

# Quarterly Report

For the period ending 31 March 2013

## Highlights

### ***Production and cost guidance remains unchanged***

- Group gold production of 84,251oz at an average cash cost (C1) of A\$918/oz for the quarter. June quarter production forecast to exceed 100,000oz.
- FY13 production and cash cost guidance confirmed at 370,000 – 410,000 ounces gold equivalent at A\$730 – A\$790 per ounce.
- Mt Carlton successfully commissioned and ramp-up commenced. First concentrate from the silver-rich A39 deposit produced during the quarter.

### ***Group Mineral Resources and Ore Reserves increased***

- Resources increased by 0.7 million ounces to 7.7 million ounces gold equivalent, a 10% increase (post mining depletion).
- Reserves increased by 0.2 million ounces to 3.6 million ounces gold equivalent, a 7% increase (post mining depletion).
- Pajingo underground reserve ounces increased by 85% and average grade increased by 14% (from 5.6g/t to 6.4g/t Au).

### ***Exciting new exploration success***

- Best ever intercept drilled at Mt Rawdon returning **35m grading 24.2g/t Au** from 322m including 23m grading 36.4g/t Au from 322m (MTRRCD23) outside current planned pit limits.
- New vein discovered at Pajingo in the Moonlight area (Lynne) – best intersection returned **74m grading 2.57g/t Au** from 391m including 2.5m grading 13.0g/t Au from 392m, **11m grading 6.75g/t Au** from 401m, 2.8m grading 4.72g/t Au from 439m and 3m grading 7.74g/t Au from 461m (JMRD3920).

### ***Strong financial position***

- Corporate debt under the Company's revolving credit facility of A\$106.8 million with available credit of A\$93.2 million. Cash in bank as at 31 March 2013 was A\$7.4 million.
- Gold hedging of 152,171oz at a flat forward price of A\$1,573/oz.



## OPERATIONS

Gold production of 84,251oz was achieved in the March quarter (record Dec 2012 qtr: 101,663oz) at an average cash cost of A\$918/oz (Dec 2012 qtr: A\$764/oz). This result was marginally below production guidance for the quarter of 85,000 – 90,000oz and was above FY13 cash cost guidance, largely due to the impact of cyclone Oswald on the Queensland operations

Group gold production for the June quarter is forecast to be in excess of 100,000oz. Full year production of 370,000oz – 410,000oz and cost guidance of A\$730 – A\$790/oz remains unchanged.

Group safety performance<sup>1</sup> continued to improve with the lost time injury frequency rate (LTIFR) reduced to 3.6 (5.5) and total recordable injury frequency rate (TRIFR) reduced to 21.0 (24.0). Mt Rawdon, Edna May and Cracow were each LTI free in the March quarter.

### Consolidated Production and Sales Summary

	Units	Mar Quarter 2013	Dec Quarter 2012	Sep Quarter 2012	Year to date
<b>Total gold produced<sup>1</sup></b>	<b>oz</b>	84,251	101,663	94,446	280,361
Total silver produced	oz	62,024	84,747	79,743	226,514
<b>C1 Cash Cost<sup>2</sup></b>	<b>A\$/oz</b>	<b>918</b>	<b>764</b>	<b>732</b>	<b>800</b>
Total Cost <sup>3</sup>	A\$/oz	1,427	1,241	1,135	1,261
Gold sold	oz	84,357	103,258	90,960	278,575
Achieved gold price	A\$/oz	1,573	1,646	1,613	1,613
Silver sold	oz	62,024	84,747	79,743	226,514
Achieved silver price	A\$/oz	29	31	30	30

1. Gold and Mt Carlton A39 silver as gold equivalent using a gold to silver ratio of 1:55.3

2. Before royalties and after silver credits

3. Includes C1 cash costs, depreciation, amortisation, royalty and other expenses

### Cracow, Queensland (100%)

The Cracow operation was LTI free for a second consecutive quarter. The 12-month moving average LTIFR reduced to 4.1 (5.8) and the TRIFR also reduced slightly to 28.7 (31.5).

March quarter production was 24,572oz of gold at a cash cost of A\$955/oz. This compares with the December quarter production of 28,574oz at a cash cost of A\$861/oz.

A high proportion of operating development was completed in the quarter, increasing C1 costs cash costs. Additionally, contracting costs were higher than forecast. Site operating costs are expected to fall in the fourth quarter of FY13 as development returns to normal levels and changes in the mobile equipment fleet (numbers and productivities) including the associated reduced manning and improved efficiencies take effect.

Ore mined was slightly below budget with 123,538t mined at 5.84g/t Au. The primary ore source continued to be Kilkenny while Roses Pride, Phoenix, Tipperary and Crown were also utilised as ore sources during the quarter.

Underground development of 2,016m (2,149m) was completed – made up of 804m of capital development and 1,212m of operating development. Development was completed in the Kilkenny, Empire and Roses Pride ore bodies, with Roses Pride development almost exclusively on ore as the capital development is effectively finished.

A total of 125,342t of ore was treated through the plant at an average grade of 6.49g/t Au. Throughput reduced by 12% from the December quarter (141,548t) as rain reduced crusher efficiencies. Plant utilisation was steady at 97.0% (97.7%) and gold recovery was 93.9% (93.7%).

Year to date gold production stands at 78,896oz at a cash cost of A\$849/oz.

