

Quarterly Report

For the period ending December 2011

Highlights

- Successful completion and implementation of the merger between Catalpa Resources and Conquest Mining and the concurrent purchase of Newcrest Mining Limited's interests in the Cracow and Mt Rawdon gold mines in Queensland on 2 November 2011
- Creation of the fourth largest ASX-listed gold producer targeting full year production of 335 – 375koz gold in FY2012 (265 – 300koz attributable)
- Successful entitlements offer raising A\$152.4M and cash flow increased the cash position to A\$167M at 31 December 2011 – in addition, at year end, the Company held gold and silver yet to be sold of approximately A\$19.8M
- Operational scale and diversity; total quarterly gold production of 89,812oz – attributable¹ quarterly gold production of 74,095oz at a cash cost of A\$760/oz
- Effective cost reduction; outstanding gold production from Pajingo delivering a total quarterly production of 26,068oz; attributable¹ gold production of 21,229oz at a cash cost of A\$535/oz (Conquest Mining Limited Sep 2011 qtr: 14,049oz at A\$889/oz)
- Group production and costs remain in line with FY2012 guidance
- Mt Carlton construction commenced and first concentrate production is on schedule for December quarter 2012. The project is expected to deliver 800,000oz of gold, 17.3Moz of silver and 34,000t of copper over 12 years at an average cash cost of A\$600/oz (after by-product credits) further reducing the Company's cost profile
- Exploration and resource definition drilling continued to infill and extend Mineral Resources with best results received from Cracow (11m grading 6.76g/t gold indicating a potential new zone adjacent to Kilkenny North) and Pajingo (4.6m grading 44.9g/t gold indicating a new zone adjacent Sonia East)

¹Attributable production : 2 November 2011 - Cracow from 30% to 100%, 100% of Mt Rawdon
18 October 2011 - Pajingo 100%



OPERATIONS

Improvement to safety continues to be a key focus for the group with two Lost Time Injuries (“LTIs”) reported during the quarter at Pajingo. Evolution Mining is committed to building a strong and participative safety culture and is implementing programs towards this goal.

Combined quarterly gold production of 89,812oz was in line with FY2012 guidance. Attributable gold production accounting for direct ownership of assets was 74,095oz at a cash cost of A\$760/oz.

Production for the March 2012 quarter is expected to be similar to the December 2011 quarter performance.

December Quarter Consolidated Gold Production Summary

	Units	December Quarter 2011	FY2012 Year to Date
Total gold produced	oz	89,812	165,708
Attributable gold produced¹	oz	74,095	99,130
Total silver produced	oz	45,972	122,020
Attributable silver produced ¹	oz	39,320	48,227
Attributable Cash Cost²	A\$/oz	760	819
Attributable Total Cost ³	A\$/oz	1,035	1,084
Achieved gold price	A\$/oz	1,632	1,656

1. Includes increased interest in Cracow from 30% to 100% on 2 November 2011, 100% of Mt Rawdon from 2 November 2011, and 100% of Pajingo from 18 October 2011

2. Before royalties and after silver credits

3. Includes cash costs, depreciation, amortisation, royalties and exploration

Cracow, Queensland (100%)

An excellent safety record was maintained with no LTIs at Cracow.

Cracow continued to perform well and to provide consistent cash flow delivering total gold production of 25,724oz with attributable gold production of 20,492oz at a cash cost of A\$637/oz in the December 2011 quarter. Ore was sourced from Sovereign, Phoenix, Kilkenny, North Klondyke, Royal and first ore was produced from Roses Pride.

Edna May, Western Australia (100%)

Safety performance improved at Edna May with no LTIs reported.

In the December 2011 quarter Edna May produced a total of 20,006oz of gold (100% attributable) at a cash cost of A\$1,044/oz. Whilst this is an improvement on the September 2011 quarter, production was marginally below guidance as a result of lower than expected mill throughput which impacted gold production and resulted in higher than expected unit cash costs.

A number of initiatives have commenced at Edna May to improve the plant performance and to sustainably increase throughput. This includes improving plant reliability and efficiency and mine to mill optimisation. It is expected that these improvements will occur over the next 12 months.

Production in the March quarter 2012 is expected to be similar to this quarter.

Mt Rawdon, Queensland (100%)

There were no LTIs at Mt Rawdon during the quarter, continuing the operation's excellent safety record.

In the December 2011 quarter Mt Rawdon produced a total of 18,014oz with attributable gold production of 12,367oz at a cash cost of A\$893/oz. Gold production was below expectation due to lower gold feed grades associated with mining delays and unscheduled maintenance to the process plant. Unit cash costs continue to be impacted by lower feed grades resulting from lower mining rates than scheduled.

Production for the March quarter 2012 is expected to continue to improve as mining progresses toward higher grade ore sources.

Pajingo, Queensland (100%)

There were two LTIs recorded at Pajingo during the quarter. A number of safety initiatives are in place to improve safety performance.

Gold production for the December 2011 quarter was outstanding at 26,068oz (21,229oz attributable), representing a significant increase on the previous quarter's production and at a significantly reduced cash cost of A\$535/oz (Conquest Mining Limited Sep 2011 qtr: 14,049oz at A\$889/oz). This was the best quarter's production since Newmont owned the asset in 2008. Production was well above expectations due to high grade mill feed sourced from underground (Sonia orebody) and Janet A open pit together with higher mill throughput compared to the previous quarter. Higher gold production resulted in lower unit cash costs.

December Quarter Gold Production Summary

December 2011 Quarter	Units	Cracow	Edna May	Mt Rawdon	Pajingo	Total/ Average
UG ore mined	000' t	116	-	-	92	207
UG mined grade	g/t	6.50	-	-	8.81	7.52
OP ore mined	000' t	-	617	1,194	52	1,863
OP mined grade	g/t	-	1.13	0.75	3.09	0.94
Total ore production	000' t	116	617	1,194	144	2,071
Total tonnes treated	000' t	133	623	811	133	1,700
Head grade	g/t	6.44	1.11	0.76	6.57	1.79
Gold recovery	%	93.3	90.1	91.0	96.0	92.9
Total gold produced	oz	25,724	20,006	18,014	26,068	89,812
Attributable gold produced¹	oz	20,492	20,006	12,367	21,229	74,095
Total silver produced	oz	n/a	5,108	12,765	28,099	45,972
Attributable silver produced	oz	-	5,108	11,996	22,216	39,320
Attributable Cash Cost²	A\$/oz	637	1,044	893	535	760
Attributable Total Cost ³	A\$/oz	1,023	1,268	1,030	831	1,035
Achieved gold price	A\$/oz	1,646	1,573	1,659	1,642	1,632
Attributable Cash Cost ²	US\$/oz	647	1,060	906	543	772
Attributable Total Cost ³	US\$/oz	1,038	1,287	1,045	844	1,051
Achieved gold price	US\$/oz	1,670	1,597	1,683	1,667	1,656

