

# Quarterly Results

December 2014



**Evolution**  
MINING

## DISCLAIMER

---

### 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 statement that relates to the Pajingo exploration results is based on work compiled by Andrew Engelbrecht who is employed on a full-time basis by Evolution Mining Limited and is a member of the Australasian Institute of Mining and Metallurgy. He 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. He consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

# December quarter highlights

## Production

- Record quarterly Group production of 113,280oz gold at a C1 cash cost of A\$692/oz (US\$593/oz<sup>1</sup>) and AISC<sup>2</sup> of A\$990/oz (US\$848/oz<sup>1</sup>) – the lowest reported costs since Evolution’s formation
- Innovation and cost reduction initiatives at all sites – 10% decrease in December quarter average C1 cash costs compared to FY14
- FY15 production guidance 400,000 – 440,000oz AuEq maintained and costs now expected to be at the lower end of guidance range of C1 A\$750 – A\$820/oz and AISC A\$1,050 – A\$1,130/oz

## Corporate

- Record quarterly cash contribution from operations of A\$39.9M (133% increase QoQ) after all sustaining and major capital expenditure, including capital stripping
- Cash position increased 25% to A\$47.4M with a further A\$5.9M in unsold doré and concentrate
- Refinancing of A\$200M corporate debt facility saving ~A\$10M over a three year term

## Discovery

- High-grade intersections at Pajingo (Camembert prospect) with potential to extend resources along a new structure defined by the 3D seismic survey

1. Using an average AUD:USD exchange rate for the December 2014 quarter of 0.857

2. All-in Sustaining Cost includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses. Calculated on per ounce produced basis

***Record quarter of production, revenue and cash generation***

# December quarter production

	Units	Mar quarter FY14	Jun quarter FY14	Sep quarter FY15	Dec quarter FY15
Gold produced <sup>1</sup>	oz	101,408	111,899	107,165	113,280
By-product silver produced	oz	191,827	68,729	132,808	122,641
C1 cash cost <sup>2</sup>	A\$/oz	811	747	728	692
All-in sustaining cost <sup>3</sup>	A\$/oz	1,079	1,057	1,083	990
Gold sold	oz	92,669	97,058	94,208	117,359
Achieved gold price	A\$/oz	1,461	1,422	1,431	1,428
Silver sold	oz	696,681	932,540	797,548	130,315
Achieved silver price <sup>4</sup>	A\$/oz	23	20	23	8

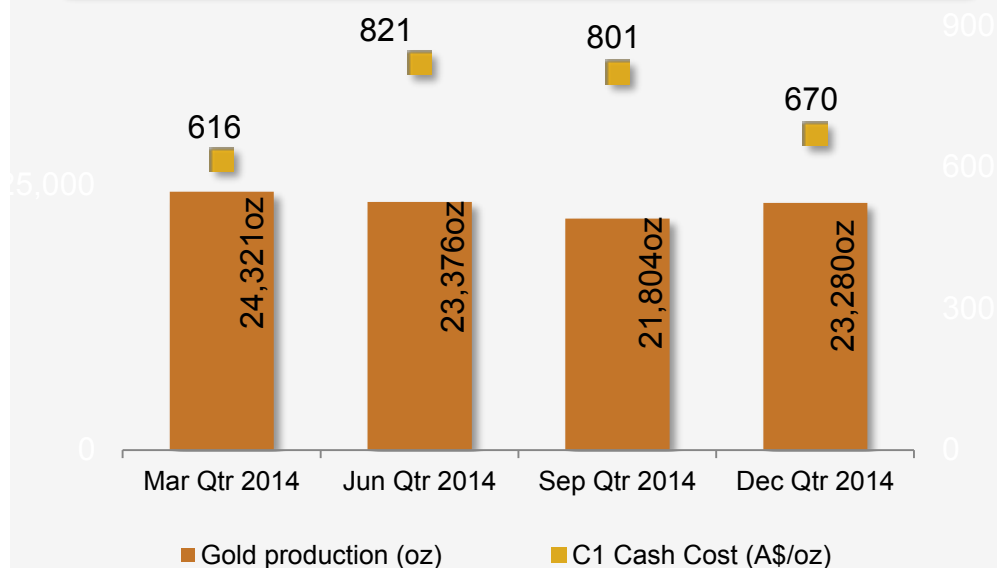
1. Mt Carlton production recorded as payable gold production. Silver production from the A39 silver deposit at Mt Carlton is recorded as gold equivalent using a gold to silver ratio of 1:62.5 for the March quarter 2014, 1:65.6 for the June quarter 2014 and 1:62.7 for the September quarter 2014
2. Before royalties and after by-product credits
3. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration expense. Calculated on per ounce produced basis
4. December quarter 2014 silver price affected by accounting adjustments post final settlement of A39 silver concentrate shipments

