

# Quarterly Results

March 2014



**Evolution**  
MINING

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# March 2014 quarter highlights

## Production

- Consistent Group production of 101,408oz delivered at an average cash cost of A\$811/oz (US\$727/oz<sup>1</sup>) and AISC<sup>2</sup> of A\$1,079/oz (US\$968/oz)
- Standout performance at Mt Carlton with 26,109 AuEq<sup>3</sup> ounces produced at an average C1 cash cost of A\$454/oz and AISC of A\$615/oz
- Year to date production of 315,804oz AuEq at average cost of A\$781/oz (US\$701/oz) and AISC of A\$1,074/oz (US\$954/oz)
- On target to meet FY14 guidance: 400-450koz AuEq, C1 cost A\$770 – A\$820/oz and AISC of A\$1,080 – A\$1,130/oz. Capital spend expected to be below the lower end of the A\$160M – A\$185M guidance
- Continued Company-wide focus on cost reductions, capital discipline and productivity improvements

## Corporate

- Strong cash position with a cash balance of A\$36.7M (Dec 2014 qtr: A\$37.0M)
- Corporate debt under Company's revolving credit at A\$141.8M: available credit of A\$58.2M
- Gold hedge book at end of March 2014 qtr was 184,774oz at A\$1,595/oz

1. Using an average AUD:USD exchange rate for the quarter of \$0.897

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 1:62.5

# March 2014 quarter production

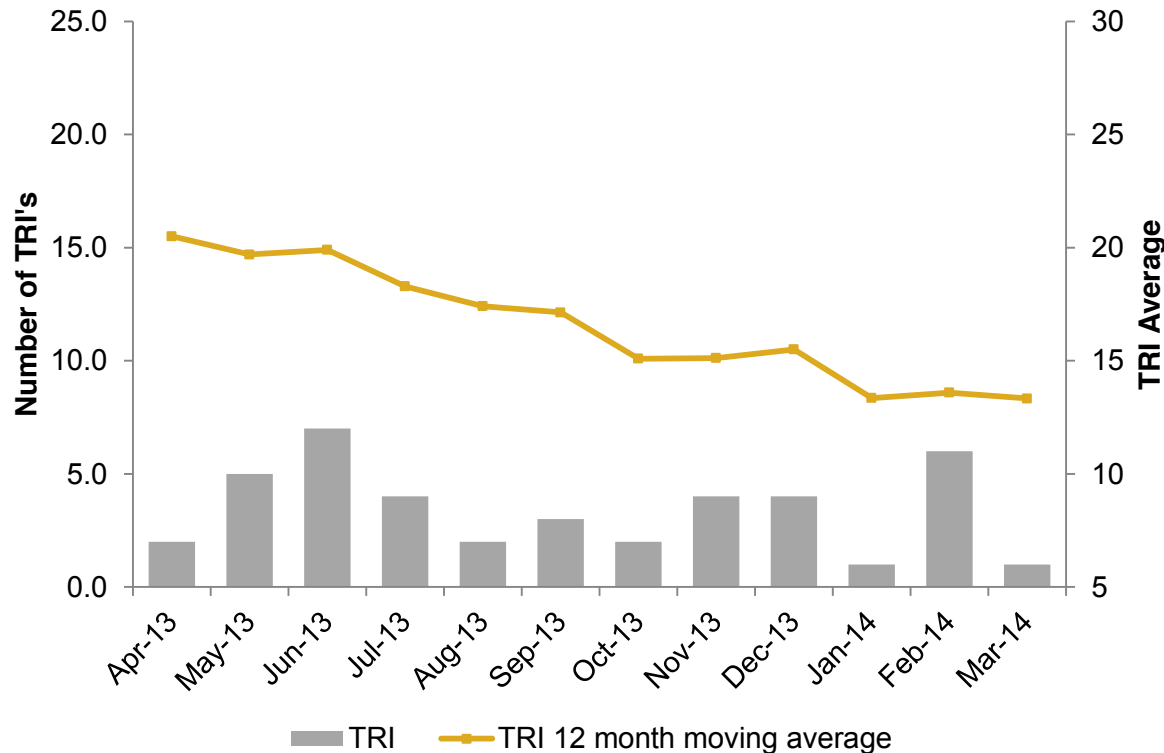


	Units	Mar quarter 2014	Dec quarter 2013	Sep quarter 2013	Year to date FY14
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>101,408</b>	<b>107,201</b>	<b>107,195</b>	<b>315,804</b>
By-product silver produced	oz	191,827	60,388	234,259	486,474
<b>C1 Cash Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>811</b>	<b>764</b>	<b>769</b>	<b>781</b>
C3 Total Cost <sup>3,5</sup>	A\$/oz	1,176	1,199	1,146	1,173
Gold sold	oz	92,669	96,246	97,211	286,125
Achieved gold price	A\$/oz	1,461	1,412	1,475	<b>1,449</b>
Silver sold	oz	696,681	1,016,321	670,530	2,383,532
Achieved silver price	A\$/oz	23	23	22	23
<b>All-in Sustaining Cost<sup>4,5</sup></b>	<b>A\$/oz</b>	<b>1,079</b>	<b>1,053</b>	<b>1,091</b>	<b>1,074</b>

