

# Quarterly Report

For the period ending 31 March 2012

## Highlights

- Group gold production of 84,122oz at an average cash cost of A\$809/oz in the March quarter. Group production and costs remain in line with FY2012 guidance of 335 – 375koz (265 – 300Koz attributable<sup>1</sup>) at an average cash cost of A\$800 – A\$850/oz
- Benefits of operational diversity evident – lower production at Edna May offset by strong quarter at Mt Rawdon; access to higher grade ore at Mt Rawdon underpinned record monthly production in March with improved performance planned to continue in June quarter
- Solid operational cash flow resulted in increased cash at bank of A\$171M, after investment of some A\$70M in capital during the quarter
- Construction of Mt Carlton gold-silver-copper project in Queensland now one third complete and commissioning on schedule for December quarter 2012; project capital cost estimate revised to A\$145M from A\$127M following changes to project scope and increased construction costs
- Further exploration drilling at Cracow confirms new high-grade epithermal gold shoot 250m from current mining operations; initial Inferred Mineral Resource estimate for new shoot, named Coronation, is targeted in FY2013
- Underground Mineral Resource estimate for Edna May increased by 70% to 270,000oz; Resource defined to a depth of 550 metres and remains open at depth and along strike
- Inclusion in the S&P/ASX 200 Index from 17 March 2012 in recognition of increased scale and liquidity
- Group gold production in June quarter is forecast to exceed March quarter performance

<sup>1</sup> 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

## OPERATIONS

Group gold production was 84,122oz at a cash cost of A\$809/oz for the March quarter. This production is in line with FY2012 guidance and at the upper end of the quarterly production guidance of 80-85koz included in "Release of Half-Year Financial Result" on 28 February 2012.

Gold production for the June quarter is forecast to exceed the March quarter performance with no change to the FY2012 guidance of 335 – 375koz (265 – 300Koz attributable<sup>1</sup>) at an average cash cost of A\$800-A\$850/oz.

Evolution Mining is committed to building a strong and participative safety culture across all of its sites and is implementing programs towards this goal. Cracow continued its excellent safety record reaching 1,000 days Lost Time Injury (LTI) free during the quarter. No LTIs were recorded at Edna May, one LTI was recorded at Pajingo and three LTIs were sustained at Mt Rawdon. Hazard identification and mitigation is a focus at Mt Rawdon.

### Consolidated Gold Production Summary

	Units	March Quarter 2012	December Quarter 2011	July 2011 to March 2012
Total gold produced	oz	84,122	89,812	249,830
<b>Attributable gold produced<sup>1</sup></b>	<b>oz</b>	<b>84,122</b>	<b>74,095</b>	<b>183,253</b>
Total silver produced	oz	89,327	69,511	249,616
Attributable silver produced <sup>1</sup>	oz	89,327	52,599	163,438
<b>Attributable Cash Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>809</b>	<b>7604</b>	<b>768</b>
Attributable Total Cost <sup>3</sup>	A\$/oz	1,132	1,035 <sup>4</sup>	1,079
Achieved gold price	A\$/oz	1,604	1,632	1,622

### Cracow, Queensland (100%)

Cracow's March quarter production was 24,119oz of gold at a cash cost of A\$707/oz. This compares with the December quarter production of 25,724oz (20,492oz attributable) of gold at a cash cost of A\$637 (attributable).

Gold production was in line with expectations and ore was sourced from five orebodies during the quarter; Kilkenny, Phoenix, Sovereign, Klondyke North and Roses Pride.

A number of initiatives commenced to improve mine productivity levels including the design and development of a medium term ventilation project to double the primary ventilation flow in the lower areas of the mine. Poor ventilation temporarily suspended development of the Kilkenny decline with development scheduled to recommence in the June quarter following the completion of the ventilation upgrade.

A total of 125,275t were treated at an average grade of 6.37g/t Au. The mill achieved excellent availability (96.7%) and recovery (94%) for the quarter. Construction of a 4m tails dam lift was completed on time and under budget, providing approximately 13 months of tails storage capacity when required for use. Production in the June quarter is forecast to be similar to the March quarter.

<sup>1</sup> 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, and corrected silver production from the December 2011 quarterly report

<sup>2</sup> Before royalties and after silver credits

<sup>3</sup> Includes cash costs, depreciation, amortisation, royalties and exploration

<sup>4</sup> Re-stated cash cost following site-wide implementation of standardised accounting policies in line with current Australian industry practice resulting in a material impact on Edna May's reported cash operating costs

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

As anticipated, Pajingo's March quarter production was lower than the December quarter with production of 17,588oz of gold at a cash cost of A\$832/oz (December quarter 26,068oz (21,229oz attributable) at a cash cost of A\$535/oz (attributable).