# Operations



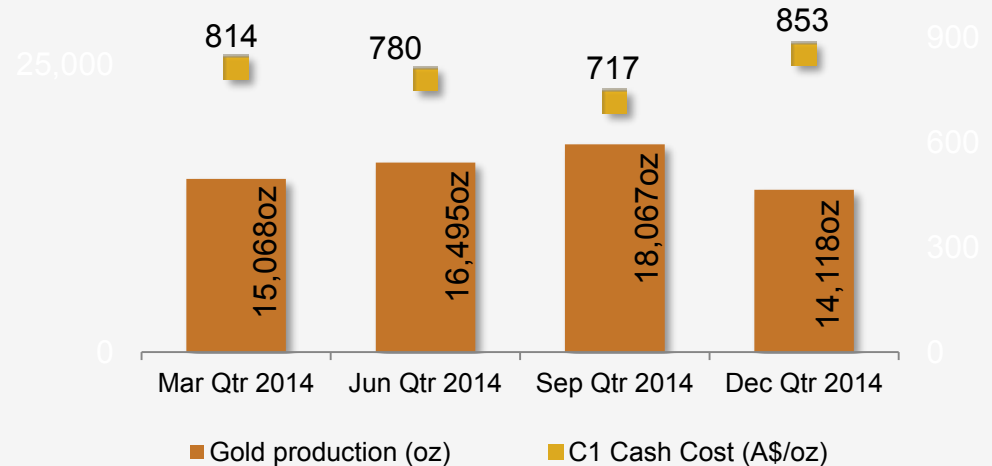
**Evolution**  
MINING

- A 7% increase in gold production to 23,280oz in December quarter
- C1 cash costs reduced by 16% to A\$670/oz and AISC reduced to A\$1,046/oz
- Cost savings:
  - New supply agreements
  - Utilisation of Pajingo's surplus water truck and ROM loader
- Productivity improvements:
  - Implementation of an underground service vehicle has increased the productivity of drill rigs and loaders



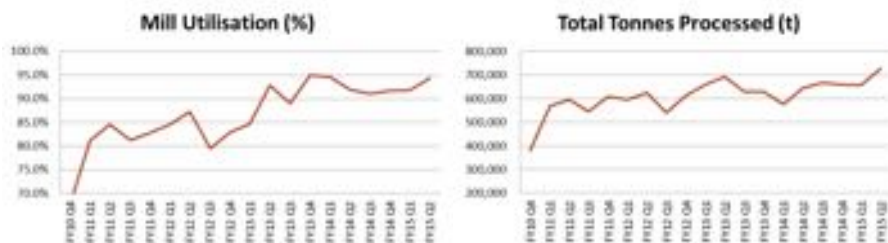
# Pajingo

- Lower gold production of 14,118oz due to lower mined grades
- C1 cash cost increased to A\$853/oz and AISC of A\$1,265/oz
- Stopping costs decreased by 33% to A\$62/t and development costs reduced a further 19% to A\$4,784/m compared to FY14 results
- Increased production physicals (development metres, ore tonnes mined and ore processed) due to efficiency improvements

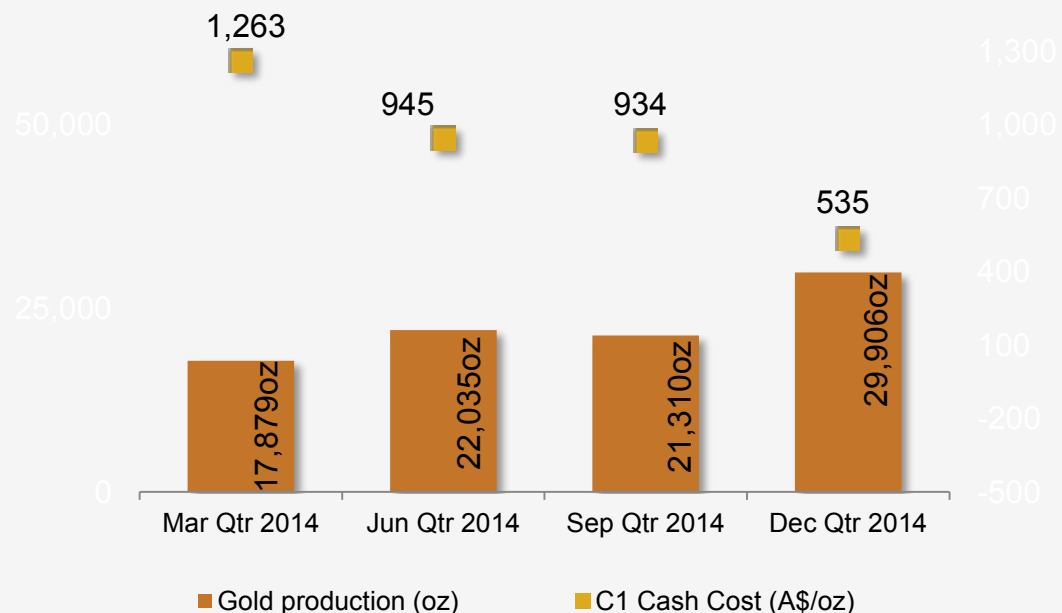


# Edna May

- Record quarterly gold production of 29,906oz – a 40% increase on the prior quarter
- C1 cash cost reduced by 43% to A\$535/oz and AISC of A\$667/oz
- New mobile crusher helping to improve plant throughput
- Transition to 24-hour mining in March 2015 quarter for Stage 2 cutback



