# Quarterly Results

December 2013

Evolution
MINING

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# December quarter highlights

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## Production

- Consistent Group production of 107,201oz delivered at an average cash cost of A$764/oz (US$710/oz[1]) and AISC[2] of A$1,049/oz (US$974/oz) – 11% reduction on FY13 AISC
- Year to date production of 214,396oz Au eq[3] at average cost of A$766/oz and AISC of A$1,070/oz
- No change to FY14 guidance: 400-450koz Au eq[3], C1 cost A$770 – A$820/oz and AISC of A$1,080 – A$1,130/oz. Capital spend expected to be at the lower end of the A$160M – A$185M guidance
- Mt Carlton delivered above planned ounces – 22,747oz of Au eq[3], 20% increase compared to Sep 2013 qtr
- Continued Company-wide focus on cost reductions, capital discipline and productivity improvements

## Corporate

- Strong improvement in cash position with cash balance of A$37M (Sep 2013 qtr: A$3.7M)
- Corporate debt under Company's revolving credit at A$141.8M: available credit of A$58.2M
- Gold hedge book at end of Dec 2013 qtr was 205,229oz at A$1,593/oz

1. Using an average AUD:USD exchange rate for the quarter of $0.9287
2. ASIC (All-in Sustaining Costs) includes C1 cash cost plus royalty expense, sustaining capital expense, general corporate expenses and administration
3. Gold and gold equivalent is Mt Carlton A39 silver as gold equivalent using gold to silver ratio of 1:61.9

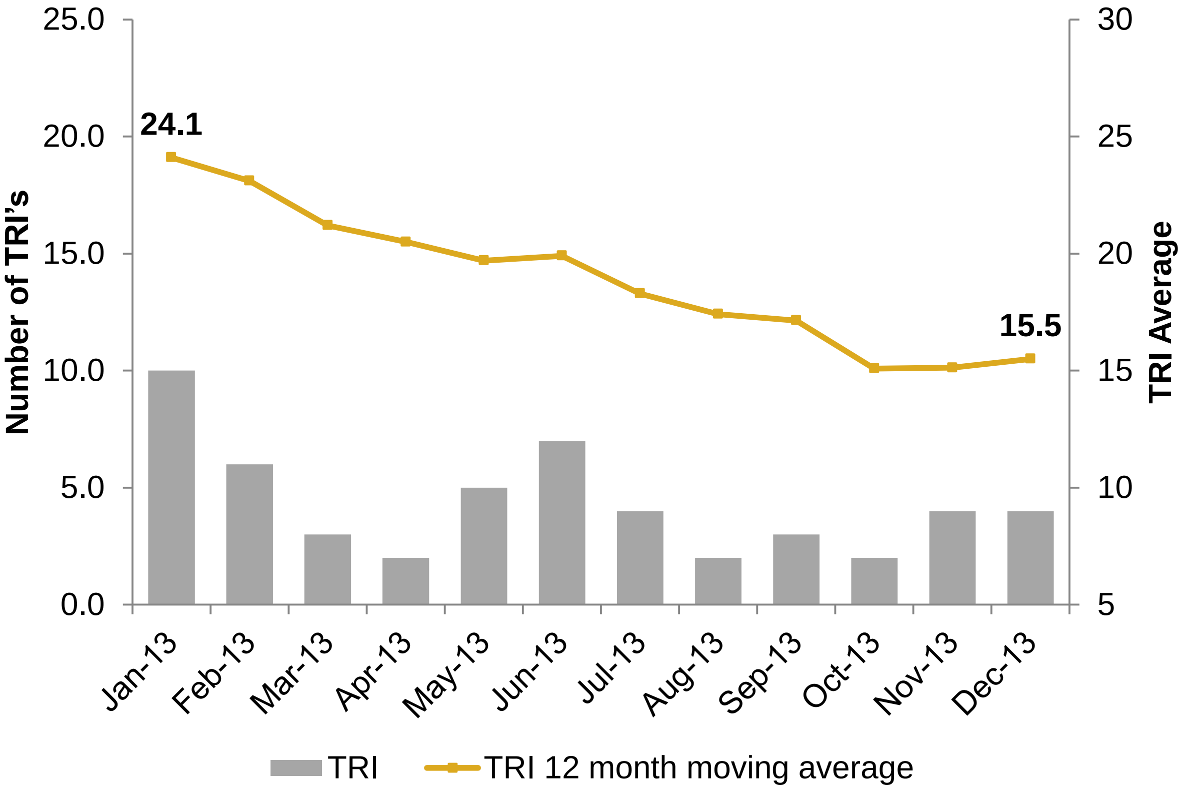
# December quarter production

| | Units | Dec Quarter 2013 | Sep Quarter 2013 | Year to Date FY14 |
|---|---|---|---|---|
| **Gold produced[1]** | **oz** | **107,201** | **107,195** | **214,396** |
| By-product silver produced | oz | 60,388 | 234,259 | 294,647 |
| **C1 Cash Cost[2]** | **A$/oz** | **764** | **769** | **766** |
| C3 Total Cost[3] | A$/oz | 1,194 | 1,146 | 1,170 |
| Gold sold | oz | 96,246 | 97,211 | 193,456 |
| Achieved gold price | A$/oz | 1,412 | 1,475 | 1,444 |
| Silver sold | oz | 1,016,321 | 670,530 | 1,686,851 |
| Achieved silver price | A$/oz | 23 | 22 | 22 |
| **All-in Sustaining Cost[4]** | **A$/oz** | **1,049** | **1,091** | **1,070** |

