

Quarterly Report

For the period ending 30 September 2012

Highlights

- Strong start to the year with quarterly Group gold production of 94,446 (97,149) ounces at an average cash cost of A\$732 (A\$762) per ounce in the September quarter, above the guidance provided for the quarter of 85-90,000 ounces and at the lower end of FY2013 cash cost guidance
- Record quarterly production of 25,925 ounces from Edna May, up 30.5% from the June quarter due to higher head grades and improved plant reliability; this result included a seven day planned shutdown
- Project development activity at Mt Carlton is on schedule to begin commissioning in December 2012 and the forecast capital expenditure remains unchanged at A\$170 – A\$180 million
- Group Mineral Resources at June 2012 now estimated at 7.0 million ounces gold equivalent and Group Ore Reserves estimated at 3.33 million ounces gold equivalent
- Regional prospectivity was confirmed at Pajingo with the return of outstanding high-grade exploration results including 6m grading 16.3g/t gold from a new mineralised structure at the Moonlight Prospect Area
- Near mine exploration at Pajingo extended high-grade surface mineralisation to over 200 metres in strike length at the Orchid Prospect providing potential for a new open-pit
- At Cracow, preliminary underground drilling to confirm the grade and continuity of the recent Coronation discovery returned positive results and included the identification of additional high-grade structures interpreted to be extensions of Sovereign mineralisation
- Appointment of Dr Roric Smith as Vice President Discovery and Chief Geologist
- Safety Leadership training completed by 110 staff including executives, senior management and front line supervisors and completion of group-wide Health, Safety and Environment management system
- Cash in bank at 30 September 2012 was A\$72.6 million (A\$141.8 million at 30 June 2012). Capital expenditure and exploration expenditure for the quarter was A\$113.2 million including A\$52.2 million invested at Mt Carlton



OPERATIONS

Group gold production of 94,446oz for the September quarter (Jun 2012 qtr: 97,149oz) at an average cash cost of A\$732/oz (Jun 2012 qtr: A\$762/oz). This result is higher than the quarter's production guidance of 85,000 – 90,000 ounces and at the lower end of cash cost guidance; driven by a record quarter's production from Edna May of 25,925oz, a 30.5% increase on the previous quarter.

Group gold production for the December quarter is forecast to be in the range of 85,000 – 90,000oz.

Evolution is committed to building a strong and participative safety culture across all its sites with a major focus on improving workplace safety. During the quarter, 110 employees including executives, senior management and front line supervisors participated in Safety Leadership training, facilitated by DuPont Safety Resources. Evolution conducted a company-wide Safety Perception survey to assist with shaping future safety programs with a strong participation rate of 843 employees and contractors. The Company also completed the development of a new group-wide Health, Safety and Environment (HSE) management system.

Group safety performance in the September quarter saw an improvement in the lost time injury frequency rate (LTIFR) of 7.4 (8.3) and total recordable injury frequency rate (TRIFR) of 24.2 (25.4). The total number of lost time injuries (LTIs) was six. The Company remains heavily focused on injury prevention programs to build on the September quarter's results.

Consolidated Production and Sales Summary

	Units	Sep Quarter FY2013	Jun Quarter FY2012	Mar Quarter FY2012
Total gold produced	oz	94,446	97,149	84,122
Total silver produced	oz	79,743	91,846	89,327
Cash Cost¹	A\$/oz	732	762	809
Total Cost ²	A\$/oz	1,135	1,073	1,132
Gold sold	oz	90,960	99,948	83,708
Achieved gold price	A\$/oz	1,613	1,590	1,604
Silver sold	oz	79,743	91,846	89,327
Achieved silver price	A\$/oz	30	29	31

1. Before royalties and after silver credits

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

Cracow, Queensland (100%)

The Cracow operation had one LTI during the quarter and the twelve-month moving average LTIFR reduced to 9.3 (10.7) and the TRIFR was 26.3 (25.7).

The September quarter production was 25,750oz of gold at a cash cost of A\$736/oz. This compares with June quarter production of 26,215oz at a cash cost of A\$703/oz and FY2013 cost guidance of A\$780-A\$820/oz.

Quarterly ore mined was slightly above expectations with 123,367t mined at 7.30g/t Au. The ore was sourced from six ore bodies (Kilkenny, Phoenix, Crown, Royal, Roses Pride and Tipperary).

A significant focus on development was maintained for the quarter, while various sill pillar mining areas were available to provide consistent ore production. The mine achieved a new development record of 1,847m for the quarter, averaging 615m per month. The majority of this development was completed in waste to further develop the Kilkenny, Empire and Roses Pride ore bodies. This development will provide greater production flexibility by providing multiple, concurrent ore sources. Further geotechnical work and planning was also undertaken for ventilation and escape-way rises at Roses Pride and Empire. The major works for these two ore bodies is expected to commence during the December quarter.

A total of 112,926t of ore was treated through the plant at an average grade of 7.55g/t Au. A major five day planned shutdown was successfully completed to replace the girth gear on Mill 1. Various other major works were completed during the shut including a capacity upgrade to the cyanide storage facility, maintenance work on the crushing circuit and the installation of an upgraded electrical motor control centre. Plant utilisation was 93.9% and gold recovery was 94.0%.