Although a decrease on the previous quarter's production, gold production was in line with expectations as a result of modifications to the open pit mining schedule following delays to Venue/VNU open pit and a deliberate change in the underground mining plan to undertake capital works for the ventilation system to enable ongoing mining production of the Zed East, Sonia and Faith orebodies.

Ore production from underground totalled 65,451t at 10.15g/t Au from Jandam, Bell Vein, Zed West, Faith and Sonia orebodies with total development of 1,154m during the quarter. This development excludes 455m of vertical development for the ventilation system which impacted on haulage capacity and hence restricted the horizontal capital development capabilities. These capital works complete the excavation component of the long term vertical requirement for the ventilation system.

Open pit ore production in the quarter was 25,905t at a grade of 1.2g/t Au sourced from cutback activities in the Janet A open pit. The pit floor will be accessible for mining in April and the pit will be completed by mid-May. Approximately 8,000oz remain in the Janet A open pit at the end of the quarter. It is anticipated that mining of the Venue/VNU open pit will commence at the beginning of FY2013.

A total of 110,533t at 5.1g/t Au were treated during the quarter, a decrease on the previous quarter's performance (Dec 2011: 132,505t at 6.57g/t Au). Some delays were encountered during the quarter due to wet weather and the inability to crush wet ore, however, these delays were made up and minimal ore was in stockpile at the end of the quarter. Production in the June quarter is forecast to exceed this quarter's gold production with production for FY2012 now planned to approach 80,000oz – a 174% increase on FY2011 production of 45,889oz.

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

Edna May's March quarter production was 16,312oz of gold at a cash cost of A\$988/oz. This compares with the December quarter production of 20,006oz (100% attributable) of gold at a cash cost of A\$814.

Total material movement of 2,001,366t comprising 722,572t of ore at 1.07g/t Au and 1,278,794t of waste was completed (Dec 2011 qtr: 2,189,625t total; 616,999t at 1.12g/t Au ore; 1,572,626t waste). Ore was predominantly sourced from the B-Cut pit which is now essentially 100% ore, whilst waste was sourced from the C-Cut which is advancing to the next ore supply.

A total of 541,030t were treated at an average grade of 1.05 g/t Au (Dec 2011 qtr: 623,357t at 1.11g/t Au). Gold production was below expectation due to six days of unplanned downtime to repair damage to the ball mill girth gear and pinion resulting from slurry ingress. Lower than anticipated gold production drove unit costs higher than planned.

A ten day shutdown is planned for the June quarter to rotate the ball mill girth gear and install a refurbished pinion as is a four day planned shutdown for mill relining work. Production in the June quarter is forecast to be marginally higher than this quarter. Improvements to plant reliability remain the focus with technical specialists engaged to lift performance with primary areas of focus including:

- Maintenance systems;
- Operational philosophy and controls;
- Procurement and supply;
- Lubrication system upgrade;
- Primary crusher works; and
- Critical spares.

Mine-to-Mill strategies for improving fragmentation are also in progress including optimisation of drill and blast and load and haul. Two rock breakers were employed full time on the ROM to reduce the level of oversized ore stockpiled with another employed predominantly within the pit to reduce oversized ore before it is transported to the ROM.

Construction of the process water bore field and pipeline 15km west of Edna May, to improve water security, is on schedule for completion in the June quarter.

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

Mt Rawdon's March quarter production was 26,104oz of gold at a cash cost of A\$776/oz. This compares with the December quarter production of 18,014oz (12,367oz attributable) of gold at a cash cost of A\$893/oz (attributable) and includes a record monthly production of 11,865oz in March.

Gold production was in line with expectations as mining of the Stage 2 cutback accessed central, higher grade ore sources.

Total material movement of 4,246,088t comprising 1,016,149t of ore at 0.88g/t and 3,229,889 tonnes of waste was completed. (Dec 2011 qtr: 4,430,472t total, 1,193,670t at 0.75g/t ore, 3,236,802t waste). Total material mined was down slightly on the December quarter due to above average rainfall between January and March. Mining of the Stage 3 cutback commenced with ore to be accessed during the second half of FY2013.

A total of 895,474t were treated at 1.00g/t, an increase on the December quarter (Dec 2011 qtr: 811,671t at 0.76g/t Au) with mill throughput improving to average 9,840tpd for the quarter (Dec 2011 qtr: 8,812tpd). Feed grade is forecast to average higher than 1.00g/t for the remainder of FY2012. A major four day maintenance shutdown is planned in April to facilitate the installation of increased gravity recovery capacity and to undertake scheduled mill relines.

Production in the June quarter is forecast to increase as mining accesses the higher grade central zone of the orebody.

