

# Quarterly Report

For the period ending 30 June 2014

## June Quarter Highlights

- June quarter production of 111,899 ounces gold equivalent<sup>1</sup> exceeded guidance and was achieved at a lower average C1 cash cost of A\$747 per ounce (US\$697/oz<sup>2</sup>) and AISC of A\$1,057 per ounce (US\$986/oz) – the Company's best quarterly result for FY14
- Operations generated good cash flow providing for a cash balance of A\$31.5 million plus unsold doré of A\$9.8 million at quarter end and after an A\$15.0 million debt repayment
- Farm-in and joint venture arrangement entered into with Emmerson Resources Ltd (ASX: ERM) over the highly prospective Tennant Creek gold-copper project, one of Australia's highest grade gold and copper fields

## FY14 Production Result

- Group production for FY14 was 427,703 ounces gold equivalent<sup>1</sup> – a 9% increase compared to FY13 and in-line with original and unchanged guidance of 400,000 – 450,000 ounces gold equivalent
- FY14 average C1 cash cost of A\$772 per ounce (US\$709/oz), AISC of A\$1,070 per ounce (US\$983/oz), and AIC of A\$1,289 per ounce (US\$1,185/oz) were all below or at the lower end of original and unchanged guidance<sup>3</sup>. Costs were lower than FY13 as a result of successful cost reduction initiatives and efficiency improvements cross the Group
- Group capital expenditure of A\$152 million was comfortably below the lower end of guidance of A\$160 million – A\$185 million as a result of a strict focus on cost savings and capital

## FY15 Outlook

- Evolution is anticipating similar production levels in FY15
- Group production guidance for FY15 of 400,000 – 440,000 ounces gold equivalent is expected at C1 cash costs in the range of A\$750/oz – A\$820/oz (US\$690/oz – US\$760/oz)<sup>4</sup> and AISC in the range of A\$1,050/oz – A\$1,130/oz (US\$970/oz – US\$1,050/oz)
- Group capital expenditure is planned to be in the range of A\$135 million to A\$175 million

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, FY14 of 0.919  
3. FY14 cost guidance: C1 cash costs A\$770/oz – A\$820/oz, AISC A\$1,080/oz – A\$1,130/oz, and AIC A\$1,300/oz – A\$1,370/oz  
4. Using an AUD:USD exchange rate assumption of 0.925

## OVERVIEW

Evolution has delivered its eleventh consecutive quarter of meeting or exceeding guidance. June 2014 quarter Group production of 111,899oz gold equivalent was achieved at an average C1 cash cost of A\$747/oz and an All-in Sustaining Cost (AISC) of A\$1,057/oz. This compares with March 2014 quarter production of 101,408oz, at an average C1 cost of A\$811/oz and AISC of A\$1,079/oz. The performance in the June quarter was largely brought about by improved production at Mt Rawdon and Edna May.

Group production for FY14 totalled 427,703 gold equivalent ounces – in-line with original and unchanged guidance of 400,000 – 450,000 ounces. This represents:

- A new production record for Evolution
- A 9% increase compared to FY13 (392,920oz)

A concerted effort throughout FY14 to improve efficiency and reduce costs proved very successful with all cost metrics coming in below or at the lower end of original guidance. Group production for FY14 was achieved at:

- Average C1 cash cost of A\$772/oz – compared to guidance of A\$770 – A\$820/oz
- AISC of A\$1,070/oz – compared to guidance of A\$1,080 – A\$1,130/oz
- AIC of A\$1,289/oz – compared to guidance of A\$1,300 – A\$1,370/oz

**Mt Carlton** completed its first year of operation with an exceptional result, producing 87,952 gold equivalent ounces at A\$634 per ounce – well above production guidance and well below cost guidance.

**Cracow** delivered another excellent result, producing 95,064 ounces at A\$726 per ounce – also well above production guidance and over A\$100/oz below the bottom end of cost guidance

**Mt Rawdon** delivered arguably the best result, producing 103,755 ounces at A\$670 per ounce – again reliably within production guidance and also well below cost guidance.

**Pajingo** and **Edna May** both achieved improved performance in the second half of the year following significant changes at both operations throughout FY14. Pajingo produced 60,766 ounces at A\$894 per ounce and Edna May produced 80,165 ounces at A\$1,017 per ounce. Both mines fell outside of guidance and tighter controls have been put in place to ensure improved reliability in FY15.

Group FY14 total capital spend (including all sustaining and growth capital) of A\$152M was below the lower end of the A\$160M to A\$185M guidance due to cost savings and reprioritisation of certain capital expenditures.

Group production for the September 2014 quarter is forecast to be approximately 100,000 ounces gold equivalent.

### Consolidated Production and Sales Summary

	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

## Outlook for FY15

Evolution is forecasting Group production in FY15 of 400,000 – 440,000 ounces gold equivalent. Group C1 cash costs are expected to be in the range of A\$750/oz – A\$820/oz and Group All-in Sustaining Costs (AISC) are expected to be in the range of A\$1,050/oz – A\$1,130/oz. The production forecast is similar to the result achieved in FY14 and reflects steady-state production at all operations. The operating cost forecasts show a reduction on prior year guidance; reflecting the on-going focus on cost saving initiatives and the results of initiatives implemented in the past 12 months.

At an AUD:USD exchange rate of 0.925 Evolution's costs are globally competitive and equate to C1 cash costs of US\$695/oz to US\$760/oz and AISC of US\$970/oz to US\$1,045/oz.

A mine-by-mine breakdown of production and cost forecasts is provided in the table below:

Guidance FY15	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>

Expenditure on sustaining capital in FY15 is forecast to be in the range of A\$55 – A\$75M. This is similar to FY14 expenditure of A\$58M.

Investment in growth (major project) capital and discovery is additional to the costs included in AISC. Investment in major capital in FY15 is forecast to be in the range of A\$80 – A\$100M and exploration expenditure is expected to total approximately A\$20 million. These costs are equivalent to approximately A\$260/oz but this includes discretionary projects that can be reduced or rescheduled if required.

The bulk of the major capital expenditure is associated with the open pit cutbacks at Mt Rawdon (approximately 10Mt of waste) and Edna May (approximately 6Mt of waste). These cutbacks have been classified as major capital projects as the expenditure will provide access to ore later in the mine life (i.e. beyond FY15). Waste stripping related to ore accessed in FY15 is expensed. This treatment matches the treatment adopted for accounting purposes (in accordance with IFRIC 20).

In FY15 the total waste and ore movement equates to strip ratios at Mt Rawdon and Edna May of 4.8:1 and 4.6:1 respectively which includes the cutback material. This is well above the remaining life-of-mine strip ratios for these mines of 1.8:1 and 2.3:1 respectively.

A mine-by-mine breakdown of capital expenditure forecasts is provided in the table below:

Guidance FY15	Sustaining Capital (A\$M)	Major Capital (A\$M)
Cracow	20 – 25	5 – 7.5
Pajingo	15 – 20	5 – 7.5
Mt Rawdon	10 – 15	35 – 40
Edna May	5	20 – 25
Mt Carlton	5 – 10	15 – 20
<b>Group</b>	<b>55 – 75</b>	<b>80 – 100</b>

All of Evolution's mines are expected to be cashflow positive at a gold price of A\$1400/oz in FY15. At a gold price forecast of A\$1400/oz Evolution is able to deliver on all of its scheduled capital and financing commitments and continue to fund its 2% gold royalty-style dividend policy.

Since mid-2013 the strategic focus of Evolution's exploration efforts has been to build a platform for step-change transformational discovery. Recent work has focused primarily on building 4D models supported by 2D and 3D

seismic, to interrogate large historical databases to improve area selection and the location of specific drill targets. The objective is to increase the likelihood of exploration success, shorten the timeframe, and decrease the cost and number of drill-holes to make new discoveries. With this work now coming to fruition, a significant increase in the amount of drilling is expected in FY15. Current plans estimate that more than 80,000m will be drilled at Evolution's mines and exploration properties (including the Tennant Creek JV) in FY15. Exploration expenditure is expected to total approximately A\$20 million in FY15.

The guidance provided in the tables above relies on certain definitions and assumptions as described below.

**Definitions:**

C1 cash cost – represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

All-in Sustaining Cost (**AISC**) – is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.

All-in Cost (**AIC**) – is made up of the AISC plus growth (major project) capital and discovery expenditure.

**Assumptions:**

- Cracow, Pajingo, Mt Rawdon and Edna May production guidance refers only to gold production (i.e. silver production has not been included as a gold equivalent co-product but accounted for as a by-product). A silver price of A\$23/oz is assumed for the by-product calculation
- Mt Carlton produces two distinct precious-metal concentrates, a gold-silver-copper concentrate from the V2 deposit and a silver-copper concentrate from the A39 deposit. Mining of the A39 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 deposit. Mt Carlton is forecast to produce approximately 52,500 – 60,000 ounces of payable gold from the V2 deposit and approximately 740,000 ounces of payable silver from the A39 deposit in FY15. Mt Carlton production guidance shown earlier in this section refers to payable metal (i.e. after smelter deductions) and sums the gold produced from the V2 deposit and the silver produced from the A39 deposit after converting A39 silver production to a gold equivalent figure (on the basis of a commodity price ratio of A\$1,400/oz for gold and A\$23/oz for silver)
- Mt Carlton cash cost guidance is based on total cash operating costs across the V2 and A39 deposits less by-product credits from silver and copper in the V2 concentrate and copper in the A39 concentrate divided by the gold equivalent production figure. A silver price of A\$23/oz and a copper price of A\$3.30/lb are assumed for by-product credits

## OPERATIONS

### Group Safety Performance

Group total recordable injury frequency rate for the quarter reduced to 11.7 (Mar 2014 qtr: 13.3), a material improvement through FY14 and the lowest level since Evolution's formation. The lost time injury frequency rate also reduced to 1.7 (Mar 2014 qtr: 2.6). A Group-wide program in partnership with Alert Driving, aimed at reducing vehicle incidents, was completed by over 900 employees during FY14.