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:65.2 for the September 2013 quarter and 1:61.9 based on the average gold and silver prices during the December 2013 quarter
2. Before royalties and after by-product credits
3. Includes C1 cash costs, depreciation, amortisation, royalties and other expenses
4. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration

***Prioritising higher margin ounces***

# Improved safety performance

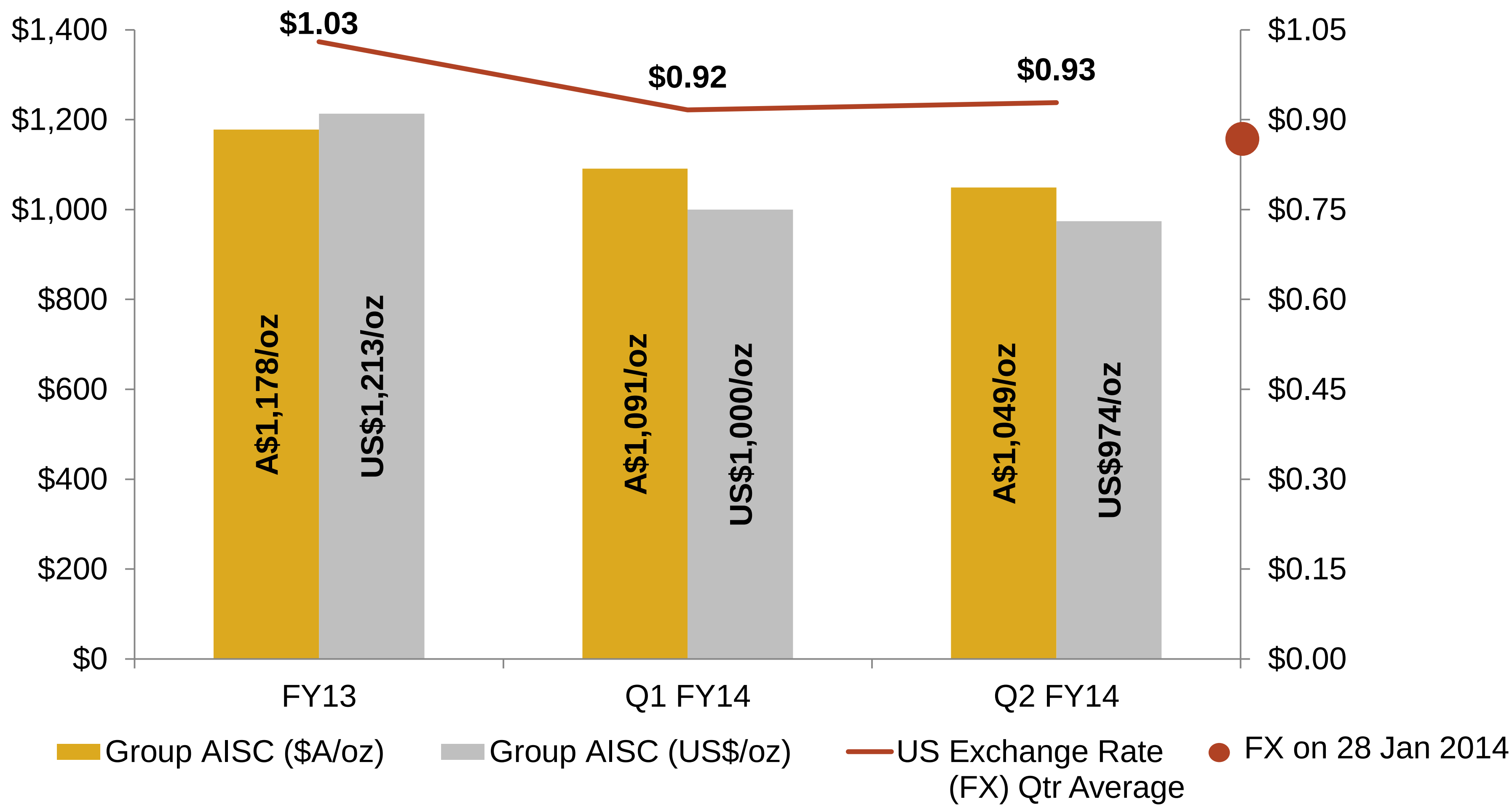



- Sustained improvements in Group safety performance
- Injury prevention programs are taking effect
- Group total recordable injury frequency rate is 15.5
- Group lost time injury rate is 2.9

