

# Quarterly Results

June 2014



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# Forward looking statements



- These materials prepared by Evolution Mining Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.
- Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.
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- Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

# June 2014 quarter highlights

## Production

- Evolution's best quarterly result for FY2014 of 111,899oz gold equivalent<sup>1</sup> delivered at an average cash cost of A\$747/oz (US\$697/oz<sup>2</sup>) and AISC<sup>3</sup> of A\$1,057/oz (US\$986/oz<sup>2</sup>)

## Corporate

- Strong cash position with a cash plus unsold dore of A\$41.3M (Mar 2014 qtr: \$44.8M) post a A\$15M debt repayment during the quarter
- Corporate debt under Company's revolving credit facility reduced to A\$126.8M
- Gold hedge book at end of June 2014 qtr was 164,319oz at average A\$1,597/oz

## Discovery

- Farm-in and joint venture arrangement entered into with Emmerson Resources over the highly prospective Tennant Creek gold-copper project
- Discovery of Imperial Lode at Cracow

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton  
2. Using an average AUD:USD exchange rate for the June 2014 quarter of 0.933  
3. All-in Sustaining Cost includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses.  
4. All-in Cost includes AISC plus growth (major project) capital plus discovery expenditure

# FY2014 highlights



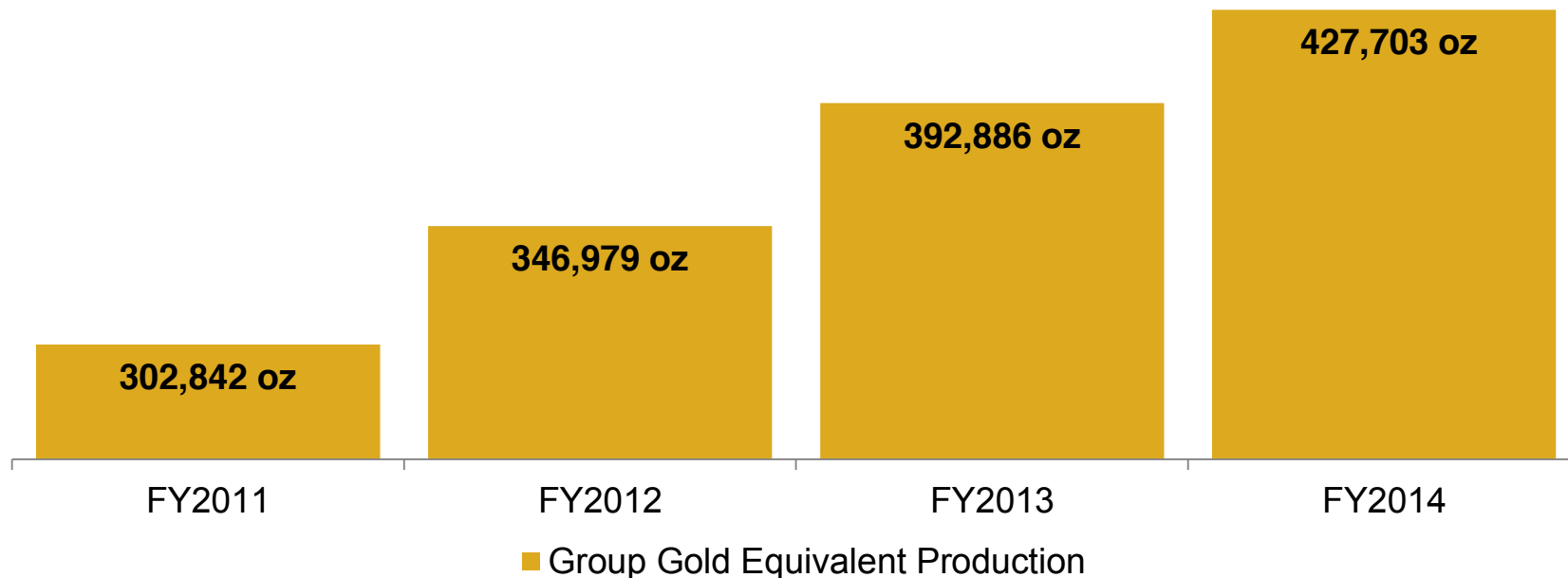
- Record annual production of 427,703 ounces gold equivalent<sup>1</sup> – a 9% increase compared to FY2013 and in-line with original and unchanged guidance of 400,000 – 450,000 ounces gold equivalent
  - FY2014 average C1 cash cost of A\$772 per ounce (US\$709/oz<sup>2</sup>), at the lower end of guidance of A\$770 – 820/oz
  - FY2014 AISC<sup>3</sup> of A\$1,070/oz (US\$983/oz<sup>2</sup>), below guidance of A\$1,080 – A\$1,130/oz
  - FY2014 AIC<sup>4</sup> of A\$1,289/oz (US\$1,185/oz<sup>2</sup>), a A\$231/oz reduction on FY2013 AIC of A\$1,520/oz
- FY2014 capital spend of A\$152M, below the lower end of guidance of A\$160M – A\$185M
- Exploration work in FY2014 focused on building 3D geological models and integrating geologic time to create 4D models. Proof of concept drilling completed successfully. Prioritised target drilling underway

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton  
2. Using an average AUD:USD exchange rate for FY2014 of 0.919  
3. All-in Sustaining Cost includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses.  
4. All-in Cost includes AISC plus growth (major project) capital plus discovery expenditure

# Reliability and consistency

- Eleven consecutive quarters of consistent, reliable operating performance
- A portfolio of five assets delivering operational stability and predictability