Cracow has for the past nine years employed a contractor to provide and perform the underground mining services. With the current contract due to expire on 30 June 2013 a detailed review of the competitiveness of the contract was undertaken. Part of this review involved a comparison to "owner-miner" noting that Evolution is currently owner-mining at Pajingo. The review clearly highlighted a cost benefit in transitioning to owner-mining at Cracow. Cost savings of approximately \$50 per ounce are expected to be achieved. Consequently Evolution has decided to change to owner-mining with the changeover planned to occur on 1 July 2013.

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

The Pajingo operation recorded one LTI during the quarter. The twelve-month moving average LTIFR was 1.3 (1.4) and TRIFR was 24.5 (22.9).

March quarter production was 22,559oz compared to the December quarter production of 24,340oz. Cash costs increased to A\$795/oz (A\$695/oz) due predominantly to lower processed grade.

Underground ore mined for the quarter consisted of 88,000t grading 6.13g/t Au sourced from the Sonia orebody as well as areas in Zed West, Faith and Eva. Total underground development for the quarter was 1,461m (1,186m) comprising 986m of capital development and 475m of operating development.

Mining of the Venue/VNU open-pit continued to be accelerated during the quarter and is scheduled for mining completion in the June quarter 2013. The pit is scheduled to produce 30,000oz at an average grade of 3.0g/t Au. A significant portion of these ounces will be left in stockpile for treatment in FY14. With stripping now complete the Venue/VNU pit is set to provide good positive cashflow.

Ore treated for the quarter lifted to 175,617t grading 4.17g/t Au at 96.2% gold recovery compared to the previous quarter (Dec 2012 qtr: 141,656t grading 5.55g/t Au at 96.2% gold recovery).

Year to date gold production stands at 62,550oz at a cash cost of A\$799/oz. Budget planning for FY14 is currently underway and it is expected that following the recent increase in Ore Reserve grade at Pajingo, FY14 production will focus on higher grade, lower cost ounces.

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

The Edna May operation was LTI free during the quarter; the twelve-month moving average LTIFR was 8.5 (8.3) and TRIFR was 25.6 (24.8).

Edna May produced 18,857oz of gold, compared to the December quarter production of 22,763oz. This result was in line with expectations.

Cash costs increased to A\$1,063/oz compared with the December quarter of A\$838/oz. The higher cost per ounce was due to increased costs associated with a delay in mobilisation of the larger mining fleet which will see unit rate reductions realised in the June quarter. A lower head grade also contributed to higher costs per ounce. Processing plant costs were A\$800,000 higher than the previous quarter due to unplanned replacement of SAG wear parts associated with the expanded throughput trials.

Total material movement for the quarter marginally exceeded the previous quarter's record at 2,540,000t comprising 593,000t of ore at 0.93g/t Au and 1,947,000t of waste (Dec 2012 qtr: 2,511,000t total, 976,000t of ore at 0.95g/t Au and 1,535,000t waste). Waste movements comprised 982,000t of capital waste and 965,000t of operating waste reflecting the increased activity in the Stage 2 cutback. Ore was predominantly sourced from the Stage 1 cutback (formerly C cutback).

A total of 628,103t of ore was treated at an average grade of 1.03g/t Au and gold recovery of 91.0% (Dec 2012qtr: 692,019t at 1.15g/t Au, 89.0% gold recovery). Plant utilisation was 89.0% (92.8%), in line with planned maintenance shutdowns and impacted by power outages caused by seasonal storms. Plant utilisation year to date has increased by 6% representing an increase of 5,000oz per year.

Secondary crushing trials continued with a major trial planned for the June quarter involving change-out of the SAG mill grates to simulate the design of the plant in an upgraded state.

Year to date gold production stands at 67,545oz at a cash cost of A\$868/oz. This compares with full year FY12 production of 73,264oz reflecting the material improvements made to the operation during FY13.

*Edna May Open-pit at 31 March 2013: Stage 1 (base of pit) and Stage 2 (surface)*



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

The Mt Rawdon operation was LTI free during the quarter and has now been LTI free for 12 months. The 12-month moving average LTIFR reduced to 0.0 (3.9) and TRIFR improved to 17.8 (19.5).

March quarter production was 17,817oz of gold produced at a cash cost of A\$891/oz. This compares with December quarter production of 25,986oz of gold at a cash cost of A\$658/oz. Gold production in the quarter was affected by extremely high rainfall from ex-tropical cyclone Oswald in January, followed by further heavy rainfall in February and March. Mt Rawdon received 1,126mm of rain during the quarter, the highest quarterly rainfall recorded since operations commenced in 2001. This rainfall resulted in water levels within the pit rising over 20 metres and restricting access to high-grade ore at the bottom of the pit. Flooding in the region also resulted in road closures restricting access to site. The management team at Mt Rawdon were very well prepared and production was only suspended for two days.

Ore feed to the mill consisted predominantly of low-grade ore from stockpiles as access to higher grade material in the pit was restricted. In addition to the scheduled January mill maintenance shutdown, the planned April 50 hour mill maintenance shutdown was brought forward into March to maximise mill production in the June quarter as high-grade feed becomes available.