TRI: Total recordable injury. Includes the number of fatalities, lost time injuries/diseases, medical treatment injuries and disabling injuries
TRIFR: Total recordable injury frequency rate. The frequency of total recordable injuries per million hours worked

***Injury rates at their lowest levels since Evolution's formation***

# December quarter AISC



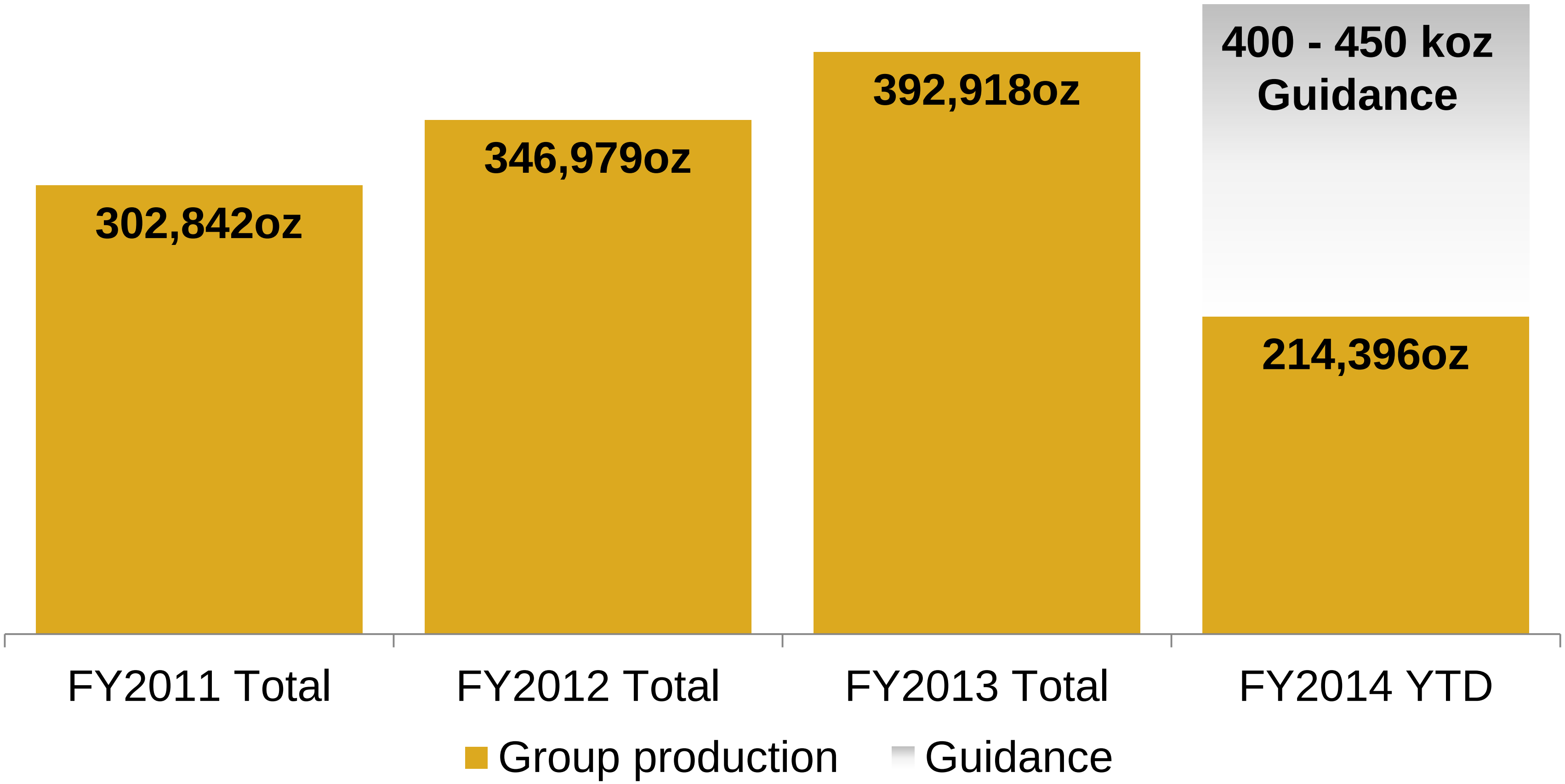

**Note:** In FY13 AISC was reported as A$1,228/oz (included Discovery costs). In FY14, AISC definition excludes Discovery costs to align with the World Gold Council's recommendation. For comparison, A$50/oz Discovery costs subtracted from FY13 AISC