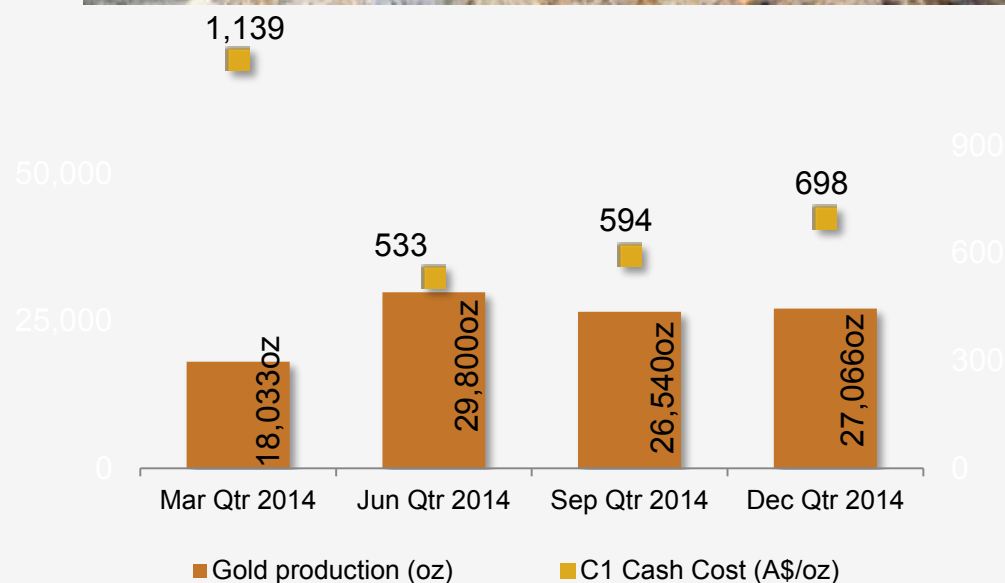
Edna May's historic mill utilisation and throughput performance by quarter





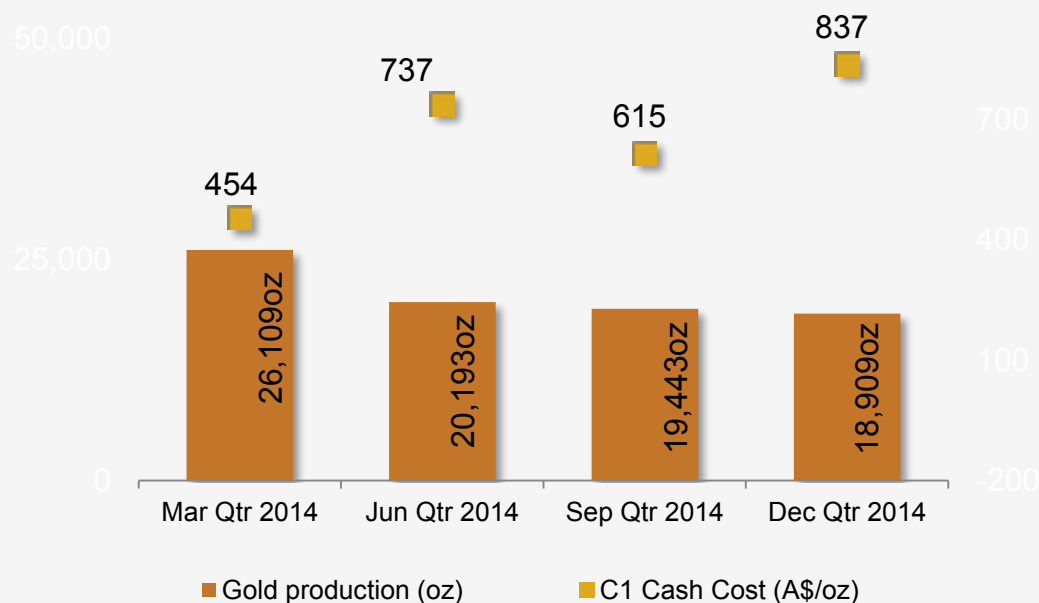
# Mt Rawdon

- Strong gold production of 27,066oz
- C1 cash of A\$698/oz and AISC of A\$896/oz
- Owner-miner running smoothly post transition with an estimated operating expenditure saving of A\$9.0M in FY15
- Good progress on cost savings in equipment maintenance, drilling and mill consumables with further cost reductions anticipated in 2HFY15