Total material movement for the quarter was 4,360,125t, comprising 392,130t of ore at 1.19g/t Au and 3,967,995t of waste (Dec 2012 qtr: 5,076,000t total, 1,090,004t of ore at 0.92g/t Au and 3,986,276t waste). Total waste mined comprised 3,916,027 tonnes of capital waste and 51,968 tonnes of operating waste.

A total of 729,322t of ore graded at 0.83g/t Au was treated in the quarter, a decrease on the December quarter (Dec 2012 qtr: 850,281t at 1.04g/t Au). Average throughput for the quarter was 8,104tpd (Dec 2012 qtr: 9,242tpd). Processing was stopped on 26 January due to the safety issues around the rain depression from Oswald, and recommenced on 1 February, when Queensland road infrastructure was opened to allow supply of reagents and other consumables.

Dewatering of the Mt Rawdon open pit is on track to provide high-grade ore supply to the mill in the June quarter. As at 22 April, the pit was almost completely dewatered.

Year to date gold production stands at 70,924oz at a cash cost of A\$685/oz.



*Mt Rawdon Open-pit at 31 March 2013.  
As at 22 April, the pit was almost completely dewatered.*



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

The Mt Carlton gold-silver-copper project incurred one LTI during the quarter. The 12-month moving average LTIFR reduced to 6.4 (6.8) and TRIFR reduced to 16.6 (22.4).

The Mt Carlton mine was officially opened on 10 April 2013 by the Honourable Campbell Newman, Premier of Queensland. The processing plant is currently in ramp-up stage and full capacity is expected to be achieved on a sustainable basis in the September 2013 quarter.

Total material movement for the quarter from A39 and V2 open pits was 2,357,000t, comprising 170,000t of ore at 2.59g/t gold equivalent and 2,187,000t of waste. Total waste mined comprised 1,684,000t of capital waste and 503,000t of operating waste. Ore material was sourced from the A39 open pit only. Mining is well advanced at both V2 and A39 open pits with 10 million tonnes of material moved since mining commenced 12 months ago.

Reflecting the benefit of the accelerated strip, the fleet size will be reduced in September, reducing mine production from 1.1 million tonnes per month to approximately 500,000 tonnes per month.

Mechanical and electrical installations are performing to expectation. Current recoveries of 60% are expected to improve to 88% following identified changes to the circuit and reagents.

First concentrate from the silver-rich A39 deposit was produced on 23 March 2013. The first concentrate shipment to Humon Smelting Co is planned for May. Processing of V2 ore will commence in July with first concentrate shipment to Gouda Gold Co planned for August.

All operating costs are currently being capitalised while the plant is in ramp-up with the expectation that costs will be expensed during the September quarter when full throughput capacity is expected to be achieved on a sustainable basis.



*Premier Campbell Newman inspecting Mt Carlton*



*Mt Carlton official opening*



*Bagged concentrate leaving Mt Carlton*

## March Quarter 2013 Production

March 2013 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton <sup>1</sup>	Total / Average
UG lateral development - capital	m	804	986	-	-	-	1,790
UG development - operating	m	1,212	475	-	-	-	1,687
Total UG lateral development	m	2,016	1,461	-	-	-	3,477
UG ore mined	kt	124	88	-	-	-	211
UG grade mined	g/t	5.84	6.13	-	-	-	5.96
OP capital waste	kt	-	0	982	3,916	1,684	6,582
OP operating waste	kt	-	1,434	965	52	503	2,954
OP ore mined	kt	-	153	593	392	170	1,309
OP grade mined <sup>2</sup>	g/t	-	2.20	0.93	1.19	2.59	1.37
Total ore mined	kt	124	241	593	392	170	1,520
Total tonnes processed	kt	125	176	628	729	6	1,664
Grade processed <sup>2</sup>	g/t	6.49	4.17	1.03	0.83	4.31	1.70
Gold recovery	%	94	96	91	91	69	93
<b>Gold produced<sup>2</sup></b>	<b>oz</b>	<b>24,572</b>	<b>22,559</b>	<b>18,857</b>	<b>17,817</b>	<b>445</b>	<b>84,251</b>
Silver produced	oz	16,523	18,493	6,115	20,893	-	62,024
Gold sold	oz	25,328	20,729	18,856	19,444	-	84,357
Achieved gold price	A\$/oz	1,573	1,570	1,576	1,574	-	1,573
<b>Cost Summary</b>							
Mining	A\$/oz	647	677	425	122	-	491
Processing	A\$/oz	191	245	655	525	-	379
Administration and selling costs	A\$/oz	100	112	141	106	-	113
Deferred waste and stockpile adjustments	A\$/oz	35	(216)	(149)	173	-	(44)
By-product credits	A\$/oz	(19)	(24)	(9)	(34)	-	(21)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>955</b>	<b>795</b>	<b>1,063</b>	<b>891</b>	<b>-</b>	<b>918</b>
Royalties	A\$/oz	82	82	72	88	-	81
Other <sup>3</sup>	A\$/oz	8	17	-	47	-	17
Depreciation & Amortisation – Acquisition <sup>4</sup>	A\$/oz	63	75	-	101	-	60
Depreciation & Amortisation – Operations <sup>5</sup>	A\$/oz	339	538	201	301	-	352
<b>Total Cost</b>	<b>A\$/oz</b>	<b>1,446</b>	<b>1,508</b>	<b>1,337</b>	<b>1,428</b>	<b>-</b>	<b>1,427</b>