## March Quarter Production Summary

March 2012 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Total/ Average
UG ore mined	000' t	103	65	-	-	169
UG mined grade	g/t	6.92	10.15	-	-	8.17
UG development	m	1,339	1,154	-	-	2,492
OP ore mined	000' t	-	26	723	1,016	1,765
OP mined grade	g/t	-	1.18	1.07	0.88	0.96
OP waste mined	000' t	-	318	1,279	3,230	4,827
Total ore production	000' t	103	91	723	1,016	1,934
Total tonnes processed	000' t	125	111	541	895	1,672
Head grade	g/t	6.37	5.11	1.05	1.00	1.69
Gold recovery	%	94.0	96.8	89.5	90.5	92.6
<b>Total gold produced</b>	<b>oz</b>	<b>24,119</b>	<b>17,588</b>	<b>16,312</b>	<b>26,104</b>	<b>84,122</b>
Total silver produced	oz	17,117	30,846	5,711	35,654	89,327
Achieved gold price	A\$/oz	1,609	1,606	1,595	1,605	1,604
<b>Cost Summary</b>						
Mining	A\$/oz	471	503	289	578	510
Processing	A\$/oz	156	238	654	334	290
Admin and selling costs	A\$/oz	84	88	141	47	84
Deferred waste and stockpile adjustments	A\$/oz	18	59	-88	-143	-44
Silver credits	A\$/oz	-22	-54	-7	-39	-31
<b>Cash Cost <sup>2</sup></b>	<b>A\$/oz</b>	<b>707</b>	<b>832</b>	<b>988</b>	<b>776</b>	<b>809</b>
Royalties	A\$/oz	87	91	76	75	82
Depreciation & Amortisation	A\$/oz	341	267	163	178	241
<b>Total Cost <sup>3</sup></b>	<b>A\$/oz</b>	<b>1,135</b>	<b>1,191</b>	<b>1,227</b>	<b>1,030</b>	<b>1,132</b>

2. Before royalties and after silver credits

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

## Year to Date Production Summary

July 2011 to March 2012	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Total/ Average
UG ore mined	000' t	341	218	-	-	559
UG mined grade	g/t	6.62	8.96	-	-	7.53
UG development	m	4,155	3,932	-	-	8,087
OP ore mined	000' t	-	118	1,999	3,076	5,193
OP mined grade	g/t	-	2.61	1.06	0.80	0.94
OP waste mined	000' t	-	792	3,974	9,683	14,450
Total ore production	000' t	341	336	1,999	3,076	5,753
Total tonnes processed	000' t	391	333	1,761	2,592	5,077
Head grade	g/t	6.52	5.65	1.06	0.83	1.67
Gold recovery	%	93.15	96.2	88.94	90.33	92.3
Total gold produced	oz	76,350	57,411	53,401	62,669	249,830
<b>Attributable gold produced<sup>1</sup></b>	<b>oz</b>	<b>52,563</b>	<b>38,818</b>	<b>53,401</b>	<b>38,471</b>	<b>183,253</b>
Total silver produced	oz	51,878	90,091	19,725	87,922	249,616
Attributable silver produced	oz	35,362	60,337	19,725	48,013	163,438
Achieved gold price	A\$/oz	1,635	1,631	1,587	1,629	1,622
<b>Cost Summary</b>						
Mining	A\$/oz	452	412	194	604	400
Processing	A\$/oz	145	210	590	366	335
Admin and selling costs	A\$/oz	74	79	123	46	84
Deferred waste and stockpile adjustments	A\$/oz	14	17	10	-166	-24
Silver credits	A\$/oz	-21	-48	-11	-36	-27
<b>Attributable Cash Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>665</b>	<b>670</b>	<b>906</b>	<b>814</b>	<b>768</b>
Royalties	A\$/oz	83	96	74	76	81
Depreciation & Amortisation	A\$/oz	340	242	146	181	230
<b>Attributable Total Cost<sup>3</sup></b>	<b>A\$/oz</b>	<b>1,088</b>	<b>1,007</b>	<b>1,126</b>	<b>1,071</b>	<b>1,079</b>

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, and corrected silver production from the December 2011 quarterly report

2. Before royalties and after silver credits

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

## DEVELOPMENT

### Mt Carlton, Queensland (100%)

Construction of the Mt Carlton gold-silver-copper project advanced significantly during the quarter. Construction is now over one third complete and is on schedule for commissioning in the December quarter 2012.

The Mt Carlton project is estimated to produce 800,000oz of gold, 17.3Moz of silver and 34,000t of copper over a current mine life of 12 years.

Expenditure from the commencement of the construction period to the end of the March quarter totalled A\$41M. As engineering design and drafting is nearing completion, an updated project forecast has been undertaken. The project cost is forecast to be A\$145M (previously estimated to be A\$127M). The increase of A\$17M is due to scope changes to reduce operational risk and allow for throughput capacity options; increased approval and compliance costs for environmental conditions; and increased construction costs.