***A focus on reducing costs***

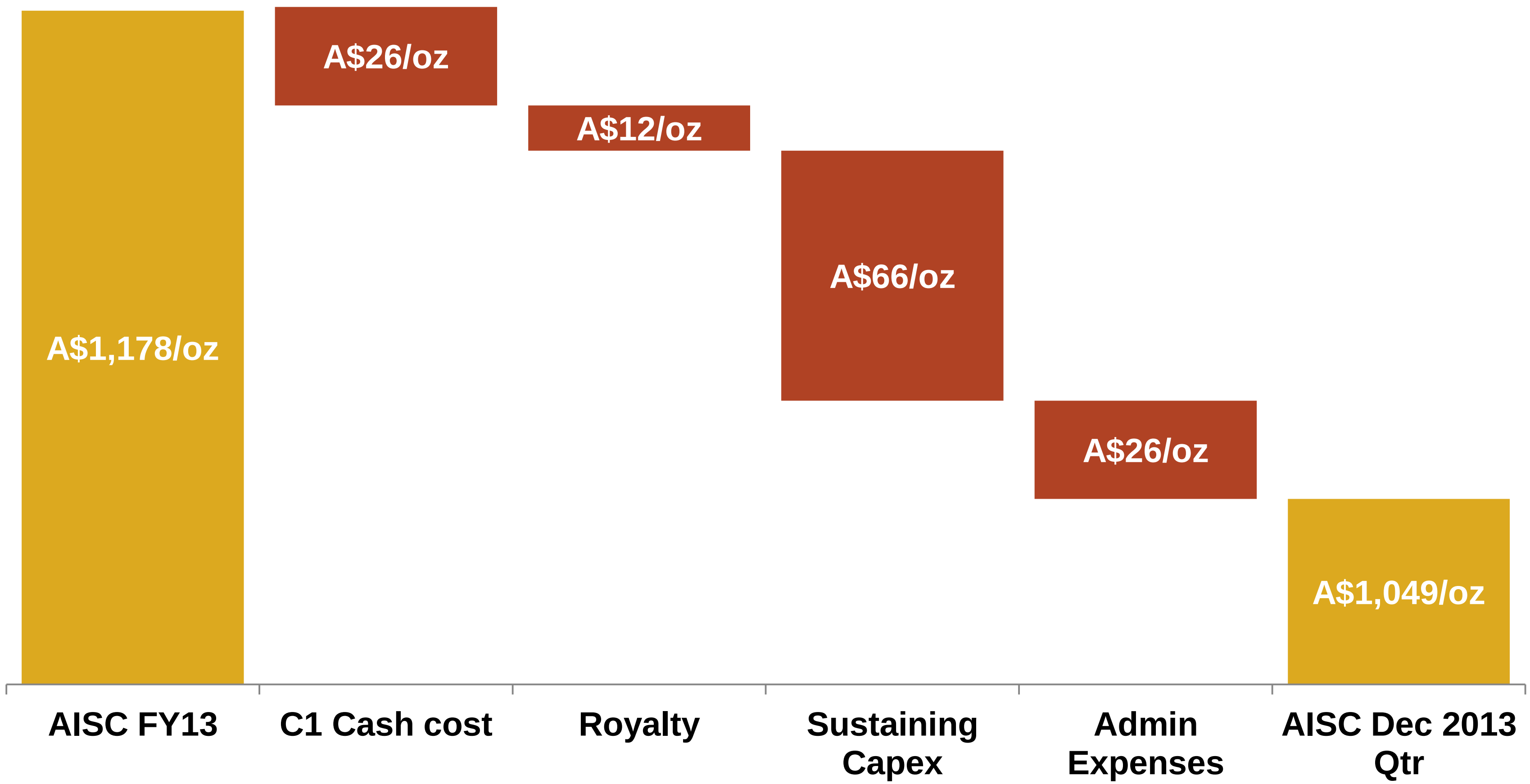
# Operations

# Delivering stability & predictability

- Nine consecutive quarters of robust operating performance
- A portfolio of five assets delivering operational stability and predictability
- A focus on capital discipline and productivity efficiencies



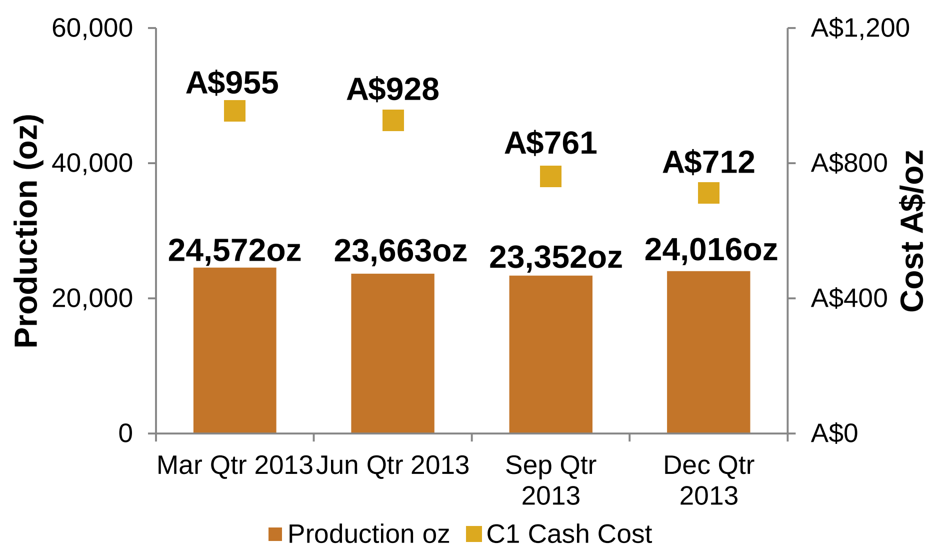
# A focus on cost reductions




**Note:** In FY13 AISC was reported as A$1,228/oz (included Discovery costs). In FY14, AISC definition excludes Discovery costs to align with the World Gold Council's recommendation. For comparison, A$50/oz Discovery costs subtracted from FY13 AISC