1. Mt Carlton production recorded as payable gold production. Silver production from the A39 silver deposit at Mt Carlton is recorded as gold equivalent using a gold to silver ratio of 1:65.2 for the September quarter 2013, 1:61.9 for the December quarter 2013 and 1:62.5 for the March quarter 2014
2. Before royalties and after by-product credits
3. Includes C1 cash costs, depreciation, amortisation, royalty and other expenses
4. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration
5. C3 Total Cost increase by A\$5/oz, and AISC increase by A\$4/oz in the December quarter relates to a reconciling adjustment, after the release of the Q3 results

***Consistency, Reliability, Efficiency***

# Improved safety performance

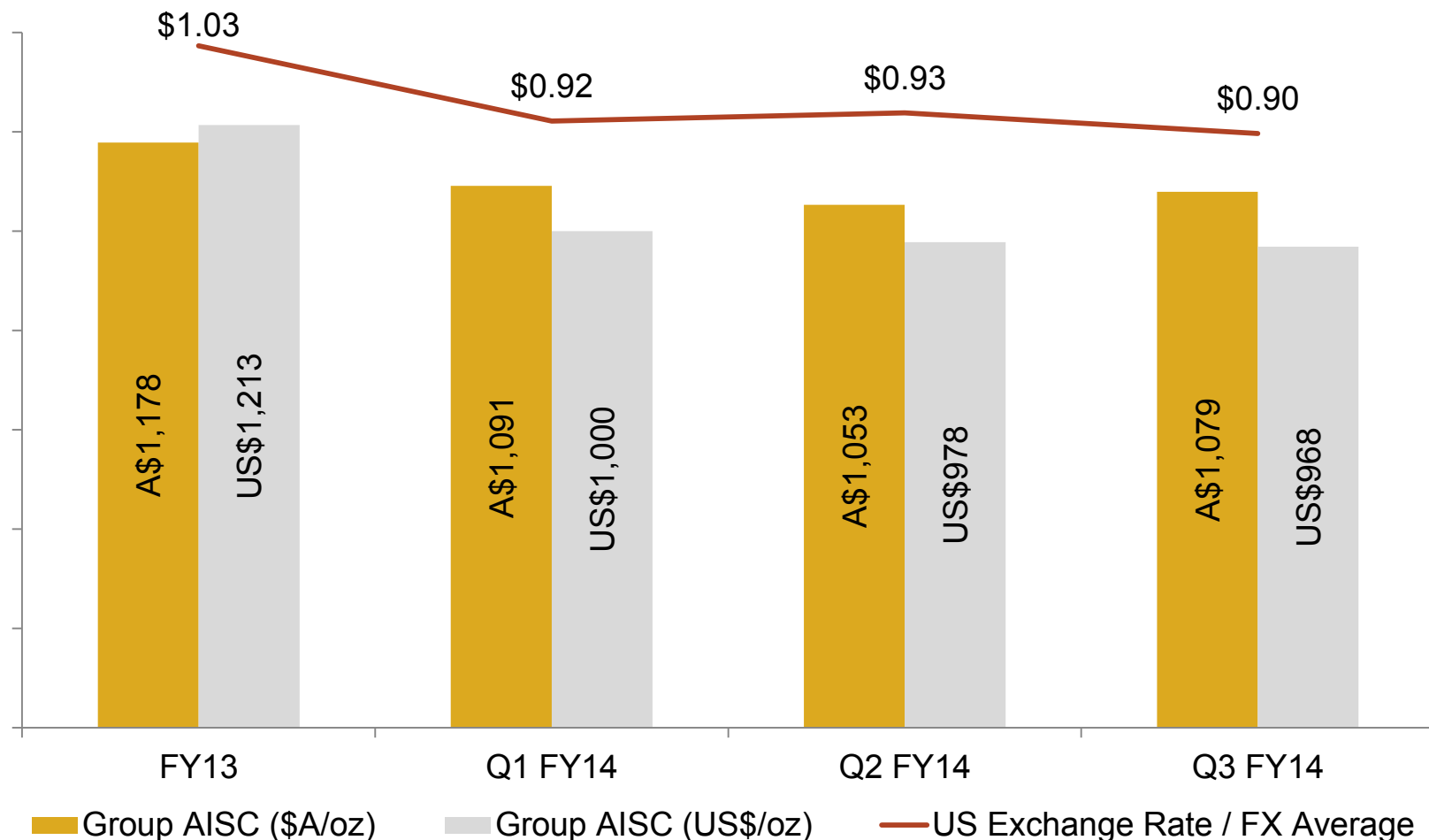


- Sustained improvements in Group safety performance
- Injury prevention programs driving risk reduction
- Group total recordable injury frequency rate is 13.3
- Group lost time injury rate is 2.6