During the quarter the focus of project development activities has been:

- Engineering design and drafting; near completion;
- Site civil works for the process plant, site infrastructure and access road;
- Concrete work in the process plant; SAG mill area concrete 80% complete;
- Construction and commissioning of the first phase of the permanent camp;
- Commencement of stripping of topsoil for the A39 open pit;
- Commencement of construction of the Tails Storage Facility and main water dam; and
- Recruitment of the operational workforce

## 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 4 holes for 1,252m being completed. The results to date at Kilkenny are in line with expectations, and drilling remains on track to achieve the conversion of the Inferred Resource to an Indicated category. At Tipperary, 14 holes were drilled for a total of 944.9m targeting northern extents of the shoot with a best intercept of 7.0m grading 9.16g/t Au from 115.0m.

#### Mine Lease Exploration

Recent diamond drilling along the Kilkenny structural trend, some 150m north of known mineralisation, has confirmed the presence of a new high-grade epithermal gold shoot. The shoot has been named Coronation.

Exploration drilling along the Kilkenny structural trend initially intersected high-grade mineralisation in December 2011 when drill hole CBK317R intersected 35.90m (8.68m<sup>5</sup>) grading 6.76g/t Au from 625m (as reported in the December 2011 Quarterly Report<sup>6</sup>). Ongoing drilling has subsequently confirmed the continuity of the mineralisation. Recent best intercepts from Coronation included:

- 25.40m (4.13m<sup>5</sup>) grading 6.47g/t Au from 611.6m in CBK316

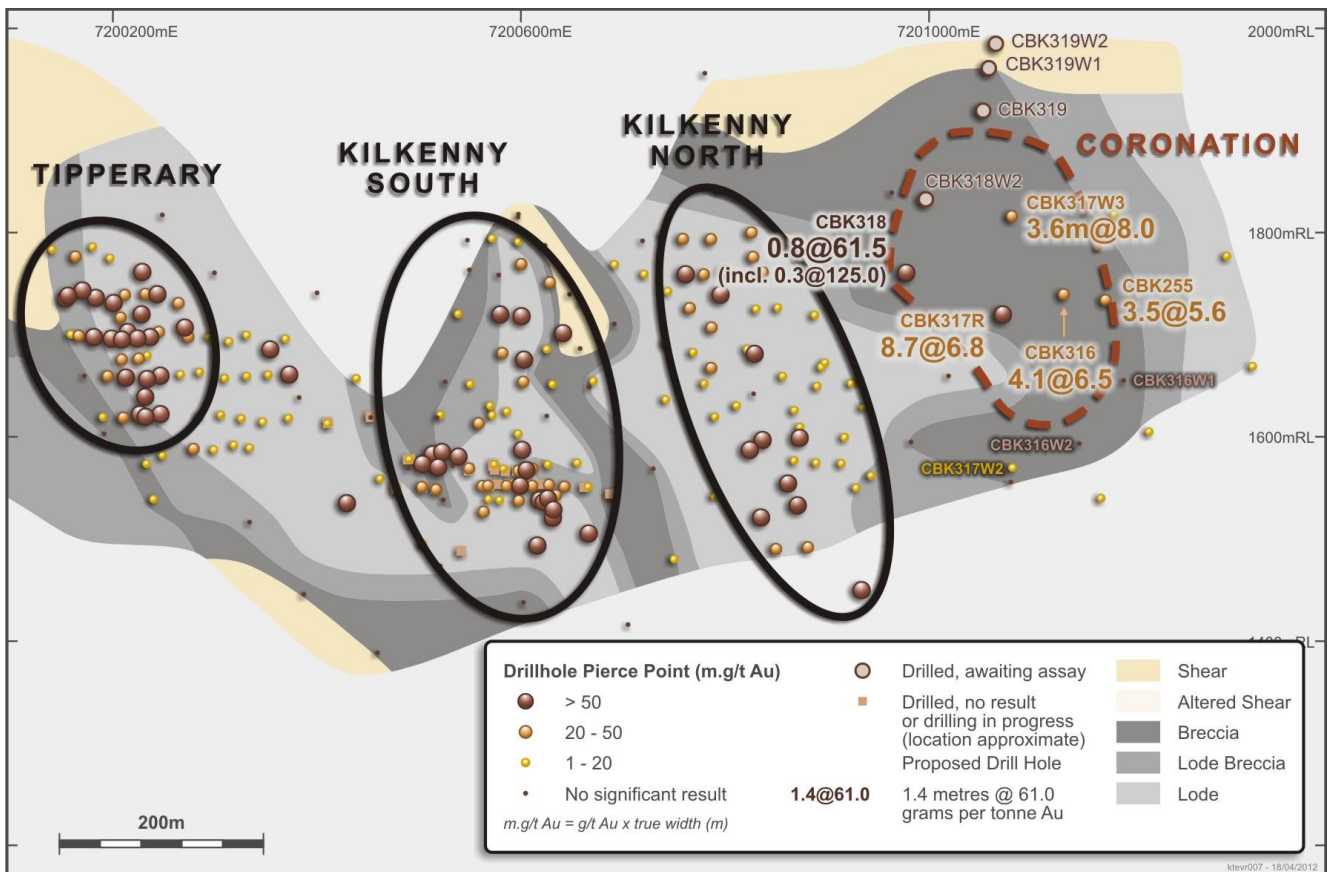
<sup>5</sup> Estimated true width

<sup>6</sup> Revised estimated true width. Original estimate was 11.02m @ 6.76g/t Au as reported in December 2011 Quarterly Report