Year to Date Gold Production Summary

July 2011 to December 2011	Units	Cracow	Edna May	Mt Rawdon	Pajingo	Total/ Average
Total tonnes treated	000' t	266	1,220	1,697	222	3,405
Head grade	g/t	6.59	1.07	0.74	5.92	1.65
Gold recovery	%	92.73	88.69	90.19	96.0	92.1
Total gold produced	oz	52,231	37,089	36,565	39,823	165,708
Attributable gold produced¹	oz	28,444	37,089	12,367	21,229	99,130
Total silver produced	oz	n/a	14,015	56,038	51,967	122,020
Attributable silver produced	oz	-	14,015	11,996	22,216	48,227
Attributable Cash Cost²	A\$/oz	630	1,101	893	535	819
Attributable Total Cost ³	A\$/oz	1,008	1,306	1,030	831	1,084
Attributable Cash Cost ²	US\$/oz	649	1,135	921	552	844
Attributable Total Cost ³	US\$/oz	1,039	1,346	1,062	857	1,118

1. Includes increased interest in Cracow from 30% to 100% on 2 November 2011, 100% of Mt Rawdon from 2 November 2011, and 100% of Pajingo from 18 October 2011

2. Before royalties and after silver credits

3. Includes cash costs, depreciation, amortisation, royalties and exploration

DEVELOPMENT

Mt Carlton, Queensland (100%)

Project construction commenced following government mining approval for the Mt Carlton gold-silver-copper project. The Mt Carlton project is expected to produce 800,000oz of gold, 17.3Moz of silver and 34,000t of copper over a current mine life of 12 years.

Commissioning of the Mt Carlton process plant is on schedule to commence in December 2012 quarter and is anticipated to contribute 95,000oz gold equivalent per annum to Evolution Mining's annual production at a cash cost estimate of A\$600/oz after by-product credits, significantly reducing the Company's cost profile.

Construction activities that commenced during the quarter include:

- Finalisation of access roads, creek crossings and power-line access road upgrades;
- Installation of permanent accommodation facility;
- Finalisation of communications link;
- Construction of small water control dams;
- Mobilisation of concrete civil contractor;
- Plant site earth works;
- SAG shell delivery to site;
- Implementation of Environmental Monitoring



Edna May, Western Australia

Underground Trial Mining

The underground mining approvals process continued with the submission to the Western Australian Government of the Mining Proposal and the Project Management Plan. Sustainable increases in plant throughput have been prioritised at Edna May and as a result commencement of the trial underground mining project at Edna May is on hold until later in 2012.

Western Bore field Project

Approval was gained for the construction of a process water bore field 15km west of the Edna May Gold Operation. The A\$9.2M project will supply approximately 40l/s of water to the process plant increasing water security and reducing reliance on the water reservoir contained within the historic underground workings. The project will be completed in the June quarter 2012.

EXPLORATION

Cracow, Queensland

Resource Definition

Resource definition drilling to support an upgrade of the Kilkenny and Tipperary Mineral Resources at Cracow was undertaken during the quarter.

Underground resource definition drilling continued at the Kilkenny Shoot with 21 holes for 2,479.4m being completed. The results to date at Kilkenny are in line with expectations, and drilling remains on track to achieve the conversion of Inferred Resource to Indicated status. Significant results returned to date included:

- K KU176: 14.5m (11.63m)¹ grading 10.25g/t Au from 96m
- K KU180: 26.5m (13.7m)¹ grading 14.22g/t Au from 94.8m
- K KU182: 24.8m (12.05m)¹ grading 12.74g/t Au from 106.2m

At Tipperary, 17 holes were drilled for a total of 2,492m. Significant results included:

- K KU192: 4.3m grading 13.40g/t Au from 103m
- K KU194: 8.5m grading 15.52g/t Au from 91m

Assays for 13 holes of resource definition drilling during the September 2011 quarter at Klondyke North were received. The results returned to date at Klondyke are broadly in line with expectations, and indicate potential for a small mineralised shoot adjacent existing mine infrastructure. Significant results include:

- KNU084: 6.5m (2.53m)¹ grading 8.83g/t Au from 69.9m

Note: ¹ Estimated true width

Mine Lease Exploration

At Kilkenny potential exists to define an additional steep-plunging ore shoot along strike to the north (Figure 1). Exploration drill hole CBK317R intersected several zones of strong epithermal quartz-carbonate veining approximately 250m north of active mining operations. Further definition of the potential ore shoot is planned for the next quarter.

Best intersections included:

- CBK317R: 2.03m¹ grading 7.59g/t Au from 563.3m (Footwall splay)
- CBK317R: 11.02m¹ grading 6.76g/t Au from 625m (Kilkenny Structure)
- CBK317R: 1.74m¹ grading 5.47g/t Au from 665m (Hanging wall splay)

Note: ¹ Estimated true width

At Klondyke South two holes were drilled to test mineralisation to the south of Royal shoot. KDD255 returned 2m grading 1.06g/t gold from 703.8m. Two drill holes at the south end of the Fordee structure returned no significant assay results.