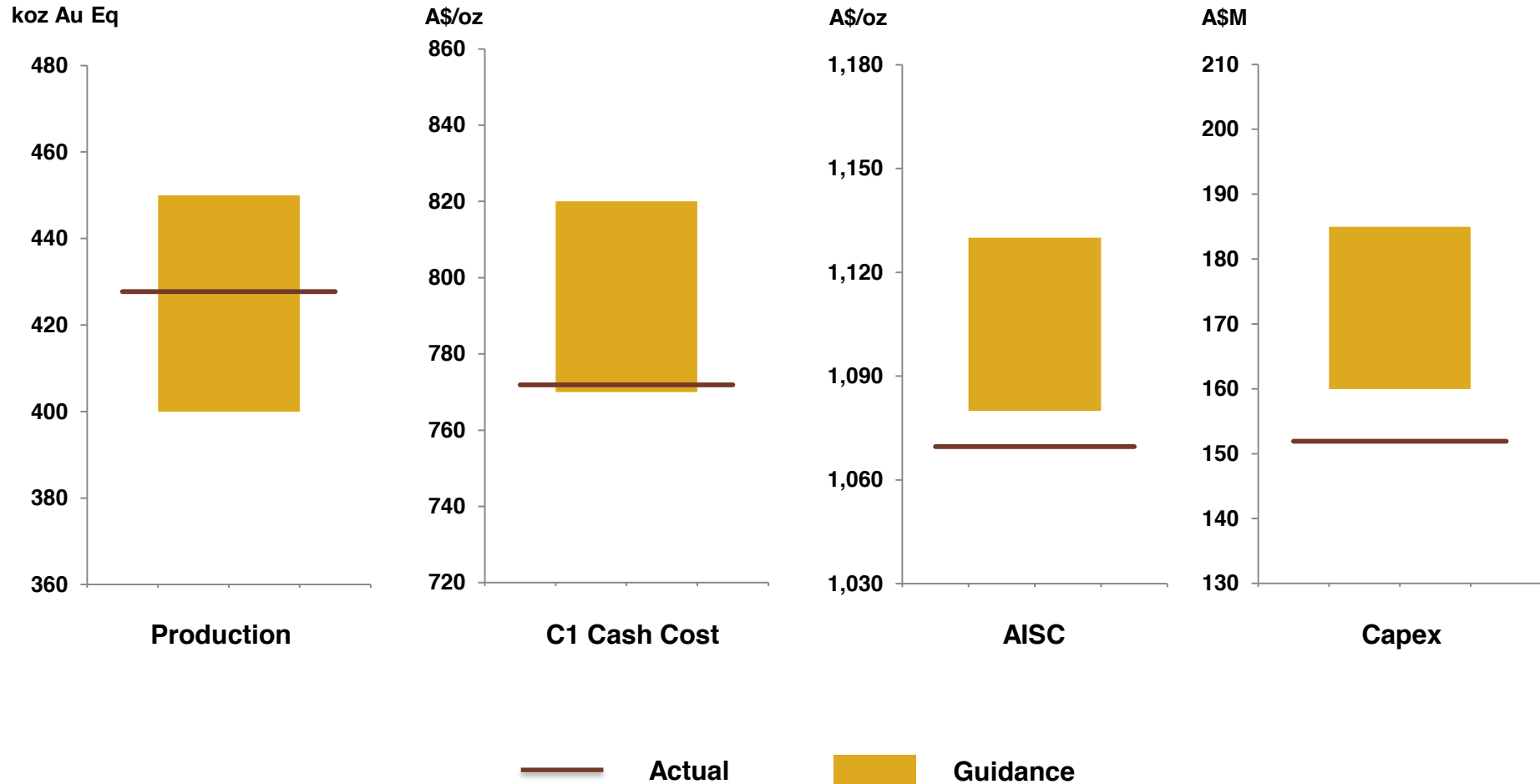
**Gold Production FY2011 – FY2014**



\* Assumes pro forma ownership of current assets over FY11 and FY12

***We say, We do, We deliver***

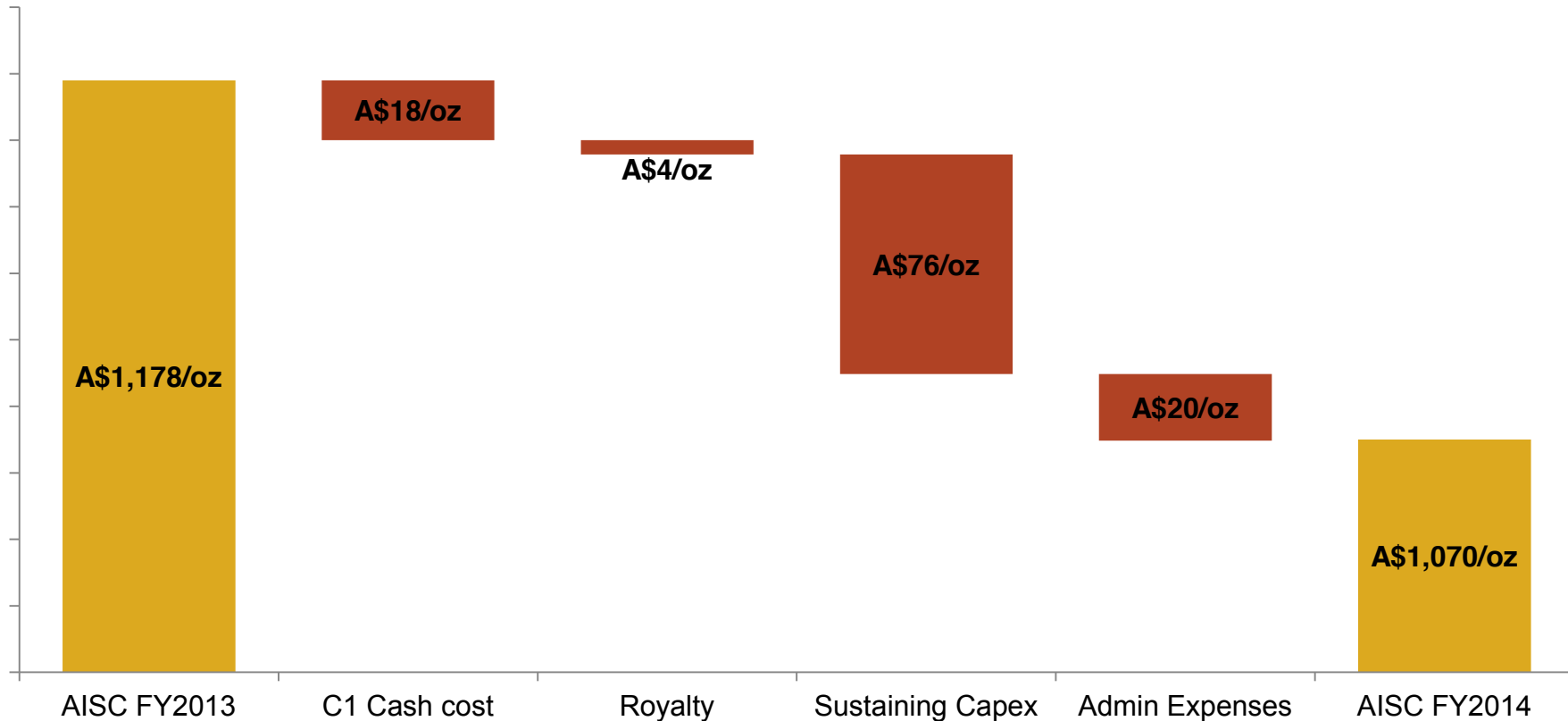
# FY14 guidance achieved



# All-in sustaining costs



Group AISC (A\$/oz)