June Qtr 2014	LTI	LTIFR	TRIFR
Cracow	0	1.6	20
Pajingo	0	2.1	10.8
Edna May	0	0	9.7
Mount Rawdon	0	1.7	12.1
Mount Carlton	1	3.5	10.7
<b>Group</b>	<b>1</b>	<b>1.7</b>	<b>11.7</b>

LTI: Lost time injury. A lost time injury is defined as an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more

LTIFR: Lost time injury frequency rates. The frequency of injuries involving one or more lost workdays per million hours worked

TRIFR: Total recordable injury frequency rate. The frequency of total recordable injuries per million hours worked

### Cracow, Queensland (100%)

True to form, Cracow delivered a reliable result with June quarter production of 23,376oz of gold at a C1 cash cost of A\$821/oz, and AISC of A\$1,155/oz (Mar 2014 qtr: 24,321oz, C1 A\$616/oz, AISC A\$938/oz). The operation continued to improve and consolidate systems with the June quarter concluding the first full year as a successful owner miner.

A total of 130,358t of ore was mined at an average grade of 5.63g/t Au. Primary ore sources were Roses Pride, Kilkenny, Empire and Tipperary orebodies. Grade was lower during the quarter as a result of lower grade areas available for mining and increased development ore.

Underground development increased, achieving the highest development metres in FY14 of 1,746m, comprising 1,149m of operating development and 597m of capital development. Backfilling was a priority along with operating development to improve stoping flexibility and provide access to diamond drill platforms for resource definition drilling in FY15. Empire continued to be developed with stoping expected to commence in the September 2014 quarter.

A total of 129,926t of ore was processed at an average grade of 6.03g/t Au. Gold recovery was 92.7% with plant utilisation of 95.8%. Work commenced on a crusher and mill circuit optimisation study during the quarter.

Total gold production for FY14 was 95,064oz at an average cash cost of A\$726/oz which compares with guidance of 82,500 – 90,000oz at A\$840 – A\$890/oz. The lower than expected cash cost was a direct result of the move to owner-miner and the cost savings being realised more quickly than expected.

### Pajingo, Queensland (100%)

June quarter production was 16,495oz of gold, compared to the March quarter production of 15,068oz. C1 cash costs reduced to A\$780/oz with AISC also reducing slightly to A\$1,099/oz (Mar 2014 qtr: C1 A\$814/oz, AISC A\$1,114/oz). This was a pleasing result given the significant cost reduction also achieved in the March quarter. The focus on cost reduction continued with plant, administration, and mining costs all reduced for the quarter.

Mine planning improvements continued to be a focus area. Significant grade control and resource definition drilling of over 12,172m was completed from underground.

Underground ore mined for the quarter increased to 87,176t at 6.15g/t Au and was sourced from the Sonia, Sonia East, Eva, Faith, Veracity and both Zed East/West orebodies. Underground development was slightly above plan as improvements in cycle times built on the progress made last quarter.

Ore treated was 87,592t grading 6.12g/t Au and gold recovery was 95.7%. Sharing of resources, systems, and knowledge continued between the underground operations of Cracow and Pajingo and is impacting positively on performance.

Total gold production for FY14 was 60,766oz at an average cash cost of A\$894/oz which compares with guidance of 72,500 – 80,000oz at A\$800 – A\$850/oz. 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. This sustained improvement in costs is reflected in the FY15 C1 cash cost guidance of A\$700 – A\$770/oz.

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

Gold production of 22,035oz was achieved in the June quarter at a C1 cash cost of A\$945/oz and AISC of A\$1,045/oz (Mar 2014 qtr: 17,879oz, C1 cash cost A\$1,263/oz, AISC A\$1,434/oz). Unit costs decreased due to higher grade and higher recovery.

Total material movement was 867,916t, comprising 526,092t of ore at 1.13g/t Au and 341,824t of waste. In addition, 164,332t of stockpiled ore was re-handled to the ROM pad. The waste mined comprised of 304,839t of operating waste from Stage 1 pit cutback and 36,985t of capital waste from Stage 2. Approximately 1,900,000t of Stage 2 capital waste mining is planned for the September 2014 quarter. Campaign mining to match mill throughput continued throughout the quarter.

A total of 660,022t of ore was treated at an average grade of 1.10g/t Au with an increase in gold recovery of 94.5% largely due to improved characterisation of ROM blend fingers. Average plant throughput was 7,253tpd a minor decrease quarter-on-quarter due to a rescheduled major shutdown in May and unexpected ball mill issues late in June, now resolved.

Total gold production for FY14 was 80,165oz at an average cash cost of A\$1,017/oz which compares with guidance of 85,000 – 95,000oz at A\$800 – A\$850/oz. 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.

In the prior quarter, Evolution reported that it had received expressions of interest from a number of parties interested in purchasing the Edna May mine and that this interest was being explored. Subsequent interaction with the interested parties demonstrated that a fair and reasonable value would not currently be achieved through divestment and discussions regarding potential divestment have been closed.



*Edna May open pit at 30 June 2014: Stage 1 (base of pit)*

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

Gold production of 29,800oz was achieved in the June quarter at a cash cost of A\$533/oz and AISC of A\$759/oz (Mar 2014 qtr: 18,033oz, cash cost A\$1,139/oz, AISC A\$1,285/oz). This was a significant improvement on the March quarter result and reflects the Stage 3 pit cutback now being at a depth where it is able to provide consistent ore tonnes and grade.

A significant milestone was reached on 1 July 2014 with the 40th tonne of gold (approximately 1.41Moz) poured since production commenced in 2001. The mine continues to perform strongly and has a current reserve base that supports a current mine life of ten years, demonstrating the robustness of the Mt Rawdon asset.

Total material movement for the quarter was 3,413,060t, comprising 1,396,028t of ore at 0.97g/t Au and 2,017,032t of waste. Total waste mined comprised 909,154t of capital waste and 1,107,878t of operating waste.

Ore feed to the mill consisted of ore mined from Stage 3. The mill operated for 95.2% of the total hours. A total of 871,123t of ore graded at 1.16g/t Au was treated in the quarter and gold recovery of 91.7% was achieved. Average throughput for the quarter was 9,572tpd. A planned 50 hour mill maintenance shutdown was completed during the quarter.

Work progressed in the June quarter towards the planned change over to owner mining from the previous contract arrangement. This process has run smoothly and the changeover occurred as planned on 1 July 2014. This was assisted greatly by the level of cooperation received in this period from Golding which was the long standing mining contractor at Mt Rawdon.

Mt Rawdon delivered an outstanding result for the full year again proving to be one of Evolution's most reliable operations. Production for FY14 totalled 103,755oz gold at a cash cost of A\$670/oz, well within production guidance of 95,000 – 110,000oz and well below average cash cost guidance of A\$725 – A\$775/oz.



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

June quarter production was from the A39 silver deposit. A total of 1,721,201oz silver contained in 14,276 dry metric tonnes (dmt) of silver concentrate was produced with average silver recoveries of 82.4%.

C1 cash costs were higher than the March quarter increasing to A\$737/oz due to lower grades of A39 treated and less by-product credits associated with the A39 ore. AISC increased to A\$983/oz (Mar 2014 qtr: C1 A\$454/oz, AISC A\$615/oz). This was primarily due to the lower ounces produced and to lower by-product credits received (no V2 ore processed in the current quarter).

Total material movement for the quarter from the A39 open pit was 455,429t comprising 331,447t of ore and 123,982 of waste. Material moved from the V2 pit totalled 441,628t comprising 8,593t of ore and 433,035t of waste. Mining of

the A39 open pit has now ceased and A39 stockpiled ore will continue to be treated through to the end of August 2014. There is potential to mine an additional zone of ore from the A39 deposit by deepening the pit or by underground development, which is currently being investigated.

A total of 194,849 dry tonnes of A39 ore grading 334g/t Ag was treated during the quarter. Mill utilisation was 92.1% for the quarter. Metallurgical test work identified opportunities to further reduce circuit losses and improve the grade recovery curve.

Concentrate shipments for the June quarter was 14,975 wet metric tonnes (wmt), consisting of both A39 and V2 material. There were a total of 9,893wmt across three shipments of A39 concentrate. A total of 5,082wmt of V2 concentrate was dispatched across two shipments.

Current cost reduction strategies being undertaken include a reduction in power costs, an increase in mill throughput from 800,000tpa to 900,000tpa and further improvements to the efficiency of the concentrate bagging system.

Mt Carlton significantly outperformed FY14 production and cash cost guidance in its first full year of production with total gold production of 87,952oz gold equivalent, well above production guidance of 65,000 – 75,000oz at an average cash cost of A\$634/oz, well below cash cost guidance of A\$700 – A\$750/oz. This outstanding result was achieved primarily due to quicker plant ramp-up and better access to higher grade ore than expected.