Pajingo, Queensland (100%)

The Pajingo operation recorded no LTIs during the quarter and the twelve-month moving average LTIFR was significantly reduced to 4.8 (6.6) and TRIFR reduced to 23.8 (28.3).

The September quarter production was 15,651oz of gold at a cash cost of A\$966/oz, compared to the June quarter production of 18,336oz at a cash cost of A\$1,013/oz.

Gold production was below expectations and cash costs above budget due to reduced availability of mobile plant, specifically loaders and trucks, and limited access to high-grade material in the Sonia orebody due to necessary cemented rockfill activities. These short-term issues are expected to be rectified over the coming months as the equipment replacement schedule is completed and access to high-grade ore is re-established.

Underground development for the quarter was 1,340m with 883m being in waste capital areas.

Ore mined for the quarter consisted of 88,266t grading 5.52g/t Au from underground operations, and 11,000t grading 1.6g/t Au from the newly commenced Venue/VNU open pit. Waste movement at Venue/VNU open-pit was 1,268,000t. This pit is forecast to produce approximately 30,000oz of gold over 16 months. Underground ore was sourced from Sonia, Jandam, Veracity, Vera South, Zed, Faith and Eva.

Ore treated for the quarter totalled 106,153t grading 4.77g/t Au at a recovery of 96.1%. The lower grade than mined is due to approximately 8,000t of additional material treated as a trial from the Scott Lode waste rock dump. This trial produced good results and from material with a grade of approximately 1g/t Au.

Edna May, Western Australia (100%)

The Edna May operation had two LTIs during the quarter and the twelve-month moving average LTIFR was 10.6 (9.2) and TRIFR was 28.3 (23.0).

Edna May realised a record September quarter producing 25,925oz of gold, an increase of 30.5% compared to the June quarter production of 19,863oz and included a seven day planned shutdown. Cash costs fell to A\$752/oz a 24% decrease compared with the June quarter of A\$990/oz and significantly below FY2013 cost guidance of A\$840-A\$890/oz. The higher production (and lower cost per ounce) was largely the result of higher grades being realised than estimated in a portion of the resource model; higher plant throughput; and improved gold recovery.

Total material movement for the quarter was 1,956,000t comprising 579,000t of ore at 1.30g/t Au and 1,377,000t of waste and rehandle (Jun 2012 qtr: 2,162,000t total; 666,174t of ore at 1.11g/t Au and 1,495,524t waste). Ore was predominantly sourced from the C cutback, with the overburden strip for this cutback now mostly complete. Pre-stripping work will commence next quarter in preparation for the next cutback.

A total of 658,380t was treated at an average grade of 1.32g/t Au (Jun 2012 qtr: 612,687t at 1.11g/t Au). A major shutdown to replace the SAG mill girth gear and pinion was completed successfully, without incident and two days ahead of schedule. Production increased as a result of higher feed grade and improved plant reliability. Gold recovery improved to 93% (Jun qtr 90.7%). Plant reliability improvement works will continue in the December quarter as improved systems and practices are embedded. Contractor secondary crushing trials to increase the Edna May milling rate to above 3.0Mtpa are also planned to commence in the December quarter.



Edna May Open-pit: C Cutback September 2012

Mt Rawdon, Queensland (100%)

The Mt Rawdon operation recorded no LTIs during the quarter and the twelve-month moving average LTIFR reduced to 4.1 (5.6) and TRIFR was 15.1 (15.0).

The September quarter production was 27,121oz of gold produced at a cash cost of A\$576/oz. This compares with the June quarter production of 32,734oz of gold at a cash cost of A\$531/oz and FY2013 cost guidance of A\$600-A\$660/oz. Gold production in the quarter was in-line with expectations and ore extraction was from the main ore zone of the Stage 2 cutback. The first ore production tonnages were also mined from the Stage 3 cutback late in the September quarter.

Total material movement for the quarter was 5,159,000t, comprising 1,095,000t of ore at 0.93g/t Au and 4,064,000t of waste (June 2012 qtr: 4,850,138t total, 899,882t of ore at 1.23g/t Au, 3,950,256t waste). Total material mined was above the June quarter with increased mining fleet productivity associated with mining the larger working areas of the Stage 3 cutback.

A total of 870,647t of ore graded at 1.05g/t Au was treated in the quarter, an increase on the June quarter throughput although head grade was lower (Jun 2012 qtr: 841,346t at 1.31g/t Au). Average throughput for the quarter was 9,464tpd (Jun 2012 qtr: 9,246tpd).



Mt Rawdon Open-pit: Stage 2 Cutback September 2012

September Quarter Production

September 2012 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Total/ Average
UG ore mined	kt	123	88	0	0	212
UG mined grade	g/t	7.30	5.52	0.00	0.00	6.56
UG development	m	1,847	1,340	0	0	3,188
OP ore mined	kt	0	11	579	1,095	1,685
OP mined grade	g/t	0	1.60	1.30	0.93	1.06
OP waste mined	kt	0	1,268	1,377	4,064	6,709
Total ore production	kt	123	99	579	1,095	1,896
Total tonnes processed	kt	113	106	658	871	1,748
Head grade	g/t	7.55	4.77	1.32	1.05	1.80
Gold recovery	%	94	96	93	92	93
Total gold produced	oz	25,750	15,651	25,925	27,121	94,446
Total silver produced	oz	22,530	16,332	10,802	30,080	79,743
Gold sold	oz	24,491	15,196	24,781	26,492	90,960
Achieved gold price	A\$/oz	1,617	1,618	1,602	1,617	1,613
Cost Summary						
Mining	A\$/oz	539	766	167	276	399
Processing	A\$/oz	205	305	537	326	347
Admin and selling costs	A\$/oz	113	156	115	98	116
Deferred waste and stockpile adjustments	A\$/oz	(95)	(230)	(55)	(91)	(105)
By-product credits	A\$/oz	(27)	(31)	(12)	(32)	(25)
Cash Cost¹	A\$/oz	736	966	752	576	732
Royalties	A\$/oz	77	84	65	81	76
Depreciation & Amortisation ²	A\$/oz	278	270	198	531	327
Total Cost³	A\$/oz	1,090	1,319	1,014	1,187	1,135