- 13.70m (3.61m<sup>5</sup>) grading 8.01g/t Au from 539.0m in CBK317W3
- 2.80m (0.83m<sup>5</sup>) grading 61.53g/t Au from 505.2m including 1.00m (0.30m<sup>5</sup>) grading 125.00g/t Au in CBK318

The Coronation shoot is located approximately 550m below surface and 250m north of active mining operations (Figure 1). It remains open both up and down plunge and along strike. Infill drilling to date has demonstrated continuity of mineralisation, with ongoing drilling aimed at testing extensions to mineralisation and targeting an Inferred Mineral Resource estimate in FY2013.



**Figure 1: Schematic longitudinal section of Coronation with significant intercepts shown**

### Regional Exploration

Greenfields reconnaissance exploration continues to identify a number of new structures exhibiting prospective epithermal quartz vein textures.

At Golden Mile South, assay results of up to 17.30g/t Au and 375.00g/t Ag were received from selective rockchip sampling along a 500m trend containing two parallel intermittently outcropping 0.1m to >1m wide epithermal quartz veins. At least 400m of this structure has not been drill tested and remains a focus for ongoing exploration.



## Pajingo, Queensland

### Resource Definition

A series of short extensional and resource definition drill programs totalling 48 holes for 9,938m were completed underground during the quarter at Zed West, Faith, Sonia, and Sonia East. Best intercepts were returned from Sonia (7.0m grading 5.38g/t Au) and the Sonia East vein including:

- 5.64m grading 8.48g/t Au from 108m in 0767\_37\_BN
- 2.45m grading 66.62g/t Au from 124m in 0767\_38\_BN
- 2.15m grading 28.13g/t Au from 108m in 0767\_37\_BN
- 6.46m grading 8.61g/t Au from 108m in 0767\_37\_BN

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

The Sub-Guinness program, targeting new mineralised systems parallel to the main Vera Nancy structure commenced during the quarter. At Powerline, drilling targeted a north east trending structure parallel to Veracity with results indicating that mineralisation improves towards surface and further drilling is being considered with respect to a possible open pit target.

### Regional Exploration

Regional exploration during the quarter remained focused on drilling at the Moonlight prospect and along the Starlight corridor (Starlight B) where a total of 20 holes (RC and diamond) for 6,732m were completed.

At the Moonlight prospect, drilling targeted a northwest trending zone of mineralised epithermal quartz veining and brecciation approximately 1.5km south of mine infrastructure where mineralisation has to date been intersected over a strike length of approximately 300m. The zone of mineralisation remains open along strike to the northwest and southeast (Figure 2). Best intercepts returned during the quarter included:

- 19.35m grading 4.71g/t Au from 455.3m including 7.2m grading 9.03g/t Au in JMRD3682
- 7.30m grading 5.67g/t Au from 465m including 0.5m grading 12.20g/t Au and 1.7m grading 14.56g/t Au in JMRD3702A
- 14.00m grading 3.22g/t Au from 472m including 3m grading 6.43g/t Au and 1m grading 11.70g/t Au in JMRD3703
- 2.30m grading 5.26g/t Au from 468.6m including 1m grading 7.69g/t in JMRD3741
- 2.10m grading 3.63g/t Au from 478.0m including 0.3m grading 17.80g/t Au in JMRD3741

Drilling at Starlight B testing a geophysical anomaly was successful in intersecting gold mineralisation with a best intersection of 6.0m grading 2.32g/t Au from 6m in JMRD3744. Further drilling is in progress.