## June 2014 Quarter Production

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><u>Cost Summary</u></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

## Mt Carlton June 2014 Quarter Production

June 2014 Quarter	Units	A39	V2	Total/Average
<b>Mining</b>				
Capital waste	kt	-	355	355
Operating waste	kt	124	78	202
Ore mined	kt	331	9	340
Mined Grade - gold	g/t		1.61	1.61
Mined Grade - silver	g/t	245	27.3	239.7
<b>Processing</b>				
Ore processed	kt	195	-	195
Grade processed - gold	g/t		-	-
Grade processed - silver	g/t	334	-	334
Grade processed - gold and gold equivalent <sup>1</sup>	g/t	5.09	-	5.09
Gold recovery	%		-	-
Silver recovery	%	82		82
<b>Production</b>				
Concentrate produced	t	14,276	-	14,276
Gold <sup>2</sup>	oz	-	-	-
Silver <sup>2</sup>	oz	1,325,325	-	1,325,325
Copper <sup>2</sup>	t	321	-	321
Gold and gold equivalent <sup>1,2</sup>	oz	20,193	-	20,193
<b>Sales</b>				
Concentrate	dmt	9,055	4,641	13,696
Payable gold	oz	-	8,367	8,367
Payable silver	oz	823,292	40,519	863,811
Payable copper	t	188	133	320

1. Gold and gold equivalent is Mt Carlton A39 silver using a gold to silver ratio of 1:65.6

2. Production is equivalent to payable metal

## FY14 Production Summary

Jul 2013 – June 2014	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Total / Average
UG lateral development - capital	m	2,402	2,464	-	-	-	4,866
UG lateral development - operating	m	3,693	2,525	-	-	-	6,218
Total UG lateral development	m	6,095	4,988	-	-	-	11,084
UG ore mined	kt	519	310	-	-	-	829
UG grade mined	g/t	6.12	6.05	-	-	-	6.09
OP capital waste	kt	-	-	968	9,073	2,249	12,289
OP operating waste	kt	-	-	1,084	2,192	2,562	5,837
OP ore mined	kt	-	-	2,101	3,638	893	6,631
OP grade mined	g/t	-	-	1.06	0.97	4.77	1.51
Total ore mined	kt	519	310	2,101	3,638	893	7,460
Total tonnes processed	kt	514	398	2,547	3,574	687	7,720
Grade processed <sup>1</sup>	g/t	6.12	4.96	1.04	0.98	5.82	1.98
Recovery	%	94	96	94	92	85	92
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>95,064</b>	<b>60,766</b>	<b>80,165</b>	<b>103,755</b>	<b>87,952</b>	<b>427,703</b>
Silver produced	oz	87,405	49,606	31,040	108,168	3,173,012	3,449,231
Copper produced	t	-	-	-	-	1,259	1,259
Gold sold	oz	96,765	62,898	78,133	103,501	41,886	383,184
Achieved gold price	A\$/oz	1,416	1,430	1,537	1,414	1,415	1,442
Silver sold	oz	87,405	49,606	31,040	108,168	3,039,852	3,316,072
Achieved silver price	A\$/oz	23	22	22	22	22	22
Copper sold	t	-	-	-	-	1,126	1,126
Achieved copper price	A\$/t	-	-	-	-	7,543	7,543
<b>Cost Summary</b>							
Mining	A\$/oz	447	473	356	289	258	356
Processing	A\$/oz	203	257	558	361	301	336
Administration and selling costs	A\$/oz	106	142	112	70	289	141
Stockpile adjustments	A\$/oz	(9)	41	(1)	(27)	(31)	(9)
By-product credits	A\$/oz	(21)	(18)	(9)	(23)	(183)	(52)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>726</b>	<b>894</b>	<b>1,017</b>	<b>670</b>	<b>634</b>	<b>772</b>
Royalties	A\$/oz	77	73	61	68	101	76
Other <sup>2</sup>	A\$/oz	1	1	3	12	3	4
Depreciation & Amortisation	A\$/oz	306	264	204	419	352	318
<b>C3 Total Cost</b>	<b>A\$/oz</b>	<b>1,110</b>	<b>1,232</b>	<b>1,285</b>	<b>1,168</b>	<b>1,089</b>	<b>1,170</b>

1. Gold and Mt Carlton payable silver as gold equivalent using a gold to silver ratio of 1:63.2 for the 12 months to June 2014.
2. Price related inventory adjustment for stockpiles held at net realisable value

## EXPLORATION

Work completed over FY14 included building 3D geologic models and integrating geologic time to create 4D models. This data-mining, data acquisition and critical interpretation, combined with the acquisition of both 2D and 3D Seismic surveys represents a critical step in enabling Evolution to compress the timeframes for new discoveries around Pajingo, Cracow and Mt Carlton.

During the last two quarters Evolution has ramped-up drilling to test concepts emerging from the 4D studies. Drilling in the June quarter was undertaken at Cracow, Pajingo and Mt Carlton with 7,618m of resource definition drilling and 13,558m of exploration drilling completed. Exploration spend over the quarter was A\$6.0 million, compared to A\$3.0 million in the previous quarter. Total exploration drilling in FY14 was 28,623m and total expenditure in FY14 was A\$16.8 million.

In FY14 a total of 14 framework and proof of concept holes were drilled along or close to the 2D seismic lines at Pajingo and Cracow. The results clearly show that zones of clay alteration spatially associated with mineralised faults and the larger-epithermal system can be accurately interpreted from the seismic sections. The 4D studies and the direct targeting capabilities of 2D and 3D seismic has brought forward a number of high-quality exploration targets that will be drill-tested in FY15. A total of 80,000m of drilling has been budgeted across Evolution's projects and the Tennant Creek JV in FY15.

### Cracow, Queensland

#### Near Mine Exploration

At Cracow, a wide-spaced surface diamond drilling program testing the 400m gap between the Empire South Lode and Coronation Lode was completed during the last two quarters. This program comprised a total of five holes plus two wedges. Results were encouraging and this area is now being referred to as the Imperial Lode. Drill testing of an area covering a strike length of 400m and vertical extent of 100 – 150m will be conducted in FY15 with the aim of defining an initial resource. Best results received during the June quarter include:

- 11.65m (6.31m etw) grading 4.74g/t Au from 574.35m including 2m grading 18.21g/t Au (CBK353W1)
- 4.4m (2.93m etw) grading 8.64g/t Au from 531.4m including 2.8m grading 12.49g/t Au (CBK353W2)

