

# ASX Announcement

4 July 2014

## EVOLUTION ACHIEVES RECORD GOLD PRODUCTION

Evolution Mining (ASX: EVN) is pleased to announce that it has achieved another year of record gold production and successfully met production guidance for FY14:

- FY14 Group production of 427,703 ounces gold equivalent<sup>1</sup>
- A 9% increase on FY13 Group production of 392,920 ounces gold equivalent
- Within original and unchanged guidance of 400,000 – 450,000 ounces gold equivalent

Group production for the June 2014 Quarter was 111,899 ounces gold equivalent, exceeding guidance. Operating cost data is currently being finalised and will be included in the Company's June 2014 Quarter Report due for release on 29 July 2014.

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

"Since inception in November 2011 Evolution has built a strong reputation for reliability and predictability. It is very pleasing to have again delivered a production result that is consistent with our original market guidance. It is testament to the benefits of having a diverse portfolio of assets which allows us to deliver a level of operational predictability that is not possible in single asset companies."

"This result would not have been possible without the commitment and tenacity of our employees and contractors. I would like to personally thank all Evolution employees and contractors for their contribution to this outstanding achievement"

Production results for the June 2014 Quarter and FY14 are shown below:

Mine	Units <sup>1</sup>	June 2014 Quarter	FY14
Mt Carlton <sup>2</sup>	oz AuEq	20,193	87,952
Cracow	oz Au	23,376	95,064
Pajingo	oz Au	16,495	60,766
Mt Rawdon	oz Au	29,799	103,755
Edna May	oz Au	22,035	80,165
<b>Total</b>	oz AuEq	<b>111,899</b>	<b>427,703</b>

### Mt Carlton, Queensland (100%)

In its first full year of production (with commercial production having been declared effective 1 July 2013), Mt Carlton was the Group's biggest outperformer with production of 87,952 gold equivalent ounces<sup>2</sup> well in

<sup>1</sup> Gold equivalent is defined as gold plus payable silver from A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent at a gold to silver price ratio based on prevailing prices. The ratio used for FY14 Actual production was 1:63.2. The ratio used for FY14 production guidance was 1:60.9. The ratio used for FY13 Actual production was 1:61.4.

<sup>2</sup> Mt Carlton FY14 gold equivalent production is made up of 42,245 ounces of payable gold from the V2 deposit and 2,894,028 ounces of payable silver from the A39 deposit converted to gold equivalent. June 2014 Quarter gold equivalent production consists entirely of 1,325,325 ounces of payable silver from the A39 deposit converted to gold equivalent.

excess of the guidance range of 65,000 – 75,000 gold equivalent ounces. This outstanding result was achieved primarily due to quicker plant ramp-up and better access to higher grade ore than expected. Mining of the A39 silver deposit has now ceased and A39 stockpiled ore will continue to be treated through to the end of August 2014. Thereafter, production will come entirely from the V2 gold deposit.

#### **Cracow, Queensland (100%)**

Cracow is one of Evolution's most consistent producers. The mine successfully transitioned to owner-miner on 1 July 2013 and the benefits were realised immediately with cost savings in the order of \$18 – 20 million achieved during the year. FY14 production of 95,064 ounces was well in excess of guidance of 82,500 – 90,000 ounces.

#### **Pajingo, Queensland (100%)**

During the first half of FY14 Pajingo was restructured to be a leaner operation with a move to campaign milling and a focus on underground operations only. Production was impacted during this period by some rehabilitation work in the upper decline areas of the mine. The second half of FY14 saw a more consistent performance, with a strong focus on cost reduction, capital discipline and productivity improvement resulting in a significant reduction in costs. Mine planning and resource definition drilling remain a key focus, with the aim of improving the predictability of the multiple high-grade ore sources.

#### **Mt Rawdon, Queensland (100%)**

Mt Rawdon again proved to be one of Evolution's most reliable operations with production of 103,755 ounces, well within original guidance. The mine transitioned to owner-miner on 1 July 2014 with material costs savings expected. Although early in the transition period, the change-over has gone smoothly to date. The Stage 3 cutback is now producing consistent ore volumes and grade and the Stage 4 cutback is advancing well.

#### **Edna May, Western Australia (100%)**

FY14 production was impacted by lower than expected grade and processing plant reliability issues that impacted throughput, especially in the first half of FY14. Plant throughput capacity and reliability improved following the successful installation of the variable speed drive to the SAG mill in March 2014. The operation continues to focus on reducing costs, with material savings locked in for FY15 in the areas of power, camp accommodation, explosives and a move to steel liners in the SAG mill.

#### **For further information please contact:**

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