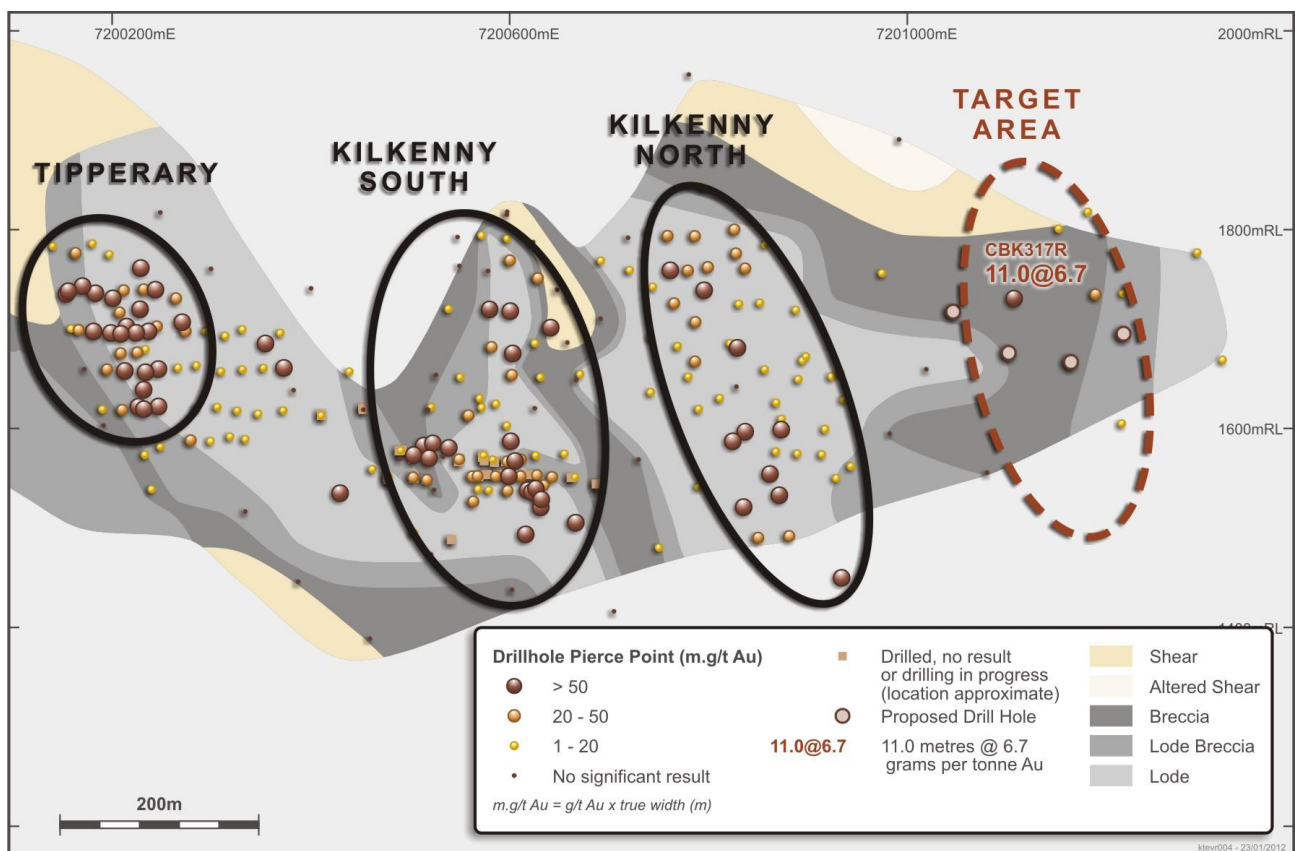


Figure 1: Schematic longitudinal section of Kilkenny illustrating target area

Regional Exploration

The remaining assays from a seven RC hole program completed at Cracow South in June were returned during the quarter. Hole KRC094 intersected 8m grading 1.21g/t gold from 128m with elevated epithermal pathfinders elements. Further exploration is planned to follow-up this result during 2012.

At the Walhalla prospect hole KRC060 intersected a mineralised zone of 2m grading 4.88g/t gold from 372m. A second hole planned to intersect the same epithermal vein along was completed during the quarter and assays are pending. Significant intersections returned during the quarter are presented in Table 1.

Edna May, Western Australia

Resource Definition

Eleven diamond holes for 3,539m were drilled during the quarter to test lateral and depth extensions to mineralisation and upgrade areas of Inferred Mineral Resource to Indicated.

The area targeted was 350m to 400m below surface with drilling intersecting mineralisation in line with expectations and further confirmed the new structural interpretation of the Edna May reef system undertaken in May 2011. Significant results are presented in Table 1 with best results including:

- EMD053: 1.40m grading 34.57g/t Au from 456.7m
- EMD055: 1.70m grading 29.45g/t Au from 457.6m
- EMD062: 4.65m grading 56.19g/t Au from 375.7m

Note: downhole intersections approximate true width

Results to date demonstrate the potential for further resource growth within the Edna May gold system at depth and along strike. Drilling of the Stage Three program is now complete with an update of the Underground Mineral Resource expected in the March quarter 2012.

Mine Lease Exploration

A diamond drilling program consisting of nine holes for 3,660m targeting down dip extensions to high grade gold mineralisation at Greenfinch is planned to be undertaken in the next quarter. This will be followed by a resource definition drilling program consisting of 28 RC holes for 5,800m aiming to upgrade the Inferred Mineral Resource at Greenfinch.

Regional Exploration

Drill programs at Perrins, Townrow NW, Colossus, Rutherford's Reward and Hill's End are being prepared with the objective of identifying supplementary oxide ore feed for the Edna May process plant. The first drill program consisting of 29 RC drillholes for 2,900m at Perrins is due to commence in the coming quarter.

Mt Carlton, Queensland

Mine Lease Exploration

Three diamond holes for 774m were completed to test IP chargeability targets north-west of A39 and V2 deposits. Results show a prospective geochemical signature similar to that of the adjacent A39 deposit and additional drilling has been proposed for 2012. Better intersections are presented in Table 1.

Exploration programs in 2012 will test targets adjacent to V2 and A39 deposits, extensions to V2 East, a porphyry copper target at Capsize and high-grade, low-sulphidation mineralisation at Ortiz. The Boundary and Glenking prospects will also be advanced with further drilling. Drill targets will also be generated over favourable structural settings along the Amoola and Millaroo fault zones.

Regional Exploration

At the Jasper Ridge and Silver Ridge prospects, drilling to test quartz veined and brecciated rhyodacites, similar to the host rock at the nearby V2 deposit, continued to return encouraging near-surface results. A further 22 RC holes for 3,873m were completed during the quarter with drilling to date outlining an extensive area of low level anomalous gold and silver mineralisation related to near surface altered rhyodacite.

At the Glenking prospect, 15 RC holes for 2,202m were completed to test outcropping low sulphidation epithermal quartz veins and broad gold and silver soil geochemistry zones within the Millaroo Fault Zone. All holes intersected multiple narrow quartz veins and quartz vein stockwork, with generally low grade gold results returned. A broad gold and silver soil geochemical anomaly remains to be drill tested to the north-east of the prospect.

At the Boundary prospect, mapping and rock chip sampling was successfully completed and five follow-up RC holes for 719m were drilled. Narrow quartz veins up to 4m were intersected with anomalous results returned with further assays pending. The sixth hole to complete the program will be drilled next quarter.

Mt Rawdon, Queensland

Resource Definition and Extension

Resource definition and extension drilling programs comprising seven drillholes for 2,308m were undertaken during the quarter to upgrade Inferred Mineral Resources and to test down-dip extensions to mineralisation at Mt Rawdon. Results will be incorporated in an update of the Mineral Resource and Ore Reserves to be undertaken in the March quarter 2012. Significant results include:

- MRRC203815-3: 35.38m¹ grading 1.19g/t Au, 3.21g/t Ag from 48.0m
- MRRC203815-4: 37.14m¹ grading 1.05g/t Au, 1.89g/t Ag from 48.0m
- MRRC203815-4: 17.14m¹ grading 1.89g/t Au, 3.48g/t Ag from 226.0m
- MRRC203815-5: 12.86m¹ grading 2.09g/t Au, 5.04g/t Ag from 8.0m
- MRRC203815-5: 89.29m¹ grading 0.98g/t Au, 2.18g/t Ag from 30.0m

¹ Estimated true width

Mine Lease Exploration

Results were received for RC drilling which tested aeromagnetic anomalies to the north-west and west of the Mt Rawdon mine. No significant assay results were returned for this drilling.

Regional Exploration

Drilling at Mt Shamrock to test the down-plunge potential of the Kent's Knob intrusive breccia zone was completed with assay results pending.

A drill proposal to test the Aranbanga Volcanic Stratigraphy immediately south of the Mt Rawdon Mine site has been completed and consists of five RC holes for 1,500m. Drilling is anticipated to commence in the June quarter 2012.

Pajingo, Queensland

Regional Exploration

Regional exploration during the quarter focused on drilling at the Moonlight prospect and along the Starlight corridor. In total 16 holes (RC and diamond) for 2,729.3m were completed and best drill assay results are provided in Table 1.