1. Mt Carlton yet to achieve commercial production

2. Gold and Mt Carlton A39 silver as gold equivalent using a gold to silver ratio of 1:55.3

3. Price related inventory adjustment for stockpiles held at net realisable value

4. Depreciation & Amortisation - Acquisition, represents the depreciation and amortisation on the fair value uplift of asset values due to business combinations

5. Depreciation & Amortisation - Operations, represents the depreciation and amortisation on book value of asset and, where applicable, the estimated cost of future mine development

## FY13 Production Summary

July 2012 to March 2013	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton <sup>1</sup>	Total / Average
UG lateral development - capital	m	3,422	2,714	-	-	-	6,136
UG development - operating	m	2,590	1,273	-	-	-	3,864
Total UG lateral development	m	6,012	3,987	-	-	-	9,999
UG ore mined	kt	371	255	-	-	-	626
UG grade mined	g/t	6.84	6.59	-	-	-	6.74
OP capital waste	kt	-	2,659	3,076	10,542	4,525	20,802
OP operating waste	kt	-	2,489	1,783	1,476	2,283	8,032
OP ore mined	kt	-	237	2,148	2,577	349	5,311
OP grade mined <sup>2</sup>	g/t	-	1.93	1.04	0.97	2.08	1.11
Total ore mined	kt	371	492	2,148	2,577	349	5,937
Total tonnes processed	kt	380	423	1,979	2,450	6	5,238
Grade processed <sup>2</sup>	g/t	6.88	4.78	1.17	0.98	4.31	1.79
Gold recovery	%	94	96	91	91	69	93
<b>Gold produced<sup>2</sup></b>	<b>oz</b>	<b>78,896</b>	<b>62,550</b>	<b>67,545</b>	<b>70,924</b>	<b>445</b>	<b>280,361</b>
Silver produced	oz	63,973	58,995	28,157	75,389	-	226,514
Gold sold	oz	78,853	60,670	68,332	70,720	-	278,575
Achieved gold price	A\$/oz	1,613	1,611	1,614	1,613	-	1,613
<b>Cost Summary</b>							
Mining	A\$/oz	591	609	309	223	-	433
Processing	A\$/oz	192	248	561	381	-	341
Administration and selling costs	A\$/oz	101	123	127	96	-	111
Deferred waste and stockpile adjustments	A\$/oz	(10)	(152)	(116)	17	-	(61)
By-product credits	A\$/oz	(25)	(28)	(12)	(32)	-	(24)
<b>C1 Cash Cost</b>	<b>A\$/oz</b>	<b>849</b>	<b>799</b>	<b>868</b>	<b>685</b>	<b>-</b>	<b>800</b>
Royalties	A\$/oz	81	79	72	79	-	78
Other <sup>3</sup>	A\$/oz	2	6	-	12	-	5
Depreciation & Amortisation – Acquisition <sup>4</sup>	A\$/oz	55	68	-	156	-	70
Depreciation & Amortisation – Operations <sup>5</sup>	A\$/oz	319	370	200	347	-	308
<b>Total Cost</b>	<b>A\$/oz</b>	<b>1,308</b>	<b>1,322</b>	<b>1,140</b>	<b>1,279</b>	<b>-</b>	<b>1,261</b>

1. Mt Carlton yet to achieve commercial production

2. Gold and Mt Carlton A39 silver as gold equivalent using a gold to silver ratio of 1:55.3

3. Price related inventory adjustment for stockpiles held at net realisable value

4. Depreciation & Amortisation - Acquisition, represents the depreciation and amortisation on the fair value uplift of asset values due to business

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# MINERAL RESOURCES AND ORE RESERVES

## December 2012 Update

During the quarter, Mineral Resource and Ore Reserve estimates were updated for all operations. The updated estimates include all exploration and resource definition drilling information up to 31 December 2012.

Group Mineral Resources are now estimated at 7.7 million ounces gold equivalent, an increase of 10% compared to the June 2012 estimate of 7.0 million ounces. This change is after accounting for depletion by mining and is due to a significant increase at Pajingo (406koz) and increases at Edna May (101koz), Mt Rawdon (94koz) and Cracow (73koz).

Group Ore Reserves are now estimated at 3.6 million ounces gold equivalent, an increase of 7% compared to the June 2012 estimate of 3.3 million ounces. This change is after accounting for depletion by mining and is largely due to increases at Pajingo (145koz) and Mt Rawdon (112koz).

The most significant increase achieved in both Mineral Resources and Ore Reserves is the result of new drilling carried out in the 12 months to 31 December 2012. New geological interpretation and a rigorous reassessment of Evolution's very large drilling database, particularly at Pajingo, also added significant ounces to both Mineral Resources and Ore Reserves. The commodity prices used for the resource and reserve update remain the same as those used for the previous estimate. Similarly, there have not been material changes to the cut-off grades used to estimate the Ore Reserves.

Resource definition drilling programs at all operations resulted in a marked increase in Resource confidence with the amount of gold equivalent in the Measured category increasing 20%, Indicated increasing by 12% and Inferred consequently decreasing by 6%.

The full Mineral Resource and Ore Reserves Statement is available within the ASX release of 23 April 2013, Group Resources and Ore Reserves Statement, and is also available on the Company's website.

The Mineral Resources and Ore Reserves have been prepared according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 JORC Code). Mineral Resources are reported inclusive of Ore Reserves.