**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. Discovery costs are included in AIC.

# **FY2015 Guidance**



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# FY15 production guidance

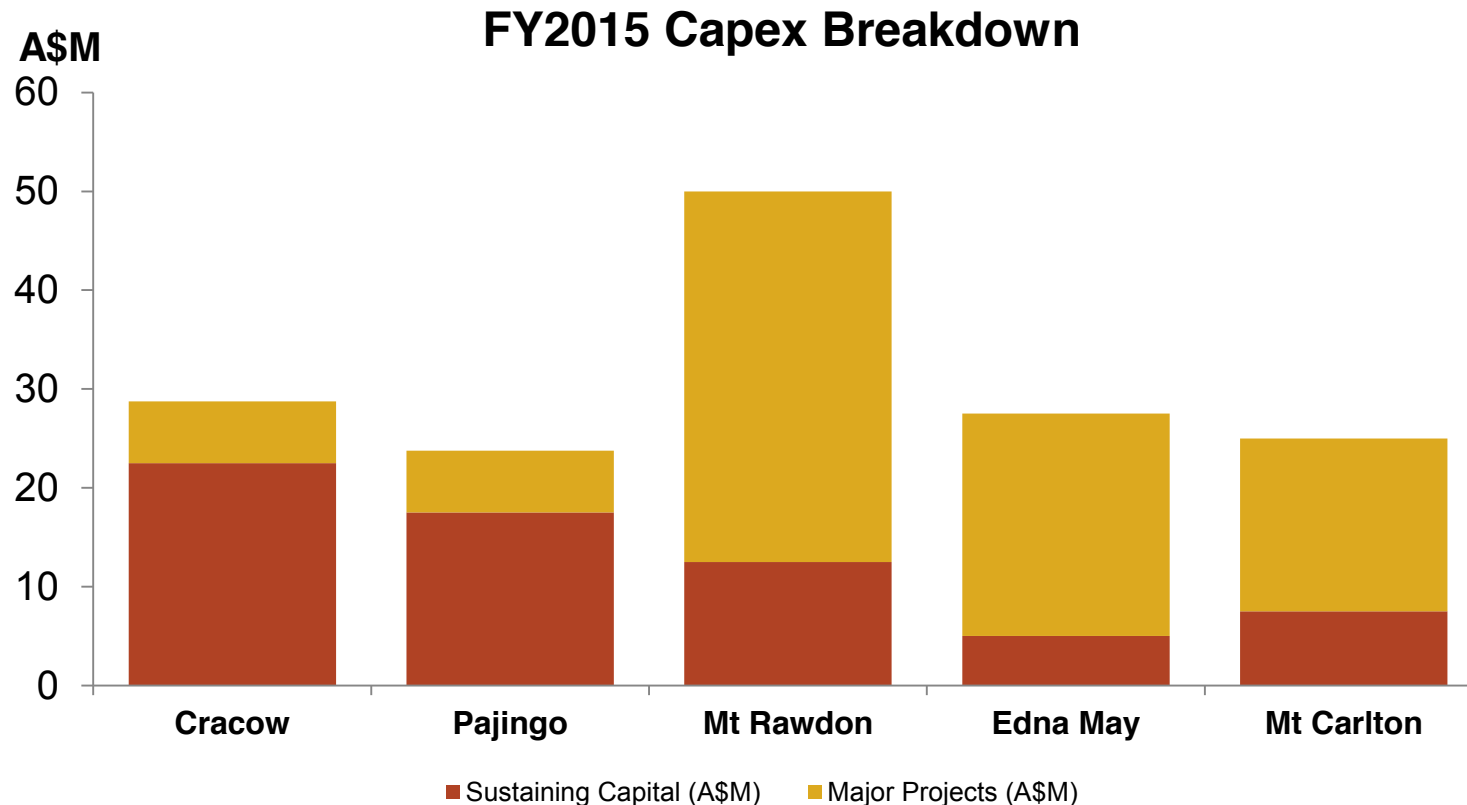
- Similar production levels to FY2014
  - Lower production from Mt Carlton as a result of grade
  - Higher production from Pajingo and Edna May
- Globally competitive costs : C1 cash costs A\$750 – A\$820/oz (US\$695 – US\$760/oz<sup>1</sup> )  
 AISC A\$1,050 – A\$1,130/oz (US\$970 – US\$1,045/oz<sup>1</sup>)
- Investment in major projects and discovery add costs equivalent to A\$260/oz

Guidance FY2015	Gold Equiv. Production (oz)	C1 Cash Costs (A\$/oz)	All-in Sustaining Cost (A\$/oz)
Cracow	90,000 – 95,000	660 – 730	1,000 – 1,080
Pajingo	65,000 – 72,500	700 – 770	1,050 – 1,120
Mt Rawdon	100,000 – 110,000	660 – 730	880 – 950
Edna May	80,000 – 90,000	980 – 1,060	1,120 – 1,200
Mt Carlton	65,000 – 72,500	760 – 840	1,020 – 1,100
Corporate	-	-	50
<b>Group</b>	<b>400,000 – 440,000</b>	<b>750 – 820</b>	<b>1,050 – 1,130</b>

1. Using an AUD:USD exchange rate of 0.925

# FY2015 capex guidance

- Sustaining capital guidance of A\$55M – A\$75M
- Major capital guidance of A\$80M – A\$100M
- Bulk of major capital expenditure associated with open pit cut backs at Mt Rawdon (10Mt of waste) and Edna May (6Mt of waste)



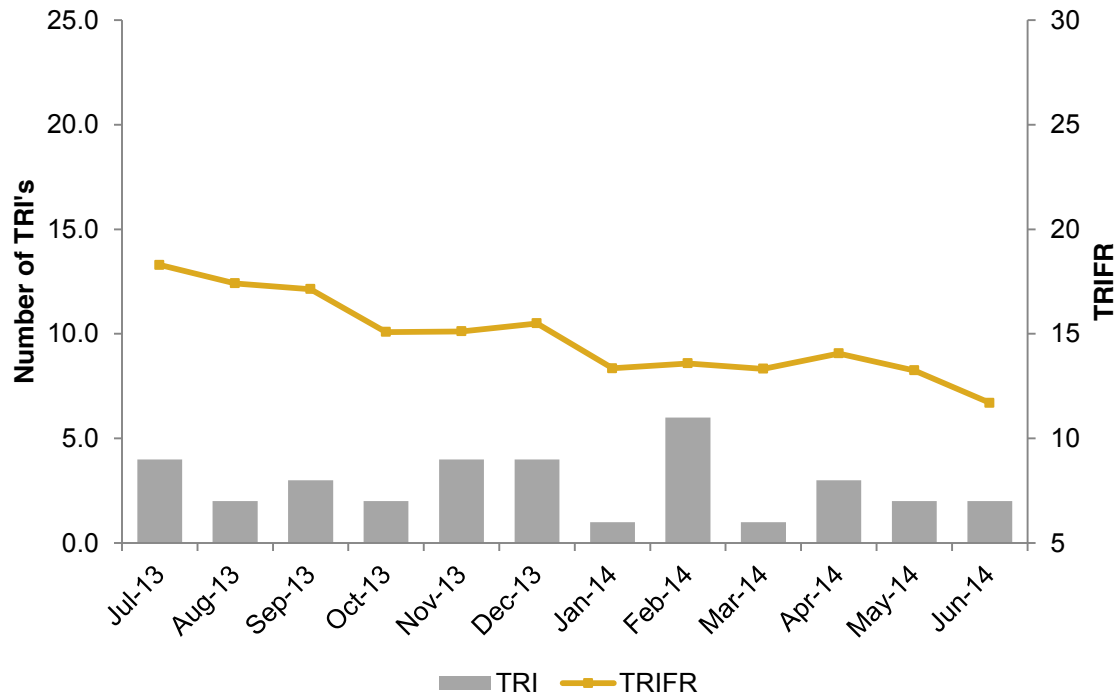
Plotted at mid-point of guidance ranges provided in June Quarterly report

