

Quarterly Report

For the period ending 30 June 2013

Highlights

- Record quarterly Group production of 112,559 ounces gold equivalent¹ – a 34% increase compared to the March quarter. Achieved at an average cash cost of A\$762 per ounce.
- Record annual Group production for FY13 of 392,920 ounces gold equivalent¹ – a 13% increase compared to FY12 and in line with guidance of 370,000 – 410,000 ounces. Average cash cost of A\$790 per ounce – in line with guidance of A\$730 – A\$790 per ounce.
- Record quarterly gold production of 35,165 ounces from Mt Rawdon with exceptional cash cost of only A\$468 per ounce.
- Cracow, Pajingo and Edna May all delivered robust production results that were in line with guidance. Productivity and efficiency initiatives are under way at all three sites.
- Successful commissioning of all key components of the Mt Carlton processing plant allowed for commercial production to be declared as of 1 July 2013.
- Significant intercepts returned from follow up drilling of the Lynne vein at Pajingo including 4.5m grading 11.07g/t gold and 2.3m grading 16.5g/t gold.
- An exciting new phase of exploration has commenced at the epithermal gold deposits at Cracow, Pajingo and Mt Carlton with the commencement of detailed 4D studies and high resolution seismic surveys.
- Cash in bank at 30 June 2013 was A\$13.7 million. Revolving credit facility drawn to A\$126.8 million with available credit of A\$73.2 million.
- End of financial year asset impairment review has indicated that a reduction in the book value of mine assets and goodwill in the order of \$350 to \$400 million is warranted. The impairment is a non cash item and therefore has no impact on the Company's cash position and the written down asset values do not create any concern with regards to conditions around the Company's debt facility.

FY14 Production Guidance

- FY14 production forecast of 400,000 – 450,000 ounces gold equivalent with cash operating costs expected to be in the range of A\$770 – A\$820 per ounce (equivalent to US\$710 – US\$760 per ounce at an AUD:USD exchange rate of 0.925).

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:61.7 based on the average gold and silver prices during the quarter. June quarter production of 112,559oz reported here is a 34oz increase on the production figure released to ASX on 4 July 2013 as a result of final inventory adjustments completed subsequent to 4 July 2013.



June 2013 Quarter Result

Group gold equivalent¹ production increased by 34% to a record 112,559oz for the June quarter (Mar 2013 qtr: 84,122oz) at an average cash cost of A\$762/oz (Mar 2013 qtr: A\$918/oz). This result was well above production guidance for the quarter of 100,000oz and was driven by exceptional production at Mt Rawdon of 35,165 ounces at a cash cost of only A\$468/oz.

Group gold production of approximately 100,000oz is forecast for the September 2013 quarter.

Group gold equivalent production for the 12 months to 30 June 2013 totalled 392,920oz, a 13% increase on previous year production of 346,979oz and within the original and unchanged guidance of 370,000 – 410,000 ounces. Average cash cost for the 12 months to 30 June 2013 of A\$790/oz was within the guidance range of A\$730 - \$790/oz.

Group safety performance has seen a sustained improvement over the last 12 months. The total recordable injury frequency rate (**TRIFR**) reduced significantly from 26.2 to 19.9 and the lost time injury frequency rate (**LTIFR**) was also reduced from 7.1 to 3.7.

Consolidated Production and Sales Summary FY13

	Units	Jun Quarter 2013	Mar Quarter 2013	Dec Quarter 2012	Sep Quarter 2012	FY13
Total gold produced¹	oz	112,559	84,251	101,663	94,446	392,920
Total silver produced	oz	81,211	62,024	84,747	79,743	307,726
C1 Cash Cost²	A\$/oz	762	918	764	732	790
Total Cost ³	A\$/oz	1,366	1,427	1,241	1,135	1,290
Gold sold	oz	98,403	84,357	103,258	90,960	376,978
Achieved gold price	A\$/oz	1,494	1,573	1,646	1,613	1,582
Silver sold	oz	383,851	62,024	84,747	79,743	610,366
Achieved silver price	A\$/oz	23	29	31	30	26

1. Gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:61.7 based on the average gold and silver prices during the quarter.