# Cracow

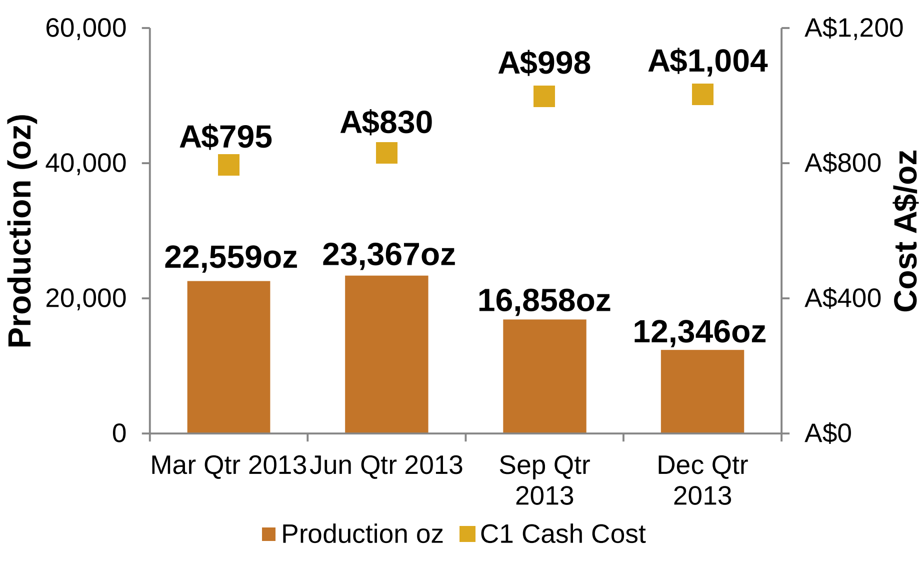
- Consistent gold production of 24,016oz (Sep qtr: 23,352oz)
- Cash cost of A$712/oz, AISC of A$1,034/oz (Sep qtr: C1 A$761/oz, AISC A$1,085/oz)
- Further cost reductions following full transition to owner-miner with unit mining costs reduced to A$79/t – a 35% decrease compared to an average A$121/t in FY13
- 126,871t processed at 6.22g/t Au (Sep qtr: 129,165t at 6.01g/t Au)




*Empire ore heading – Cracow*

# Pajingo

- December quarter production of 12,346oz of gold: 81,682t at 4.93g/t Au processed (includes lower grade open pit material)
- Cash cost of A$1,004/oz, AISC of A$1,481/oz (Sep qtr: A$998/oz, AISC A$1,435/oz)
- Lower gold production due to some rehabilitation in the upper decline (restricted access)
- A shift to mining smaller stoping panels to provide more effective, efficient and consistent mining method
- Operating costs expected to reduce in the March 2014 qtr as a result of changes in mining and optimisation of mine planning and processing

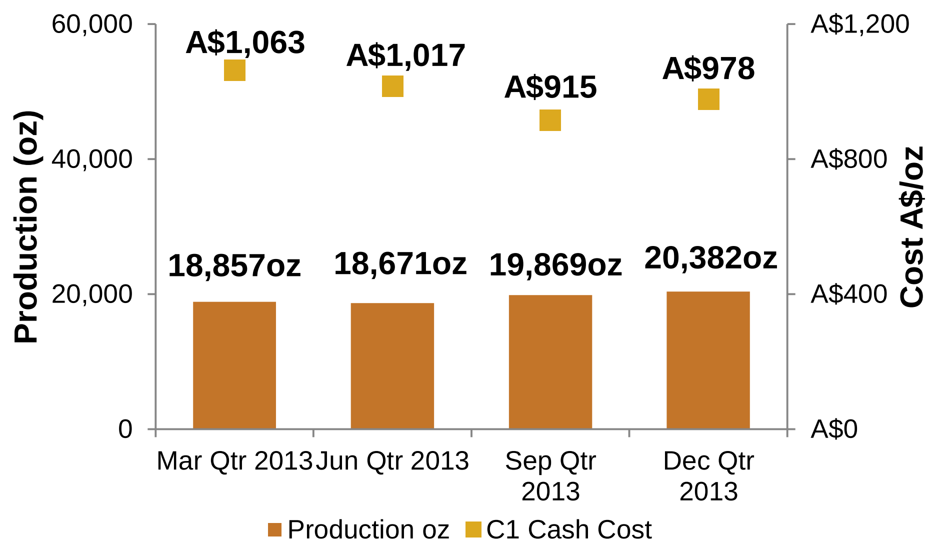



Pajingo plant - 2013

# Edna May

- Consistent gold production of 20,382oz (Sep qtr: 19,869oz)
- Cash cost of  A$978/oz, AISC A$1,172/oz (Sep qtr: A$915/oz, AISC A$1,209/oz)
- 644,459t processed at 1.04g/t Au – a 12% increase in throughput due to increased oxide feed
- Gold recovery of 94.4% – a sustained improvement on FY13
- Successful gravity circuit tails redirection 31 Dec 2013 – immediate improvement on production volumes and mill ball consumption commencing March 2014 quarter