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***

# March 2014 quarter AISC



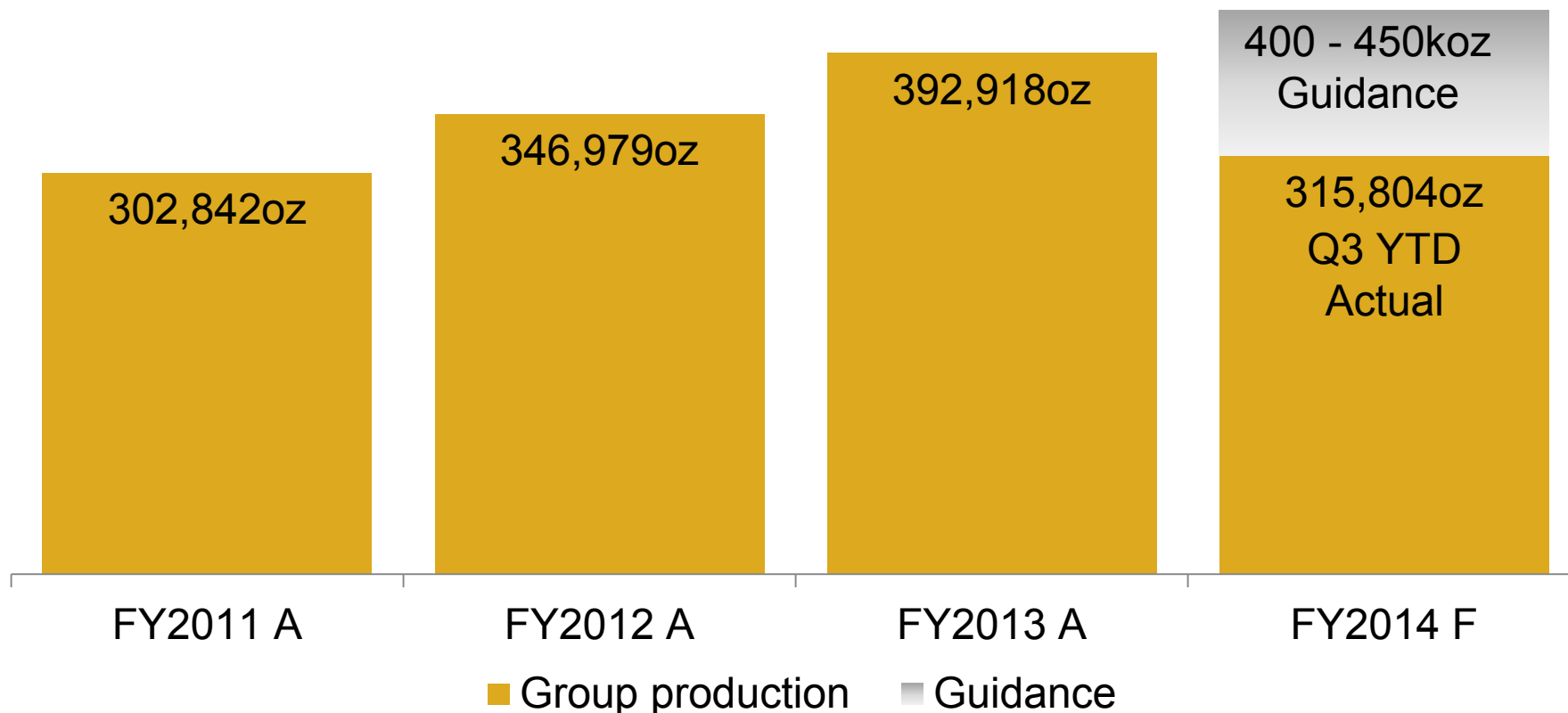
**Note:** In FY13 AISC was reported as A\$1,228/oz (included Discovery costs). In FY14, AISC definition excludes Discovery costs to align with the World Gold Council's recommendation. For comparison, A\$50/oz Discovery costs subtracted from FY13 AISC

*A focus on reducing costs*

# Delivering stability & predictability



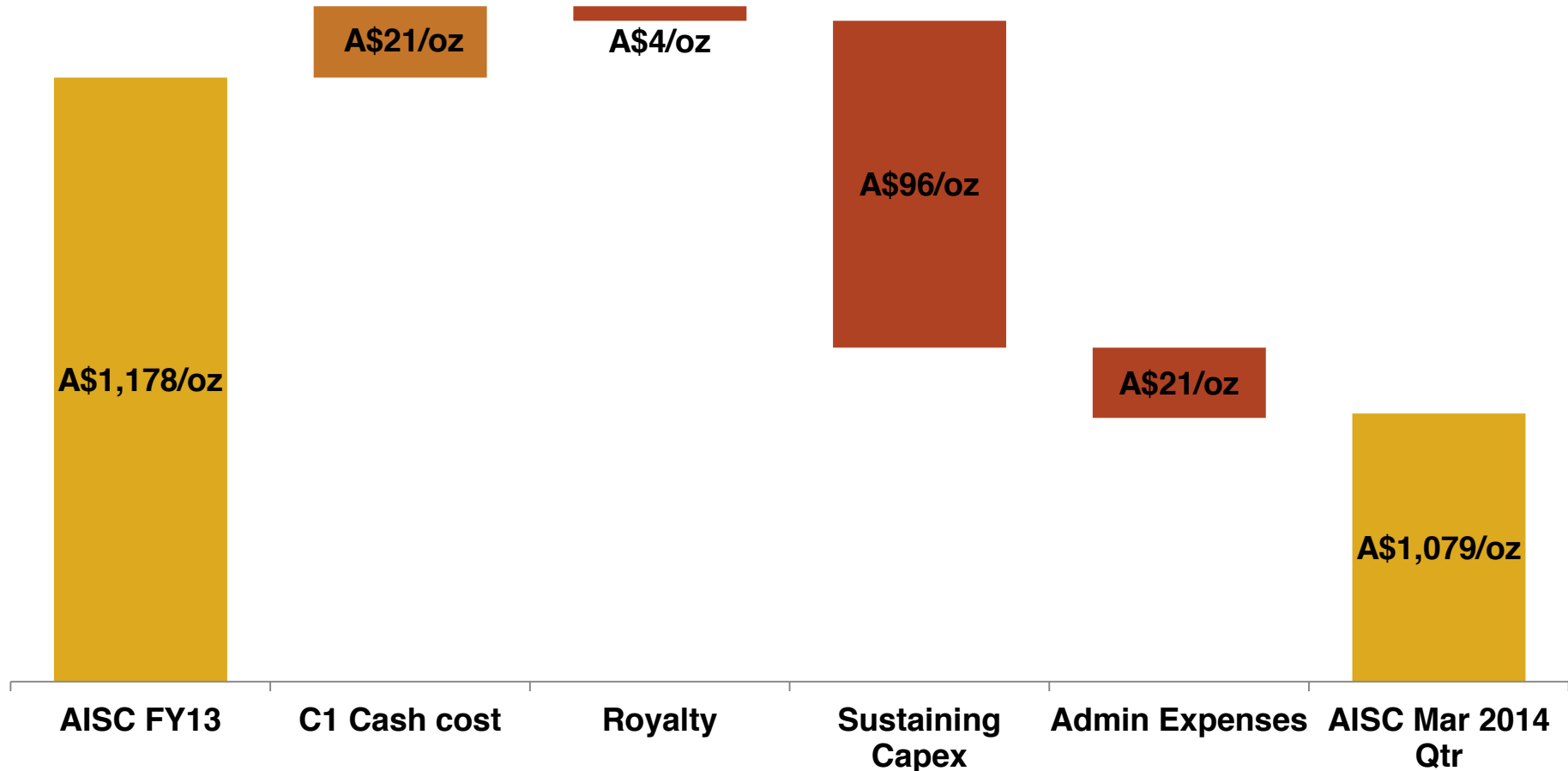
- Ten consecutive quarters of consistent, reliable operating performance
- A portfolio of five assets delivering operational stability and predictability
- A focus on capital discipline and productivity efficiencies