# Operations

# Improved safety performance



## Group Safety Performance



- Sustained improvement through FY2014 and the lowest level since Evolution's formation
- A Group-wide program aimed at reducing vehicle incidents, was completed by over 900 employees during FY2014
- Group total recordable injury frequency rate reduced to 11.7
- Group lost time injury rate is 1.7

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***

# FY14 production and sales



	Units	Sep Quarter FY14	Dec Quarter FY14	Mar Quarter FY14	Jun Quarter FY14	FY14
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>107,195</b>	<b>107,201</b>	<b>101,408</b>	<b>111,899</b>	<b>427,703</b>
By-product Silver produced	oz	234,259	60,388	191,827	68,729	555,203
<b>C1 Cash Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>769</b>	<b>764</b>	<b>811</b>	<b>747</b>	<b>772</b>
C3 Total Cost <sup>3</sup>	A\$/oz	1,146	1,199	1,176	1,160	1,170
Gold sold	oz	97,211	96,246	92,669	97,058	383,184
Achieved gold price	A\$/oz	1,475	1,412	1,461	1,422	1,442
Silver sold	oz	670,530	1,016,321	696,681	932,540	3,316,072
Achieved silver price	A\$/oz	22	23	23	20	22
<b>All-In Sustaining Cost<sup>4</sup></b>	<b>A\$/oz</b>	<b>1,091</b>	<b>1,053</b>	<b>1,079</b>	<b>1,057</b>	<b>1,070</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, 1:62.5 for the March quarter 2014 and 1:65.6 for the June 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 expense

***Consistency, Reliability, Efficiency***

# Real achievement in reducing costs



## Total Spend - FY14 vs FY13

	Total Spend (A\$M)		
	FY13 Actual	FY14 Actual	% Change
Cracow	145.8	108.7	-25
Pajingo	140.8	82.5	-41
Edna May	130.6	103.9	-20
Mt Rawdon	143.0	137.1	-4
Mt Carlton <sup>1</sup>	-	108.7	-
Corporate	25.5	19.4	-24
Discovery	26.3	16.8	-36

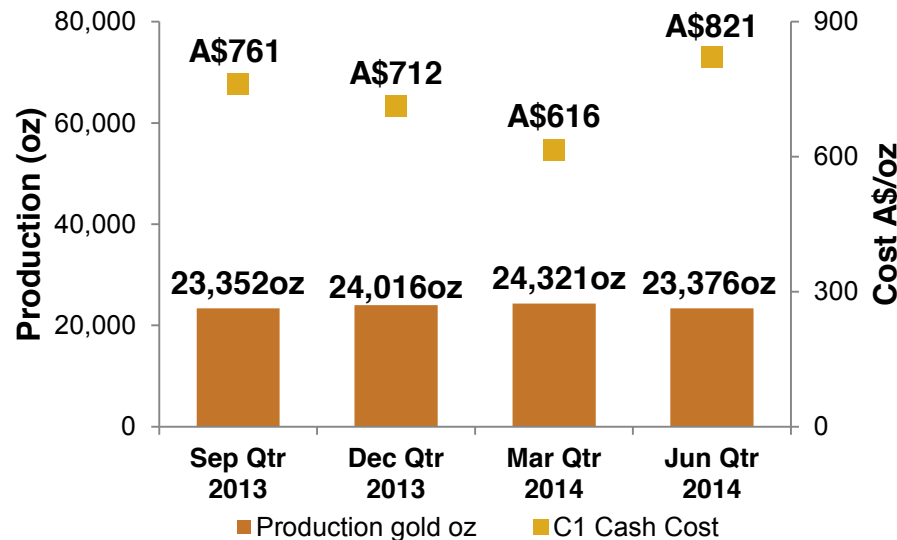
- Moved to owner miner 1 July 2013
- Campaign milling, no open pit mining
- Reprioritisation of capital expenditure
- New drill and blast system
- Commercial production from 1 July 2013
- Focus on 4D studies in FY2014

***AISC reduced by 9%***

# Cracow

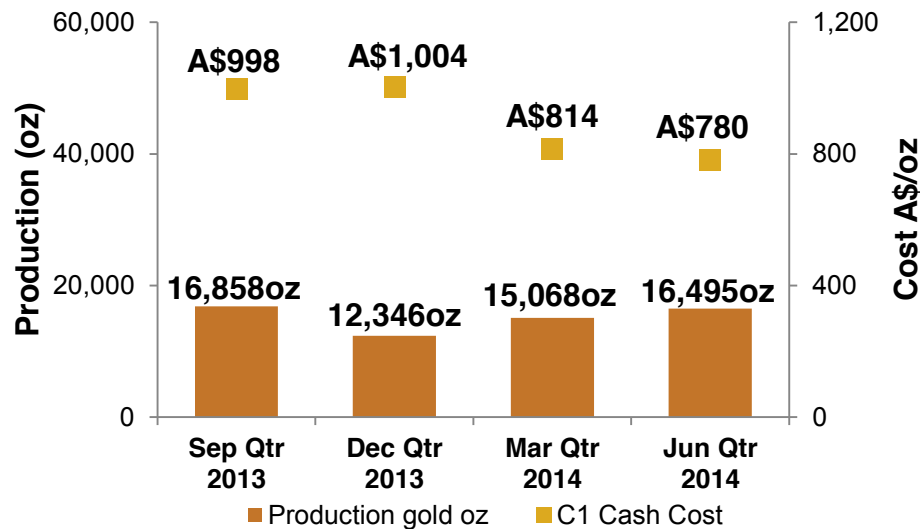


- Consistent gold production of 23,376oz in June quarter (Mar qtr: 24,321oz)
- FY2014 gold production of 95,064oz at cash cost A\$726/oz and AISC A\$1,057/oz
- FY2014 cost saving of A\$18M (or A\$190/oz) as a result of moving to owner miner on 1 July 2013
- Discovery of Imperial Lode between Empire South Lode and Coronation Lode
- Current mine life of at least five years based on LOM plans



# Pajingo

- June quarter production of 16,495oz of gold (Mar qtr: 15,068oz)
- FY2014 gold production of 60,766oz at cash cost A\$894/oz and AISC A\$1,274/oz
- Restructure of operation reduced total site costs by 41% in FY2014
- High quality exploration targets identified through 3D seismic studies to be drilled in FY2015
- Current mine life of at least five years based on LOM plans