## EXPLORATION

During the quarter, exploration drilling (diamond and RC) totalled 20,157m and resource definition drilling totalled 17,158m, for a total of 37,315m, compared to 58,257m the previous quarter. Exploration highlights from the quarter include:

- At Mt Rawdon, deep step-out resource definition drilling has returned the best intersection ever drilled at the deposit returning 35m grading 24.2g/t Au from 322m.
- At Pajingo, regional exploration has discovered a new vein, below and northwest of Moonlight, where a number of economic intercepts have been returned from the epithermal vein.
- At Cracow, underground drilling completed and maiden resources estimated at Coronation (69,000oz) and Griffin (24,000oz) with further drilling likely to increase the size of these resources.

### Mt Rawdon, Queensland

Drill hole MTRRCD23 returned an exceptional intersection of **35m grading 24.2g/t Au** (uncut) from 322m including 23m grading 36.4g/t Au – better than any previous drill result at Mt Rawdon. It is located in the lower north-western corner of the known resource and outside of the current planned pit boundaries. The intersection has been confirmed by re-assay of the pulps at an independent laboratory. The host rock is silicified dacitic volcanoclastics with disseminated sulphide mineralisation, similar in appearance to most Mt Rawdon gold ore. As the resource in this area was open to the west, a six-hole follow-up campaign was initiated.

In follow up drilling, the most significant result was from drill hole MTRRCD25 which intersected 37m grading 2.07g/t Au from 472m. Following receipt of these assays the hole was extended a further 80m and has intersected intense



alteration and silicification with prospective sulphide content. Assays are pending. MTRRCD25 is located approximately 75m west-southwest of MTRRCD23

Other significant intercepts (uncut) from the follow-up programme include:

- 40m grading 2.63g/t Au from 345m including 6m grading 12.1g/t Au from 355m (MTRRCD23-W1)
- 17m grading 0.94g/t Au from 365m (MTRRCD23-W2)
- 14m grading 1.04g/t Au from 372m (MTRRCD23-W3)
- 6m grading 0.61g/t Au from 308m (MTRRCD27)
- 16m grading 1.33g/t Au from 379m (MTRRCD28)

Holes drilled as wedges off MTRRCD23 (denominated by the W1, W2 and W3 suffix to hole name) have not replicated the very high-grade intersection of MTRRCD23, however the deeper-than-expected position of the high grade in MTRRCD25 gives encouragement that a possible high-grade feeder to the main mineralisation may exist. This target is considered a high priority and further drilling is underway.

These results have *not* been included in the updated Mineral Resource and Ore Reserve estimation that was recently completed (discussed elsewhere in this report).

## Pajingo, Queensland

### Sonia East

Two drilling programmes at Sonia East comprising 21 holes for 2,922m successfully extended the Sonia East lode a distance of 160m to the east and confirmed the continuity of the high-grade zone. Significant intersections included:

- 6.06m grading 30.33g/t Au (0772\_17\_SE)
- 1.36m grading 23.17g/t Au (0772\_18\_SE)
- 2.64m grading 10.72g/t Au (0772\_21\_SE)
- 1.62m grading 10.91g/t Au (0772\_25\_SE)
- 2.20m grading 24.74g/t Au (0775\_01\_SE)

### Regional Exploration

Regional exploration focused on drilling a new sub-vertical vein structure (named Lynne), up plunge from Moonlight and Io, located approximately 1.5km to the south-east of the eastern-most extent of underground workings. The sub-vertical Lynne vein is hosted in andesite and is typical of the veins hosted in andesite along the Vera-Nancy trend.

A surface diamond drilling programme comprising 18 holes for 8,500m commenced during the quarter. The objective of this programme was to explore for sub-vertical fault-hosted epithermal vein mineralisation, typical of that on the Vera-Nancy trend. All eight holes drilled to date have intersected an epithermal vein and associated fault. The location of these holes are summarised in Figure 1 and 2 below. The first four holes returned significant intercepts which included:

- 74m grading 2.57g/t Au from 391m including 2.5m grading 13.0g/t Au from 392m, 11m grading 6.75g/t Au from 401m, 2.8m grading 4.72g/t Au from 439m and 3m grading 7.74g/t Au from 461m (JMRD3920)
- 20.9m grading 5.99g/t Au (11.8m estimated true width “etw”) from 397m including 5.1m grading 9.42g/t Au from 400.2m and 4.8m grading 11.47g/t Au from 409.2m (JMRD3925)
- 10m grading 2.07g/t Au from 388.6m including 1.6m grading 4.97g/t Au from 389.5m and 0.7m grading 13.7g/t Au from 403.2m (JMRD3922)
- 5.4m grading 2.97g/t Au from 463.4m including 0.9m grading 6.93g/t Au from 463.4m (JMRD3923)

This drilling programme has provided sufficient evidence to define the Lynne vein as a new, discrete, potentially economic lode with a strike length of some 700 – 800m and a vertical height of 200 – 250m. The vein remains open down dip and up plunge.

Moonlight, Io and Lynne have *not* been included in the updated Mineral Resource and Ore Reserve estimation that was recently completed (discussed elsewhere in this report).