# Operations



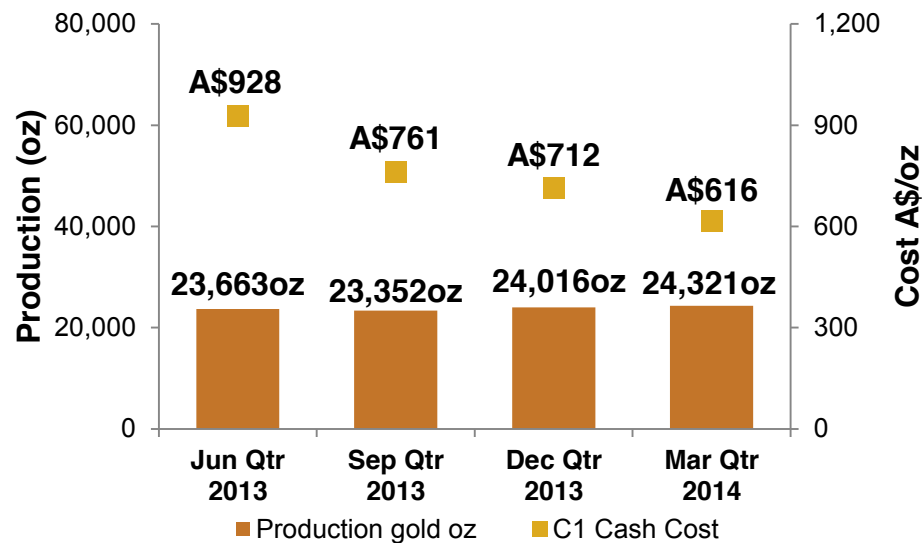
# A focus on cost reductions



**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

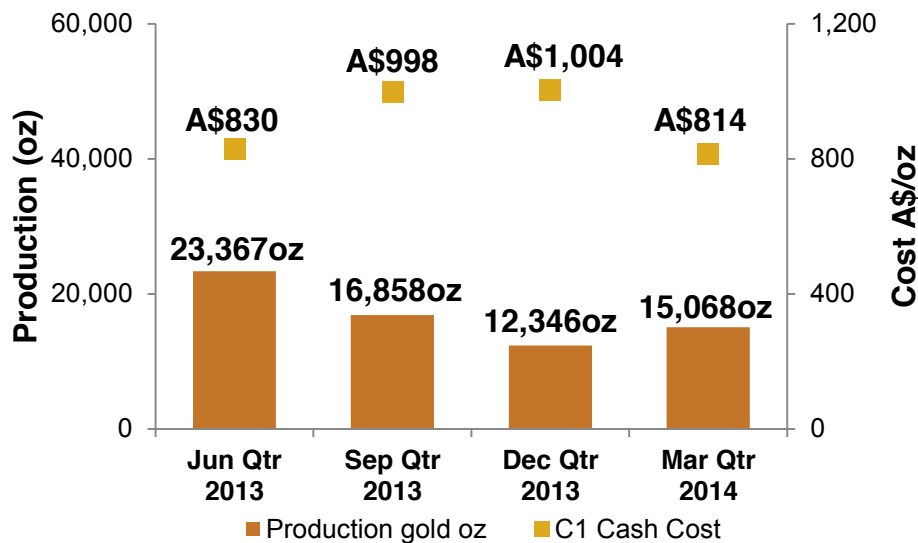
# Cracow

- Consistent gold production of 24,321oz (Dec qtr: 24,016oz)
- Cash cost of A\$616/oz, AISC of A\$938/oz (Dec qtr: C1 A\$712/oz, AISC A\$1,034/oz)
- Cost savings following change to owner-miner estimated to be A\$18-20M in FY14 (A\$180 – A\$200 per ounce AISC saving)
- 127,591t processed at 6.22g/t Au (Dec qtr: 126,871t at 6.22g/t Au)