At the Moonlight prospect, drilling targeted a northwest trending zone of mineralised epithermal quartz veining and brecciation approximately 1.5km south of mine infrastructure. Mineralisation occurs as a vein

stockwork and breccias that emanate from a steep northeast dipping feeder vein system comprising several narrow (less than 1m wide) epithermal quartz veins. Mineralisation has been intersected over a strike length of approximately 190m where it remains open to the northwest, southeast and down-dip (Figure 2).

Best results returned during the quarter are listed below:

- JMRD3681: 3m grading 6.62g/t Au from 391m
2m grading 8.47g/t Au from 488m
- JMRD3681A: 1.8m grading 7.13g/t Au from 487m
- JMRD3681B: 6.55m grading 3.52g/t Au from 411.45m
- JMRD3702: 1m grading 10.60g/t Au from 387m
1m grading 10.20g/t Au from 435m
2m grading 6.89g/t Au from 475m

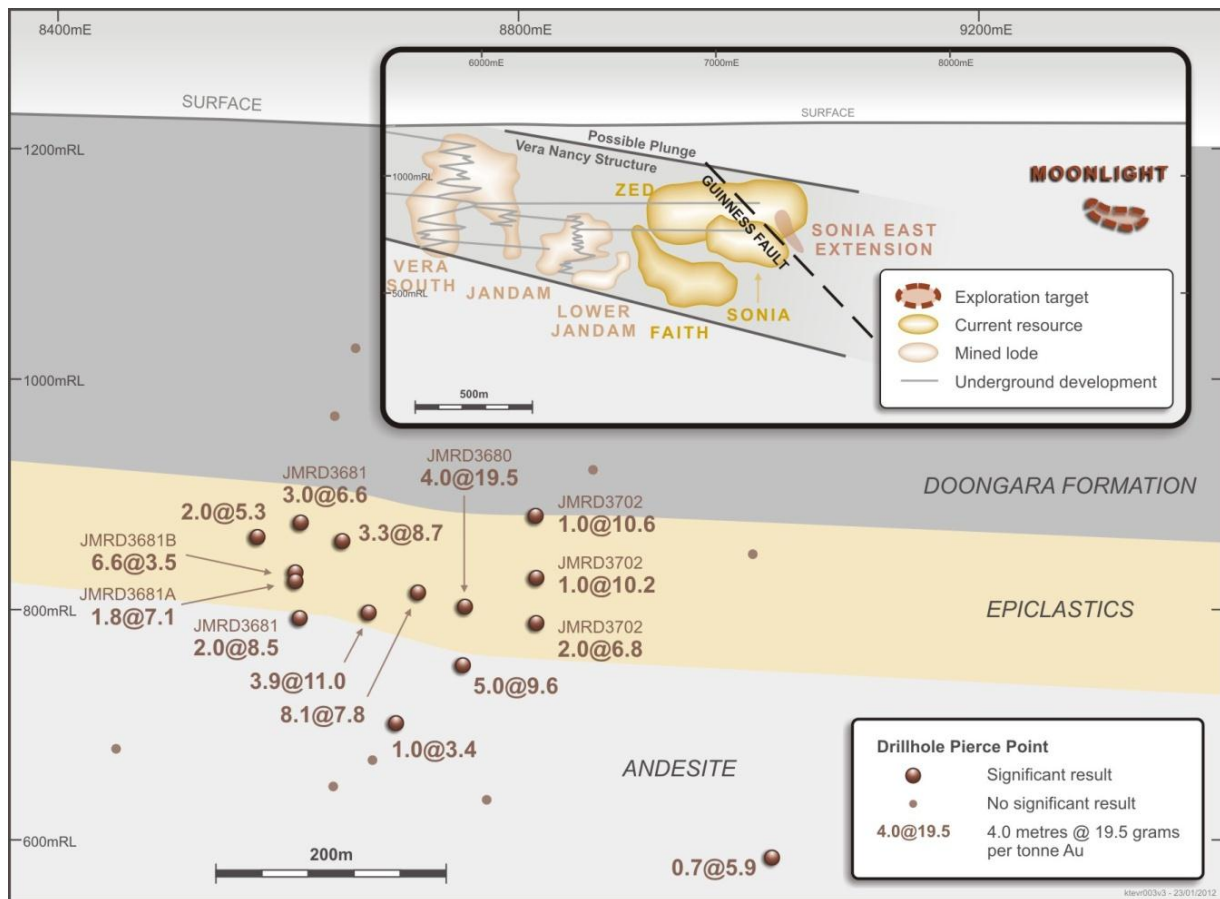



Figure 2: Schematic longsection of Moonlight prospect

At Starlight Corridor, eight holes have been completed following up high grade intercepts at Mt Starlight and a geophysical signature at Starlight B. Best results returned during the quarter included:

- JMRD3699: 6.0m grading 2.75g/t Au from 306m including 1.25m grading 7.54g/t Au
- JMRD3701: 7.95m grading 1.75g/t Au from 291.35m

The Starlight corridor is a 2.5km long, curvi-linear zone of quartz veining and brecciation oriented essentially east-west that intersects the northwest trending Vera-Nancy line of lode. It manifests as a coincident magnetic low and resistivity high extending for approximately 2.5km. Historic drilling has intermittently tested the zone to a depth of about 400m below the surface with localised high grade intercepts a feature of several



of the earlier drill-holes, particularly in the Mt Starlight area. Recent drilling has targeted historic higher grade intercepts; focusing on areas where previous drilling did not extend deeper than 100m below surface.

An IP geophysical survey completed during the quarter at Starlight identified a large geophysical target contiguous with recent drill results of which a large portion remains to be drill tested. A program of 11 drill holes for 3,690m has been designed to target this prospective area next quarter.

Resource Development

A drilling program comprising 18 holes for 3,818m was undertaken at Sonia Eastern Extension targeting the Bunty structure. This program has led to a reinterpretation of the Bunty structure into two converging vein systems (Sonia East Extension and Olivia) with an easterly strike orientation. These veins have potential to add to existing Mineral Resources with ongoing drilling (Figure 3). Best results returned during the quarter from Sonia East Extension included:

- 0767_09_BN: 3.3m grading 13.06 g/t Au
- 0767_10_BN: 4.6m grading 44.90 g/t Au
- 0767_12_BN: 10.13m grading 5.14 g/t Au
- 0767_34_BN: 2.2m grading 21.21 g/t Au
- 0767_35_BN: 3.61m grading 37.18 g/t Au

Best results returned during the quarter from Olivia included:

- 0767_23_BN: 1.51m grading 10.08g/t Au
- 0767_24_BN: 1.87m grading 9.95g/t Au

Note: intersections are not true width with some being acute to the interpreted orebody