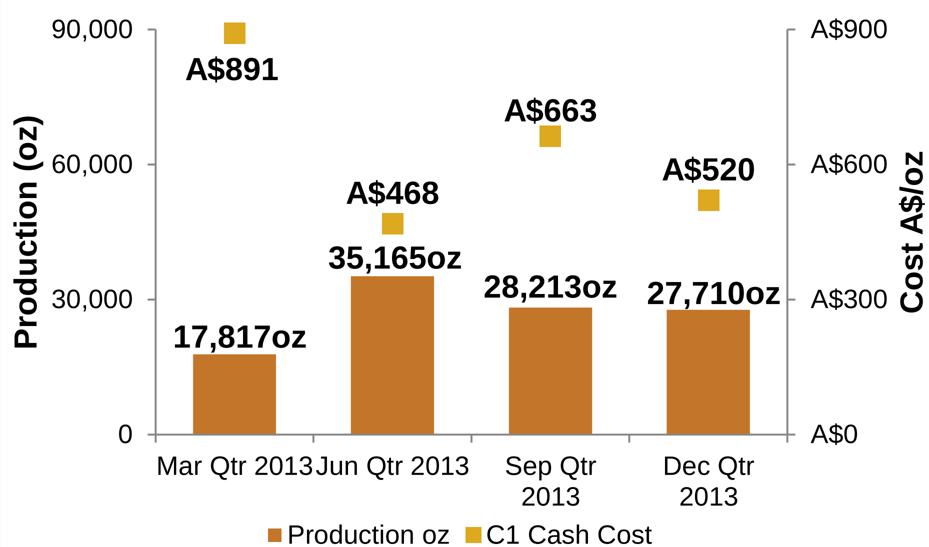
*Edna May open pit: November 2013*



# Mt Rawdon

- Robust gold production of 27,710oz at a cash cost of A$520/oz and AISC of A$674/oz (Sep qtr: 28,213oz, cash cost A$663/oz, AISC A$857/oz)
- Cash cost reduced by 22% compared to Sep 2013 quarter
- Continued focus on cost reductions with the establishment of new Western waste dump in progress, to reduce waste haulage: anticipated to further reduce overall mining costs
- Slight decrease in production due to a major (100 hour) planned shutdown

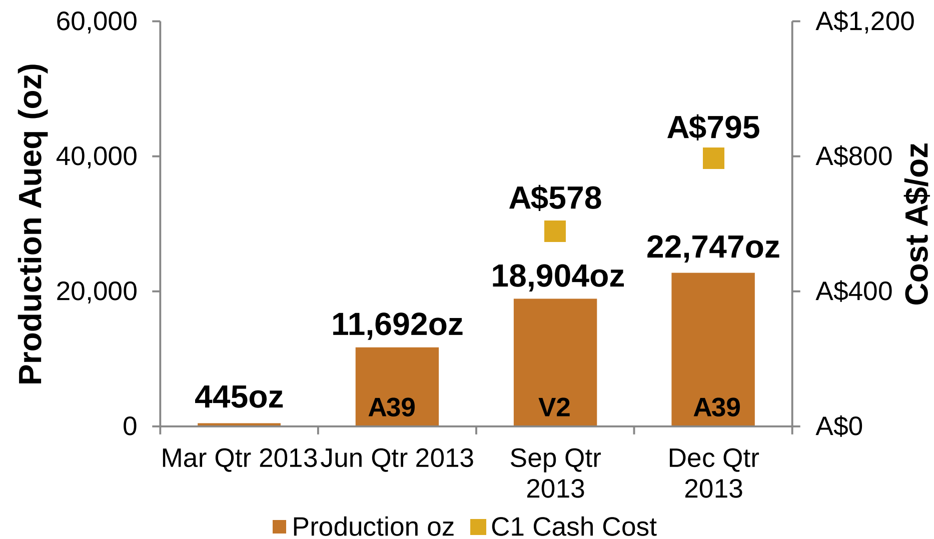

Mt Rawdon open pit: December 2013



# Mt Carlton

- Above expectation gold equivalent production of 22,747oz (A39 deposit) – a 20% increase compared to the Sep 2013 qtr at a cash cost of A$795/oz and AISC of A$986/oz
- Unit costs higher due to processing of A39 ore – processing alternates between A39 and V2 deposits on an approximate 3-4 month cycle (V2 unit cost benefit due to by-product credits)
- Cost reduction strategies continue to focus on material selection and procurement, processing efficiencies and concentrate logistics
- Concentrate shipments: 10,532wmt of A39 material dispatched – four shipments
  4,357wmt of V2 material dispatched – two shipments