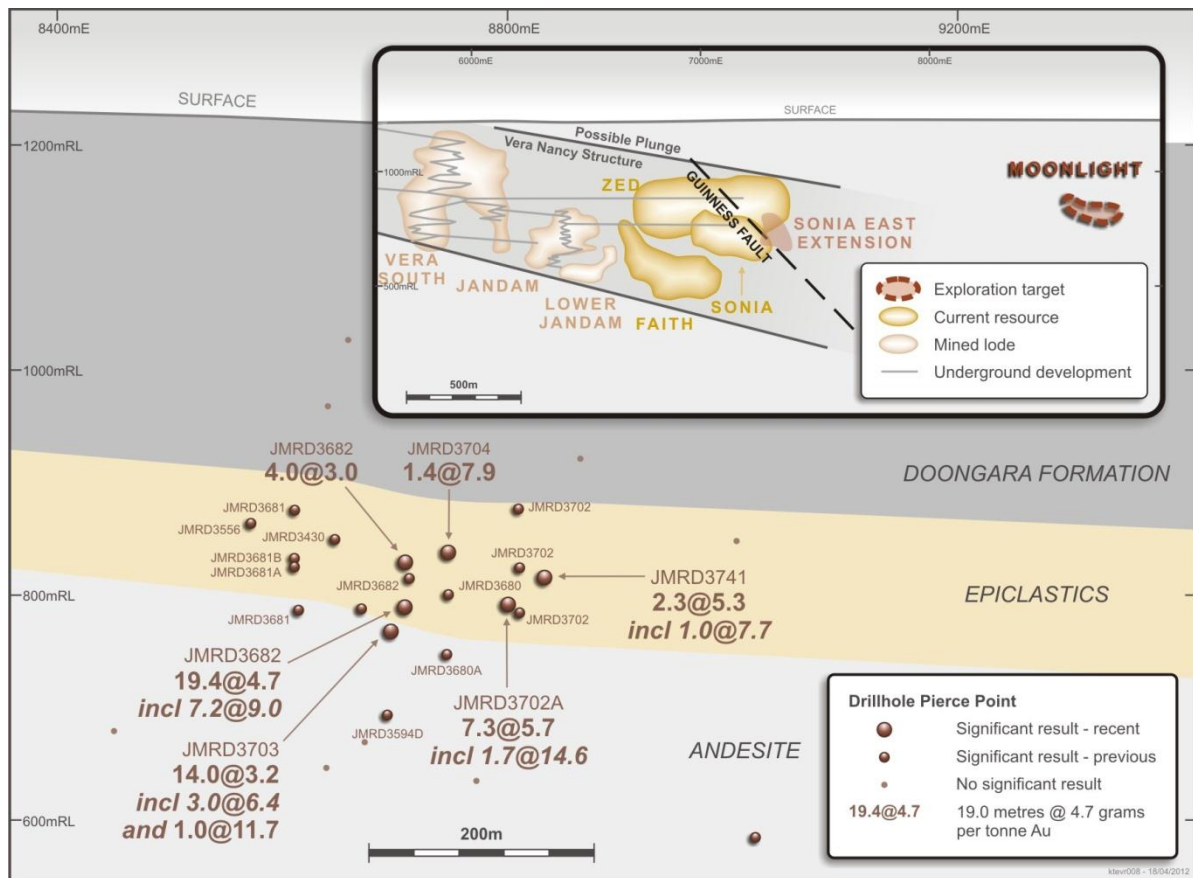


Figure 2: Schematic long section of Moonlight prospect

## Edna May, Western Australia

### Resource Definition

A revision of the Edna May Underground Mineral Resource was completed during the quarter and resulted in a 70% increase to 1.2Mt at 7.0g/t gold for 270,000oz of which 50% is classified as Indicated Mineral Resource (ASX release 27 February 2012). The upgrade in Mineral Resource confidence was enabled through recent infill and extensional diamond drilling completed during 2011 for a total of 19 diamond holes for 10,303m.

Drilling programs targeted the infill of high value areas of the Resource and extensional targeting aimed at testing depth and strike extensions to mineralisation. To date, this has resulted in the definition of additional reefs in the hanging wall of the Edna May Gneiss and successfully defined strong grade continuity both laterally and at depth.

The February 2012 Edna May Underground Mineral Resource was estimated using Micromine Ordinary Kriging block modelling techniques, and reported on a 3g/t Au cut-off grade within geologically and grade defined mineralisation envelopes in accordance with the Australian JORC Code.

Two geological domains were defined for grade estimation: high-grade quartz reef mineralisation and corresponding halo mineralisation. A total of eight mineralised reefs were interpreted corresponding to down dip extensions of historically mined reefs together with newly identified hanging wall reefs to the Edna May Gneiss.

The underground Mineral Resource has only been defined to a depth of 550m below surface and remains open both at depth and along strike. Infill drilling to date has prioritised the upgrade of Inferred Resources close to the existing decline, beneath the open pit operation.

The previous Mineral Resource estimate for the Edna May Underground was reported above a 3g/t cut-off in May 2011 and comprised a total of 700,000t at 7.4g/t Au for 166,000oz and was classified as Indicated and Inferred.