2. Before royalties and after silver credits (other than silver produced from the A39 deposit at Mt Carlton)

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

Outlook for FY14

Evolution is forecasting production in FY14 of between 400,000 – 450,000 ounces gold equivalent. The increase in production, as compared to FY13, is due to the new production from Mt Carlton. C1 cash costs are expected to be in the range of A\$770/oz to A\$820/oz which is similar to that achieved in FY13. At an AUD:USD exchange rate of 0.925 this equates to globally competitive cash costs of US\$710/oz to US\$760/oz.

C1 cash costs represent the costs for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

The additional costs of royalties, deferred open pit stripping, rehabilitation, sustaining capital and corporate overheads add approximately A\$310/oz providing for Group All-in Sustaining Costs (**AISC**) of A\$1,080/oz to A\$1,130/oz (US\$1,000/oz to US\$1,045/oz). The main items are sustaining capital (approximately A\$200/oz) and royalties (approximately A\$80/oz). The AISC does not include an allocation for the discovery budget (A\$20M in FY14) or the cost of major projects – being open pit cutbacks under way at Mt Rawdon (approximately A\$45M to A\$50M in FY14) and Edna May (approximately A\$15M in FY14) and advanced underground development at Cracow

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:61.7 based on the average gold and silver prices during the quarter. June quarter production of 112,559oz reported here is a 34oz increase on the production figure released to ASX on 4 July 2013 as a result of final inventory adjustments completed subsequent to 4 July 2013.

and Pajingo (approximately \$6M – A\$8M per site). Discovery and major projects add costs equivalent to A\$220/oz to A\$240/oz to give an All-in Cost (**AIC**) of A\$1,300/oz to A\$1,370/oz (US\$1,200 to US\$1,270/oz).

Total Group capital expenditure, which includes all sustaining and growth capital, is planned to be in the range of A\$160M to A\$185M in FY14. The bulk of the expenditure is associated with the open pit cutbacks at Mt Rawdon and Edna May and underground development at Cracow and Pajingo.

A mine-by-mine breakdown of production, cash costs and capital expenditure forecasts is provided in the table below:

Guidance FY2014	Gold Equiv. Production (oz)	C1 Cash Costs (A\$/oz)	Capital Expenditure (A\$M)
Cracow	82,500 – 90,000	840 – 890	30 – 35
Pajingo	72,500 – 80,000	800 – 850	30 – 35
Mt Rawdon	95,000 – 110,000	725 – 775	60 – 65
Edna May	85,000 – 95,000	800 – 850	25 – 30
Mt Carlton	65,000 – 75,000	700 – 750	15 – 20
Group	400,000 – 450,000	770 – 820	160 – 185

Mt Carlton produces two distinct precious metal concentrates, a gold-silver-copper concentrate from the V2 deposit and a silver-copper concentrate from the A39 deposit. Approximately 350,000 tonnes of V2 ore and 400,000 tonnes of A39 ore are expected to be processed in FY14. This ore will be campaign processed over three month cycles commencing with V2 ore in the September 2013 quarter. Mt Carlton is forecast to produce approximately 35,000 – 38,000 ounces of payable gold from the V2 deposit and approximately 1.8M – 2.0M ounces of payable silver from the A39 deposit in FY14.

Mt Carlton production guidance as shown in the table above refers to payable metal (i.e. after smelter deductions) and sums the gold produced from the V2 deposit and the silver produced from the A39 deposit after converting A39 silver production to a gold equivalent figure (on the basis of a commodity price ratio of A\$1,400/oz for gold and A\$23/oz for silver). Mt Carlton cash cost guidance is based on total cash operating costs across the V2 and A39 deposits less by-product credits from silver and copper in the V2 concentrate and copper in the A39 concentrate divided by the gold equivalent production figure. A silver price of A\$23/oz and a copper price of A\$2.85/lb are assumed for by-product credits.

Cracow, Pajingo, Mt Rawdon and Edna May guidance, as shown in the table above, refers only to gold production (i.e. silver production has not been included as a gold equivalent co-product but accounted for as a by-product). A silver price of A\$23/oz is assumed in the cash cost guidance.