# Mt Carlton

- Gold production of 18,909oz from V2 deposit
- C1 cash costs and AISC increased to A\$837/oz and A\$1,088/oz largely due to lower grade, lower by-product credits and accounting adjustments following final A39 shipment settlements
- Cost reduction initiatives include:
  - Competitive tendering of various site contracts
  - Reduced assay costs of A\$40,000pa



# Exploration



**Evolution**  
MINING

# Highlights

- High-grade intersections at Pajingo (Camembert) – potential to extend resources along a new structure defined by 3D seismic survey
  - 3.7m at 14.4g/t Au from 382m JMRD3973W1
  - 4.2m at 7.6g/t Au from 426m JMRD3976W1
- Cracow – Phase1 drilling in seismic cube commences
- Cracow and Pajingo – commenced 2<sup>nd</sup> phase detailed seismic interpretation
- Tennant Creek JV – 11,000m RAB programme and aeromagnetic survey at Billy Boy

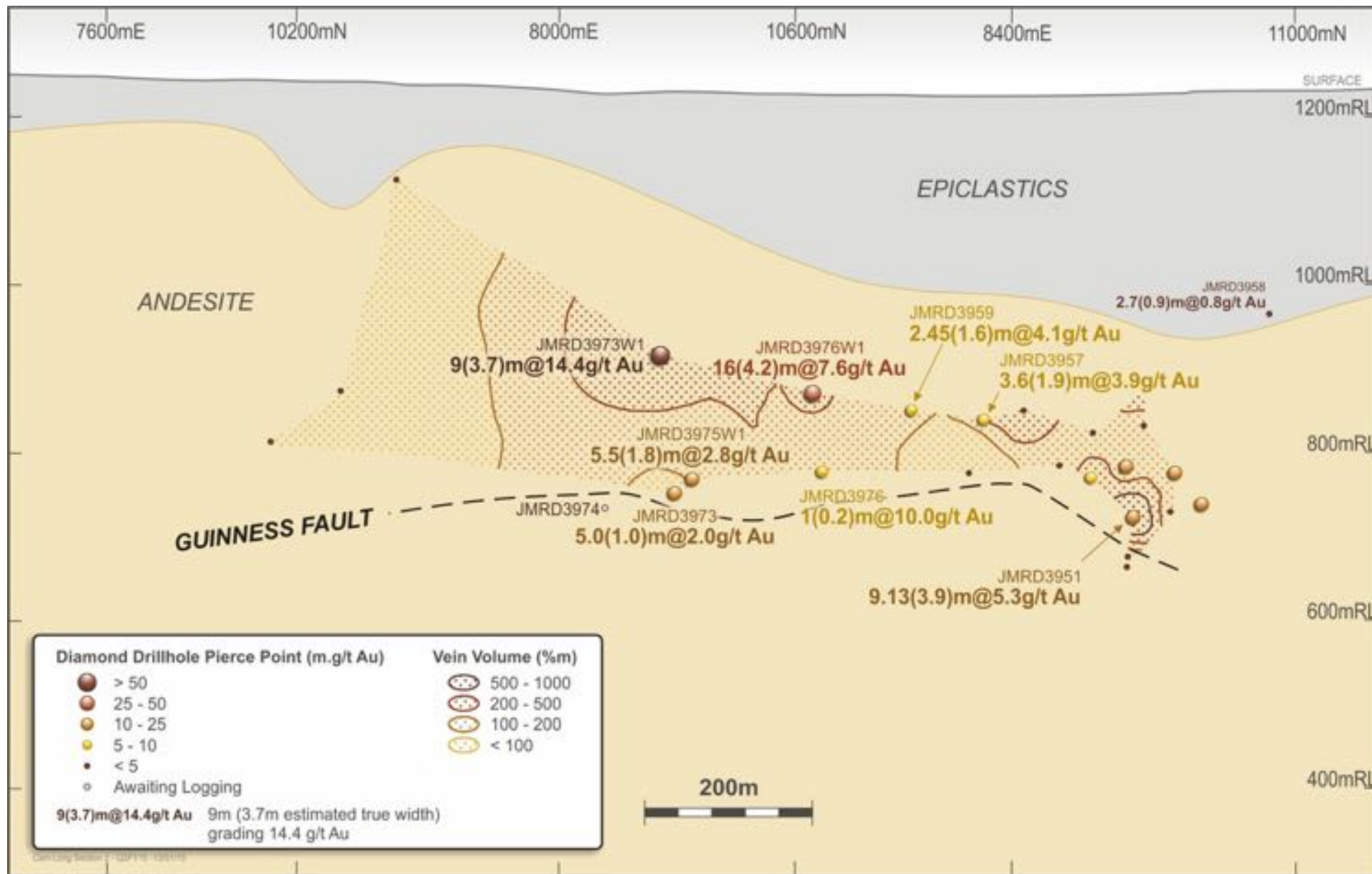


**Camembert prospect:** Epithermal textured - multiple crustiform & colloform banding and breccia events with adularia, chlorite and sulphosalt banding in JMRD3973W1 at 383.5m