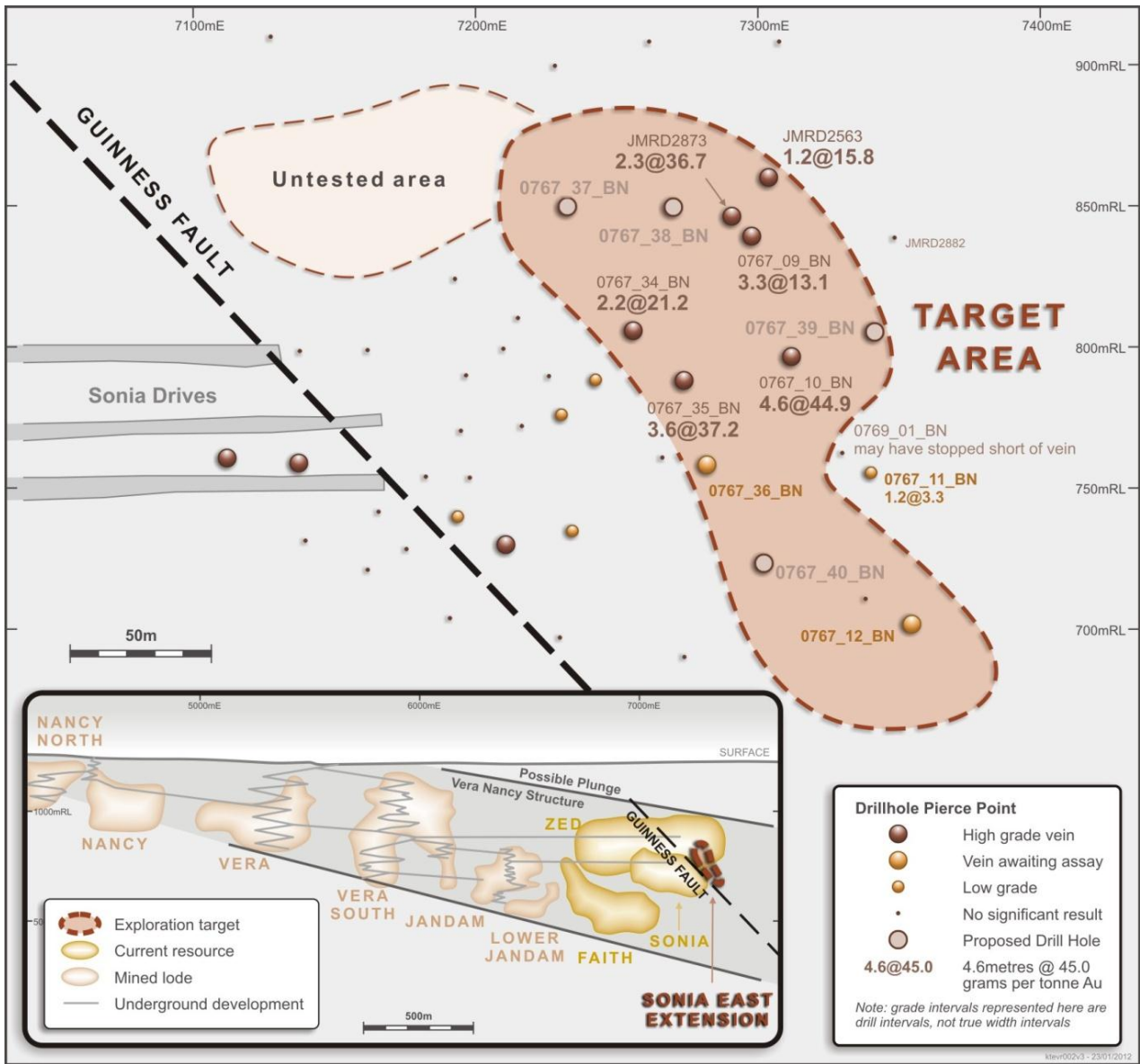


Figure 3: Schematic longitudinal section of Sonia East Extension

CORPORATE

Completion of Merger and Asset Acquisition Transactions

Following shareholder meetings on 14 October 2011, Catalpa Resources Limited (“**Catalpa**”) and Conquest Mining Limited (“**Conquest**”) announced that shareholders of both companies had approved the creation of a growth focused, asset diversified Australian gold company, Evolution Mining, through a merger of equals between Conquest and Catalpa (“**Merger**”) and the concurrent purchase of Newcrest Mining Limited’s (“**Newcrest**”) interests in the Cracow and Mt Rawdon gold mines in Queensland (“**Asset Purchase**”) (collectively, “**the Transaction**”).

Conquest shareholders overwhelmingly supported the Transaction, with 99% of votes cast at the Conquest scheme meeting being in favour of the Merger.

Catalpa shareholders also overwhelmingly supported the Transaction, with 99% of votes cast at the Catalpa extraordinary general meeting being in favour of the issue of new shares to Newcrest as consideration for the Asset Purchase.

The transaction was implemented on 2 November 2011. Effective from that date the Company name was changed to "Evolution Mining Limited" (from Catalpa Resources Limited) and its shares now trade under ASX code "EVN". Holding statements for the shares issued by the Company in connection with the Transaction were despatched to shareholders on 2 November 2011.

Following successful completion of the Transaction a number of new Directors were appointed. Jake Klein was appointed as Executive Chairman and James Askew and Paul Marks (who were members of the Conquest Board) and Lawrie Conway and Peter Smith (who are nominees of Newcrest) were also appointed to the Board.

Entitlement Offer

On 9 November 2011 the Company launched an underwritten 3 for 17 accelerated, renounceable entitlement offer at an offer price of A\$1.45 per new share ("**Entitlement Offer**") to raise approximately A\$152.5M.

The institutional investor component of the Entitlement Offer was completed successfully and raised gross proceeds of approximately A\$107.1M. Pre-existing institutional shareholders showed strong support for the Entitlement Offer, taking up approximately 80% of their entitlements (excluding Newcrest's entitlements under the Offer). Renounced entitlements were sold via a bookbuild, which achieved a clearing price of A\$1.69 per new share. The premium of \$0.24 per new share was returned to renouncing shareholders (less any applicable deductions).

The retail investor component of the Entitlement Offer was also completed successfully, raising gross proceeds of approximately A\$45.3M. Renounced entitlements were sold via a bookbuild, which achieved a clearing price of A\$1.70 per new share. The premium of A\$0.25 per new share was returned to renouncing shareholders (less any applicable deductions).

The funds raised under the Entitlement Offer will be used to strengthen the Company's balance sheet and increase its financial flexibility. The funds will also enable the Company to progress development plans and to pursue additional growth opportunities.

At the request of the Company, its largest shareholder, Newcrest Holdings (Investments) Pty Ltd (a wholly-owned subsidiary of Newcrest), did not participate in the Entitlement Offer, resulting in its interest in the Company being diluted to 32.96%.

Finance

Revenue

Attributable gold sales were A\$104.9M during the quarter from the sale of 64,302oz of gold at an average price of A\$1,632/oz. This comprised 49,990oz of gold sold into the spot market at an average spot price of A\$1,650/oz and 14,312oz delivered into the Edna May gold hedge book at an average price of A\$1,566/oz.