1. Before royalties and after silver credits

2. For the two open-pit operations, mine development costs are amortised on a units of production basis over the life of the pit. To achieve a consistent amortisation rate per ounce, the rate is calculated using the ratio of expected total contained ounces within the pit compared to the total pit development costs (incurred and anticipated) over the expected total contained ounces

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

Mt Carlton, Queensland (100%)

The Mt Carlton gold-silver-copper project is Evolution's key organic growth asset and will expand the Company's portfolio of 100% owned, Australian producing mines from four to five during FY2013.

The Mt Carlton project had three LTIs during the quarter and the twelve-month moving average LTIFR was significantly reduced to 8.7 (11.3) and TRIFR was reduced to 29.0 (45.1).

Significant positive progress was made at Mt Carlton this quarter and the project remains on schedule for commissioning in December 2012 and commencement of commercial production shortly after. Expenditure committed on project development to the end of the quarter was A\$122 million and the forecast capital expenditure remained unchanged at A\$170 – A\$180 million. Cost control and production readiness were both materially advanced during the quarter following implementation of a new management structure at Mt Carlton and prioritisation of any construction and commissioning elements identified as having the potential to cause timetable delays.

In construction, all major concreting works were completed as was the HV power supply infrastructure for the plant, the construction of the SAG mill, and installation of all tank work. The progress of the design and manufacture of electrical systems was pleasing, as was the organisation of the final connection to the Ergon grid, the lining of the Tailings Storage Facility, and the installation of steelwork throughout the plant.

The primary targets for the quarter ahead include the delivery and connections of all switchboards and the plant control system, the fabrication and installation of pipework, the completion of conveyors and crushing systems and the Main Water Dam.

The development of the A39 and V2 open-pits was well advanced and, in particular, the A39 open-pit is well positioned to deliver ore to the plant by December 2012. Waste material was primarily utilised in the construction of Tailings Storage Facility, ROM pad and Main Water Dam.

The management team is completing preparations for operations that encompass recruitment of plant operators and maintenance technicians, the development of maintenance management systems, and first fill and spares procurement and delivery. Focus was also on the development of strong safety and environment controls and resources for the operation.

During the quarter, Arlene Rofe was appointed to the position of General Manager, Mt Carlton. Arlene is a metallurgist with over 20 years' experience in the mining sector. Most recently Arlene was the Senior Manager Processing for the start-up of the Martabe project 4.5Mtpa gold/silver plant located in North Sumatra, Indonesia. She has also been involved with several commissioning and start-up roles including the WMC Resources' Roxby Downs expansion and the Century zinc project. Arlene brings extensive operations experience having worked for Barrick Gold, Placer Dome and Kalgoorlie Consolidated Gold Mines.

Mt Carlton is on schedule to begin commissioning in the December 2012 and contribute 25,000 – 30,000oz gold equivalent in FY2013 as it ramps up to full production. The project is currently expected to produce 720,000oz of gold, 14.4Moz of silver and 25,000 tonnes of copper in concentrate over its initial 12-year life.



Mt Carlton Development Project September 2012

EXPLORATION

Evolution is committed to growth through discovery and believes that there is significant value to be realised within its extensive and highly prospective exploration portfolio in Queensland and Western Australia. The objective in FY2013 is to continue to deliver sustaining and transformational growth through the progression of targets through the Company's project pipeline and to review advanced exploration and development projects for growth opportunities in Australia and South East Asia.

During the quarter, total exploration drill metres stood at 30,400m with expenditure of A\$7.3 million. Exploration programs focused on the delineation and extension of mineralisation at Moonlight (Pajingo) and Coronation (Cracow), initial drill testing of IP anomalies at Mt Carlton while continuing extensive data acquisition programs at all projects to aid target generation.

The Discovery Group will be led by Dr Roric Smith who was appointed as Vice President Discovery and Chief Geologist during the quarter, commencing 1 November 2012. Dr Smith has 25 years' experience in technical and management roles both locally and internationally within the gold sector, most recently as Senior Vice-President Global Greenfield Exploration at AngloGold Ashanti. Dr Smith's specialist geology skills have contributed to the understanding of structural controls in orogenic and epithermal systems, leading to new discoveries and increases in resources in a number of regions, including Australasia, Africa and South America.