#### Edna May Underground Mineral Resource Statement February 2012 (inclusive of Ore Reserves)

	Indicated			Inferred			Total Indicated & Inferred		
	Mt	Gold g/t	'000 Ounces	Mt	Gold g/t	'000 Ounces	Mt	Gold g/t	'000 Ounces
High Grade Reefs	0.36	8.5	98	0.13	9.9	40	0.49	8.8	139
Halo Mineralisation	0.27	5.5	47	0.45	6.0	87	0.72	5.8	134
<b>Total</b>	<b>0.63</b>	<b>7.2</b>	<b>145</b>	<b>0.58</b>	<b>6.9</b>	<b>127</b>	<b>1.21</b>	<b>7.0</b>	<b>273</b>

#### Mine Lease Exploration

The Greenfinch diamond drilling program targeting down dip extensions to high-grade gold mineralisation commenced this quarter with nine holes for 3,762m drilled. Strike and dip extensions of the Greenfinch gneiss were significantly extended and displayed moderate to intense amphibole alteration. A follow-up resource definition RC drilling program will commence from next quarter consisting of 28 drill holes totalling 5,800m.

#### Mt Rawdon, Queensland

##### Regional Exploration

Results were received from the drillhole at Mt Shamrock designed to test the down-plunge potential of the Kent's Knob intrusive mineralised zone. Gold mineralisation was intersected in altered sediments indicating that lithology may control the distribution of mineralization with a best intersection of 10.0m grading 0.82g/t Au from 269.9m in MSR005.

Five RC drillholes were completed for 1,304m targeting the Arabanga Volcanic Stratigraphy immediately south of the Mt Rawdon mine. While some results are still pending, results from three holes returned low level anomalism.

#### Mt Carlton, Queensland

##### Mine Lease Exploration

Exploration drilling recommenced at Mt Carlton in late March after a two week delay caused by seasonal rain. Drilling recommenced in late March to test mine targets to the north east of V2 deposit and north of A39 deposit where previous shallow drilling identified a broad zone of gold-silver-copper mineralisation coincident with the north east extension of a distinct IP chargeability corridor, similar to the geophysical expression of the V2 East zone. Currently ten drill holes are planned to test this zone.

##### Regional Exploration

Mt Carlton regional exploration during 2012 and 2013 is planned to focus on the Capsize trend, a 15km east-west zone of intense alteration extending east of V2 pit which includes known prospects at Capsize Creek and Strathmore at the western extent. Systematic sampling is planned over a number of targets defined by historical rock chip sampling and structural/magnetic zones.

Better intersections returned during the March 2012 quarter from all projects are presented in Table 1.

## CORPORATE

### Inclusion in S&P/ASX200 Index

Following a rebalance of the S&P/ASX indices conducted in March, Evolution Mining was included in the S&P/ASX 200 Index effective 17 March 2012. The inclusion is recognition of the increased size and liquidity of the merged company. Average daily trading volumes in Evolution Mining shares have been gradually increasing since completion of the merger in November 2011. Average daily trading volume in March was 2.8M shares.

### Changes to Management Team

In January 2012 Mr Bruce McFadzean stepped down from the role of Managing Director of the Company. The responsibilities of the Managing Director have been combined into the Executive Chairman's role.

### Pajingo Pastoral Leases

During the quarter Evolution acquired the Britannia and Doongara pastoral leases that overlie the line of lode and major infrastructure at the Pajingo mine. Ownership of the pastoral leases provides long term security of access to mine infrastructure and potential future discoveries. The properties are sub-leased to a pastoralist with whom Pajingo has had a good working relationship and we look forward to continuing this relationship.

### Finance

Attributable gold and silver revenue was A\$136.9M during the quarter the sale of 83,708 oz of gold at an average price of A\$1,604/oz. This comprised 78,510oz of gold sold into the spot market at an average spot price of A\$1,607/oz and 5,198oz delivered into the Edna May gold hedge book at an average price of A\$1,556/oz.

Cash in bank increased by A\$3.4M to A\$170.9M at 31 March 2012 (A\$167.5M at 31 Dec 2011). Major cash movements during the quarter related to expenditure of A\$40.0M on capital and exploration at existing operations and the acquisition of Pastoral Leases at Pajingo, A\$30.6M on capital at the Mt Carlton development, A\$6.1M corporate costs, A\$5.1M inflow from the exercise of options, A\$4.5M debt repayment and working capital movements.

At quarter end the Company held A\$34.0M of debt relating to the Edna May Project Finance Facility and A\$44.2M in drawn Performance Bond Facilities relating to various site environmental performance obligations.

The Edna May hedge book at 31 March 2012 was 240,397oz of gold at an average deliverable price of A\$1,573/oz.