Cash in bank increased by A\$142.9M to A\$167.5M at 31 December 2011 (A\$24.7M at 30 Sept 2011). In addition, at year end, the Company held gold and silver yet to be sold of approximately A\$19.8M.

Major cash movements during the quarter related to A\$148.8M net inflow from the Entitlement Offer and net outflows of capital and exploration expenditure of A\$38.7M (including A\$18M on the Mt Carlton project development).

At year end the Company held A\$38.5M of debt relating to the Edna May Project Finance Facility and A\$50M in Performance Bond Facilities relating to various site environmental performance obligations.

Hedge book

The Edna May hedge book at 31 December 2011 totaled 255,333oz of gold at an average deliverable price of A\$1,573/oz. The marked to market value at year end was negative A\$23.5M.

Funding

Negotiations with Macquarie Bank Limited ("Macquarie") for A\$100M of debt funding for the Mt Carlton project were terminated following completion of the Transaction and Entitlement Offer. The debt funding was not accessed and the bridge finance facility was cancelled.

The Company is currently assessing a range of options to take advantage of the Company's lower risk profile to reduce its borrowing costs.

Conference Call

Executive Chairman Jake Klein will be hosting a teleconference for investors and media to discuss the Quarterly results on **Wednesday, January 25, at 11:00am** (Sydney, Australia time). Dial-in numbers are as follows:

- Australia: 1800 153 721
- New Zealand: 0800 442 709
- United States: 1866 307 0659
- Canada: 1866 307 0658
- United Kingdom: 0808 238 9067
- Switzerland: 0800 000 601
- International Toll Number: +612 8212 8333

Participant PIN Code: 256938#

Table 1: Exploration Drilling and Assay Data

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Dip/Azi MGA	From (m)	Interval (m)	ETT ¹ (m)	Au (g/t)	Ag (g/t)	Cu (%)
Cracow											
KRC060	RC	7205709	225452	378.00	-55/291	372.00	2.00	-	4.88	-	-
KRC094	RC	7192840	229780	200.00	-50/090	128.00	8.00	-	1.21	-	-
KDD255	DD	7199175	225536	942.80	-71/069	703.80	2.00	-	0.71	-	-
CBK317R	DD	7201158	224422	828.80	-66/244	563.30	7.70	2.03	7.59	-	-
CBK317R	DD	7201158	224422	828.80	-66/244	631.00	38.50	11.02	6.76	-	-
CBK317R	DD	7201158	224422	828.80	-66/244	665.00	5.00	1.74	5.47	-	-
KKU176	DD	7200436	223974	129.00	-14/321	96.00	14.50	11.63	10.25	-	-
KKU180	DD	7200443	223983	188.30	-20/326	94.80	26.50	13.70	14.22	-	-
KKU182	DD	7200462	223993	195.90	-18/341	106.20	24.80	12.05	12.74	-	-
KKU192	DD	7200047	224017	132.70	5/254	103.00	4.30	-	13.40	-	-
KKU194	DD	7200047	224016	127.40	6/268	91.00	8.50	-	15.52	-	-
KNU084	DD	7200685	224943	113.90	43/272	69.90	6.35	2.53	8.83	-	-
Edna May											
EMD053	DD	6537400	661546	525.00	-53/140	421.00	3.15	-	18.13	-	-
						456.70	1.40	-	34.57	-	-
EMD055	DD	6537401	661545	531.00	-57/142	301.25	0.50	-	46.00	-	-
						309.65	1.20	-	12.05	-	-
						389.05	1.55	-	19.81	-	-
						457.60	1.70	-	29.45	-	-
EMD058A	DD	6537399	661548	574.00	-56/136	400.30	2.30	-	43.78	-	-
EMD057W	DD	6537400	661549	552.00	-60/137	509.50	1.00	-	11.00	-	-
EMD062	DD	6537403	661547	574.00	-53/133	375.70	4.65	-	56.19	-	-
EMD056W	DD	6537403	661546	551.00	-66/144	504.06	2.64	-	8.01	-	-
						404.77	1.95	-	12.49	-	-
Mt Carlton											
HC11RC1012	RC	7757020	556060	200.00	-60/172	13.00	7.00	-	0.50	20.70	0.06
						65.00	1.00	-	0.39	137.00	0.15
HC11RC1013	RC	7757020	556010	200.00	-60/172	32.00	4.00	-	0.15	22.20	-
HC11RC1015	RC	7756935	555703	158.00	-60/172	44.00	8.00	-	0.05	136.10	-
HC11RCD1018	RC/DD	7758200	558700	237.00	-55/172	112.00	7.00	-	-	85.10	0.18

Note: ETT¹ denotes Estimated True Thickness. All intervals are downhole unless an estimated true thickness is tabled.

Table 1: Exploration Drilling and Assay Data (continued)

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Dip/Azi MGA	From (m)	Interval (m)	ETT ¹ (m)	Au (g/t)	Ag (g/t)	Cu (%)
Mt Rawdon											
MRRC203875-3	RC	7203877	375255	94.00	-78 / 270	48.00	46.00	35.38	1.19	3.21	-
MRRC203875-4	RC	7203877	375252	250.00	-61 / 270	87.00	52.00	37.14	1.05	1.89	-
						226.00	24.00	17.14	1.86	3.48	-
MRRC203875-5	RC	7203869	375262	270.00	-75 / 270	8.00	18.00	12.86	2.09	5.04	-
						30.00	125.00	89.29	0.98	2.18	-
Pajingo											
JMRD3681	DD	7724884	445681	533.80	-70/227	391.00	3.00	-	6.62	-	-
						488.00	2.00	-	8.47	-	-
					<i>and</i>	495.50	2.00	-	6.79	-	-
JMRD3681A	DD	7724884	445681	575.90	-70/227	487.00	1.80	-	7.13	-	-
						509.00	0.20	-	20.30	-	-
						565.00	1.00	-	7.54	-	-
JMRD3681B	DD	7724884	445681	512.70	-70/227	411.45	6.55	-	3.52	-	-
JMRD3702	DD	7724866	445749	564.00	-66/225	387.00	1.00	-	10.60	-	-
						435.00	1.00	-	10.20	-	-
					<i>including</i>	475.00	2.00	-	6.89	-	-
JMRD3699	DD	7726843	445666	451.00	-58/196	306.00	6.00	-	2.75	-	-
						308.75	1.25	-	7.54	-	-
JMRD3701	DD	7726991	446725	340.00	-58/156	291.35	7.95	-	1.75	-	-
0767_09_BN	DD	7726654	445148	240.0	30/129	129.53	3.30	-	13.06	-	-
0767_10_BN	DD	7726654	445148	195.0	14/130	129.57	4.61	-	44.90	-	-
0767_12_BN	DD	7726655	445149	267.0	-21/130	190.65	10.13	-	5.14	-	-
0767_34_BN	DD	7726654	445148	216.0	24/115	83.25	2.20	-	21.21	-	-
0767_35_BN	DD	7726654	445148	168.1	11/116	86.22	3.61	-	37.18	-	-
0767_23_BN	DD	7726652	445146	143.9	-5/171	69.37	1.51	-	10.08	-	-
0767_24_BN	DD	7726652	445146	153.0	-24/171	79.13	1.87	-	9.95	-	-
0767_26_BN	DD	7726653	445144	173.7	30/192	88.08	2.15	-	5.55	-	-

Note: ETT¹ denotes Estimated True Thickness. All intervals are downhole unless an estimated true thickness is tabled.