# Pajingo

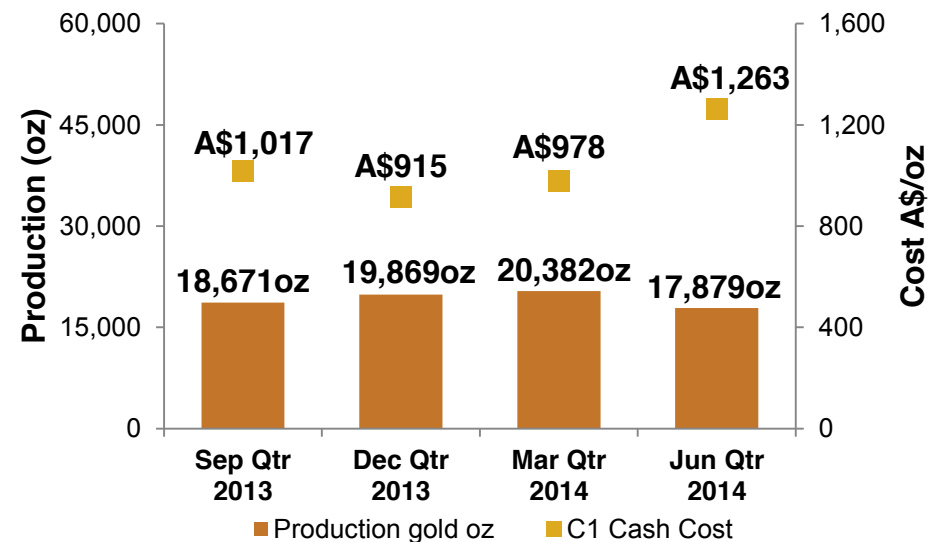
- March quarter production of 15,068oz of gold (Dec qtr: 12,346oz) – 76,253t processed at 6.42g/t Au (Dec qtr: 81,682t at 4.93g/t Au)
- Cash cost of A\$814/oz, AISC of A\$1,114/oz (Sep qtr: C1 A\$1004/oz, AISC A\$1,481/oz)
- Total site costs per month of A\$6.3M for March quarter (close to 50% reduction compared to FY13 monthly average of A\$12M)
- Reduced dilution following reduction in stope dimensions positively impacting results



# Edna May



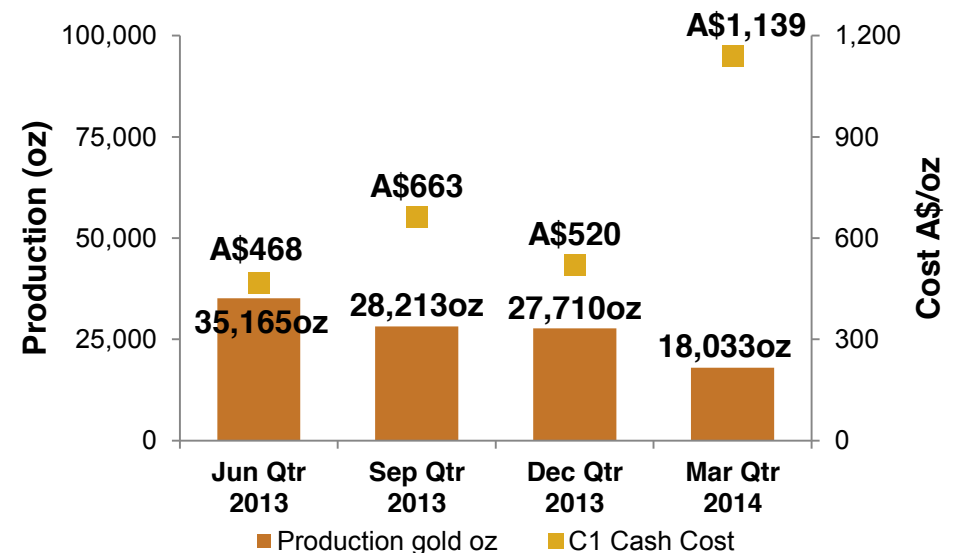
- Gold production of 17,879oz (Dec qtr: 20,382oz). Cash cost of A\$1,263/oz, AISC A\$1,434/oz (Dec qtr: C1 A\$978/oz, AISC A\$1,172/oz)
- 667,110t processed at 0.90g/t Au (Dec qtr: 644,459t at 1.04g/t Au)
- Unit costs higher due to lower grade and unplanned shutdowns (power outage, SAG mill liners)
- Cost reductions locked in for FY15 in the areas of power supply (9% saving) camp costs (6% savings) and ~A\$1Mpa savings in mill ball consumption
- Average plant throughput rate lifted to 7,412tpd (2.7Mtpa) and targeting 8,220tpd (3.0Mtpa)



# Mt Rawdon



- Gold production of 18,033oz at a cash cost of A\$1,139/oz and AISC of A\$1,285/oz (Dec qtr: 27,710oz, C1 A\$520/oz, AISC A\$674/oz)
- Lower production due to rainfall restricting mining access and lower grade in upper areas of Stage 3 pit
- Western waste dump clearing and infrastructure construction well advanced – cost benefits through shorter haul distances
- A strong June quarter anticipated
- A move to owner-miner in first quarter FY15 following a detailed financial assessment