Cracow, Queensland

Resource Definition

Resource definition drilling at Roses Pride and Empire was undertaken during the quarter. At Roses Pride, a total of 24 holes for 3,017m were drilled returning anticipated grades with a revised geological interpretation and resource update underway. At Empire four holes were drilled for a total of 1,081m, targeting southern extensions of the shoot and confirming mineralised extents. Significant results from the Roses Pride drilling include:

- RPU050 6.18m grading 6.11g/t Au
- RPU052 2.81m grading 26.61g/t Au
- RPU021 5.93m grading 8.52g/t Au

Mine Lease Exploration

Underground drilling of Coronation to define an Inferred Resource commenced during the quarter. Four holes for 1,262m were completed with results broadly confirming grade and continuity of the Coronation Structure, while also identifying a number of additional mineralised structures currently interpreted to be strike extensions of the Sovereign mineralisation. Significant results from these extensional structures include:

- CNU003 1.2m grading 35.5g/t Au
- CNU003 1m grading 10.3g/t Au

These high-grade intercepts are promising and confirm the prospectivity of the Cracow Mineral Field. Drilling will continue throughout the December quarter to infill Coronation and test mineralisation identified in the new structures.

Regional Exploration

Alteration and lithology mapping continued and a gradient array survey over the Cracow South Field was completed during the quarter, with a number of priority targets identified for further investigation. The gradient array survey has moved to the Myles Corridor area to test prospectivity for high sulphidation gold mineralisation.

RC drilling commenced during the quarter at Golden Mile South and prospective structures within the Cracow Southern Field. A total of 26 holes were drilled for 6,250m, returning weakly anomalous gold and silver values from assays received to date.

Pajingo, Queensland

Resource definition drilling for the quarter focused on Sonia, Zed and Eva lodes underground. Near mine surface exploration was undertaken at Nancy, Nancy North and Orchid, where potential open-pit targets were tested and current areas of known mineralisation extended with the aim of converting to a maiden resource. Regional exploration at the Moonlight Prospect and the Starlight Corridor continued to be a primary focus.

Resource Definition

A number of resource definition programs were undertaken during the quarter at Sonia, Zed and Eva lodes to extend zones of high-grade mineralisation and convert existing Inferred Resources to Indicated.

At Sonia, drilling is expected to result in a significant conversion of Inferred Resource to Indicated and extend the known mineralisation by up to 80m plunging down dip along strike. Drilling programs are planned to further define plunge and strike extents during the December quarter. Significant results include:

- 0728_02A_SN: 1.66m grading 8.11g/t Au

Drilling continued at Zed extending and defining the high-grade mineralisation such that over half of the Inferred Mineral Resource at Zed will be drilled to a level capable of achieving Indicated Resource status. The Zed ore body is typically 3-5m in width hosting grades between 2.5g/t Au and 10g/t Au, however significantly wider intersections

were intercepted. The lode remains open along strike and up-dip and drill programs are planned to test these areas in the coming months as capital development allows access. Significant results include:

- 0895_24_ZW: 5.0m grading 18.29g/t Au
- 0895_29_ZW: 4.3m grading 18.81g/t Au
- 0922_43_ZW: 7.91m grading 16.73g/t Au

At Eva drilling completed during the quarter extended high-grade mineralisation down-dip and along strike. The program was largely successful with the Eva structure demonstrating good continuity, true widths between 0.3m and 2.5m and gold intercepts up to 30g/t Au. Significant results include:

- 0730_05_FA: 3.9m grading 17.37g/t Au
- 0726_18_FA: 1.27m grading 16g/t Au
- 0730_02_FA: 0.45m grading 11.6g/t Au

The resource definition programs have been largely successful and will continue through the December quarter to build the Mineral Resource base to supplement the mine plan at Pajingo.

Near Mine Exploration

Orchid

A near mine exploration program was undertaken along the strike length of the Orchid Prospect. Significant near surface mineralisation was intersected over a 200m strike length providing potential for an open-pit. Drilling was completed over the high-grade zones in preparation for resource modelling in the December quarter. Significant results drilled from surface include:

- ORRC06: 6m grading 4.46g/t Au from 1m
- ORRC08: 6m grading 11.75g/t Au from 1m
- ORRC09: 10m grading 10.5g/t Au from 3m

Regional Exploration

Regional exploration during the quarter focused on drilling at Io (Moonlight Prospect area) and along the Starlight Corridor, a broad scale soil sampling program over the Aviary group of prospects and geophysical surveys over Starlight A (pole-dipole Induced Polarisation) and Moonlight (Spartan deep IP) and a combined magnetics-radiometric survey (Helimag) over the Aviary-Balaclava areas (Figure 1).