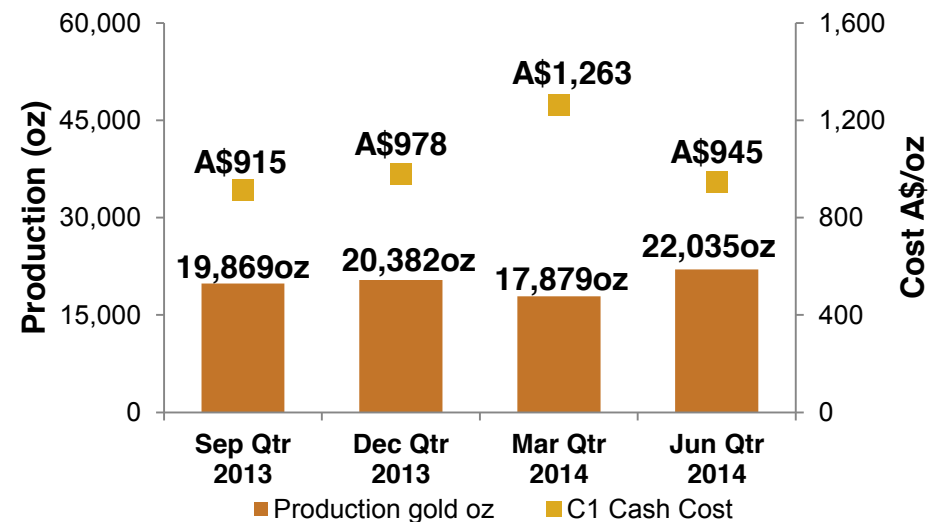




# Edna May



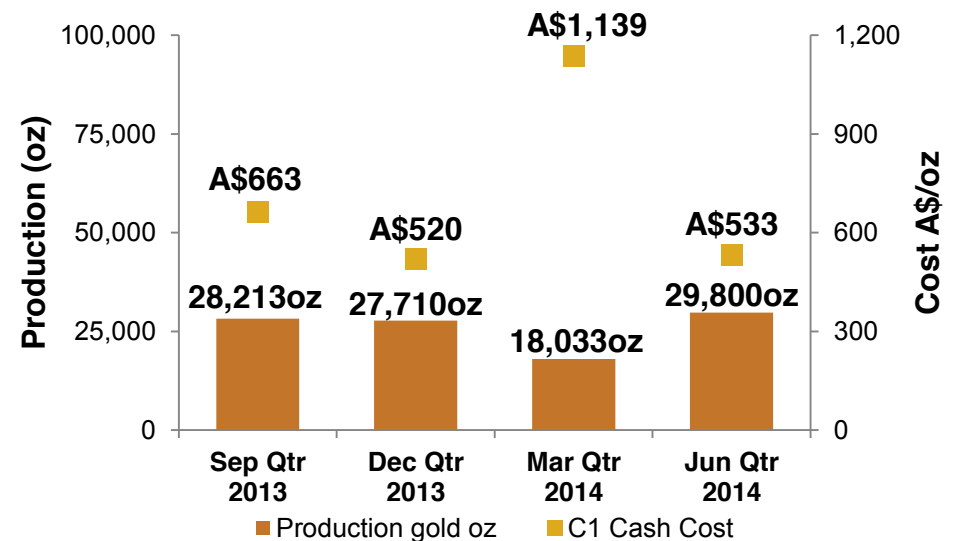
- June quarter gold production of 22,035oz (Mar qtr: 17,879oz)
- FY2014 gold production of 80,165oz at cash cost A\$1,017/oz and AISC A\$1,205/oz
- Plant throughput capacity and reliability improved following installation of variable speed SAG mill in March 2014
- Strong turnaround in operating performance achieved in H2FY2014 with improvements expected to be built on in FY2015



# Mt Rawdon



- Robust June quarter gold production of 29,800oz (Mar qtr. 18,033oz)
- FY2014 production of 103,755oz at cash cost A\$670/oz and AISC A\$854/oz
- Annual cost saving of ~\$A5M through implementation of smarter drill and blast program
- Further cost savings expected in FY2015 post transition to owner-miner on 1 July 2014
- Milestone 40<sup>th</sup> tonne of gold poured at Mt Rawdon since production commenced 2001



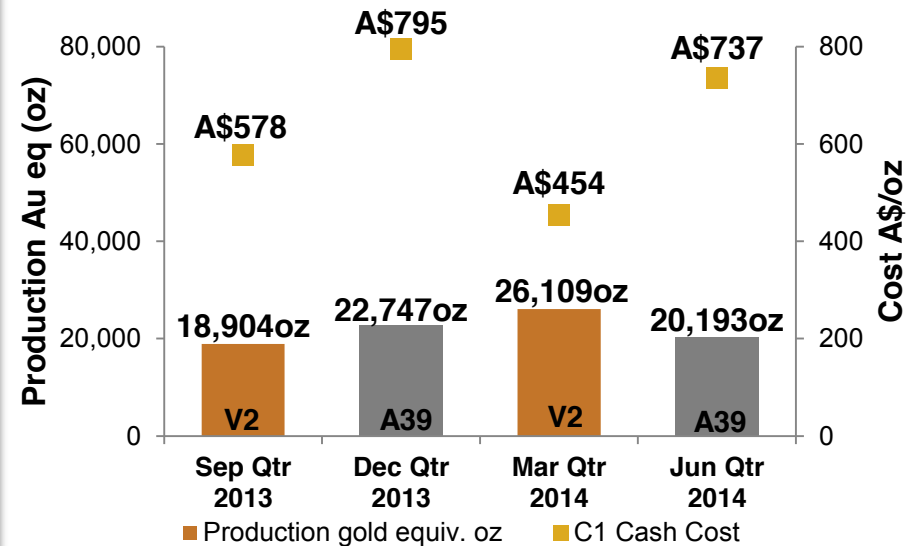
# Mt Carlton



- June quarter gold equivalent production of 20,193oz (Mar qtr. 26,109oz)
- Outstanding FY2014 production of 87,952oz Au eq. at cash cost A\$634/oz and AISC A\$844/oz – well in excess of production guidance of 65,000 – 75,000oz at C1 A\$700 – A\$750/oz
- Mill throughput planned to increase from 800,000tpa to 900,000tpa in FY2015
- FY2015 drilling focused on high-sulphidation epithermal and porphyry targets around V2 pit and further east at Castle prospect



*Mt Carlton A39 open pit mining now complete*



# Exploration



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# Exploration Highlights

- Exploration expenditure of A\$6.0M for the quarter and A\$16.8M in FY14 – 28,623m drilled
- Farm-in and joint venture arrangement entered into with Emmerson Resources Ltd over the Tennant Creek gold-copper project
- Completion of 3D seismic surveys - Cracow and Pajingo
- Encouraging drill results from Cracow and Pajingo - framework and proof of concept
- Interrogation of 4D models
- Discovery of Imperial Lode at Cracow