Mt Carlton A39 open pit: Dec 2013



# Exploration

# Exploration Highlights

- Exploration expenditure of A$4M for the quarter and A$7.8M YTD
- 4D Studies are progressing well with diamond drilling brought forward (eight holes for 4,885m) – all results pending
- At Pajingo, hole JMRD3941 intersected quartz veining – likely to be the down-dip continuation of the structure hosting the Vera ore
- At Cracow, three holes to test structures potentially hosting epithermal veins on the 2D seismic profile intersected pyrite-clay alteration and veining
- Porphyry targets characterised by chargeability and magnetic anomalies were drill tested at Mt Carlton

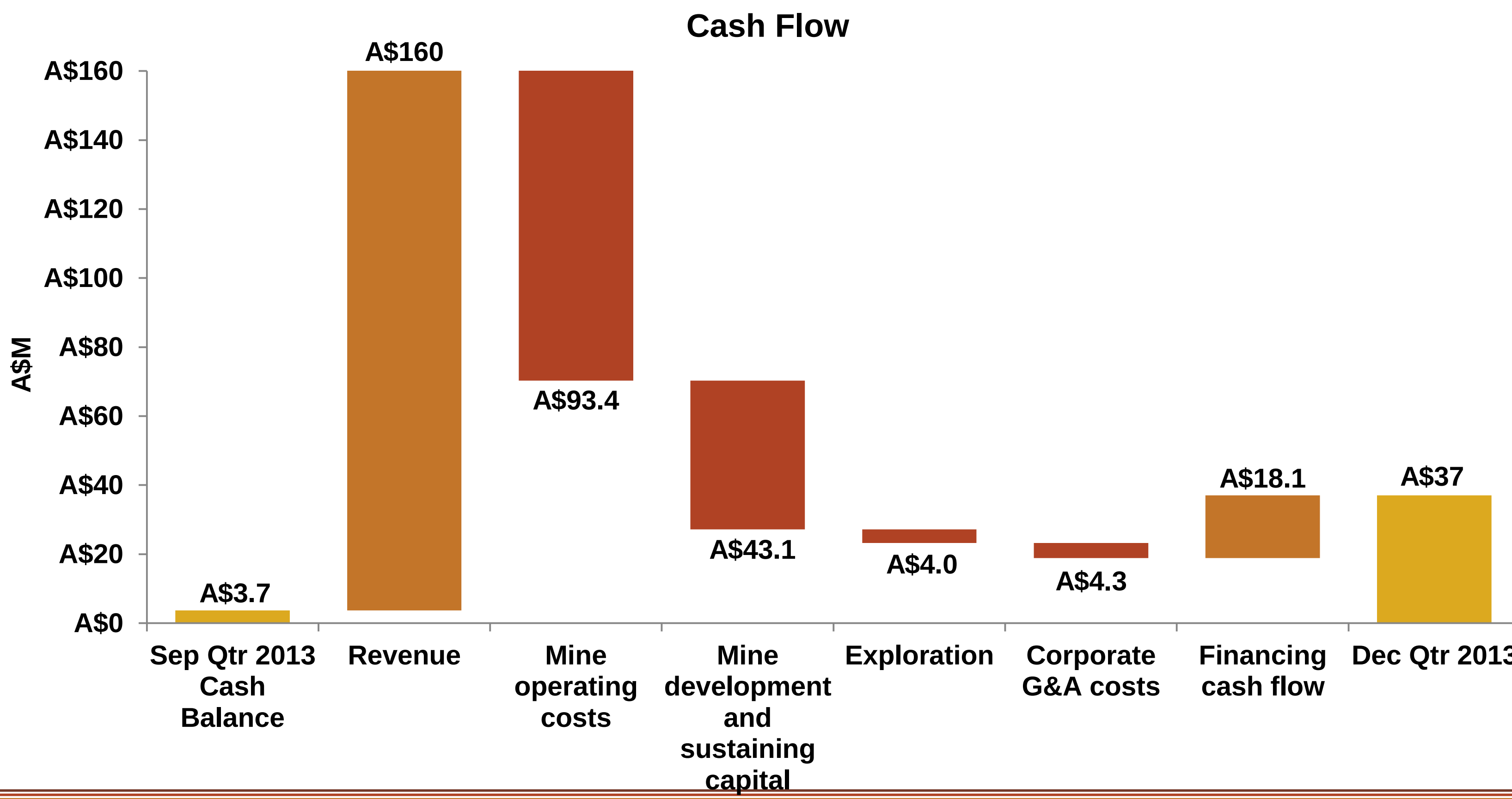
*Diamond drilling at Cracow*

**_Exploring for transformational growth_**

# Financials

# Financials

- Revenue from operations was  A$160M – comprised of gold doré revenue of A$127M and Mt Carlton concentrate revenue of A$33M
- Gold sales of 96,246oz at an average price A$1,412/oz
- Strong operating cash inflow from operating activities of A$15.2M