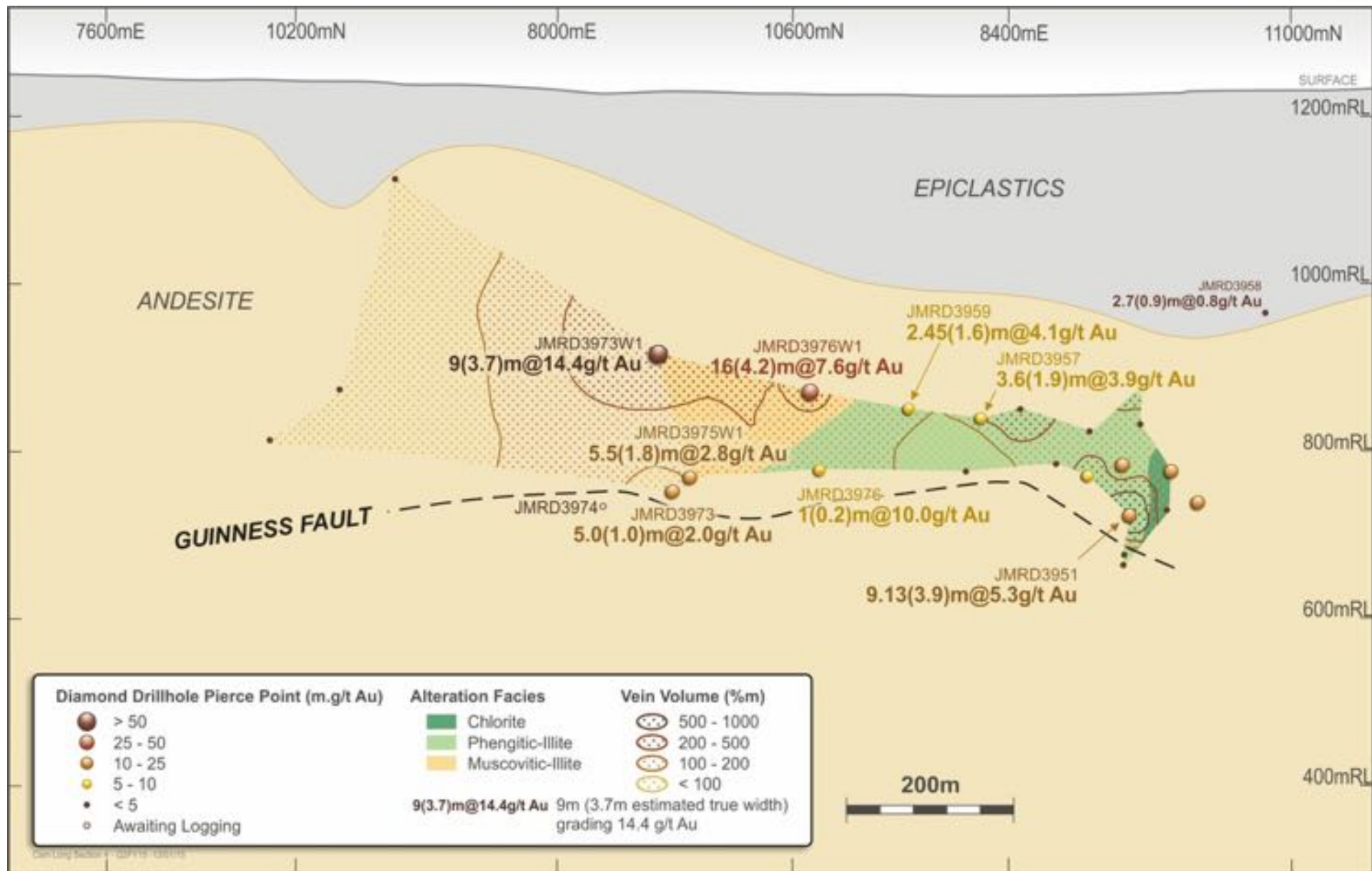
Details of December quarter's exploration results are provided in ASX release 22 January 2015 "December 2014 Quarterly Report"