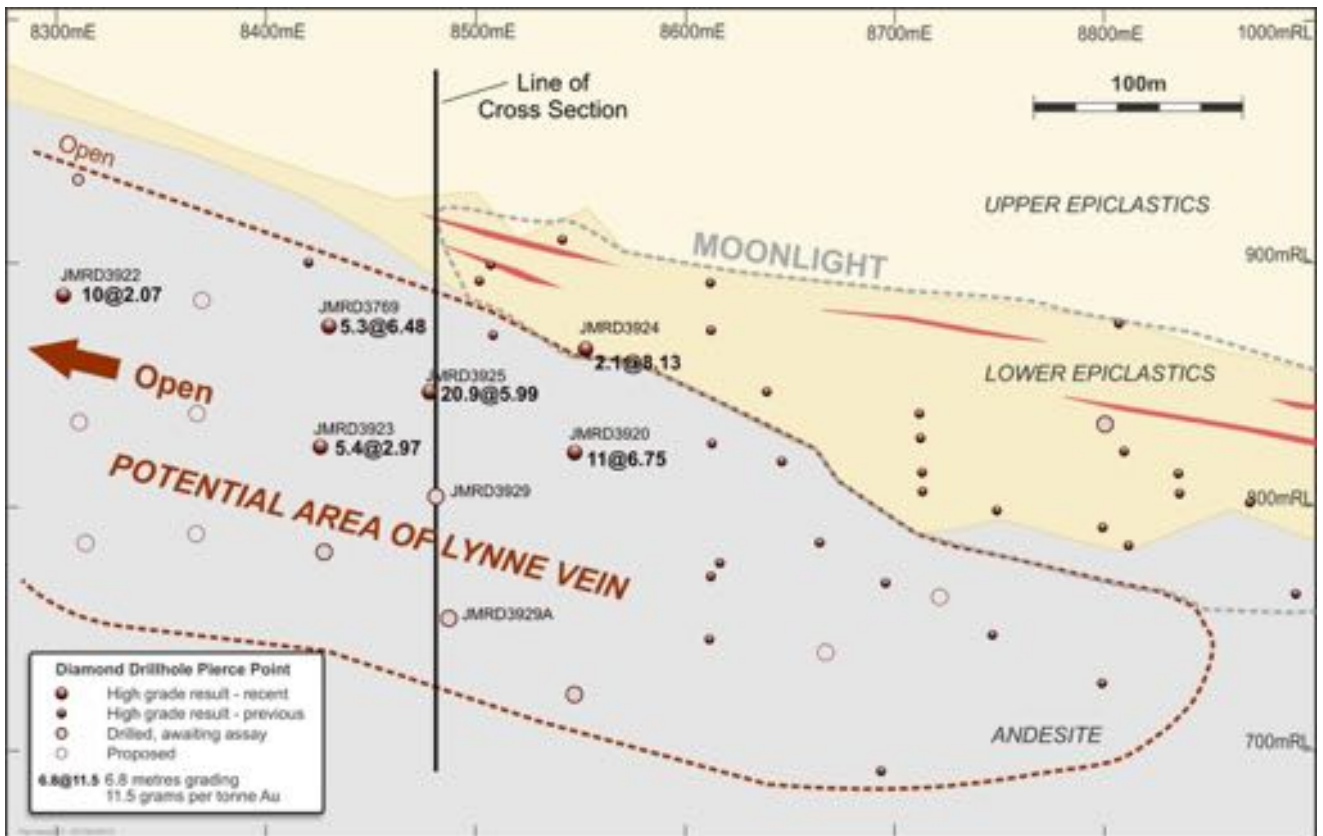


Figure 1: Schematic Moonlight longitudinal section showing the new Lynne vein

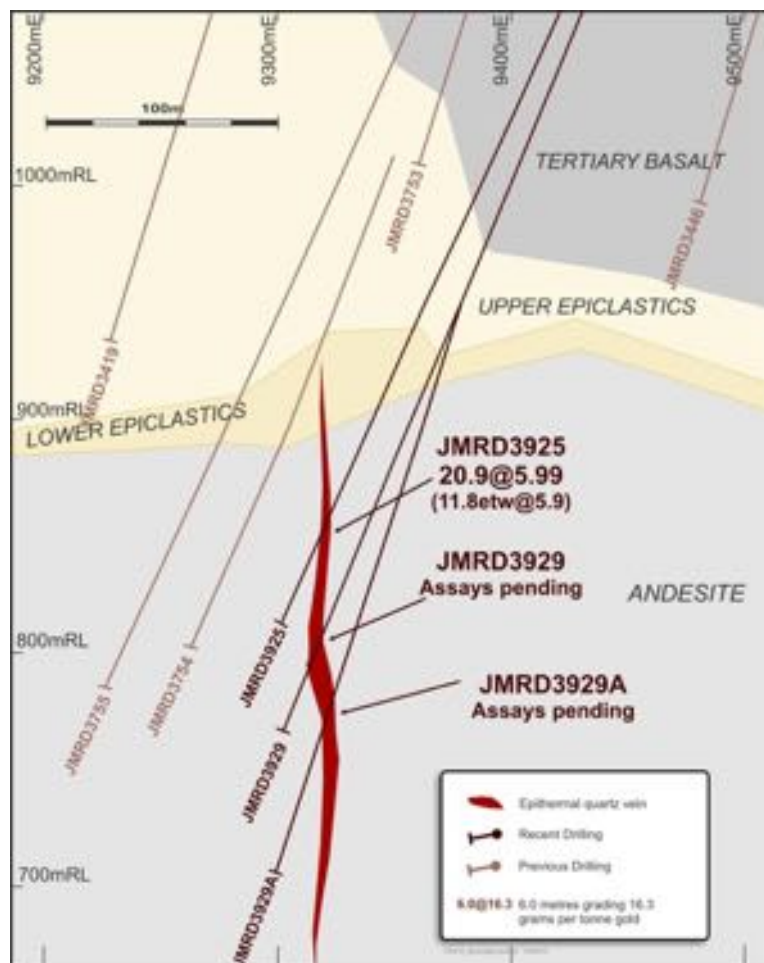


Figure 2: Schematic Moonlight section JMRD 3925, JMRD 3929 and JMRD 3929A

## **Cracow, Queensland**

Underground drilling was completed at Coronation with three holes for 1,398m completed. A maiden Mineral Resource of 340,000t at 6.2g/t for 69,000oz was estimated for the Coronation lode. Further drilling during the quarter was undertaken to infill and define the extent of the orebody. Significant drill results included:

- 3.0m (2.94m estimated true width “etw”) grading 14.4 g/t Au and 8.9m (8.72m etw) grading 5.0g/t Au (CNU009)
- 4.9m (4.7m etw) grading 14.8g/t Au and 13.2m (12.9m etw) grading 4.39g/t and 3.6m (3.3m etw) grading 6.2g/t Au (CNU010)
- 1.0m (0.92m etw) grading 23.9g/t Au and 7.7 g/t Ag; 7.1m (6.56m etw) grading 6.35g/t Au and 3.4m (3.12m etw) grading 8.25g/t Au (CNU013)
- 4.6m (3.42m etw) grading 17.6g/t Au (CUNU015)

A maiden Mineral Resource of 120,000t at 6.1g/t for 24,000oz was defined for the Griffin lode located approximately 100m to the east and parallel to the Phoenix lode. Further drilling will be completed to infill and define the extents of the orebody.

## **Mt Carlton, Queensland**

A field review of the recently completed soil geochemical survey and structures identified from the heli-magnetic survey was undertaken during the quarter. The aeromagnetic image reveals a circular feature some 5km in diameter, now interpreted as a possible caldera or ring structure. The Mt Carlton United, V2 and A39 deposits are all positioned on the northern margin of the structure, with limited exploration over the remainder of the structure. The recognition of the association of mineralisation around the circular feature (caldera or ring-structure) may be potentially significant and follow-up is underway.

## CORPORATE

### Financial performance

Revenue of A\$134.4 million was delivered from gold sales of 84,357 ounces at an average price of A\$1,573/oz and 62,000 ounces of by-product silver at A\$29/oz.

A total of 44% of gold sales in the quarter were delivered into the Company's gold hedge book at an average price of A\$1,560/oz, with the remainder delivered on spot markets at an average price of A\$1,584/oz.