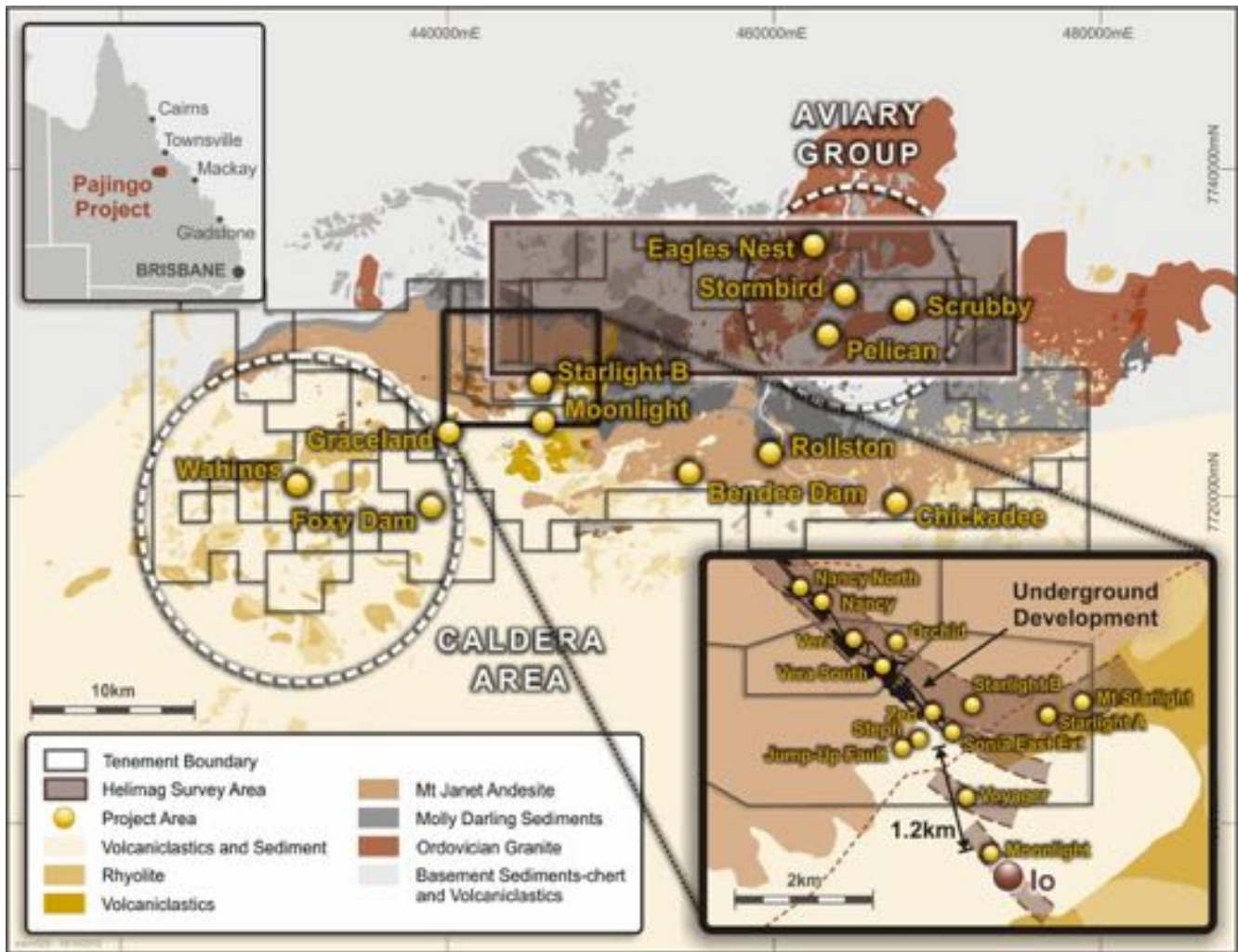


Figure 1: Location of various prospect groups within the Pajingo Project

Moonlight and Io

At the Moonlight Prospect area, nine holes for 4,017m were drilled targeting the newly identified Io structure that returned an intersection of 175m grading 1.1g/t gold from 407m including a high-grade intersection of 6m grading 16.3g/t gold from 414m in JMRD3845. Io is located approximately 200m south of the main Moonlight zone. Drilling to date indicates that mineralisation occurs in a relatively broad dilational zone where a high level eruption breccia has been defined over a 200m strike length (Figure 2).

Best results returned during the quarter included:

- JMRD3782: 1m grading 8.35g/t Au from 375m
- JMRD3803: 1m grading 8.38g/t Au from 433m and 10m grading 2.40g/t Au from 443m
- JMRD3804: 6.1m grading 4.11g/t Au from 451m
- JMRD3845: 175m grading 1.1g/t Au from 407m including 6m grading 16.3g/t Au from 414m

These recent intercepts at Io are highly encouraging as they have the potential to add additional ounces and give economic scale to mineralisation at Moonlight. Results also confirm the prospectivity of the broader Moonlight Corridor.