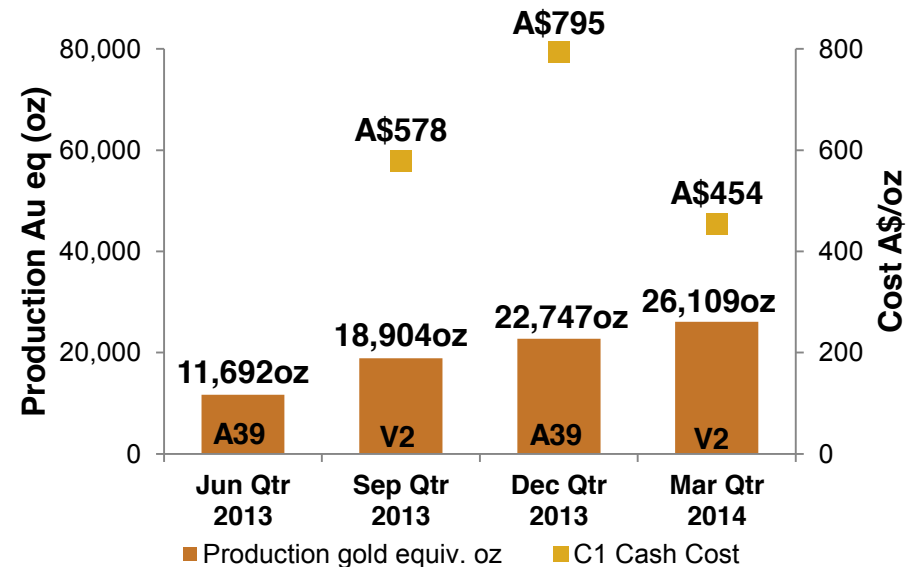




# Mt Carlton



- Gold equivalent production of 26,109oz at a cash cost of A\$454/oz and AISC of A\$615/oz (Dec qtr: 22,747oz, C1 A\$795/oz, AISC A\$986/oz)
- Significantly higher production than December quarter due to higher grade and processing predominantly V2 ore (costs reduced for V2 due to by-product credits)
- YTD production of 67,749oz AuEq already within FY14 guidance (65,000 – 75,000oz AuEq)
- YTD cash cost of A\$603/oz well below guidance of A\$700 – \$750 per ounce



# Exploration



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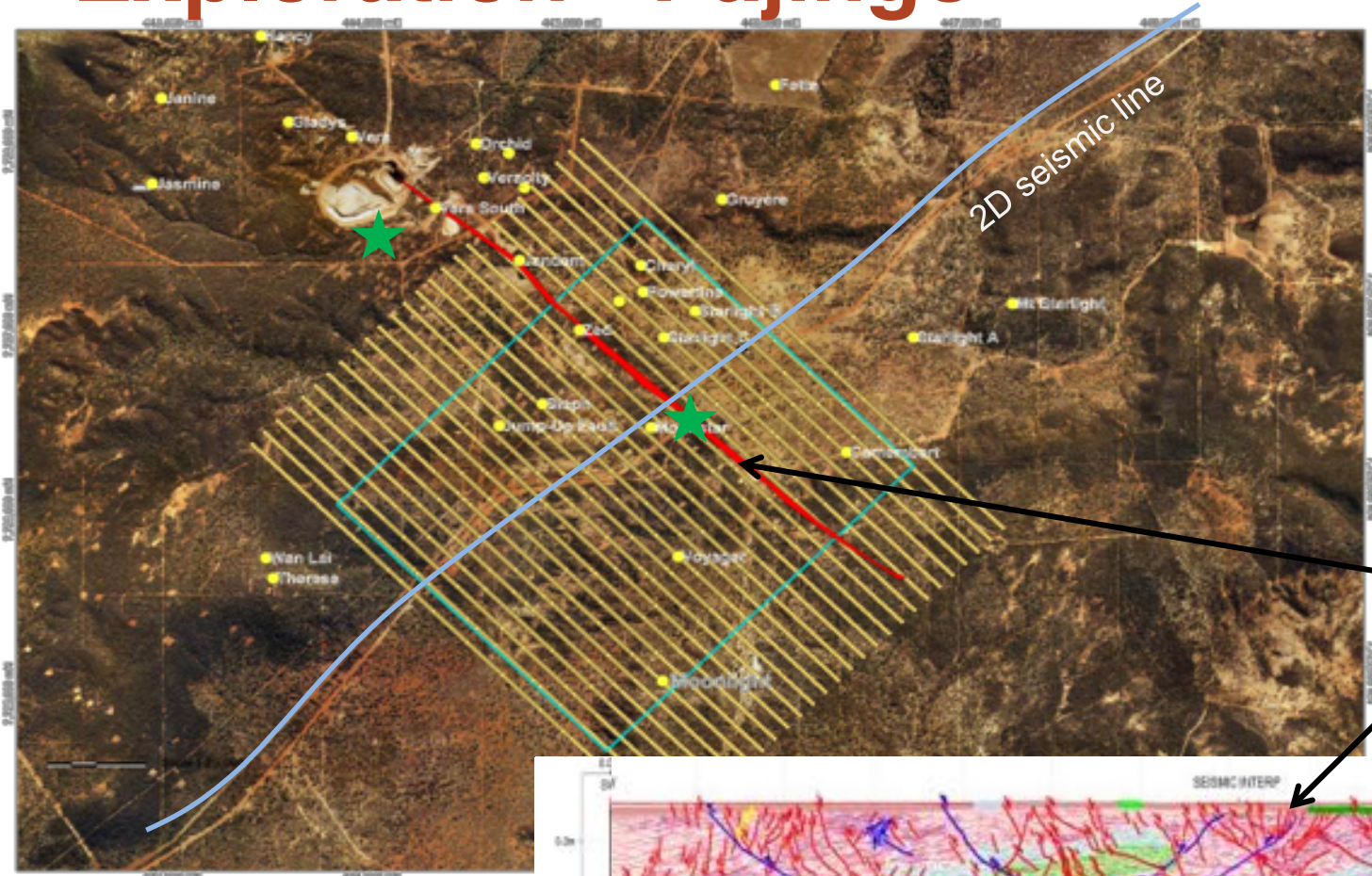
# Exploration Highlights