### Conference Call

Executive Chairman Jake Klein, VP and Chief Financial Officer Tim Churcher, and VP Operations Mark Le Messurier will be hosting a teleconference for investors and media to discuss the Quarterly results on **Thursday, April 26, at 2:00pm** (Sydney, Australia time). Dial-in numbers are as follows:

- Australia: 1800 153 721 (Australia Wide)
- 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: +61 2 8212 8333

Participant PIN Code: 580383#

**Table 1: Exploration Drilling and Assay Data**

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	RL MGA (m)	Total Depth (m)	Dip MGA	Azi MGA	From (m)	Interval (m)	ETT <sup>7</sup> (m)	Au (g/t)	Ag (g/t)
<b>Cracow</b>												
CBK316	DDH	224422	7201158	315	756.30	-61	254	611.60	25.40	4.13	6.47	3.37
CBK317R	DDH	224422	7201158	315	834.70	-60	267	563.30	3.10	0.93 <sup>8</sup>	7.59	4.12
								625.00	35.90	8.68 <sup>8</sup>	6.76	3.38
								665.00	5.10	1.37 <sup>8</sup>	5.47	2.75
CBK317W3	DDH	224422	7201158	315	704.50	-66	243	539.00	13.70	3.61	8.01	3.48
CBK318	DDH	224422	7201158	315	762.80	-60	221	505.20	2.80	0.83	61.53	20.96
							<i>including</i>	506.00	1.00	0.30	125.00	41.40
								717.00	6.00	2.05	6.13	2.25
KKU224	DDH	224322	7200713	1757	332.00	-48	235	303.20	8.90	-	3.52	-
KKU227	DDH	224108	7200335	1643	114.00	0	352	98.40	2.30	-	6.26	-
KKU228	DDH	224108	7200335	1645	95.00	25	314	83.40	1.50	-	7.77	-
KKU230	DDH	224108	7200330	1642	146.00	-19	226	115.00	7.00	-	9.16	-
KKU231	DDH	224108	7200330	1642	131.00	-10	227	105.80	1.20	-	5.87	-
<b>Pajingo</b>												
JMRD3682	DDH	7724900	445620	269	510.10	-67		455.30	19.35	-	4.71	-
							<i>including</i>	460.80	7.20	-	9.03	-
JMRD3702A	DDH	7724866	445749	271	582.00	-66	225	465.00	7.30	-	5.67	-
							<i>including</i>	470.60	1.70	-	14.56	-
JMRD3703	DDH	7724937	445652	270	494.60	-70	222	472.00	14.00	-	3.22	-
							<i>including</i>	479.00	3.00	-	6.43	-
								485.00	1.00	-	11.70	-
JMRD3704	DDH	7724878	445662	269	450.00	-78	221	385.70	1.40	-	7.91	-
JMRD3741	DDH	7724864	446838	271	600.00	-60	222	465.00	1.00	-	3.93	-
								468.60	2.30	-	5.26	-
							<i>including</i>	469.00	1.00	-	7.69	-
								478.00	2.10	-	3.63	-
							<i>including</i>	478.70	0.30	-	17.80	-
JMRD3744	RC/DDH	7726846	445155	281	198.90	-58	193	6.00	6.00	-	2.32	-
0767_37_BN	UGDDH	7726475	445033	-177	155.00	51	109	128.00	5.64	-	8.48	-
0767_38_BN	UGDDH	7726475	445033	-177	207.40	41	124	107.75	2.45	-	66.62	-
								110.75	2.15	-	28.13	-
0767_39_BN	UGDDH	7726474	445033	-177	255.10	10	135	159.10	6.46	-	8.61	-

<sup>7</sup> Denotes Estimated True Thickness. All intervals are downhole unless an estimated true thickness is tabled. Pajingo coordinates expressed in AGD 84 Zone 55

<sup>8</sup> Revised ETT on previously reported result

**Table 1: Exploration Drilling and Assay Data (continued)**

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	RL MGA (m)	Total Depth (m)	Dip MGA	Azi MGA	From (m)	Interval (m)	ETT (m)	Au (g/t)	Ag (g/t)
0887_01_PL	UGDDH	7727032	444713	-58	399.00	21	52	326.10	1.11	-	46.71	-
0887_09_PL	UGDDH	7727032	444712	-59	309.00	-18.3	35	266.81	0.84	-	19.65	-
<b>Mt Rawdon</b>												
MSRD005	RC/DDH	7187042	392156		692.70	-69	150	269.90	25.10	10.00	0.82	1.97

### 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	Australasian Institute of Mining and Metallurgy
Cracow Resource Definition	Daniel Henry	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Pajingo exploration results	Brentan Grant	Evolution Mining Limited	Australian Institute of Geoscientists
Pajingo Resource Definition results	Calvin Ferguson	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Edna May Resource Definition, mine lease and exploration results	Luke Cox	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Edna May underground Mineral Resource	John Winterbottom	Evolution Mining Limited	Australian Institute of Geologists
Mt Rawdon exploration results	Michael Bartholomaeus	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Mt Carlton mine lease and exploration results	David Hewitt	Evolution Mining Limited	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
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

### **Internet Address**

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

### **Registered Office**

Level 7, 282 Oxford Street  
Bondi Junction NSW 2077  
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*New Head Office details effective 30 April 2012:*

Level 28, 175 Liverpool Street  
Sydney NSW 2000  
Tel: (612) 9696 2900  
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 31 March 2012 issued share capital was 707,105,713 ordinary shares