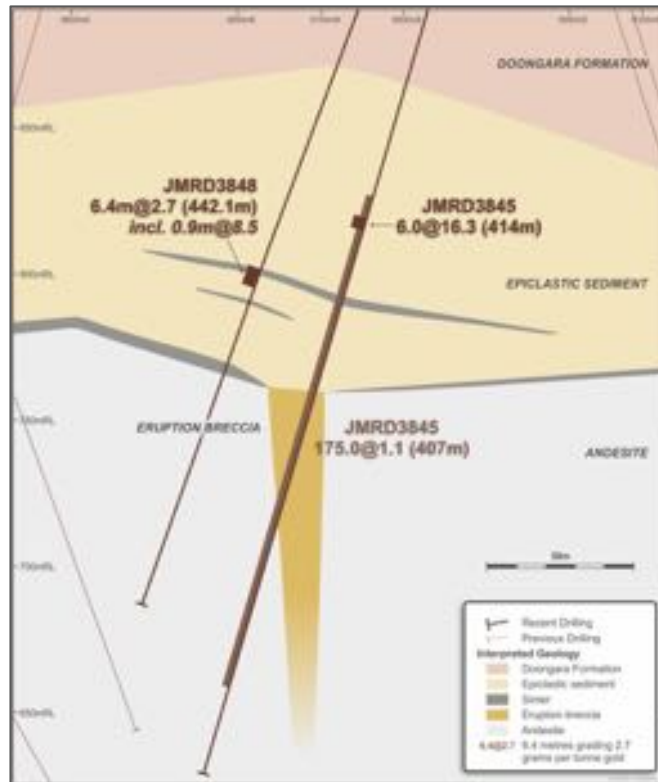


Figure 2: Sectional view of high-grade “lo” intercept

Spartan® Induced Polarisation (“IP”) was trialled over the Moonlight area during the September quarter. The technology is being implemented in preference to conventional IP systems to more effectively penetrate the deep overlying sediments of the Drummond Basin. The mineralisation at Moonlight and along strike from the main Vera Nancy trend is under 350m of cover, which precludes the use of conventional IP techniques and increases drilling and exploration cost. The success of the Spartan® program will open up new areas of prospective mineralisation and improve exploration targeting. Initial interpretations of data collected has successfully identified prominent coincident resistivity and chargeability anomalies highlighting the Moonlight mineralisation and other anomalies corresponding with the Challenger Fault and extensions to the Zed-Sonia mineralisation that warrant drill testing.

Starlight Corridor

The Starlight Corridor is a zone of quartz veining and brecciation that intersects the Vera-Nancy line of lode in the vicinity of the Jandam ore body. Historic drilling has sporadically tested the zone to a depth of approximately 400m with localised high-grade intercepts and anomalous mineralisation along its strike.

Surface drilling at Starlight C identified the upper part of a vein system in relatively close proximity to the Zed ore body and underground development. To date, drilling has defined the mineralised structure over a strike length of approximately 200m and a dip extent of up to 300m with further drilling to be undertaken from underground positions.

Within the Starlight Corridor, eight holes for 2,116m have been completed during the quarter with best results of:

- JMR 3779: 1.0m grading 3.89g/t Au from 107m
- JMR 3784: 2.0m grading 2.96g/t Au from 44m
- JMR 3786: 1.0m grading 4.55g/t Au from 144m
- JMRD 3844: 2.0m grading 2.29g/t Au from 80m
- JMR 3775: 1.0m grading 3.34g/t Au from 174m
- JMRD 3780: 1.35m grading 4.4g/t Au from 164.65m

The results at Starlight indicate potential for additional mineral resources in close proximity to current underground workings.

Aviary Group

The Aviary Prospect is a conceptual porphyry-style (Intrusive Related Gold System) exploration target with potential to host large tonnage low-grade gold mineralisation. Exploration during the quarter has consisted of a soil sampling program, mapping and reconnaissance rock chip sampling. Three broad zones of anomalism have been defined from the soil program. Following processing of a combined airborne magnetic/radiometric survey completed in September, the data will be used in conjunction with the soil results to further refine target definition.

Edna May, Western Australia

Regional Exploration

An RC drilling program at Greenfinch was completed during the quarter with 10 drill holes for 1,844m drilled. This drilling concluded a more extensive drill-out that successfully extended the gneissic ore body along strike (westward) and extended continuity of mineralisation down-dip beyond existing resource limits. Significant intercepts included:

- GFRC112: 4m grading 3.30 g/t Au from 174m
- GFRC116: 2m grading 4.22 g/t Au from 262m
- GFRC117: 6.8m grading 11.50 g/t Au from 167m
- GFRC120: 13m grading 10.60 g/t Au from 75m
- GFRC129: 7m grading 3.30 g/t Au from 22m
- GFRC136: 5m grading 3.45 g/t Au from 145m

The geological interpretation of Greenfinch was completed during the quarter and a revised resource estimate is in progress.

