



ABN: 74 084 669 036

P 02 9696 2900

F 02 9696 2901

Level 28

175 Liverpool Street,

Sydney, NSW 2000

www.evolutionmining.com.au

ASX Announcement

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TENNANT CREEK JOINT VENTURE AGREEMENT

Evolution Mining (ASX: EVN) is pleased to advise that it has entered into a farm-in and joint venture arrangement with Emmerson Resources Ltd (ASX: ERM) over the highly prospective Tennant Creek gold-copper project located in central Northern Territory, Australia.

The Tennant Creek Mineral Field is historically one of Australia's highest grade gold and copper fields, having produced more than 5.5 million ounces of gold and 470,000 tonnes of copper from a variety of deposits, many of which are located within Emmerson Resources' tenement portfolio. Evolution believes that the application of new technology and innovative exploration techniques over the Tennant Creek gold-copper project area could uncover many more high-grade gold and copper deposits.

The Tennant Creek gold-copper project area tenements cover an area of approximately 2,500 square kilometres. This highly prospective area has, in areas, seen limited modern exploration with only 8% of exploration drilling penetrating below 150m depth and only 6% of the tenement area subjected to modern exploration techniques. The integration of HeliTEM, aeromagnetic and gravity datasets, and structural analysis combined with innovative thinking to build refined metallogenic models provides real opportunities for new discoveries.

Commenting on the agreement, Evolution Executive Chairman, Jake Klein, said:

"We strongly believe that Australia is under-explored and that there are many discoveries still to be made. The Tennant Creek mineral field is a good example of a world-class mineral province that has only recently seen the application of new technologies and exploration concepts to reinvigorate exploration in the area."

Also commenting on the agreement, Evolution Vice President Discovery and Chief Geologist, Dr Roric Smith, said:

"With some of the exploration breakthrough provided by Emmerson using HeliTEM, combined with gravity and magnetic techniques to discover the Monitor and Goanna deposits, we believe that there is excellent potential for the discovery of further high-grade gold and gold-copper resources. We believe that the complementary geophysics and structural geology skill sets that Evolution brings to the joint venture will maximise the opportunity for new discovery. We look forward to working with the Emmerson geology team."

Evolution and Emmerson have entered into a binding term sheet which will form the basis of a formal farm-in and joint venture agreement. Key terms of the agreement include:

- Evolution can earn a 65% interest in the project tenements by spending \$15 million and not less than \$5 million per year, within 3 years (Stage 1)
- Evolution can then earn an additional 10% by spending a further \$10 million within 2 years for a total joint venture interest of 75% (Stage 2)
- Evolution must spend a minimum amount of \$7.5 million before it can withdraw from the agreement

- The agreement is subject to and conditional upon a number of conditions precedent being satisfied or waived on or before 30 June 2014 (or a later agreed date), including:
 - Evolution completing due diligence investigations
 - Certain third party consents being obtained
- Within 5 business days after the date that the last of the conditions precedent are satisfied or waived:
 - Evolution will subscribe for 49,144,000 new shares in Emmerson equivalent to a 13.0% shareholding in Emmerson at \$0.0381 per share (the 20 day volume weighted average share price immediately prior to the date of the term sheet) for \$1.87 million in aggregate, to be held in escrow for 12 months
 - Evolution will issue 2,504,383 new shares to Emmerson for non-cash consideration, equivalent to \$2 million at the 20 day volume weighted average share price immediately prior to the date of the term sheet, to be held in escrow for 12 months

For further information please contact:

Investor Enquiries

Bryan O'Hara
Investor Relations
Evolution Mining Limited
Tel: +61 2 9696 2900

Media Contact

Michael Vaughan
Media Relations
Cannings Purple
Tel: +61 8 6314 6300

About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. The Company operates five wholly-owned Australian mines – Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production in FY14 is forecast to be between 400,000 – 450,000 ounces gold equivalent with cash operating costs expected to be in the range of \$770 – \$820 per ounce. At an AUD:USD exchange rate of 0.9250 this equates to globally competitive cash costs of US\$710/oz to US\$760/oz. The additional costs of royalties, deferred open pit stripping, rehabilitation, sustaining capital and corporate overheads add approximately \$310/oz providing for Group All-in Sustaining Costs of \$1,080/oz to \$1,130/oz (US\$1,000/oz to US\$1,045/oz).