- Exploration expenditure of A\$3.0M for the quarter and A\$10.8M YTD
- At Cracow, Empire South structure extended south towards Coronation
- 2D seismic enables direct targeting
  - Proof of concept drill holes
- Building 4D datasets
  - Structure + alteration + geochemistry + geologic time
    - Palaeo-stress modelling
- 3D seismic
  - High-resolution data cube
- New drill targets defined and planned for June quarter
- Major drilling program planned in FY15

***Breakthrough technology in mature fields to bring forward discoveries***







# Exploration - Pajingo

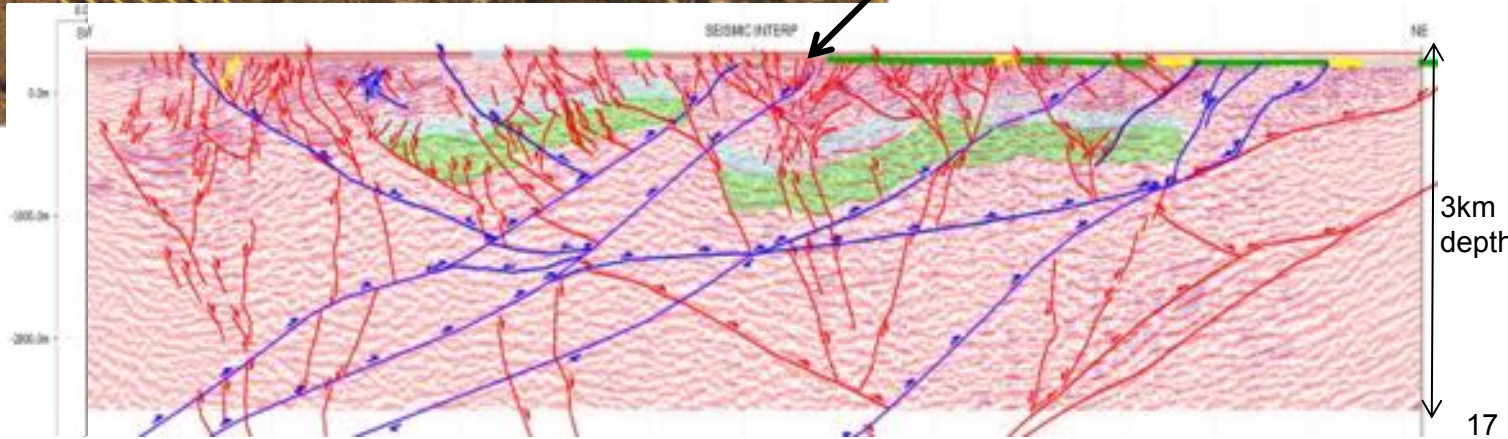


-  Proof of concept diamond holes
-  1.2km x 1.6km area of 3D survey

**Location of Vera Nancy fault**



-  Syn-mineral normal faults
-  Post-mineral inversion
-  Stratigraphic markers in volcanic sequence
-  sequence



# Financials



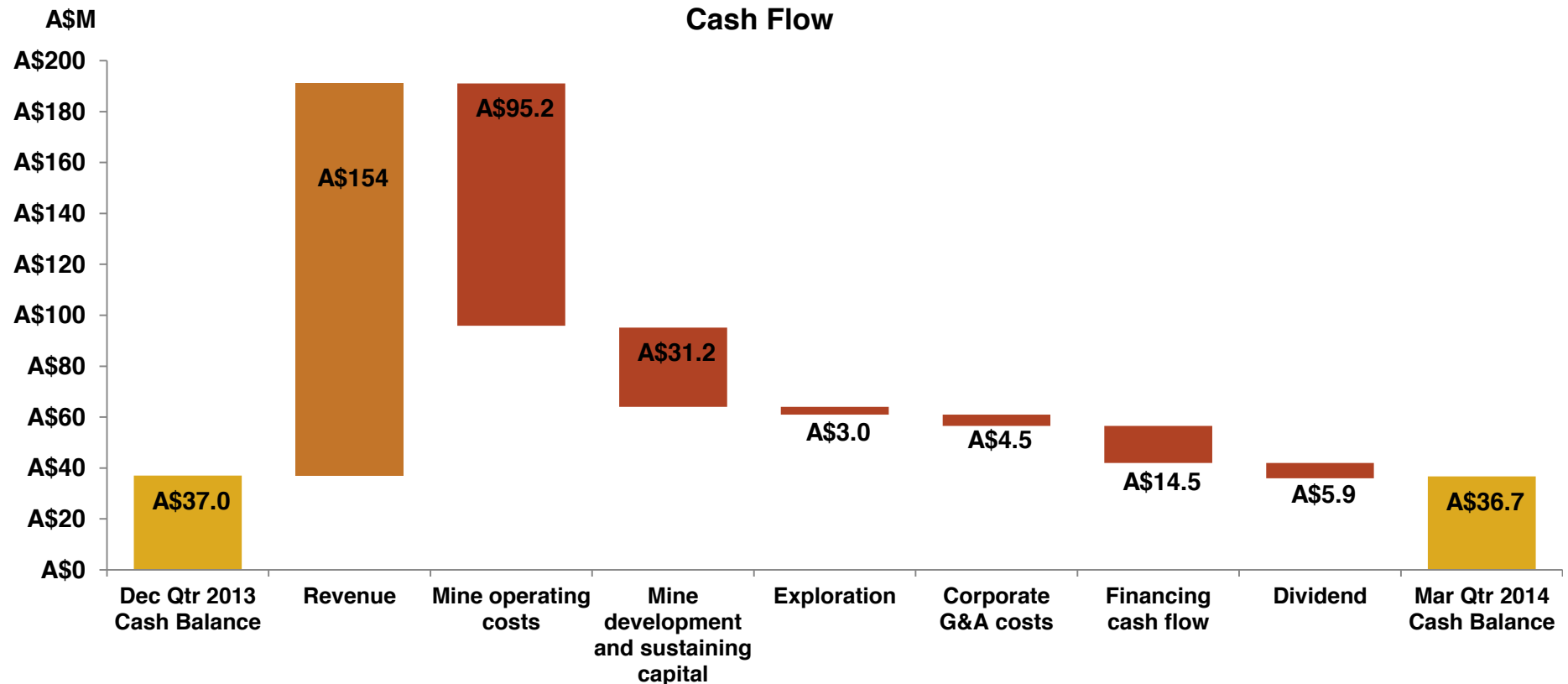
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# Financials