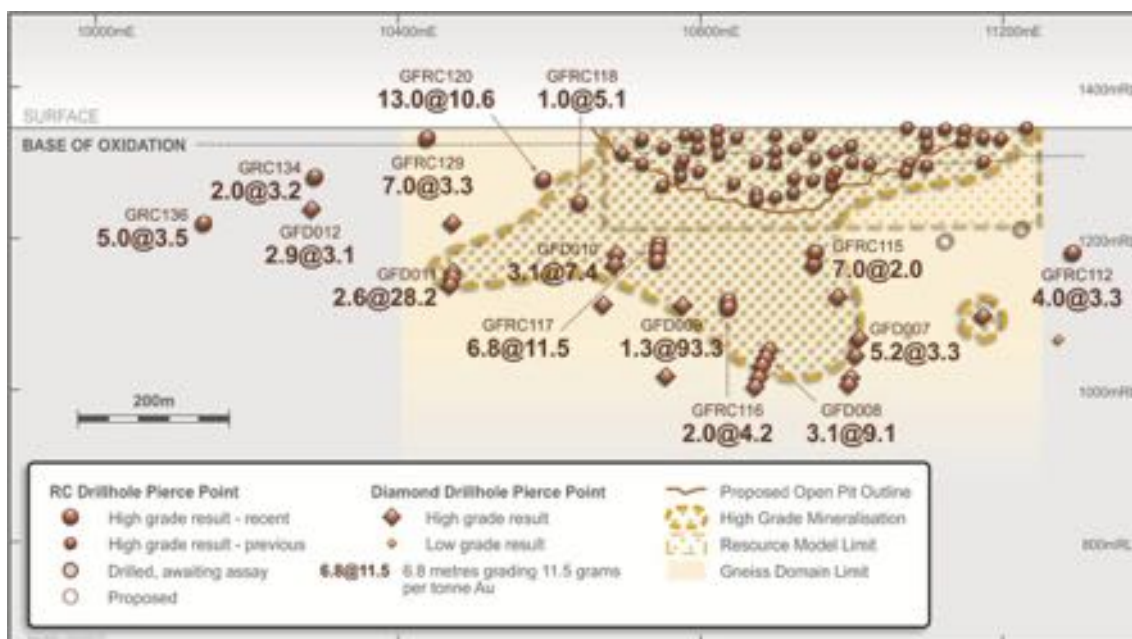


Figure 3: Greenfinch Longitudinal Section

Perrins

At Perrins, a five hole RC drilling program was designed to follow up high-grade gold mineralisation identified in the June quarter (PRC022: 8.0m grading 10.87g/t Au from 23m). Drilling failed to demonstrate continuity of the high-grade structure with weak gold mineralisation returned from a quartzo-feldspathic gneissic host. Drilling suggests the presence of broader disseminated gold mineralisation hosting a series of narrow sub-parallel steeply dipping structures.

Significant intercepts included:

- PRC028: 9.0m grading 0.83g/t Au from 27m
- PRC029: 3.0m grading 0.50g/t Au from 44m
- PRC031: 4.0m grading 0.74g/t Au from 44m

Further drilling is planned at Perrins to test continuity of the primary mineralisation to determine potential for high-grade mill feed. Perrins is located within close proximity (6km) to the Edna May gold operation.

Holleton

As part of the strategy to maximise the potential of the Edna May operation, Evolution finalised the sale and purchase agreement with Independence Group NL ("Independence") to acquire the Holleton Gold Project ("Holleton") on 13 August 2012. Holleton consists of 14 mining, exploration and prospecting licenses covering approximately 650km² within the Southern Cross Province of the Yilgarn Craton in Western Australia. The tenement package is located about 70km to the south of Edna May and about 70km to the south-southwest of Southern Cross.

Mt Rawdon, Queensland

Resource Definition

A resource definition drilling program of 27 holes totalling 8,100m has commenced to extend and upgrade the Mineral Resource below the open-pit at depth and along strike to the south. Four holes totalling 1,369m were completed during the quarter with results pending.

Regional Exploration

A number of exploration targets were identified at Mt Rawdon as part of a regional prospectivity review incorporating geophysical, geochemical, structural and geological data. The review was completed during the quarter and targets will be assessed, ranked and incorporated into ongoing exploration programs. Two new exploration permits were applied for, also as a result of the regional prospectivity review.

Mt Dell

A five hole RC drilling program totalling 1,250m commenced at the Mt Dell Prospect approximately 30km south-east of the Mt Rawdon mine site. Drilling is targeting multi-element soil anomalies coincident with regional structural trends identified in exploration programs in 2010 and 2011.

Mt Shamrock and Mt Ophir

A detailed ground magnetic geophysical survey commenced to cover the Mt Shamrock and Mt Ophir prospects. The Mt Shamrock prospect has been the target of previous deep drilling programs given its potential for high-grade gold mineralisation adjacent to the historical Mt Shamrock underground mine. Mineralisation is characterised by anomalous Au, As, Pb and Zn associated with a hydrothermal-breccia system.

The Ophir Prospect was also mined historically, but is considered to be a lower grade bulk tonnage target with a similar anomalous metals signature. Survey results are expected next quarter.

Mt Carlton, Queensland

Regional Exploration

During the September quarter major data acquisition programs commenced comprising regional multi-element soil sampling, detailed airborne magnetics, radiometric surveys and geological mapping to improve targeting and help vector mineralisation. In addition, 8,376m of drilling was completed to test recently acquired regional pole-dipole IP targets and mineralisation west of A39.

At the A39 West prospect, follow up drilling of a previously reported intercept of 26.0m grading 60.8g/t Ag, 0.3% Pb and 0.48% Zn from 167m, returned broad intercepts of low grade Ag mineralisation. Best Ag results were associated with coarse stockwork veining within silica clay altered rhyodacite and associated with high levels of Pb and Zn (0.1 to 1%). Significant assays included:

- HC12RCD1035: 25m grading 11.5g/t Ag from 206m
- HC12RCD1047: 17m grading 23g/t Ag from 180m
- HC12RCD1043: 15m grading 14.7g/t Ag from 240m
- HC12RCD1046: 11m grading 14.1 g/t Ag from 180m

Drill testing of recently acquired regional IP geophysical targets commenced during the quarter. Twenty holes targeting resistivity and chargeability features analogous to the geophysical response over the V2 deposit were completed. Drilling to date has intersected mafic dykes and shears, indicative of major structures and altered rhyodacite similar to the prospective host rock of the V2 deposit.



Figure 4: Regional data acquisition programs underway at Mt Carlton

A high resolution magnetic survey was flown over the Capsize Trend, a zone of altered rhyodacite volcanics prospective for high sulphidation epithermal and porphyry mineralisation. Drill data collected during the quarter is currently being reviewed in conjunction with recently acquired aeromagnetics, radiometric and soil sampling data to improve targeting and help vector mineralisation.