# Capital discipline

- Gold hedge book total stands at 205,229oz at average A$1,593/oz
- Cash in bank at 31 December 2013 of A$37.0M (A$3.7M Sep 2013 qtr)
- Corporate debt is at A$141.8M with available credit A$58.2M at 31 December 2013
- Total capital expenditure was A$43.1M – 62% invested in mine development including A$14.3M on waste stripping capital at Mt Rawdon. Capital expenditure is planned to reduce to around A$35M in the March 2014 quarter
- The full year capital spend is anticipated to be at the lower end of the A$160M to A$185M guidance

***Delivering steady, low cost production and strong cash flow***

# Evolution Mining

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- Operational stability and predictability with a portfolio of five operations
  - FY14 production and guidance maintained: 400,000 – 450,000 gold equivalent with cash operating costs in the range of A$770 – A$820/oz
  - All-in Sustaining Cost range of A$1,080 – A$1,130/oz
  - All-in Cost range of A$1,300 – A$1,370/oz
  - Approximately 100,000oz Aueq forecast in March 2014 quarter
- Effective production efficiencies, capital discipline and cost reductions in response to a lower gold price environment
- Strong financial position
- Shareholder returns – gold-linked, royalty style dividend policy
- Highly talented exploration team focused on transformational growth

***We Say, We Do, We Deliver***

# Evolution Mining

## ASX Code: EVN

www.evolutionmining.com.au

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# Appendix - Production Summary

| December 2013 Quarter | Units | Cracow | Pajingo | Edna May | Mt Rawdon | Mt Carlton | Total / Average |
|---|---|---|---|---|---|---|---|
| UG lateral development - capital | m | 741 | 448 | - | - | - | 1,188 |
| UG lateral development - operating | m | 757 | 524 | - | - | - | 1,281 |
| Total UG lateral development | m | 1,497 | 972 | - | - | - | 2,469 |
| UG ore mined | kt | 125 | 67 | - | - | - | 192 |
| UG grade mined | g/t | 6.15 | 5.87 | - | - | - | 6.05 |
| OP capital waste | kt | - | - | 209 | 3,196 | 869 | 4,273 |
| OP operating waste | kt | - | - | 173 | 115 | 673 | 961 |
| OP ore mined | kt | - | - | 364 | 912 | 224 | 1,500 |
| OP grade mined | g/t | - | - | 1.09 | 1.05 | 4.85 | 1.63 |
| Total ore mined | kt | 125 | 67 | 364 | 912 | 224 | 1,692 |
| Total tonnes processed | kt | 127 | 82 | 644 | 888 | 162 | 1,902 |
| Grade processed | g/t | 6.22 | 4.93 | 1.04 | 1.05 | 6.70 | 2.04 |
| Recovery | % | 95 | 95 | 94 | 93 | 84 | 92 |
| **Gold produced[1]** | **oz** | **24,016** | **12,346** | **20,382** | **27,710** | **22,747** | **107,201** |
| Silver produced | oz | 13,495 | 9,255 | 7,831 | 27,193 | 1,376,164 | 1,433,937 |
| Copper produced | t | - | - | - | - | 83 | 83 |
| Gold sold | oz | 24,137 | 12,800 | 20,783 | 30,810 | 7,716 | 96,246 |
| Achieved gold price | A$/oz | 1,373 | 1,373 | 1,553 | 1,375 | 1,368 | 1,412 |
| Silver sold | oz | 13,495 | 9,255 | 7,831 | 27,193 | 958,548 | 1,016,321 |
| Achieved silver price | A$/oz | 23 | 23 | 22 | 23 | 23 | 23 |
| Copper sold | t | - | - | - | - | 135 | 135 |
| Achieved copper price | A$/t | - | - | - | - | 7,706 | 7,706 |
| **Cost Summary** | | | | | | | |
| Mining | A$/oz | 415 | 617 | 315 | 171 | 225 | 316 |
| Processing | A$/oz | 190 | 292 | 589 | 351 | 301 | 343 |
| Administration and selling costs | A$/oz | 102 | 175 | 116 | 75 | 284 | 145 |
| Stockpile adjustments | A$/oz | 19 | (63) | (33) | (56) | (8) | (26) |
| By-product credits | A$/oz | (13) | (17) | (9) | (22) | (8) | (14) |
| **C1 Cash Cost** | **A$/oz** | **712** | **1,004** | **978** | **520** | **795** | **764** |
| Royalties | A$/oz | 71 | 71 | 63 | 65 | 72 | 68 |
| Other[2] | A$/oz | 1 | 92 | 57 | 36 | 73 | 47 |
| Depreciation & Amortisation | A$/oz | 277 | 293 | 201 | 415 | 349 | 316 |
| **C3 Total Cost** | **A$/oz** | **1,063** | **1,459** | **1,299** | **1,036** | **1,288** | **1,194** |

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:61.9 based on the average gold and silver prices during the December 2013 quarter
2. Price related inventory adjustment for stockpiles held at net realisable value