The gold hedge book at 31 March was 152,171 ounces at an average price of A\$1,573/oz. Evolution can accelerate future hedge sales and if it chose to deliver all production into future hedge contracts it is expected that hedging would cover all sales for a period four to five months and that an average gold price above A\$1,500/oz could be achieved.

Group C1 cash operating costs were A\$77.3 million, or A\$918/oz (A\$764/oz prior quarter). The operating cost during the quarter was virtually the same as last quarter (A\$77.7 million), however lower gold production during the quarter drove unit costs higher. Royalties were an additional A\$6.8 million expense.

The Company's estimated year to date All-in Cash Cost is A\$1,212/oz while the All-in Cash Cost for the quarter was A\$1,353/oz (see "All-in Cash Cost" section).

Total depreciation and amortisation (D&A) expense was lower this quarter at A\$34.7 million (A\$40.6 million prior quarter), however with reduced production ounces, the unit rate was above average at A\$411/oz.

Exploration costs in the quarter were A\$5.6 million compared to A\$9.0 million for the prior quarter.

### Corporate

Corporate administration cost was A\$7.0 million compared to A\$5.1 million for the prior quarter. Several non-recurring accounting adjustments were conducted in the quarter. Quarterly expense of A\$5-6 million is planned.

Corporate debt under the Company's revolving credit facility at quarter end was A\$106.8 million with available credit of A\$93.2 million.

### Cash flow

Cash in bank at 31 March 2013 was A\$7.4 million (A\$49.2 million at 31 Dec 2012).

Cash inflow in the quarter was A\$75.4 million consisting of inflow from operating activities of A\$50.4 million and from debt draw down of A\$25 million.

Cash outflow in the quarter was A\$117.0 million consisting of A\$76.4 million capital expenditure (of which A\$32.8 million related to Mt Carlton project construction and mine development), exploration of A\$5.6 million, corporate A\$7.0 million, interest A\$2.7 million and a A\$25.3 outflow due to an increase in working capital (A\$8.5 million increase in ore stocks and a net A\$16.8 million reduction in creditors).

### Capital Expenditure

Total capital expenditure in the quarter reduced by some 27% to A\$76.4 million (A\$104.3 million prior quarter) with the reduction in spend at Mt Carlton. A total of A\$43.6 million was invested at existing operations and A\$32.8 million invested at the Mt Carlton project.