- Revenue from operations was A\$154M – comprised of gold doré revenue of A\$115M and Mt Carlton concentrate revenue of A\$39M
- Gold sales of 92,669oz at an average price A\$1,461/oz
- Strong cash inflow from operating activities of A\$28M



# Capital discipline

- Gold hedge book total stands at 184,774oz at average A\$1,595/oz
- Cash in bank at 31 March 2014 of A\$36.7M (Dec qtr: A\$37.0M)
- Corporate debt is at A\$141.8M with available credit A\$58.2M at 31 March 2014
- Total capital expenditure was A\$31.6M – 52% invested in mine development including A\$8.4M on waste stripping capital at Mt Rawdon. Capital expenditure expected to be consistent at around A\$30M in the June 2014 quarter
- The full year capital spend is anticipated to be below lower end of the A\$160M to A\$185M guidance

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

# Evolution Mining

- 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
  - In excess of 100,000oz AuEq forecast in June 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 using industry leading technology

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

# Evolution Mining

**ASX Code: EVN**

[www.evolutionmining.com.au](http://www.evolutionmining.com.au)



# Appendix - Production Summary



March 2014 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Total / Average
UG lateral development - capital	m	639	656	-	-	-	1,295
UG lateral development - operating	m	759	506	-	-	-	1,265
Total UG lateral development	m	1,398	1,163	-	-	-	2,561
UG ore mined	kt	129	76	-	-	-	205
UG grade mined	g/t	6.63	6.40	-	-	-	6.54
OP capital waste	kt	-	-	124	1,774	493	2,391
OP operating waste	kt	-	-	262	879	469	1,610
OP ore mined	kt	-	-	506	731	118	1,355
OP grade mined	g/t	-	-	0.94	0.70	9.68	1.57
Total ore mined	kt	129	76	506	731	118	1,560
Total tonnes processed	kt	128	76	667	911	160	1,942
Grade processed <sup>1</sup>	g/t	6.22	6.42	0.90	0.68	6.80	1.85
Recovery	%	95	96	93	90	90	93
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>24,321</b>	<b>15,068</b>	<b>17,879</b>	<b>18,033</b>	<b>26,109</b>	<b>101,408</b>
Silver produced	oz	43,559	9,510	7,277	28,223	240,645	329,215
Copper produced	t	-	-	-	-	364	364
Gold sold	oz	26,204	15,458	18,008	17,399	15,600	92,669
Achieved gold price	A\$/oz	1,433	1,468	1,563	1,442	1,403	1,461
Silver sold	oz	43,559	9,510	7,277	28,223	608,111	696,681
Achieved silver price	A\$/oz	23	23	23	23	23	23
Copper sold	t	-	-	-	-	321	321
Achieved copper price	A\$/t	-	-	-	-	7,919	7,919
<b>Cost Summary</b>							
Mining	A\$/oz	411	466	439	477	172	374
Processing	A\$/oz	194	233	602	489	259	341
Administration and selling costs	A\$/oz	95	146	119	87	251	146
Stockpile adjustments	A\$/oz	(43)	(17)	111	122	(9)	26
By-product credits	A\$/oz	(41)	(14)	(9)	(36)	(219)	(76)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>616</b>	<b>814</b>	<b>1,263</b>	<b>1,139</b>	<b>454</b>	<b>811</b>
Royalties	A\$/oz	70	71	66	67	97	76
Other <sup>2</sup>	A\$/oz	(1)	(0)	(43)	(47)	(11)	(19)
Depreciation & Amortisation	A\$/oz	305	272	204	417	329	308
<b>C3 Total Cost</b>	<b>A\$/oz</b>	<b>990</b>	<b>1,157</b>	<b>1,490</b>	<b>1,575</b>	<b>868</b>	<b>1,176</b>

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 1:62.5 based on the average gold and silver prices during the March 2014 quarter

2. Price related inventory adjustment for stockpiles held at net realisable value