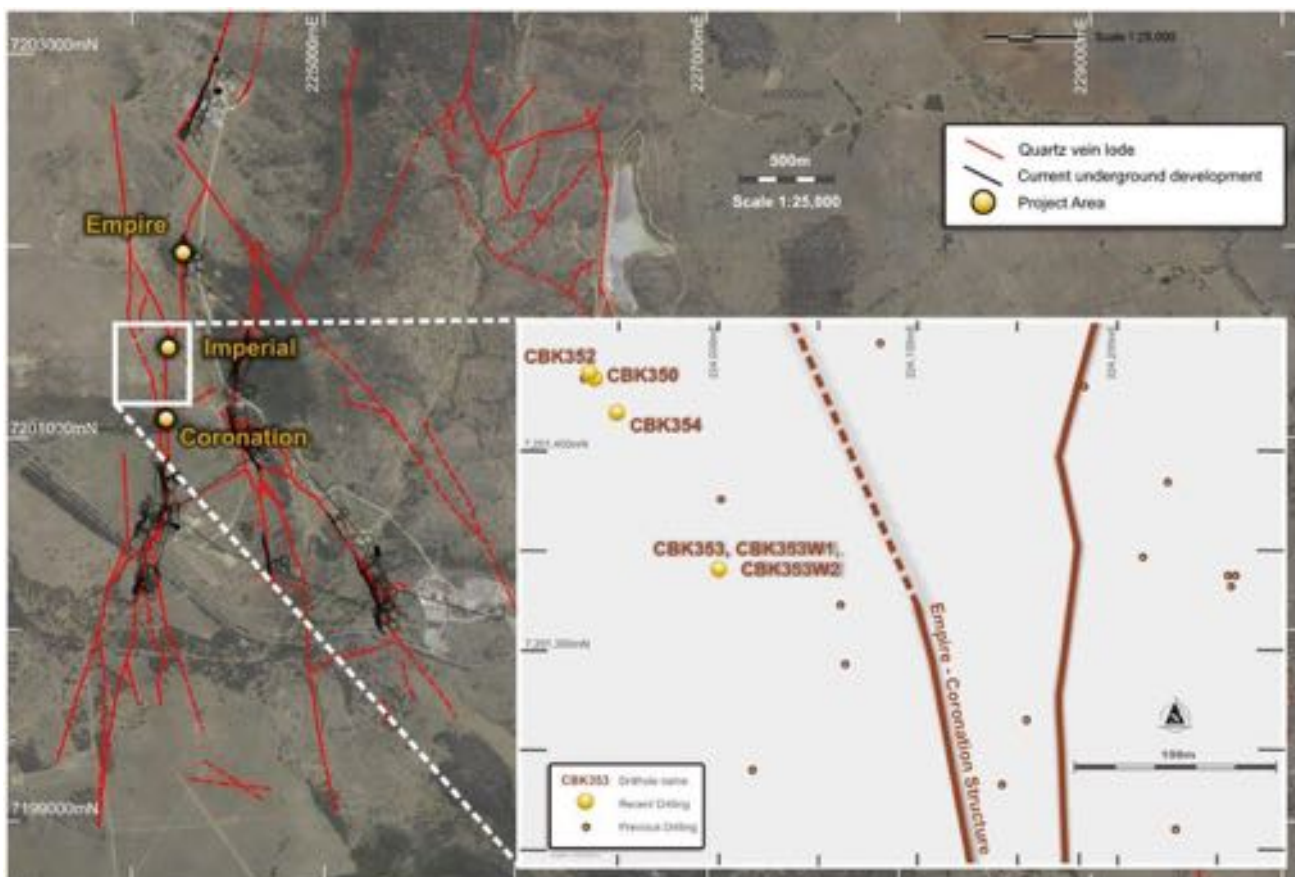


Figure 1: Drill hole location plan of Imperial lode drilling

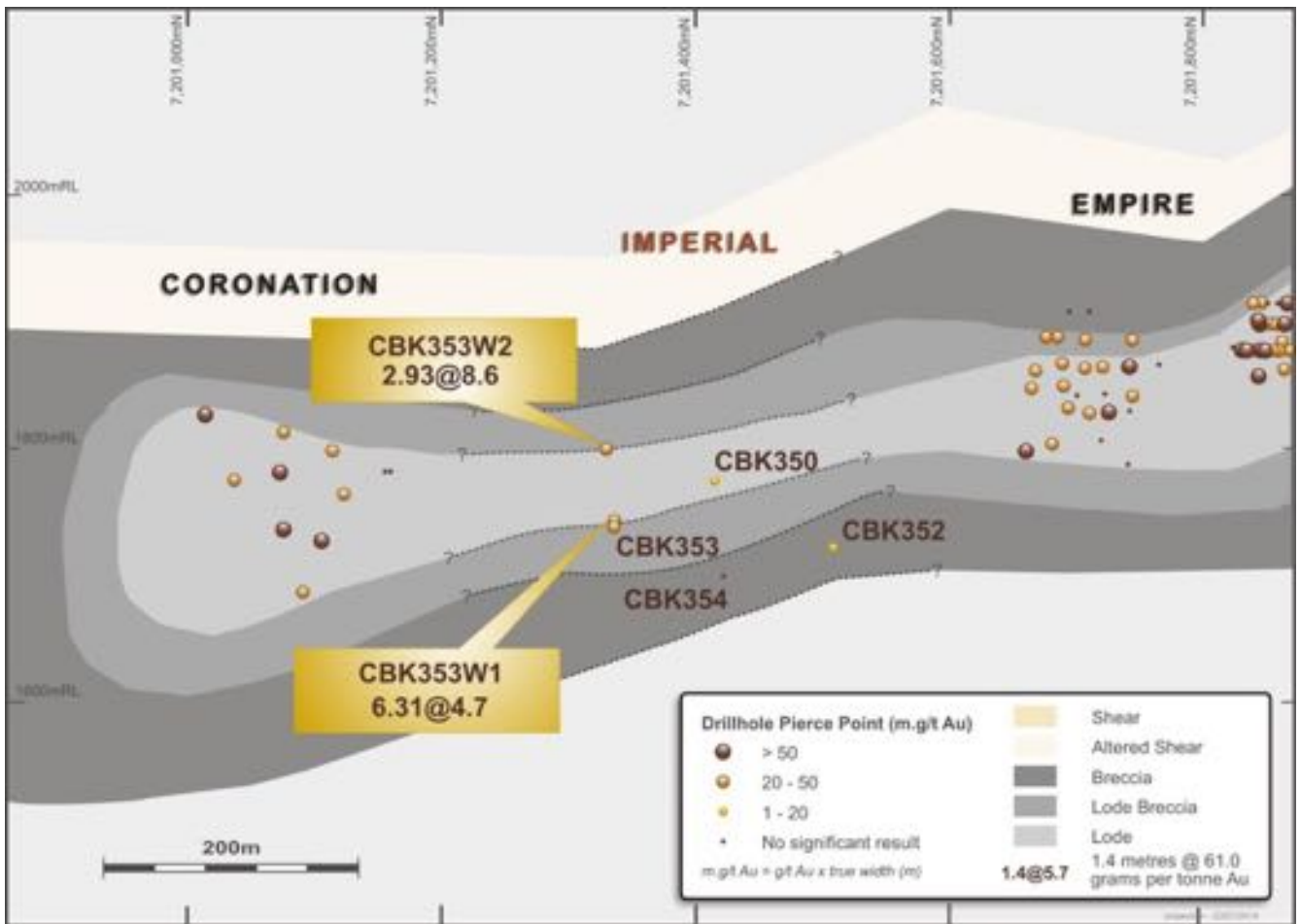


Figure 2: Schematic longitudinal section showing Coronation, Imperial and Empire lodes

## Regional Exploration

The 3D seismic survey and processing of a 3D data cube covering an area of 1.0km x 1.2km over the Royal-Phoenix vein system was completed during the quarter. In addition 14.8km of 2D seismic was acquired and processed. The 4D study was significantly progressed with the 3D model near completion. This work includes the building of a paleostress model which allows the dilational potential of interpreted fault structures to be assessed. The knowledge from this work combined with fault mapping from the 3D seismic survey will help target zones of dilation on the interpreted faults.

Five exploration diamond holes for a total of 2,136m were completed in the June quarter on the eastern end of the 2D seismic line. These holes aimed to test along strike from wide zones of clay alteration intercepted in the initial seismic calibration drilling, and an interpreted dilational jog from magnetic data.

Of the results returned to date, hole KRC148A is considered potentially significant returning anomalous gold and silver values with associated tellurium and molybdenum, from a quartz-adularia stockwork breccia zone 349m – 354m downhole. The current interpretation suggests this intercept is at the base of a potentially mineralised vein system cross cutting the seismic line. Three drill holes targeting up-dip and along strike to the south and north of the KRC148A structure are planned for early FY15.

## Pajingo, Queensland

### Regional Exploration

A 3D seismic survey was completed in the June quarter and data is now being processed. This will result in a high-resolution seismic cube, within which fault geometries, stratigraphy and potentially alteration may be mapped. The objectives of the 3D survey are to map the south-eastward extension of the Vera-Nancy fault beyond the Jandam and Zed orebodies and better define the structures that control the gold-silver mineralisation at Moonlight, Lynne and

lo. It is anticipated that new faults will be defined and the structural complexity in the area of the survey resolved. This will see drilling commence in the September 2014 quarter within the area of the 3D survey.

In the June quarter, a total of seven reverse circulation/diamond holes for 4,079m were completed on targets derived from the 4D modelling. Hole JMRD 3943A, designed to intersect veins 100m above the veins intersected in JMRD 3943 (March quarter 2014), successfully intersected structures predicted by the 4D modelling. Best intersections from both holes include:

- 7m grading 1.91g/t Au from 619m down hole including 1m grading 5.11g/t Au (JMRD3943)
- 1.6m grading 5.65g/t Au from 559.4m down hole including 0.5m grading 10.5g/t Au (JMRD 3943A)