*Application of new technology and science is starting to deliver*

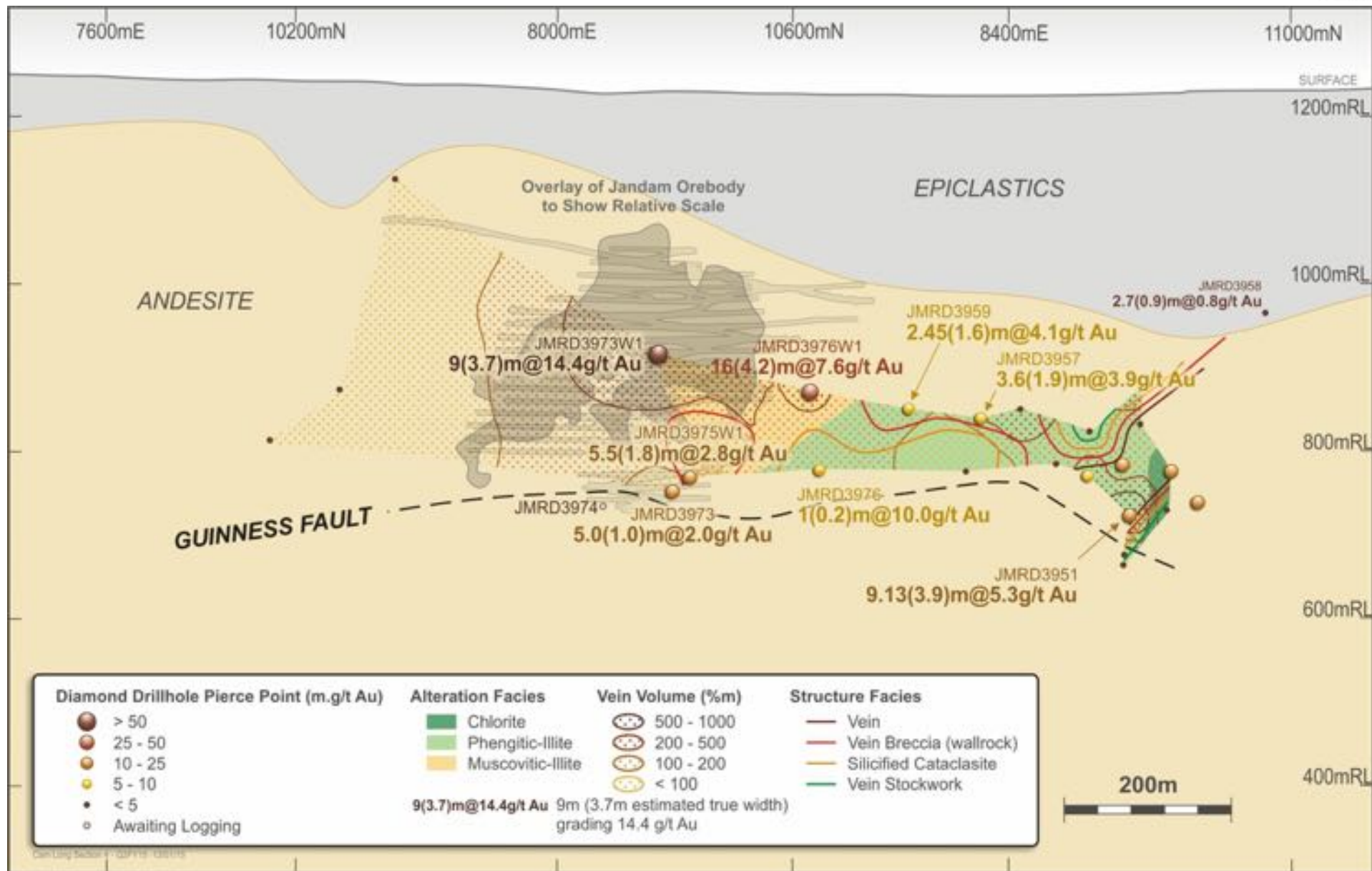
# Pajingo – Camembert



# Pajingo – Camembert



# Pajingo – Camembert



Note: Jandam orebody and development is annotated to illustrate relative scale only