In addition, approximately 3,000 low level multi element soil samples (30% of the planned program) have been collected over the Capsize trend. Initial results from the soil survey have identified coincident Au, Ag, Cu and As soil geochemical anomalies to the north of the Mining Lease, that will require follow up. Geological mapping and additional infill sampling is currently in progress to evaluate these targets.

MINERAL RESOURCES AND ORE RESERVES JUNE 2012

During the quarter, the Company updated its Mineral Resource and Ore Reserve estimates for the year ending 30 June 2012. Group Mineral Resources are estimated at 7.0 million ounces gold equivalent, a slight increase of 0.4% compared to the June 2011 estimate of 6.97 million ounces. Resources depleted by mining have effectively been replaced by newly defined mineralisation at Pajingo and an increase to the Edna May underground resource. Mineral Resources are reported inclusive of Ore Reserves.

Group Ore Reserves are estimated at 3.33 million ounces gold equivalent, a decrease of 4.6% compared to the June 2011 estimate of 3.49 million ounces. This change is largely due to depletion by mining of approximately 400koz predominantly offset by significant reserve increases at Pajingo and Cracow. The Mineral Resources and Ore Reserves have been prepared according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

This resource and reserve update only includes exploration and resource definition drilling information up to 31 December 2011 but has been depleted for mining to 30 June 2012. This discrepancy in timing is a consequence of the large task of compiling the disparate databases for projects that were previously owned by three different companies and then using similar estimation practices across the projects for the first time under Evolution ownership. Recent exploration success at Cracow (Coronation discovery) and at Pajingo (Moonlight Prospect), in particular, have not been included in this resource and reserve update as information was unavailable at the cut-off date.

The full Mineral Resource and Ore Reserves Statement is available within the ASX release of 25 September 2012 Group Resources and Reserves Statement and is available on the Company's website.

CORPORATE

Finance

Total revenue was A\$149.1 million during the quarter from the sale of 90,960 ounces gold at an average price of A\$1,613/oz.

Cash operating costs (C1) were A\$69.2 million, or A\$732/oz. The tabulated cost data show that processing costs at Edna May were above average for the period (A\$21/t) due to planned shut-down costs during September which included the planned replacement of the SAG gear and pinion. The deferred waste and stockpile adjustment at Pajingo of A\$230/oz relates to the advanced development of the Venue open-pit. Royalties were an additional A\$7.1 million expense.

Depreciation and amortisation (D&A) was A\$30.9 million or some A\$327/oz, which on a total average basis is trending at anticipated levels. Mine by mine D&A levels will vary depending on the quantity of gold in ore mined and the particular zone or bench being accessed.

Cash in bank decreased by A\$69.2 million to A\$72.6 million at 30 September 2012 (A\$141.8M at 30 June 2012). The cash reduction during the quarter relates to cash operating inflows of A\$49.0 million offset by outflows of A\$118.2 million.

Key outflows were capital at existing operations of A\$53.7 million, Mt Carlton construction capital of A\$37.3 million, stamp duty payment of A\$21.9 million (relating to the 2011 merger and acquisition activity), exploration expenditure of A\$7.3 million, corporate expenses of A\$6.4 million, A\$14.9 million of accelerated mine development at Mt Carlton and a A\$24.1 million positive change in working capital.

Capital expenditure at existing sites of A\$53.7 million included:

- Edna May capital of A\$10.7 million on mine development and process improvements;
- Cracow capital of A\$13.8 million on underground development and other infrastructure, including July planned shut down costs;
- Pajingo capital of A\$13.7 million on underground development, pre-strip at the Venue open-pit (A\$5.0 million) and other maintenance capital; and
- Mt Rawdon capital of A\$13.5 million on mine waste development and infrastructure;

Total Mt Carlton construction capital invested to date is A\$122 million, with the forecast cost to complete remaining at A\$170-A\$180 million.

At quarter-end the Company held A\$31.5 million of debt relating to the Edna May Project Finance Facility, and A\$47.6 million in drawn Performance Bond Facilities relating to various site environmental performance obligations.

The Company is advanced on the restructuring of its existing project debt into a larger non-secured corporate revolving debt facility of around A\$150-A\$200 million. This facility is planned to both reduce the Company's cost of debt and enhance its future funding options.

The Edna May hedge book at 30 September 2012 was 189,369 oz at an average deliverable price of A\$1,573/oz. A total of 34,808oz were delivered into the hedge book with the Company pre-delivering against commitments to the March 2013 quarter.

Conference Call

Jake Klein (Executive Chairman), Mark Le Messurier (COO), Tim Churcher (VP Finance and Chief Financial Officer), and Adrian Pelliccia (GM Discovery) will be hosting a conference for investors and media to discuss the Quarterly results on **Thursday, 25 October, at 11:00am** (AEDT). 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: +61 2 8212 8333

Participant PIN Code: 580383#

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.

Results/Resource/Reserve	Name of Competent Person	Employer	Institute
Cracow Exploration Results	Shane Pike	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Cracow Resource Definition	Shane Pike	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 and Exploration Results	Luke Cox	Evolution Mining Limited	Australasian Institute of Mining and Metallurgy
Mt Carlton 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

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Share Register

Link Market Services Limited

Locked Bag A14

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Tel: (612) 8280 7111

Fax: (612) 9287 0303

Email: registrars@linkmarketservices.com.au

Stock Exchange Listing

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

Issued Share Capital

At 30 September 2012 issued share capital was
707,605,713 ordinary shares