Competent Person Statement

The information in this report that relates to exploration results, Mineral Resources or Ore Reserves 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 the employer named in that row 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 type of deposit under consideration and to the activity which he or she has undertaken to qualify as a Competent Person. Each person named in the table consents to the inclusion in this report of the matters based on his or her information in the form and context in which they appear.

Result/Resource/Reserve	Name of Competent Person	Employer	Institute
Cracow exploration results	Adrian Pelliccia	Evolution Mining Limited	Australian Institute of Mining and Metallurgy
Edna May exploration results	Luke Cox	Evolution Mining Limited	Australian Institute of Mining and Metallurgy
Mt Carlton exploration results	David Hewitt	Evolution Mining Limited	Australian Institute of Geoscientists
Mt Rawdon exploration results	Tim Murphy	Evolution Mining Limited	Australian Institute of Mining and Metallurgy
Pajingo exploration and resource development results	Brentan Grant	Evolution Mining Limited	Australian Institute of Geoscientists

CORPORATE INFORMATION

ABN 74 084 669 036

Board of Directors

Jake Klein	Executive Chairman
Bruce McFadzean	Managing Director
Jim Askew	Non-Executive Director
Laurie Conway	Non-Executive Director
Graham Freestone	Non-Executive Director
Paul Marks	Non-Executive Director
John Rowe	Non-Executive Director
Peter Smith	Non-Executive Director

Company Secretary

Evan Elstein

Investor Enquiries

Donna Kelly and Liesl Kemp
Investor Relations
Evolution Mining Limited
Tel: (618) 6216 9700

Media Enquiries

Michael Vaughan
FTI - Media Relations
Tel: (612) 8298 6100

Registered Office

Level 7, 282 Oxford Street
Bondi Junction NSW 2077
PO Box 206
Bondi Junction NSW 1355
Tel: (612) 8383 2100
Fax: (612) 8383 2101

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

Internet Address

www.evolutionmining.com.au

Stock Exchange Listing

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

Issued Share Capital

At 31 December 2011 issued share capital was 700,995,107 ordinary shares

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

EVOLUTION MINING LIMITED

ABN

74 084 669 036

Quarter ended ("current quarter")

31 DECEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	Year to date (6 months) \$'000
1.1 Receipts from gold sales	106,677	149,981
1.2 Payments for		
(a) production	(79,927)	(108,397)
(b) administration	(12,645)	(16,643)
(c) exploration	(3,537)	(3,627)
1.3 Interest and other items of a similar nature received	730	1,042
1.4 Interest and other costs of finance paid	(773)	(2,030)
1.5 Income taxes paid	-	-
1.6 Other (provide details if material)	-	-
Net Operating Cash Flows	10,525	20,326
Cash flows related to investing activities		
1.7 Payment for purchases of:		
(a) project development	(18,226)	(27,559)
1.8 Proceeds from sale of:		
(a) prospects	-	-
1.9 Loans to other entities	-	-
1.10 Loans repaid by other entities	-	-
1.11 Other	-	-
1.12 Other	-	-
Net investing cash flows	(18,226)	(27,559)
1.13 Total operating and investing cash flows (carried forward)	(7,701)	(7,233)

	Current quarter \$'000	Year to date (3 months) \$'000
1.13 Total operating and investing cash flows (brought forward)	(7,701)	(7,233)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	153,446	153,670
1.15 Proceeds from borrowings	-	-
1.16 Repayment of loan	(3,000)	(9,022)
1.17 Repayment of other borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	150,446	144,648
Net increase (decrease) in cash held	142,745	137,415
1.20 Cash at beginning of quarter/year to date	24,721	30,051
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	167,466	167,466

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$'000
1.23 Aggregate amount of payments to the parties included in item 1.2	413
1.24 Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$'000	Amount used \$'000
3.1 Loan facilities	38,500	38,500
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter ⁽¹⁾

	\$'000
4.1 Exploration and evaluation ⁽²⁾	[See 4.2]
4.2 Development	69,715
4.3 Production	89,570
4.4 Administration ⁽³⁾	33,835
Total	193,120

(1) Before gold and silver revenue cash flows

(2) Includes exploration and Mt Carlton capital expenditures

(3) Includes estimate of stamp duty payable on transactions during the December quarter

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	124,781	24,721
5.2 Deposits at call	42,501	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – short term guarantees	184	-
Total: cash at end of quarter (item 1.22)	167,466	24,721

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	See attached appendix		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference *securities <i>(description)</i>	NIL	NIL	NIL	NIL
7.2 Changes during quarter				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL	NIL	NIL
7.3 *Ordinary securities	700,995,107	700,995,107		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	105,144,107 822,773 5,245,601 231,082,631 180,401,006	105,144,047 822,773 5,245,601 231,082,631 180,401,006		Fully paid Fully paid Fully paid Fully paid Fully paid
(b) Decreases through returns of capital, buy-backs	NIL	NIL		NIL
7.5 *Convertible debt securities <i>(description)</i>	NIL	NIL	NIL	NIL
7.6 Changes during quarter				
(a) Increases through issues	NIL	NIL	NIL	NIL
(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL

	Total number	Number quoted	Exercise price per security (see note 3)	Expiry date
7.7 Options	329,548	NIL	\$0.829	23/12/2013
<i>(description and conversion factor)</i>	329,548	NIL	\$1.049	23/12/2013
	329,547	NIL	\$1.269	23/12/2013
	272,726	NIL	\$1.489	23/12/2013
	56,819	NIL	\$0.609	23/12/2013
	113,637	NIL	\$0.609	11/03/2014
	113,637	NIL	\$0.829	11/03/2014
	113,637	NIL	\$1.049	11/03/2014
	113,637	NIL	\$1.269	11/03/2014
	6,060,606	NIL	\$0.830	11/03/2014
	679,000	NIL	\$1.690	30/06/2015
	505,291	NIL	\$1.822	25/11/2016
	6,290	NIL	\$1.782	25/11/2016
	15,172	NIL	\$1.860	25/11/2016
	454,645	NIL	\$1.936	25/11/2016
	634,672	NIL	\$1.879	25/11/2016
	346,865	NIL	\$2.072	25/11/2016
	1,560,450	NIL	\$1.802	25/11/2016
	582,141	NIL	\$1.472	25/11/2016
	221,645	NIL	\$2.072	18/11/2016
	350,264	NIL	\$2.412	18/11/2016
	600,000	NIL	\$3.062	26/02/2013
	93,572	NIL	\$1.822	25/11/2015
	1,164	NIL	\$1.782	25/11/2015
	2,810	NIL	\$1.860	25/11/2015
	84,194	NIL	\$1.936	25/11/2015
	117,532	NIL	\$1.879	25/11/2015
	64,234	NIL	\$2.072	25/11/2015
	400,084	NIL	\$1.802	25/11/2015
	107,804	NIL	\$1.472	25/11/2015
	41,046	NIL	\$2.072	18/11/2016
	64,864	NIL	\$2.450	18/11/2016
	1,215,000	NIL	\$1.270	1/06/2015
	600,000	NIL	\$1.840	25/11/2016
	315,000	NIL	\$1.400	6/10/2015
	735,000	NIL	\$2.130	25/11/2015
	555,000	NIL	\$1.880	1/04/2016
	1,650,000	NIL	\$2.000	19/10/2012