# Financials

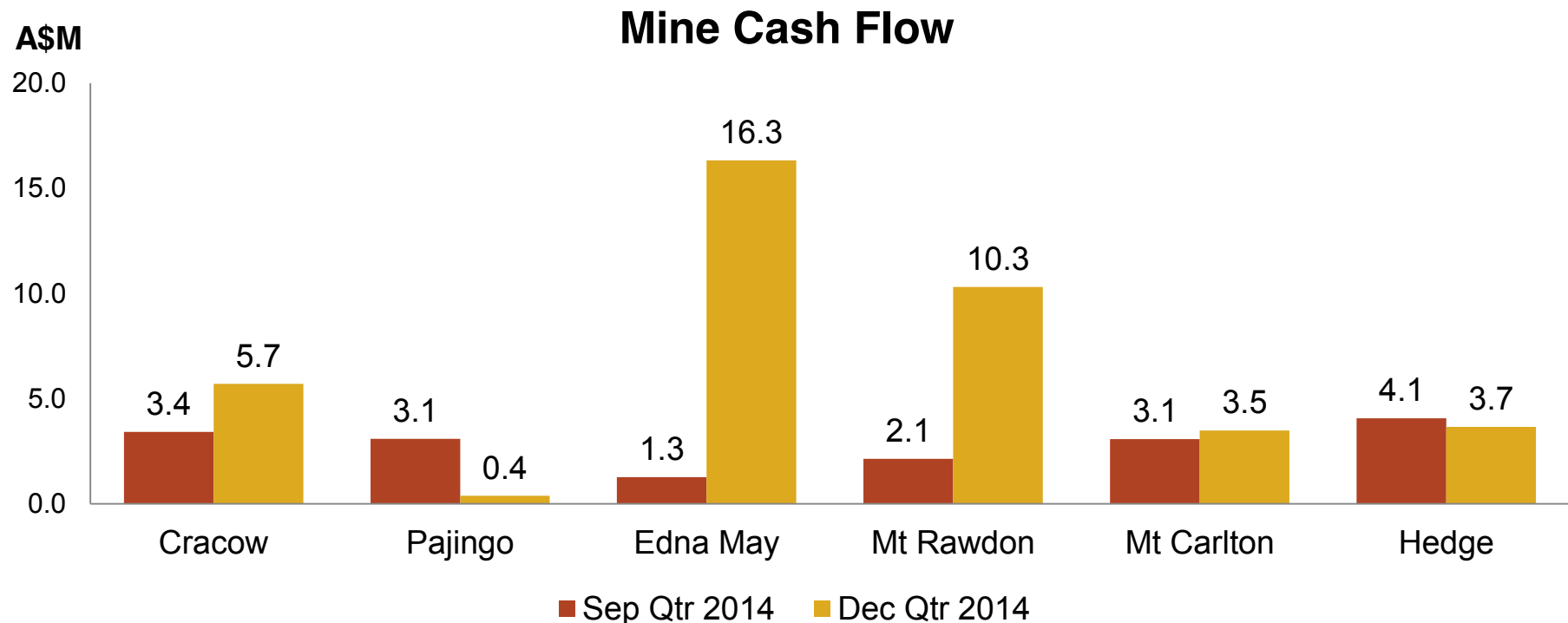


**Evolution**  
MINING



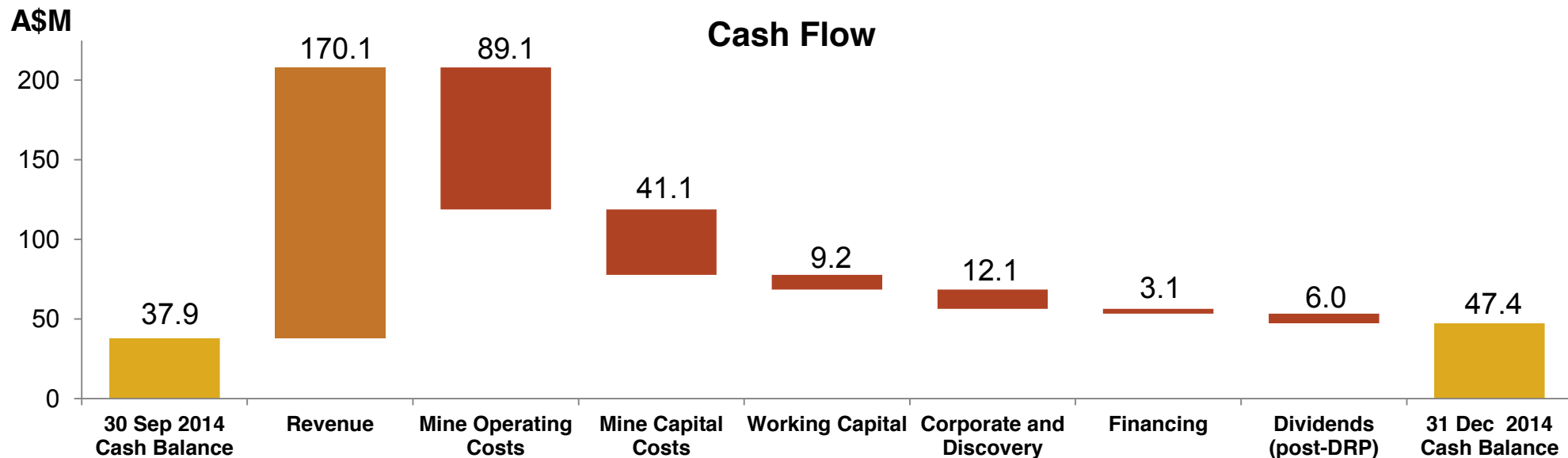
# Record mine cash flow

- Strong revenue of A\$170M driven by record production
- Cost reduction and innovation activities positively impacting on cashflow
- Lower capital expenditure of A\$41.1M
- Record mine cash flow of A\$39.9M
- All operations again cash positive