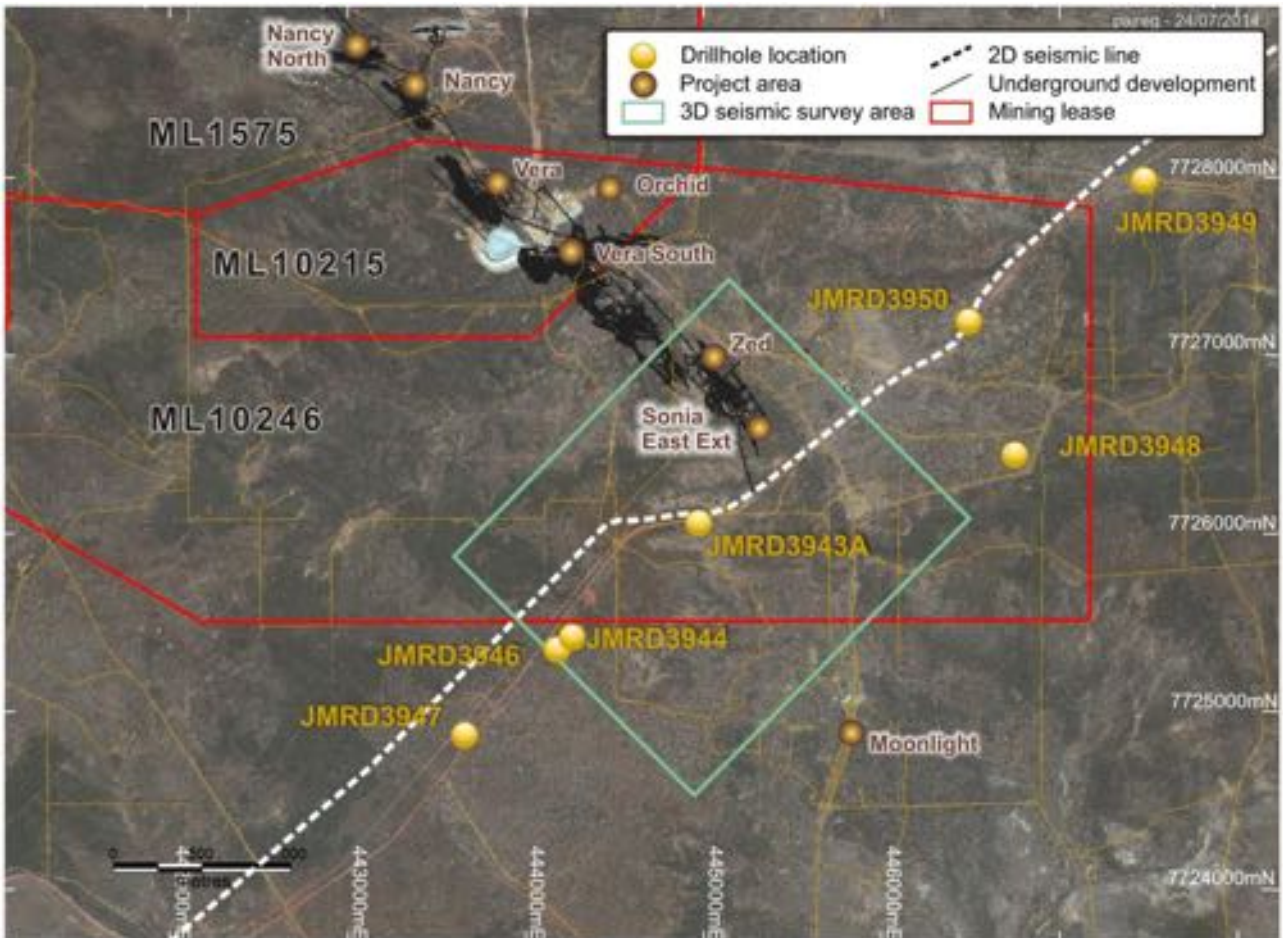


Figure 3: Drill hole location plan of seismic targets at Pajingo

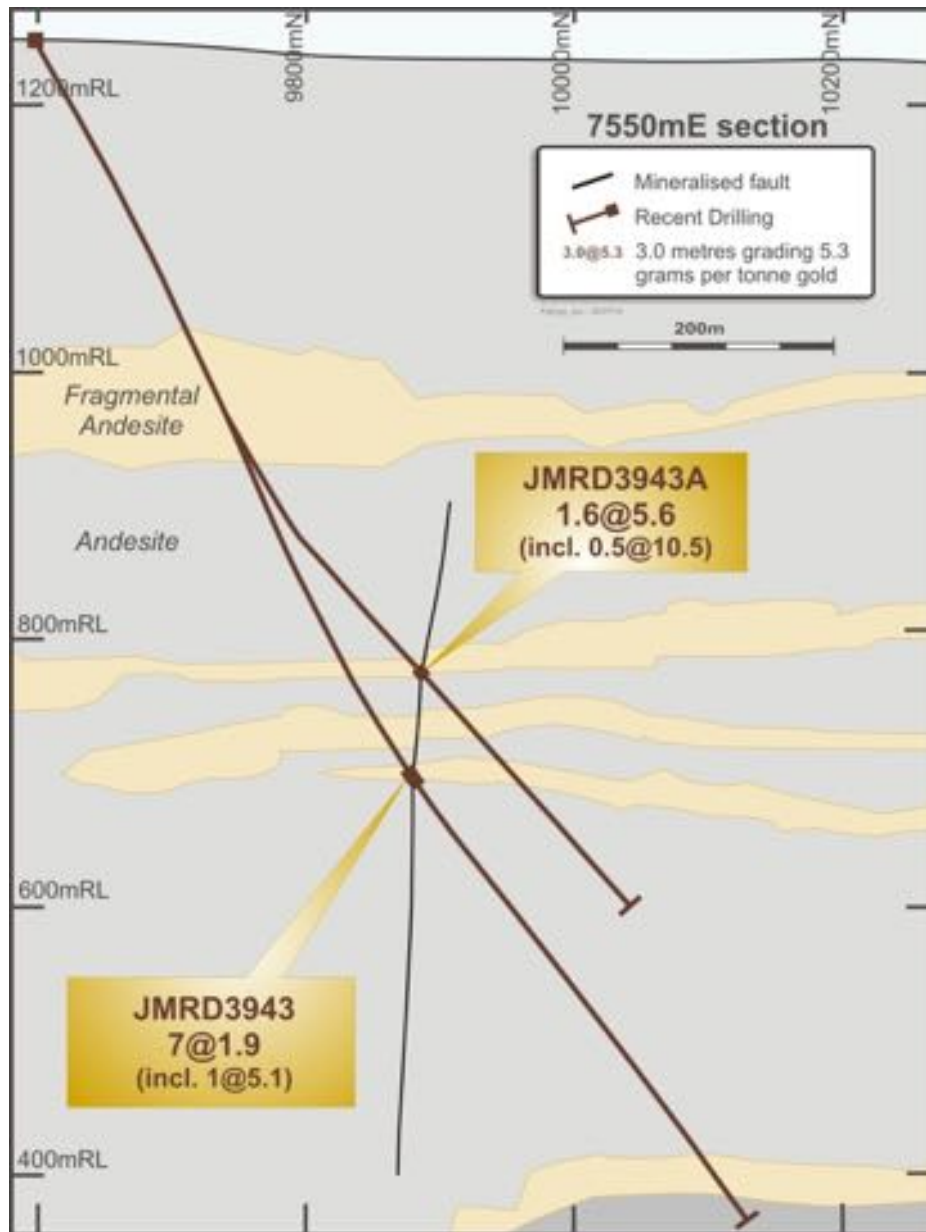


Figure 4: Cross section of holes JMRD3943 and 3943A targeting seismic anomalies

## Mt Rawdon, Queensland

At Mt Rawdon, an extensive soil sampling program was advanced covering the Company's leases north of the Burnett River. Near-mine exploration work including remapping and reinterpreting the geology in a 4km radius around the pit coupled with an extensive pit wall mapping exercise and analysis of the litho-geochemical results from 34 drill holes. This has led to an improved understanding of the mineralisation controls at Mt Rawdon and has identified a high-priority target northwest of the pit.

## Mt Carlton, Queensland

### Near Mine Exploration

Near mine exploration programs focussed on the reinterpretation of structural controls on mineralisation within and below the V2 and A39 deposits to define controls on high grade mineralisation and identify additional near mine targets.

### Regional Exploration

During the quarter, work built on the extensive alteration and litho-geochemistry studies completed during FY14. Areas with potential for high-sulphidation epithermal mineralisation have been prioritised for further exploration. An

Induced Polarisation (“IP”) survey comprising six lines for a total of 15 line kilometres was completed over the V2 Far East, eastern Capsize and Castle areas. A total of 12 diamond holes were completed for 4,436m. The majority of these holes intersected strong clay altered volcanic rocks within similar stratigraphy to that hosting the V2 and A39 deposits to the east. Further interpretation of the results from these holes will see additional drill targets defined.

An IP program undertaken during the quarter identified chargeability zones along the eastern extension of the Capsize Trend, extending the Capsize chargeability feature associated with copper mineralisation over 4.7km (across 7 IP lines) with results indicating that the anomaly is intensifying to the east. This area comprises outcrops analogous to the host lithologies at V2 and A39, approximately two kilometres north-east of the Mt Carlton operations. Drill testing of these geophysical and alteration targets is planned in the September quarter.

FY15 drilling will focus on high-sulphidation epithermal and porphyry targets both around V2 and further to the east around the Castle prospect.

### **Tennant Creek, Northern Territory (earning 65%)**

During the quarter, Evolution entered into a farm-in and joint venture arrangement with Emmerson Resources Ltd (ASX: ERM) over the Tennant Creek gold-copper project located in central Northern Territory, Australia (refer ASX announcement 12 June 2014). The Tennant Creek Mineral Field is historically one of Australia’s highest grade gold and copper fields, having produced more than 5.5Moz of gold and 470,000t 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 km<sup>2</sup>. 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 certain 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.

An initial drilling campaign of approximately 2,500m of both diamond and RC drilling commenced 1 July 2014 aimed at establishing further high-grade gold resources around the Eldorado and Chariot deposits.

### **Wirralie, Queensland**

During the quarter Evolution was granted three exploration tenements centred around the historic Wirralie gold mine in North Queensland (refer ASX announcement 13 June 2014). The tenements cover an area of approximately 890km<sup>2</sup> surrounding the historic Wirralie gold mine (the tenements do not include the Wirralie gold mine). The Wirralie area has not had any significant modern exploration since the late 1980’s and as such is in need of systematic modern exploration to understand and unlock the potential of the area. Evolution believes the knowledge and expertise developed at its similar Queensland operations (Pajingo, Mt Carlton and Cracow) can be applied with good effect in the Wirralie district.

Initial exploration activity is expected to consist of data integration and review, development of refined metallogenic models and the acquisition of high-quality aeromagnetics and radiometrics over the tenement area.



## CORPORATE

### Financial Performance

Quarterly revenue was A\$159 million which comprised revenue from the sale of gold doré of A\$127 million and revenue from sale of Mt Carlton concentrate of A\$32 million.

Total gold sales were 97,058oz at an average price of A\$1,422/oz. Silver sales of 932,540oz were achieved for the quarter at an average price of A\$20.42/oz. Group copper sales from V2 and A39 product was 320 tonnes with an average realized price of A\$7,014/t.

Deliveries into the hedge book were 20,455oz at an average price of A\$1,569/oz. The Group's remaining gold was delivered on spot markets at an average price of A\$1,383/oz. Evolution's total gold hedge book at quarter end was 164,319oz at an average price of A\$1,597/oz.

Group C1 cash operating costs totalled A\$83.6 million, or A\$747/oz (Mar 2014 qtr: A\$811/oz). Royalties accounted for an additional expense of A\$8.6 million. Cracow continued to deliver significant cost savings after transitioning to owner mining, with a 32% reduction in the unit operating cost of mining in FY14 compared to FY13.