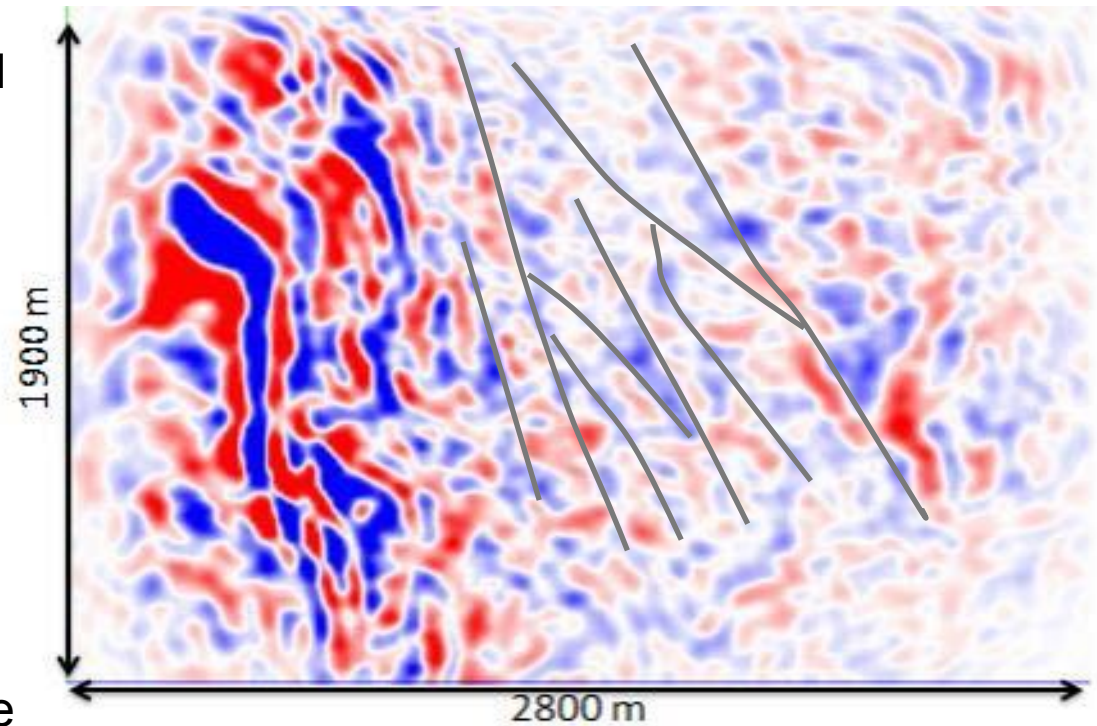


Drill core intersecting Imperial lode at Cracow (CBK353W1)

*Refining exploration targeting to bring forward discoveries*

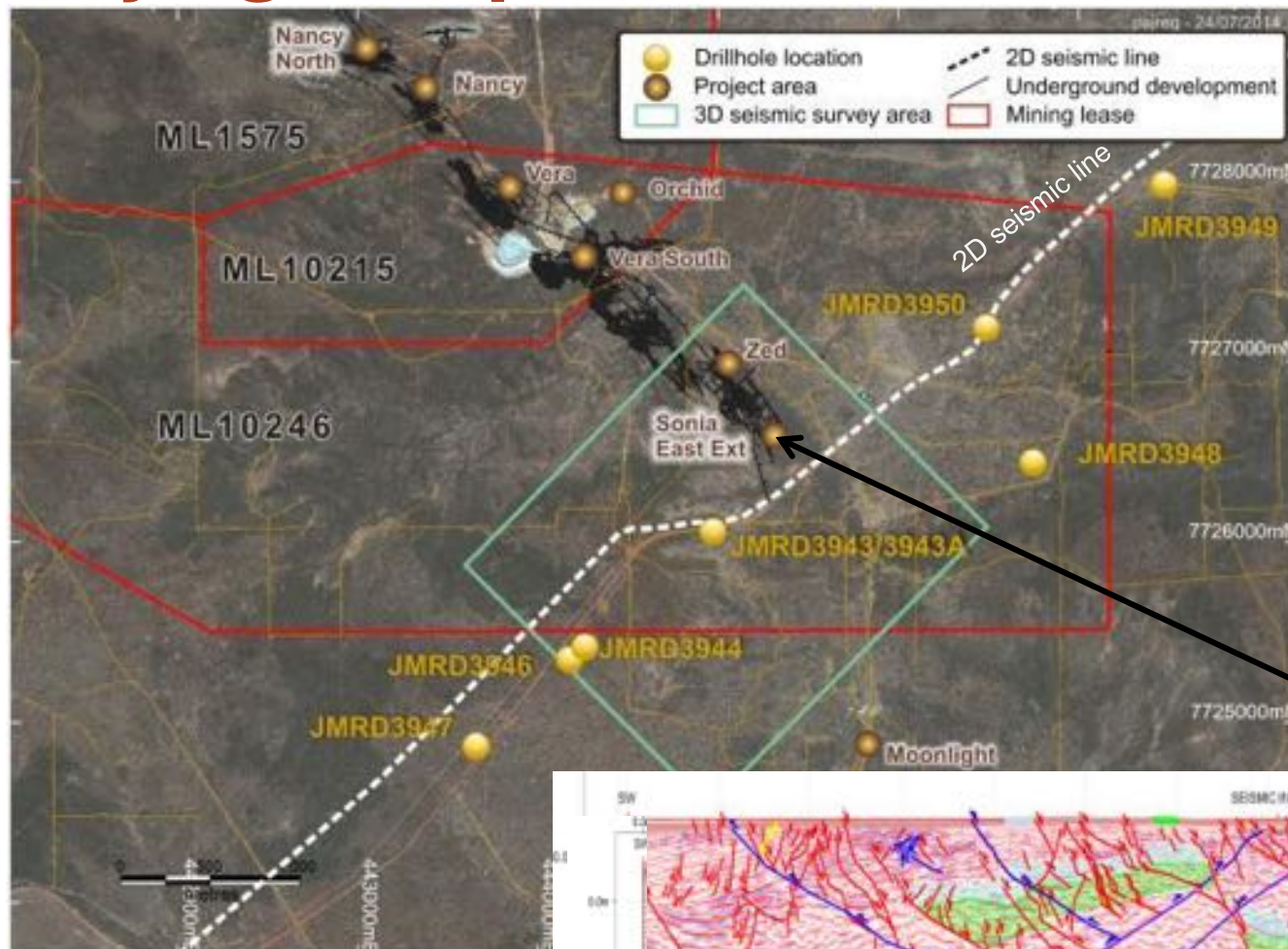
# Cracow Exploration

- 3D Seismic survey completed: first-pass processing very promising
- Seismic calibration drilling identified new epithermal structure
  - Anomalous gold, silver and tellurium results
  - Quartz-adularia veining identified
- 3D paleo-stress model completed
  - Areas of fault dilation – mineralisation potential
- New lode identified between Empire and Coronation – named Imperial
  - 400m zone between Coronation and Empire
  - Limited drilling