Of the A\$32.8 million at Mt Carlton, A\$13.6 million related to project construction, taking the project to date construction cost to A\$175.6 million, with A\$2.8 million remaining in the June quarter. Forecast cost to complete for project construction is below the upper end cost guidance at A\$178.4 million.

Other capital costs related to A\$12.0 million on advanced stripping of the V2 and A39 ore bodies, A\$6.1 million on project commissioning and A\$1.0 million of sustaining capital. A further A\$1.6 million of commissioning cost is planned for the June quarter.

Operating costs at Mt Carlton are being capitalised until commercial production is declared. The decision to declare commercial production will depend on a range of operating and financial indicators and is planned to occur by during the September quarter.



## All-in Cash Costs

Evolution's All-in Cash Cost estimate uses the following definition: "All-in cash costs" include C1 Cash Cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses plus exploration expense. Growth capital and non-recurring or accelerated mine development capital is excluded as the measure seeks to reflect the cost of production from current operations.

The Company's FY13 year to date ("YTD") All-in Cash Cost is A\$1,212/oz.

### All-in Cash Cost Summary YTD

March quarter 2013	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Group
C1 Cash Cost	A\$/oz	849	799	868	685	800
Royalty	A\$/oz	81	79	72	79	78
Sustaining Capex	A\$/oz	287	372	109	94	214
General & Admin	A\$/oz	58	74	68	65	66
Exploration Expense	A\$/oz	97	92	19	12	54
<b>All-in Cash Cost</b>	A\$/oz	<b>1,373</b>	<b>1,416</b>	<b>1,136</b>	<b>935</b>	<b>1,212</b>

The Company's All-in Cash Cost for the March 2013 quarter was A\$1,353/oz.

### All-in Cash Cost March 2013 Quarter

March quarter 2013	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Group
C1 Cash Cost	A\$/oz	955	795	1,063	891	918
Royalty	A\$/oz	82	82	72	88	81
Sustaining Capex	A\$/oz	280	331	127	101	220
General & Admin	A\$/oz	71	77	92	98	83
Exploration Expense	A\$/oz	86	87	10	7	51
<b>All-in Cash Cost</b>	A\$/oz	<b>1,474</b>	<b>1,372</b>	<b>1,365</b>	<b>1,185</b>	<b>1,353</b>

Note: The gold industry, guided by the World Gold Council, is moving towards defining a consistent, industry-wide standard of "All-in Cash Costs" to capture and reflect additional costs not captured by C1 and C3 cost reporting. In anticipation of this move, Evolution has reported All-in Cash Costs using the following definition: "All-in Cash Costs" include C1 Cash Cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses plus exploration expense. Growth capital is excluded as the measure seeks to reflect the cost of production from current operations.

## Conference Call

Jake Klein (Executive Chairman), Tim Churcher (VP Finance and Chief Financial Officer), Mark Le Messurier (Chief Operating Officer), and Roric Smith (VP Discovery and Chief Geologist) will host a conference call to discuss the quarterly results at **2pm Australian Eastern Standard Time (“AEST”) on Tuesday 23 April 2013**. Access details are provided below.

### Shareholder – Live Audio Stream

A live audio stream of the conference call will be available on the Company website [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The live conference call will commence at 2pm Australian Eastern Standard Time (“AEST”) on Tuesday 23 April 2013. The audio stream is ‘listen only’ it does not provide for Q&A participation.

The audio stream will also be uploaded to the website shortly after the conclusion of the call and can be accessed at any time.

### Analyst and Media – Conference Call Details

Tuesday, 23 April 2013, 2:00pm (AEST) – includes Q&A participation.

Dial-in numbers:

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

Participant PIN Code: 945805#

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

## 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 Evolution Mining Limited and is a member of the institute named in that row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he or she has undertaken to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Each person named in the table consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Activity	Name of Competent Person	Institute
Cracow Exploration Results and Mineral Resources	Shane Pike	Australasian Institute of Mining and Metallurgy
Cracow Ore Reserves	Fusheng Li	Australasian Institute of Mining and Metallurgy
Pajingo Exploration Results, Resource Definition Results and Mineral Resources	Calvin Ferguson	Australasian Institute of Mining and Metallurgy
Pajingo Ore Reserves – Open-Pit	Tony Wallace	Australasian Institute of Mining and Metallurgy
Pajingo Ore Reserves – Underground	Johan Booysse	Australasian Institute of Mining and Metallurgy
Edna May Ore Reserves	Luke Cox	Australasian Institute of Mining and Metallurgy
Edna May Mineral Resources	John Winterbottom	Australian Institute of Geoscientists
Mt Rawdon Resource Definition Results	Craig Bosel	Australasian Institute of Mining and Metallurgy
Mt Rawdon Mineral Resources	Hans Andersen	Australasian Institute of Mining and Metallurgy
Mt Rawdon Ore Reserves	Tony Wallace	Australasian Institute of Mining and Metallurgy
Mt Carlton Mineral Resources	John Winterbottom	Australian Institute of Geoscientists
Mt Carlton Ore Reserves	Tony Wallace	Australasian Institute of Mining and Metallurgy
Twin Hills Mineral Resources	John Winterbottom	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

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

### Media Enquiries

Suk Hee Lee  
FTI - Media Relations  
Tel: (612) 8298 6100

### Internet Address

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

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Fax: (612) 9696 2901

### Share Register

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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  
708,092,989 ordinary shares