Total depreciation and amortisation expenses were A\$37.1 million, or A\$331/oz (Mar 2014 qtr: A\$308/oz). Discovery expenditure in the quarter was A\$6.0 million (Mar 2014 qtr: A\$3.0 million).

Evolution achieved an average gold price of A\$1,442/oz for its gold sales (including sales into the hedge book) for FY14 – representing an A\$372/oz margin to AISC and an A\$153/oz margin to AIC. For comparison, the average spot gold price for FY14 was A\$1,411/oz.

### Corporate

Corporate administration costs were A\$7.0 million (Mar 2014 qtr: A\$4.5 million) with full year costs of A\$19.4 million, a 19% reduction over FY13.

As a result of strong operational cash flow, the Company repaid A\$15.0 million of debt under its A\$200 million Revolving Credit Facility, reducing the drawn debt to A\$126.8 million, with a head room of A\$73.2 million as planned.

### Cash flow

The end of the quarter cash balance of A\$31.5 million (Mar 2014 qtr: A\$36.7 million) reflected the repayment of A\$15.0 million of debt in June and A\$9.8 million of doré shipped in June not being converted to cash until the first week of July.

Operations delivered robust cash contribution of A\$24.4 million after all sustaining and major project capital expenditure. Combined corporate administration expenditure and discovery costs were higher this quarter at A\$13.0 million reflecting some catch up spending (A\$7.5 million previous quarter), leaving an operating cash inflow of A\$11.4 million (A\$20.1 million previous quarter).

Financing cash outflows for the quarter were A\$16.6 million consisting of a debt repayment outflow of A\$15.0 million, an interest outflow of A\$2.6 million, a decrease in receivables of A\$5.7 million, a decrease in creditors of A\$4.0 million, net short term Mt Carlton inventory financing outflow of A\$0.4 million and other working capital outflow of A\$0.3 million.

### Capital Expenditure

Total capital expenditure of A\$30.2 million in the quarter (A\$31.6 million prior quarter) reflected continued capital discipline across the Group. Capital expenditure consisted of A\$19.0 million of sustaining capital and A\$11.2 million of major project spend.

Expenditure of A\$11.2 million was invested on major capital projects supporting future cash flows. It consisted of A\$4.8 million on the Stage 4 cutback at Mt Rawdon, A\$3.3 million on the Stage 2 cutback at the V2 pit at Mt Carlton, A\$1.4 million of capital development at both Pajingo and Cracow, and A\$0.3 million at Edna May.

Full year capital expenditure (A\$152 million) fell below the guidance range of A\$160 million to A\$185 million reflecting strong discipline from sites to prioritise, reduce and reschedule projects where it could be appropriately done without compromising future operational performance.

## All-in Sustaining Cost and All-in Cost June 2014 Quarter

	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Group
C1 Cash Cost	A\$/oz	821	780	945	533	737	747
Royalty	A\$/oz	76	70	60	67	118	77
Sustaining capex	A\$/oz	258	249	40	159	128	170
Administration costs	A\$/oz	-	-	-	-	-	62
<b>All-in Sustaining Cost<sup>1</sup></b>	<b>A\$/oz</b>	<b>1,155</b>	<b>1,099</b>	<b>1,045</b>	<b>759</b>	<b>983</b>	<b>1,057</b>
Major project capital	A\$/oz	58	86	13	160	165	100
Discovery	A\$/oz	-	-	-	-	-	54
<b>All-in Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>1,213</b>	<b>1,185</b>	<b>1,058</b>	<b>920</b>	<b>1,148</b>	<b>1,211</b>

## All-in Sustaining Cost and All-in Cost FY14

	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Group
C1 Cash Cost	A\$/oz	726	894	1,017	670	634	772
Royalty	A\$/oz	77	73	61	68	101	76
Sustaining capex	A\$/oz	254	306	127	116	109	176
Administration costs	A\$/oz	-	-	-	-	-	45
<b>All-in Sustaining Cost<sup>1</sup></b>	<b>A\$/oz</b>	<b>1,057</b>	<b>1,274</b>	<b>1,205</b>	<b>854</b>	<b>844</b>	<b>1,070</b>
Major project capital	A\$/oz	57	107	81	417	177	181
Discovery	A\$/oz	-	-	-	-	-	39
<b>All-in Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>1,114</b>	<b>1,381</b>	<b>1,286</b>	<b>1,271</b>	<b>1,021</b>	<b>1,289</b>

1. All-in Sustaining Cost includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses.
2. All-in Cost includes AISC plus growth (major project) capital plus discovery expenditure.

## CONFERENCE CALL

Jake Klein (Executive Chairman), Mark Le Messurier (Chief Operating Officer), Aaron Colleran (VP Business Development and Investor Relations) and Roric Smith (VP Discovery and Chief Geologist) will host a conference call to discuss the quarterly results at 11.00am Australian Eastern Standard Time ("AEST") on Tuesday 29 July 2014. Access details are provided below.

### Shareholder – Live Audio Stream

A live audio stream of the conference call will be available on Evolution's website [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The live conference call will commence at 11.00am Australian Eastern Standard Time ("AEST") on Tuesday 29 July 2014. The audio stream is 'listen only' and does not provide for Q & A participation. The audio stream will also be uploaded to Evolution's website shortly after the conclusion of the call and can be accessed at any time.

### Analyst and Media – Conference Call Details

Tuesday 29 July 2014, 11.00am (AEST) and includes Q & A participation.

Dial-in numbers:

- Australia: 1800 153 721 (Australia Wide)
- Hong Kong: 800 933 733
- Singapore: 800 616 2259
- New Zealand: 0800 442 709
- United States: 1866 307 0659
- United Kingdom: 0808 238 9067
- International Toll: +61 2 8212 8333

Participant PIN Code: 816034#

Please dial in five minutes before the conference starts and provide your name and the Participant PIN Code.

## 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.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

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.

## Competent Person Statement

The information in this report that relates to 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.

Activity	Competent Person	Institute
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

## CORPORATE INFORMATION

**ABN 74 084 669 036**

### Board of Directors

Jake Klein	Executive Chairman
Jim Askew	Non-Executive Director
Lawrie Conway	Non-Executive Director
Graham Freestone	Non-Executive Director
Colin (Cobb) Johnstone	Non-Executive Director
Tommy McKeith	Non-Executive Director
John Rowe	Non-Executive Director

### Company Secretary

Evan Elstein

### Investor Enquiries

Bryan O'Hara  
Investor Relations Manager  
Evolution Mining Limited  
Tel: (612) 9696 2900

### Media Enquiries

Michael Vaughan  
Cannings Purple  
Tel: (618) 6314 6300

### Internet Address

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

### Registered and Principal Office

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Sydney NSW 2000

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Fax: (612) 9696 2901

### Share Register

Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

Tel: 1300 554 474 (within Australia)

Tel: (612) 8280 7111

Fax: (612) 9287 0303

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

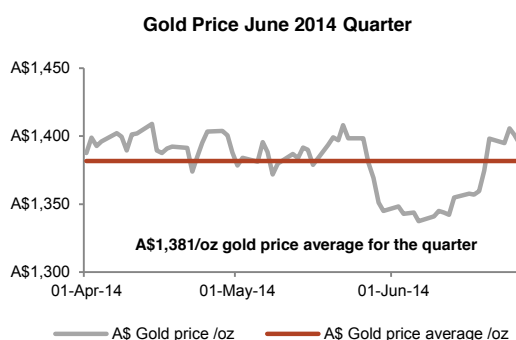
### Stock Exchange Listing

Evolution Mining Limited shares are listed on the Australian Securities Exchange under code EVN

### Issued Share Capital

At 30 June 2014 issued share capital was 709,989,453 ordinary shares

An additional 2,504,383 ordinary shares were issued on 7 July 2014 to bring the total issued share capital to 712,493,836 ordinary shares



## APPENDIX 1: Drill Hole Information Summary

### CRACOW

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Dip	Azi MGA	From (m)	Interval (m)	Au (g/t)	Ag (g/t)
<b>CBK353W1</b> includes	DDH	224000.6	7201340.6	681.8	-73	85	574.35	11.65	4.74	5.05
							581	2	18.21	7
<b>CBK353W2</b> includes	DDH	224000.6	7201340.6	603.8	-73	85	531.4	4.4	8.64	5
							532	2.8	12.49	6.76

### PAJINGO

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Dip	Azi MGA	From (m)	Interval (m)	Au (g/t)	Ag (g/t)
<b>JMRD3943</b> includes	RC/DDH	444966.1	7726057.8	1042.5	-57	043	619.00	7.0	1.91	1.36
							620.00	1.0	5.11	3.67
							680.00	1.0	2.52	1.58
<b>JMRD3943A</b> includes	RC/DDH	444966.1	7726057.8	796.1	-49.5	043	559.40	1.6	5.65	2.08
							559.40	0.5	10.5	
							643.35	2.8	1.75	
							643.35	0.5	5.26	

Note: reported intervals are down hole widths

## APPENDIX 2: JORC CODE 2012 ASSESMENT AND REPORTING CRITERIA

The following information is provided in accordance with Table 1 of Appendix 5A of the JORC Code 2012 - Section 1 (Sampling Techniques and Data), and Section 2 (Reporting of Exploration Results)