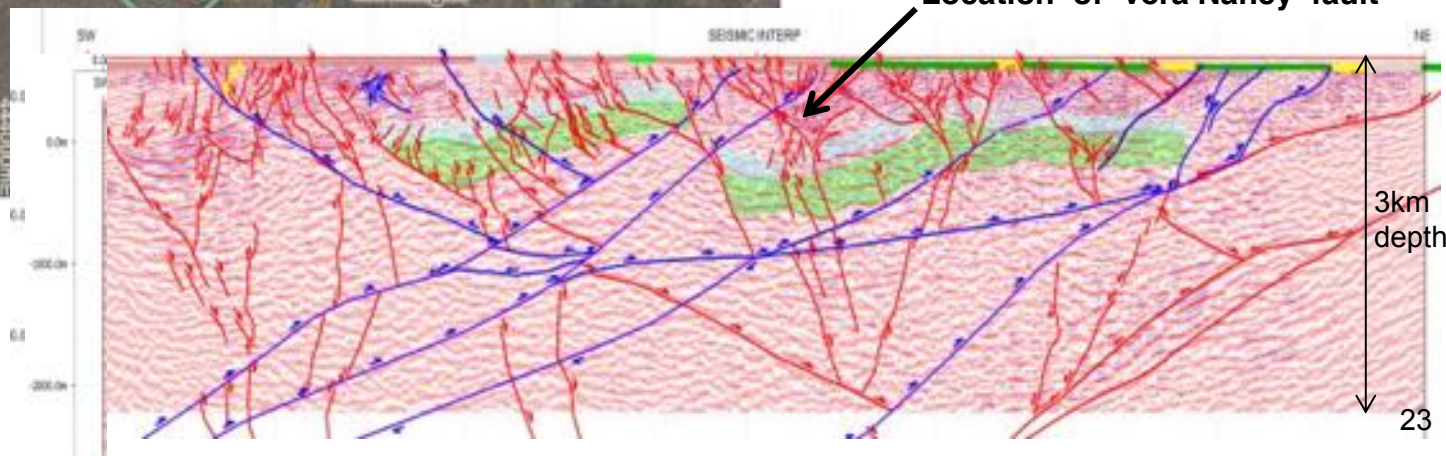
Depth slice of 3D seismic survey at 484m below surface. Grey lines represent faults, some of which correspond to the location of known faults and epithermal orebodies.

# Pajingo Exploration



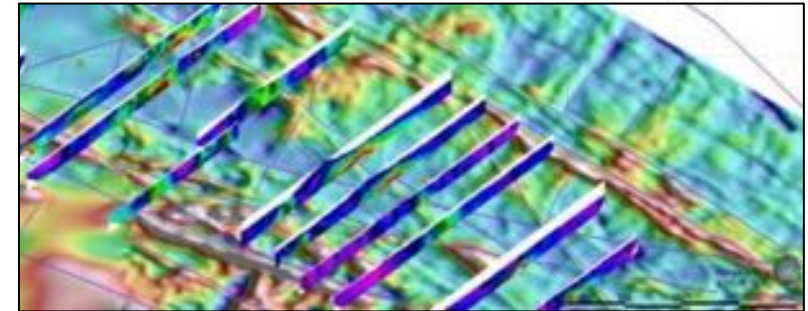
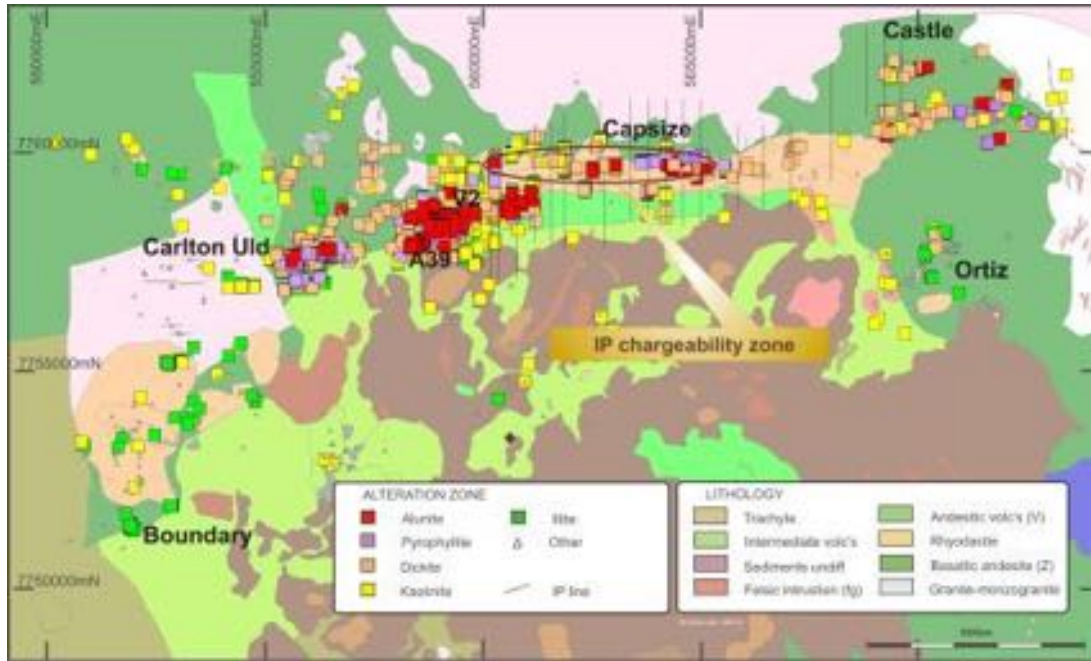
- 2D seismic line proof of concept drilling - awaiting results
- 3D seismic survey completed – processing and interpretation underway
- Exploration review and targeting underway

Location of Vera Nancy fault

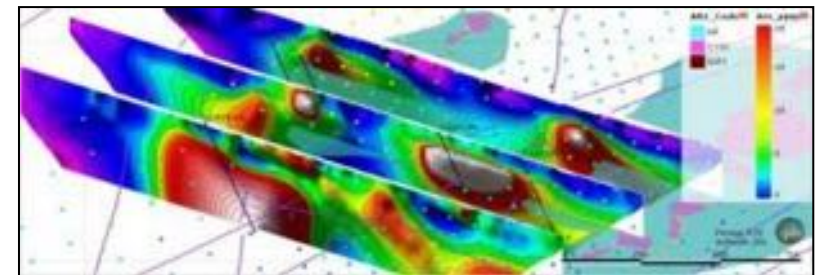


- Post-mineral normal faults
- Syn-mineral inversion
- Stratigraphic markers in volcanic sequence

# Mt Carlton Exploration



Capsize IP chargeability, alteration zone



Castle IP chargeability, alteration zone

- High sulphidation deposits targeted - favourable structural setting, alteration and stratigraphic unit - drilling at Castle prospect underway
- IP program extends the Capsize chargeability feature over 4.7km with the anomaly intensifying to the east - drilling planned to test new IP target