7.8	Issued during quarter*	505,291	NIL	\$1.822	25/11/2016
		6,290	NIL	\$1.782	25/11/2016
		15,172	NIL	\$1.860	25/11/2016
		454,645	NIL	\$1.936	25/11/2016
		634,672	NIL	\$1.879	25/11/2016
		346,865	NIL	\$2.072	25/11/2016
		1,560,450	NIL	\$1.802	25/11/2016
		582,141	NIL	\$1.472	25/11/2016
		221,645	NIL	\$2.072	18/11/2016
		350,264	NIL	\$2.412	18/11/2016
		600,000	NIL	\$3.062	26/02/2013
		93,572	NIL	\$1.822	25/11/2015
		1,164	NIL	\$1.782	25/11/2015
		2,810	NIL	\$1.860	25/11/2015
		84,194	NIL	\$1.936	25/11/2015
		117,532	NIL	\$1.879	25/11/2015
		64,234	NIL	\$2.072	25/11/2015
		400,084	NIL	\$1.802	25/11/2015
		107,804	NIL	\$1.472	25/11/2015
		41,046	NIL	\$2.072	18/11/2016
		64,864	NIL	\$2.450	18/11/2016
		1,215,000	NIL	\$1.270	1/06/2015
		600,000	NIL	\$1.840	25/11/2016
		315,000	NIL	\$1.400	6/10/2015
735,000	NIL	\$2.130	25/11/2015		
555,000	NIL	\$1.880	1/04/2016		
1,650,000	NIL	\$2.000	19/10/2012		
7.9	Exercised during quarter	45,457	NIL	\$1.090	23/12/2013
		45,455	NIL	\$1.087	23/12/2013
		68,184	NIL	\$1.307	23/12/2013
		68,186	NIL	\$1.527	23/12/2013
		5,018,319	5,018,319	\$1.100	30/10/2011
7.10	Expired during quarter	159,223	159,223	\$1.100	30/10/2011
7.11	Debentures <i>(totals only)</i>	NIL	NIL		
7.12	Unsecured notes <i>(totals only)</i>	NIL	NIL		
7.13	Performance rights*	159,836	NIL	NIL	30/6/2013
		240,984	NIL	NIL	30/6/2013
		159,836	NIL	NIL	30/6/2014
		240,984	NIL	NIL	30/6/2014
		106,557	NIL	NIL	30/6/2013
		160,656	NIL	NIL	30/6/2013
		106,557	NIL	NIL	30/6/2014
		160,656	NIL	NIL	30/6/2014
		575,500	NIL	NIL	30/6/2012
575,500	NIL	NIL	30/6/2013		

7.14	Issued during quarter	159,836	NIL	NIL	30/6/2013
		240,984	NIL	NIL	30/6/2013
		159,836	NIL	NIL	30/6/2014
		240,984	NIL	NIL	30/6/2014
		106,557	NIL	NIL	30/6/2013
		160,656	NIL	NIL	30/6/2013
		106,557	NIL	NIL	30/6/2014
		160,656	NIL	NIL	30/6/2014
7.15	Exercised during quarter	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
7.16	Expired during quarter	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL

* Issued under the employee options and performance rights plan approved by shareholders at the AGM on 23 November 2010.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 25 January 2012

Print name: Evan Elstein – Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Appendix A – Tenements Acquired

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
ML 3219	Acquired	NIL	100%
ML 3221	Acquired	NIL	100%
ML 3223	Acquired	NIL	100%
ML 3224	Acquired	NIL	100%
ML 3227	Acquired	NIL	100%
ML 3228	Acquired	NIL	100%
ML 3229	Acquired	NIL	100%
ML 3230	Acquired	NIL	100%
ML 3231	Acquired	NIL	100%
ML 3232	Acquired	NIL	100%
ML 3234	Acquired	NIL	100%
ML 3243	Acquired	NIL	100%
ML 80024	Acquired	NIL	100%
ML 80088	Acquired	NIL	100%
ML 80089	Acquired	NIL	100%
ML 80114	Acquired	NIL	100%
ML 80120	Acquired	NIL	100%
EPM 10566	Acquired	NIL	100%
EPM 17302	Acquired	NIL	100%
EPM 17455	Acquired	NIL	100%
EPM 18173	Acquired	NIL	100%
EPM 9563	Acquired	NIL	100%
ML 1192	Acquired	NIL	100%
ML 1203	Acquired	NIL	100%
ML 1204	Acquired	NIL	100%
ML 1206	Acquired	NIL	100%
ML 1210	Acquired	NIL	100%
ML 1231	Acquired	NIL	100%
ML 1259	Acquired	NIL	100%
ML 50119	Acquired	NIL	100%
EPM 10164	Acquired	NIL	100%
EPM 11147	Acquired	NIL	100%
EPM 11971	Acquired	NIL	100%
EPM 12527	Acquired	NIL	100%
EPM 12829	Acquired	NIL	100%
EPM 13867	Acquired	NIL	100%
EPM 14155	Acquired	NIL	100%
EPM 14783	Acquired	NIL	100%
EPM 15597	Acquired	NIL	100%
EPM 15598	Acquired	NIL	100%
EPM 15623	Acquired	NIL	100%
EPM 15630	Acquired	NIL	100%
EPM 15805	Acquired	NIL	100%
EPM 16480	Acquired	NIL	100%
EPM 17242	Acquired	NIL	100%
EPM 17243	Acquired	NIL	100%

EPM 18568	Acquired	NIL	100%
EPM 4459	Acquired	NIL	100%
EPM 8693	Acquired	NIL	100%
EPM 11152	Acquired	NIL	100%
EPM 12012	Acquired	NIL	100%
EPM 14187	Acquired	NIL	100%
EPM 14585	Acquired	NIL	100%
EPM 17792	Acquired	NIL	100%
EPM 17793	Acquired	NIL	100%
EPM 18405	Acquired	NIL	100%
EPM 18407	Acquired	NIL	100%
EPM 18444	Acquired	NIL	100%
EPM 18445	Acquired	NIL	100%
MLA 20446	Acquired	NIL	100%
ML 1575	Acquired	NIL	100%
ML 10215	Acquired	NIL	100%
ML 10246	Acquired	NIL	100%
ML 70316	Acquired	NIL	100%