### CRACOW

#### JORC Code 2012 Edition – Table 1

#### Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<p>Sample intervals for drill core were determined by visual logging of lithology type, veining style/intensity and alteration style/intensity to ensure a representative sample was taken. Sampling lengths ranged from a minimum of 0.4m to a maximum of 1.2m, with sampling completed across the full width of mineralisation.</p> <p>Diamond drill core was halved with a core saw, with one half dispatched for analysis and the other half retained. Drill core was not orientated prior to cutting, as sample bias from non-orientation of core is considered minimal in respect to mineralisation at Cracow.</p>
<i>Drilling techniques</i>	<p>A combination of HQ and NQ triple tube drilling was completed. Drilling intercepts from the Imperial Lode were wedged holes, with both reported results from daughters of a parent hole. Core orientation was undertaken utilising a Reflex Orientation Tool.</p>
<i>Drill sample recovery</i>	<p>The measurement of length drilled Vs. length of core recovered was completed for each drilled run by the drill crew. This was recorded by a core loss block placed in the core tray for any loss identified. Marking up of the core by the geological team checked and confirmed these core blocks, and any additional core loss was recorded and blocks inserted to ensure this data was captured. Any areas containing core loss were logged using the lithology code “Core Loss” in the lithology field of the database.</p> <p>Sample loss at Cracow was calculated at less than 1% and wasn’t considered to have a material impact. Washing away of sample by the drilling fluid in clay or fault gouge material is the main cause of sample loss. In areas identified as having lithologies susceptible to sample loss, drilling practices and down-hole fluids were modified to reduce or eliminate sample loss.</p> <p>The drilling contract used at Cracow states for any given run, a level of recovery is required otherwise financial penalties are applied to the drill contractor. This ensures sample recovery is prioritised along with production performance.</p>
<i>Logging</i>	<p>Geological logging was undertaken onsite by Evolution Employees. Logging was completed using LogChief Software and uploaded directly to the database. Drill Core was logged recording lithology, alteration, veining, mineral sulphides and geotechnical data.</p> <p>Logging was qualitative. All diamond drill core sampled was photographed wet using a camera stand and an information board to ensure a consistent standard of photography and relevant information captured.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Half core samples were oven dried and crushed in a jaw crusher to &gt; 70% passing 2mm; half of this material was split with a riffle splitter for pulverising. The samples were pulverised for 10-14 minutes in a LM5 bowl with a target of 85% passing 75µm. Grind checks were undertaken nominally every 20 samples. From this material approximately 120g was scooped for further analysis and the remaining material re-bagged. Duplicates were performed on batches processed at the laboratory every 20 samples at both the crushing and pulverising stages.</p>
<i>Quality of assay data and laboratory tests</i>	<p>The samples were analysed by 50g Fire Assay for Au with Atomic Absorption (AAS) finish and was performed at ALS Townsville. Fire assaying is a total technique. For Ag an Aqua Regia digest with AAS finish was completed, also at ALS Townsville.</p> <p>An analytical duplicate was completed every 20 samples, aligned in sequence with the crushing and pulverising duplicates.</p> <p>No other instruments that required calibration were used for analysis to compliment the assaying at Cracow.</p>

Criteria	Commentary
<i>Verification of sampling and assaying</i>	<p>Fifteen externally certified standards at a suitable range of gold grades (including blanks) were inserted at a minimum rate of 1:20 with each sample submission. All non-conforming results were investigated and verified prior to acceptance of the assay data. Results that did not conform to the QAQC protocols were not reported. Monthly QAQC reports were produced to watch for any trends or issues with bias, precision and accuracy.</p> <p>All samples were assayed offsite by ALS Townsville. No umpire sampling of ALS results were completed for the results reported. However, regular umpire sampling is undertaken on similar mine drill core samples completed by ALS Townsville, with assaying within acceptable error limits.</p> <p>No twinned holes were completed near the KRC148A drill intercept. Twin hole drilling was completed at Imperial, with the twinned hole result from CBK353W1 verified.</p> <p>All sample information was stored using Datashed (SQL database). The software contains a number of features to ensure data integrity. These include (but not limited to) not allowing overlapping sample intervals, restrictions on entered into certain fields and restrictions on what actions can be performed in the database based on the individual user. Data entry to Datashed was undertaken through a combination of site specific electronic data-entry sheets, synchronisation from LogChief and upload of .csv files</p> <p>No adjustments are made to the finalised assay data received from the laboratory.</p>
<i>Location of data points</i>	<p>The position of surface holes was determined by differential GPS or handheld GPS. Down-hole surveys were captured by a Reflex camera.</p> <p>All data points were recorded in MGA94 Zone 56 grid.</p> <p>The topography wireframe was generated by the Survey Department from Airborne Laser Scan and ground surveying methods</p>
<i>Data spacing and distribution</i>	<p>A nominal spacing of 80m (Northing) x 80m (Relative Level) was completed on the Imperial Lode. Only three holes in total have been completed nearby KRC148A, with no consistent drill spacing.</p> <p>No resource estimation was completed on the reported holes; the assessment of whether the data spacing and distribution is sufficient to determine geological and grade continuity for resource estimation and classification isn't applicable.</p> <p>No sample compositing was completed for resource estimation.</p>
<i>Orientation of data in relation to geological structure</i>	<p>No core orientation for cutting was completed, as sample bias from non-orientation of core is considered minimal in respect to mineralisation at Cracow. Drill holes were designed to ensure angles of sample intersection with the mineralisation were as perpendicular as possible.</p>
<i>Sample security</i>	<p>All staff undergo Police Clearances, are instructed on relevant JORC 2012 requirements and assaying is completed by registered laboratories. The core was transported by a private contractor by truck to the assay laboratories.</p>
<i>Audits or reviews</i>	<p>While no audits or reviews were completed specifically for the results being reported, an ALS Virginia Prep Lab and ALS Townsville Fire Assay lab inspection was undertaken by Evolution Staff on 25th September 2013. In addition, the Cracow Datashed database was reviewed by Evolution database specialists during 2013. No further audits or reviews were deemed necessary.</p>

## Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<p>ML3219, ML3221, ML3223, ML3224, ML3227, ML3228, ML3229, ML3230, ML3231, ML3232, ML3243, ML80024, ML80088, ML80089, ML80114, ML80120, ML80144 and EPM15981 are all wholly owned by Newcrest Operations Limited. With the formation of Evolution Mining, the tenement titles are in the process of being transferred to Evolution Mining's wholly owned subsidiary, Lion Mining Pty Ltd.</p> <p>All tenure is current and in good standing.</p>
<i>Exploration done by other parties</i>	<p>Numerous companies have explored the Cracow Gold Field including BP Minerals Australia, Australian Gold Resources Ltd, ACM Operations Pty Ltd, Sedimentary Holdings NL, Zapopan NL and Newcrest Mining Ltd. Previous exploration included soil, rock and drill sampling, gravity, magnetic and radiometric surveys and geological mapping.</p>



Criteria	Commentary
<i>Geology</i>	<p>The Cracow Gold Field is located in the Lower Permian Camboon Andesite on the south-eastern flank of the Bowen Basin. The regional strike is north-northwest and the dip 20° west-southwest. The Camboon Andesite consists of andesitic and basaltic lava, with agglomerate, tuff and some inter-bedded trachytic volcanic rocks. The andesitic lavas are typically porphyritic, with phenocrysts of plagioclase feldspar (oligoclase or andesine) and less commonly augite. To the west, the Camboon Andesite is overlain with an interpreted unconformity by fossiliferous limestone of the Buffel Formation. It is unconformably underlain to the east by the Torsdale Beds, which consist of rhyolitic and dacitic lavas and pyroclastics with inter-bedded trachytic and andesitic volcanic rocks, sandstone, siltstone, and conglomerate.</p> <p>Mineralisation is hosted in steeply dipping low sulphidation epithermal veins. These veins are found as discrete and as stockwork, and are composed of quartz, carbonate and adularia with varying percentages of each mineral. Vein textures include banding (colloform, crustiform, cockade, moss), breccia channels and massive quartz, and indicate depth within the epithermal system. Sulphide percentage in the veins are generally low (&lt;3%) primarily composed of pyrite, with minor occurrences of hessite, sphalerite and galena. Rare chalcopyrite, arsenopyrite and bornite can also be found.</p> <p>Alteration of the country rock can be extensive and zone from the central veined structure. This alteration consists of silicification, phyllic alteration (silica, sericite and other clay minerals) and argillic alteration in the inner zone, grading outwards to potassic (adularia) then an outer propylitic zone. Gold is very fine grained and found predominantly as electrum but less common within clots of pyrite.</p>
<i>Drill hole Information</i>	Drill hole information is provided in Appendix 1 “Drill hole information summary”
<i>Data aggregation methods</i>	<p>A minimum cut-off grade of 1.0g/t was used, with no upper cuts of results completed. A maximum internal dilution of 2m (below the lower grade cut) was used in the calculations. Short intervals of high grades that had a material impact on the reported intersections are listed in the table above.</p> <p>No metal equivalent values were calculated or reported.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p>The strike of the Imperial Lode Structure (for holes CBK352W1 and CBK353W2) is approximately 354° (MGA94_56), with dip approximately vertical. The down hole length to estimated true width conversion is based on a factor ranging from 54% to 64%, dependent on interception relationship between the lode and the drill hole trace.</p> <p>The dip and dip direction of the KRC148A intercepted structure was 77° and -66° (MGA94_56) respectively.</p>
<i>Diagrams</i>	Diagrams are presented in the body of the text.
<i>Balanced reporting</i>	<p>A total of 6 holes (including one hole with two wedges CBK353 W1 &amp; W2) were drilled into the Imperial Lode, on roughly an 80 x 80m pattern. Three holes recorded results of material significance, with one of these holes being a twinned hole. Three holes didn't return materially significant results, but further defined the epithermal vein structure.</p> <p>The structure identified by KRC148A has been intercepted by two holes ~180m further to the south. These two holes intersected epithermal associated alteration and anomalous pathfinder element results, but no anomalous Au or Ag grades.</p>
<i>Other substantive exploration data</i>	<p>The Imperial Lode is located between the Coronation Resource (~200m to the south) and Empire Resource, reported in previous Evolution announcements.</p> <p>No other exploration data is relevant for the KRC148A intercept.</p>
<i>Further work</i>	<p>Further drilling of the Imperial Lode is required, to calculate the economic significance of mineralisation. Assessment of the most cost effective method of drilling will be undertaken, with both surface and underground methods to be considered.</p> <p>A further three holes are planned to be drilled around the KRC148A intercept, to better delineate the structure and give an understanding of the epithermal system at this location.</p>