# Financials



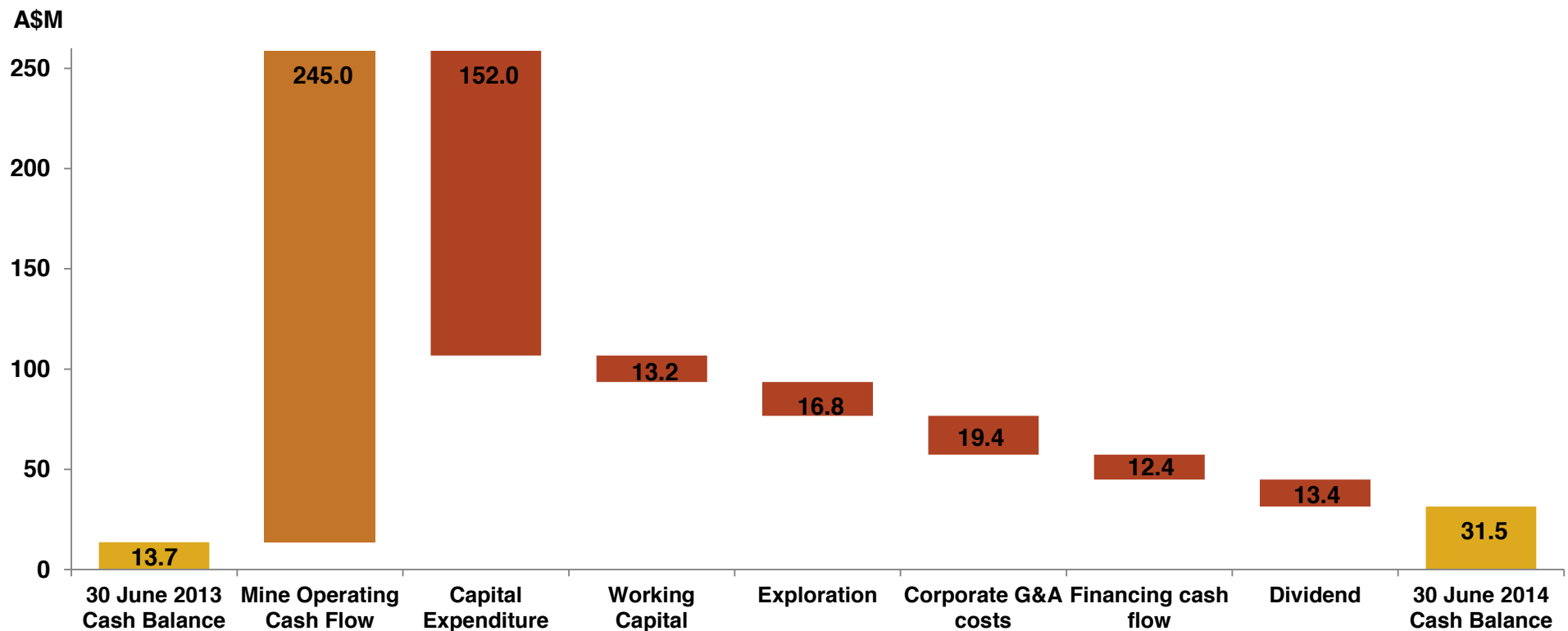
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# Financials



- FY2014 revenue from operations of A\$634M
- Sales of 424,116 gold equivalent ounces at an average price A\$1,442/oz
- Strong cash flow from operating activities of A\$93M

**FY2014 Cash Flow**



# Capital Discipline

- Total capital expenditure in FY14 of A\$152M
  - well below the lower end of guidance of A\$160M to A\$185M
  - reflects strong discipline from sites to prioritise, reduce and reschedule projects
- Gold hedge book stands at 164,319oz at average A\$1,597/oz
- Cash in bank plus unsold dore at 30 June 2014 of A\$41.3M (30 June 2013: A\$19.3M)
- Corporate debt is at A\$126.8M with available credit of A\$73.2M at 30 June 2014
- Dividends of A\$13.2M were paid to shareholders during FY2014

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

# Summary

- Best quarterly performance of FY2014
- Record annual production - in line with production and cost guidance
- AISC and AIC substantially reduced
- 80,000m of exploration drilling planned in FY15 focusing on drill targets identified through 4D studies
- Strong financial position
- Shareholder returns – gold-linked, royalty style dividend policy
- FY2015 guidance:

Production **400,000 – 440,000oz AuEq**

C1 cash costs **A\$750 – A\$820/oz**

AISC **A\$1,050 - A\$1,130/oz**

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

# Evolution Mining

**ASX Code: EVN**

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# Appendix - Production Summary



June 2014 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Total / Average
UG lateral development - capital	m	597	602	-	-	-	1,199
UG lateral development - operating	m	1,149	663	-	-	-	1,812
Total UG lateral development	m	1,746	1,265	-	-	-	3,011
UG ore mined	kt	130	87	-	-	-	218
UG grade mined	g/t	5.63	6.15	-	-	-	5.84
OP capital waste	kt	-	-	37	909	355	1,301
OP operating waste	kt	-	-	305	1,108	202	1,615
OP ore mined	kt	-	-	526	1,396	340	2,262
OP grade mined	g/t	-	-	1.13	0.97	3.68	1.41
Total ore mined	kt	130	87	526	1,396	340	2,480
Total tonnes processed	kt	130	88	660	871	195	1,944
Grade processed <sup>1</sup>	g/t	6.03	6.12	1.10	1.16	5.09	2.08
Recovery	%	93	96	94	92	82	92
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>23,376</b>	<b>16,495</b>	<b>22,035</b>	<b>29,800</b>	<b>20,193</b>	<b>111,899</b>
Silver produced	oz	16,341	14,312	7,850	30,225	1,325,325	1,394,053
Copper produced	t	-	-	-	-	321	321
Gold sold	oz	22,847	15,833	21,482	28,529	8,367	97,058
Achieved gold price	A\$/oz	1,381	1,380	1,551	1,382	1,425	1,422
Silver sold	oz	16,341	14,312	7,850	30,225	863,811	932,540
Achieved silver price	A\$/oz	21	21	21	21	20	20
Copper sold	t	-	-	-	-	320	320
Achieved copper price	A\$/t	-	-	-	-	7,014	7,014
<b>Cost Summary</b>							
Mining	A\$/oz	496	474	354	441	270	409
Processing	A\$/oz	229	212	523	322	320	325
Administration and selling costs	A\$/oz	95	107	102	34	328	124
Stockpile adjustments	A\$/oz	16	5	(27)	(243)	(65)	(78)
By-product credits	A\$/oz	(15)	(18)	(8)	(21)	(116)	(34)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>821</b>	<b>780</b>	<b>945</b>	<b>533</b>	<b>737</b>	<b>747</b>
Royalties	A\$/oz	76	70	60	67	118	77
Other <sup>2</sup>	A\$/oz	4	0	(8)	25	(13)	3
Depreciation & Amortisation	A\$/oz	305	280	208	438	383	331
<b>C3 Total Cost</b>	<b>A\$/oz</b>	<b>1,206</b>	<b>1,130</b>	<b>1,204</b>	<b>1,063</b>	<b>1,224</b>	<b>1,160</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 1:65.6 based on the average gold and silver prices during the June 2014 quarter

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

# Competent Person Statement



The information in this statement that relates to the exploration results listed in the table below is based on work compiled by the person whose name appears in the same row, who is employed on a full-time basis by Evolution Mining Limited and is a member of the institute named in that row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Each person named in the table below consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

<b>Activity</b>	<b>Competent Person</b>	<b>Institute</b>
Cracow exploration results	Shane Pike	Australasian Institute of Mining and Metallurgy
Pajingo exploration results	Andrew Engelbrecht	Australasian Institute of Mining and Metallurgy
Mt Carlton exploration results	David Hewitt	Australian Institute of Geoscientists