# Healthy cash and balance sheet position

- Cash balance building
  - 31 Dec 2014 cash balance of A\$47.4M (30 Sep 2014: A\$37.9M)
  - Unsold doré and concentrate of A\$5.9M
- Balance sheet strengthened with corporate loan facility refinanced
  - A\$200M syndicated revolving credit facility for three years to 31 March 2018
  - Reduces financing costs by approximately A\$10M over the term of facility
  - An A\$100M Accordion Provision added to the facility
- Gold hedge book stands at 347,730oz at average A\$1,541/oz



# Summary



- Record production, record low costs and record cash generation through a continued focus on cost reduction initiatives, productivity improvements and capital discipline
- Operational stability and predictability delivered through a portfolio of five mines
- Strong financial position – all sites generating cash, Group cash balance increasing
- FY15 production guidance maintained and costs expected to be at lower end of guidance
- Shareholder returns – innovative gold revenue linked dividend paid during the quarter
- Discovery strategy progressing well – application of new technology and science is starting to deliver

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

# Evolution Mining

**ASX Code: EVN**

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



**Evolution**  
MINING

# Production summary



December 2014 quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Total / Average
UG lateral development - capital	m	792	584	0	0	0	1,377
UG lateral development - operating	m	567	885	0	0	0	1,452
Total UG lateral development	m	1,359	1,470	0	0	0	2,829
UG ore mined	kt	134	98	0	0	0	232
UG grade mined	g/t	5.84	4.87	0.00	0.00	0.00	5.43
OP capital waste	kt	0	0	1,542	1,642	561	3,745
OP operating waste	kt	0	0	108	1,019	222	1,348
OP ore mined	kt	0	0	735	786	167	1,687
OP grade mined	g/t	0.00	0.00	1.39	1.13	3.57	1.48
Total ore mined	kt	134	98	735	786	167	1,919
Total tonnes processed	kt	131	96	728	892	204	2,050
Grade processed <sup>1</sup>	g/t	5.93	4.83	1.36	1.04	3.91	1.93
Recovery	%	93	94	94	91	89	92
<b>Gold produced<sup>1</sup></b>	<b>oz</b>	<b>23,280</b>	<b>14,118</b>	<b>29,906</b>	<b>27,066</b>	<b>18,909</b>	<b>113,280</b>
Silver produced	oz	12,189	10,104	7,860	26,964	65,523	122,641
Copper produced	t	0	0	0	0	166	166
Gold sold	oz	22,656	14,197	31,103	28,860	20,544	117,359
Achieved gold price	A\$/oz	1,410	1,403	1,523	1,407	1,351	1,428
Silver sold	oz	12,189	10,104	7,860	26,964	73,198	130,315
Achieved silver price <sup>2</sup>	A\$/oz	18	19	19	19	(1)	8
Copper sold	t	0	0	0	0	198	198
Achieved copper price	A\$/t	0	0	0	0	7,670	7,670
<b>Cost Summary</b>							
Mining	A\$/oz	391	490	129	261	168	266
Processing	A\$/oz	198	257	334	354	420	316
Administration and selling costs	A\$/oz	94	143	82	92	277	127
Stockpile adjustments	A\$/oz	(3)	(23)	(5)	9	78	10
By-product credits	A\$/oz	(10)	(14)	(5)	(19)	(106)	(27)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>670</b>	<b>853</b>	<b>535</b>	<b>698</b>	<b>837</b>	<b>692</b>
Royalties	A\$/oz	72	77	67	69	117	78
Sustaining capital <sup>2</sup>	A\$/oz	304	335	65	130	133	172
Administration costs	A\$/oz						49
<b>All-in Sustaining Cost</b>	<b>A\$/oz</b>	<b>1,046</b>	<b>1,265</b>	<b>667</b>	<b>896</b>	<b>1,088</b>	<b>990</b>
Major project capital	A\$/oz	78	95	244	233	245	189
Discovery	A\$/oz						61
<b>All-in Cost</b>	<b>A\$/oz</b>	<b>1,123</b>	<b>1,360</b>	<b>911</b>	<b>1,128</b>	<b>1,332</b>	<b>1,240</b>
Depreciation & Amortisation <sup>3</sup>	A\$/oz	374	267	377	379	359	360

1. Group Sustaining Capital includes A\$2.65/oz of Corporate capital expenditure
2. Mt Carlton silver price affected by accounting adjustments post final settlement of A39 silver concentrate shipments
3. Group Depreciation and Amortisation includes Corporate Depreciation and Amortisation of A\$2.70/oz