# PAJINGO

## JORC Code 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<p>Drill testing of targets identified from the 2D seismic data was undertaken by a combined reverse circulation (RC) - diamond drill hole (DD). Drill hole JMRD 3943 was drilled towards 043 degrees at a declination of 57 degrees to total depth of 1042.5m. The RC component of the hole was drilled to 237.9 metres. JMRD3943A was drilled as a 'wedge' off JMRD3943 and was drilled towards 043 degrees at a declination of 49.5 degrees to a total depth of 796.1 metres.</p> <p>Drill holes JMRD3944, JMRD3946 and JMRD3947 have not yet been sampled.</p> <p>The location of JMRD3943 was picked up by an Evolution surveyor. Drill samples were logged for lithological, alteration, structural and geotechnical attributes. Sampling was carried out under Evolution Mining protocols and QAQC procedures as per industry best practice.</p> <p>Diamond Core is HQ and NQ2 size, sampled on intervals 0.2m to 1.0m intervals, cut into half core to give sample weights of less than 4kg. Diamond core samples were crushed, dried and pulverized (total preparation) to produce a sub-sample for analysis by four-acid digest with an ICP/OES, ICP/MS or FA/AAS finish. Samples from the RC component of the hole consisted of 1m samples from which 3kg was pulverized to produce a sub-sample for analysis by four-acid digest with an ICP/OES, ICP/MS or FA/AAS finish.</p>
<i>Drilling techniques</i>	<p>Drilling was undertaken as a combined reverse circulation, diamond drilling and navi-drilling techniques. The diameter of the RC component of the holes was 5.5 inches (140mm); the diamond component was HQ and NQ. The core was oriented using a Reflex Orientation Tool.</p>
<i>Drill sample recovery</i>	<p>Diamond core recovery is logged and recorded in database. Overall, core recovery for diamond core is &gt;95% and there are no core loss issues or significant sample recovery problems for diamond core samples. RC recovery is not recorded. However, recoveries for RC samples cannot be assessed as there is no data available. RC chips are logged and recorded in the database.</p> <p>Diamond core is reconstructed into continuous runs on an aluminium cradle for orientation marking. Depths are checked against the depth given on the core block and rod counts are routinely carried out by the drillers. RC samples were visually checked for moisture and contamination.</p> <p>Insufficient drilling and geochemical data is available at the present stage to evaluate potential bias. Evolution protocols and QAQC procedures are followed to preclude issues of sample bias due to loss or gain of material during the drilling process.</p>
<i>Logging</i>	<p>Geotechnical logging was carried out on diamond drill core for structural data, recovery and RQD. No metallurgical studies have been taken. Structural data recorded included structure type, dip, dip direction, alpha angle and beta angle and is stored in the structure table of the database.</p> <p>Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, intensity quartz veins, weathering, colour, and alteration. Core was photographed in wet and dry form.</p> <p>The drill hole was logged in full core.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Both HQ and NQ core was cut in half onsite using an automatic core saw.</p> <p>RC samples were collected on the rig using a cone splitter. All samples were dry.</p> <p>The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the half core sample down to ~10 mm followed by pulverization of the entire sample (total prep) using LM5 grinding mills to a grind size 85% passing 75 micron. The sample preparation for RC samples is identical without the coarse crush stage.</p> <p>Certified reference material as assay standards, along with blanks have been included along with the original samples. Standards are included every 30 samples.</p> <p>No field duplicates were taken.</p> <p>The sample sizes are considered to be appropriate to correctly represent the gold mineralization as per the general standard practices.</p>
<i>Quality of assay data and laboratory tests</i>	<p>Both core and RC samples analytical techniques used a four acid digest (ME-MS61) multi-element suite with ICP/MS finish. Gold was analysed using a 50gm fire assay with AAS finish. The acids used include nitric, perchloric, hydrochloric and hydrofluoric and are suitable for silica based samples. The method approaches total dissolution for most minerals.</p> <p>No geophysical tools were used to determine any element concentration.</p> <p>Sample preparation checks for grind size were carried out by the laboratory as part of their internal</p>

Criteria	Commentary
<i>Verification of sampling and assaying</i>	<p>procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, and repeats as part of in house procedures.</p> <p>The significant intersections were verified by company personnel. The significant intersections consisted of 90% quartz veins.</p> <p>There were no twinned holes.</p> <p>For the RC drilling primary data was documented in hard copy and has been stored at a designated book shelf in the Geology office. Diamond drill-hole logs are recorded onto laptops which in turn are transferred to the database. All primary data (geological data, collar, down holes survey, interval sample) which was documented in hard copy has been manually entered into an Acquire database and all assays which were in electronic files have been imported into an Acquire database. Data verification was done in the process of transferring from original hard copy and electronic files to the database.</p>
<i>Location of data points</i>	<p>No adjustment or calibrations were made to any assay data used in this report.</p> <p>Drill-hole collar locations are surveyed using DGPS unit</p> <p>All down-hole survey shots were carried out using a Reflex Multi-shot camera every 12 metres. The presence of magnetic mineral is rare due to magnetite destructive alteration and consequently down hole surveys are generally very reliable.</p> <p>The grid system is MGA_GDA94 Zone 55. Local easting and northing are in MGA.</p> <p>Topographic surfaces were last updated in March 2012.</p>
<i>Data spacing and distribution</i>	<p>Not applicable, the holes were drilled for stratigraphic purposes and not on the basis of a nominal grid or spacing.</p> <p>Not applicable as the drill-holes reported have been drilled for stratigraphic purposes to assist in exploration targeting.</p> <p>No compositing of samples was applied.</p>
<i>Orientation of data in relation to geological structure</i>	<p>The hole was drilled perpendicular to the strike of the mineralisation domain.</p> <p>The hole was oriented perpendicular to the mineralisation. No orientation based sampling bias has been identified in the data at this point.</p>
<i>Sample security</i>	<p>Diamond core and RC samples are stored on site at the core yard, collected by Mick Mahon Couriers and delivered to ALS Townsville laboratories for grade assays. Whilst in storage at the lab they are kept in a locked yard. All remaining diamond core and RC material is stored at the mine site core yard, pulp rejects from exploration drilling are stored at the core yard as well. Tracking sheets have been set up to track the progress of batches of samples.</p>
<i>Audits or reviews</i>	<p>ALS was audited by Evolution Mining Limited in September 2013.</p>

## Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<p>The drilling was undertaken on ML 10246. The tenement is owned by NQM Gold 2 Pty Ltd a company wholly owned by Evolution Mining Ltd. The area is not subject to any Native Title claims although cultural heritage agreements are in place with the Birriah and Kudjala Peoples.</p> <p>The tenement is in good standing and no known impediments exist.</p>
<i>Exploration done by other parties</i>	<p>The area has been subject to previous soil sampling, RC and diamond drilling, mapping and geophysical exploration by various companies including Battle Mountain, ACM Ltd, Normandy Mining, Newmont, NQM Ltd and Conquest Mining Ltd</p>
<i>Geology</i>	<p>The exploration target is low-sulphidation-epithermal gold hosted in an extensional setting within an intermediate volcanic terrain of mid-Palaeozoic age</p>
<i>Drill hole Information</i>	<p>Drill hole information is provided in Appendix 1 "Drill hole information summary"</p>
<i>Data aggregation methods</i>	<p>Intercept length weighted average techniques, and minimum grade truncations and cut-off grades have been used in this report. Due to the nature of the drilling, some composite grades are less than the current resource cut off of 2.5g/t, but remain significant as they demonstrate mineralisation in veins not previously modelled. All contain a value &gt;2.5g/t, and include halo material &lt;2.5g/t.</p>

Criteria	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<p>Composite, as well as internal significant values are stated for clarity. No metal equivalent values are used</p> <p>The sampling technique confirms the presence of epithermal quartz veining The assays reported are down-hole intervals, true widths are not known</p>
<i>Diagrams</i>	Diagrams are presented in the body of the text
<i>Balanced reporting</i>	Assay results reported are of specific regions within the drill-hole marked by epithermal quartz veining
<i>Other substantive exploration data</i>	The hole was drilled primarily as follow-up to results of an historic drill-hole and secondly for stratigraphic purposes. The area has previously been subject to an IP survey this however was not material to the drilling of the hole as the effective depth of the IP is limited and is therefore not relevant.
<i>Further work</i>	Future work will consist of a review of the geochemical results and lithological studies. Down hole seismic logging was also conducted at the end of drilling and this data will be assessed in terms of the lithological/seismic relationship.