return early?	No
If yes, detail	N/A
Does the lender have the right to recall early?	No
If yes, detail	N/A
Will the securities be returned on settlement?	Yes
If yes, detail any exceptions	N/A

6. Relevant interests/details of present registered holders

Holder of relevant interest	Registered holder of securities	Person entitled to be registered holder	Nature of relevant interest	Class and number of securities	Person's votes
CGML	Citigroup Nominees Pty Ltd	CGML	CGML has a "relevant interest" in these shares pursuant to section 608(1)(c) of the <i>Corporations Act 2001</i> (Cth) borrowed under the GMSLA summarised in	123,852,934 ordinary shares	123,852,934

			section 5 of this Form 603.		
			CGML has a "relevant interest" in these shares to pursuant contracts entered into in the ordinary course of business on a stock market of a stock exchange	2,539,788 ordinary shares	2,539,788
Citigroup Global Markets Australia Pty Ltd ACN 003 114 832 (CGMA)	Citigroup Nominees Pty Ltd	CGMA	CGMA has a "relevant interest" in these shares pursuant to section 608(6) of the <i>Corporations Act 2001</i> (Cth) on the basis of the underwriting arrangements pursuant to the Underwriting Agreement .	87,400,000 ordinary shares	87,400,000
			CGMA has a "relevant interest" in these shares to pursuant contracts entered into in the ordinary course of business on a stock market of a stock exchange	273,303 ordinary shares	273,303
CGMI			CGMI has a "relevant interest" in these shares to pursuant contracts entered into in the ordinary course of business on a stock market of a stock exchange	378,000 ordinary shares	378,000

7. Consideration

Holder of relevant interest	Date of acquisition	Consideration		Class and number of securities
		Cash	Non-cash	
CGML	23/03/2017	Shares have been borrowed in accordance with the GMSLA summarised in section 5 of this Form 603	N/A	123,852,934 ordinary shares
	Various	Ordinary Course stock broking business	N/A	2,539,788 ordinary shares
CGMA	23/03/2017	Entry into the underwriting arrangements pursuant to the Underwriting Agreement.	N/A	87,400,000 ordinary shares
	Various	Ordinary Course stock broking business	N/A	273,303 ordinary shares
CGMI	Various	Ordinary Course stock broking business	N/A	378,000 ordinary shares

8. Addresses

Name and ACN/ARSN (if applicable)	Address
CGML	33 Canada Square, London E14 5LB, United Kingdom
CGMA	Citigroup Centre, 2 Park Street, Sydney, NSW
Citigroup Global Markets Inc	388 - 390 Greenwich Street, New York, NY 10013-2396, United States
La Mancha	c/- La Mancha Holding S.a.R.L., 1 boulevard de la folie, L. 1528 Luxembourg, Grand Duchy of Luxembourg

Citicorp Nominees Pty Ltd	Level 16, 120 Collins Street, Melbourne, Victoria 3000 Australia
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Signed by:

Name:

Capacity:

Date:



Ravi Balns

Head of Markets Compliance, Australia

27 March 2017