OPERATIONS

Cracow, Queensland (100%)

The Cracow operation was LTI free for a third consecutive quarter. The 12 month moving average LTIFR reduced to 1.3 (Mar 2013 qtr: 4.1) and the TRIFR also reduced slightly to 25.2 (Mar 2013 qtr: 28.7).

June quarter production was 23,663oz of gold at a cash cost of A\$928/oz. This compares with the March quarter production of 24,572oz at a cash cost of A\$955/oz. Cash costs reduced during the quarter as the ongoing focus on cost reduction started to take effect. This reduction was particularly pleasing considering the lower gold production and the imminent changeover from contract mining to owner-miner. Further cost reductions are expected following the transition to owner-miner as of 1 July 2013.

A total of 124,037t of ore was mined at an average grade of 5.77g/t Au. The primary ore source continued to be Kilkenny with ore also sourced from the Roses Pride, Phoenix, Tipperary and Crown deposits.

Underground development of 2,008m (Mar 2013 qtr: 2,016m) was completed – made up of 1,025m of capital development and 983m of operating development. Development was completed in the Kilkenny, Empire, Tipperary and Roses Pride ore bodies. Roses Pride development was almost exclusively on ore following completion of the capital development. The raise bore hole for primary ventilation and the escape-way at Roses Pride was successfully completed. The Empire raise bore hole commenced piloting during the quarter with no issues. Reaming of this ventilation and escape-way hole is expected to be completed in the September quarter 2013.

A total of 141,722t of ore was treated through the plant at an average grade of 5.58g/t Au; an improvement on the rain affected March quarter (125,342t). Plant utilisation was steady at 98.0% (Mar 2013 qtr: 97.0%) and gold recovery was 93.0% (Mar 2013 qtr: 93.9%).

Total gold production for FY13 was 102,560oz at a cash cost of A\$867/oz which compares with guidance of 90,000 – 100,000oz at A\$780 – A\$820/oz.

Cracow transitioned smoothly to owner mining on 1 July 2013 and has successfully integrated the new workforce. Cost savings of approximately A\$50/oz are expected to be achieved as a result of the move to owner mining.

Pajingo, Queensland (100%)

The Pajingo operation recorded 1 LTI during the quarter. The twelve-month moving average LTIFR was 2.7 (Mar 2013 qtr: 1.3) whilst TRIFR was 25.1 (Mar 2013 qtr: 24.5).

June quarter production was 23,367oz of gold, up 3.6% on March quarter production of 22,559oz. Cash costs increased to A\$830/oz (Mar 2013 qtr: A\$795/oz) largely due to lower processed grade and expensing of final open pit mining costs.

Underground ore mined for the quarter totalled 76,388t grading 4.69g/t Au and was sourced largely from Sonia and Jandam ore bodies as well as areas in Zed West, Veracity, Faith and Eva.

Total underground development for the quarter was 1,442m (Mar 2013 qtr: 1,461m) comprising 1,087m of capital development and 355m of operating development.

The mining of the Venue/VNU open pit was completed during the quarter with only low-grade stockpiles to be treated in the September quarter. Material movement from the Venue/VNU open pit during the quarter was 386,000t comprising 121,000t of ore at 3.20g/t Au and 265,000t of waste. Open pit mining activities at Pajingo have now ceased pending higher grade sources being available under favourable conditions.

Ore treated for the quarter lifted to 187,565t grading 4.07g/t Au at 95.1% gold recovery (Mar 2013 qtr: 175,617t grading 4.17g/t Au, 96.2% gold recovery).

Total gold production for FY13 was 85,918oz at a cash cost of A\$807/oz which compares with guidance of 85,000 – 90,000oz at A\$730 – A\$780/oz. Underground ore sources performed well in FY13 however the open pits, particularly the Venue/VNU pit, proved to be more complex than originally envisaged and although the open pits delivered planned ounces, they did so at higher costs than forecast.

Mill throughput of 500,000t is targeted in FY14 based on 400,000t of underground ore production and approximately 100,000t of stockpiled ore. This is a slight reduction on recent throughput rates and will see the mill move to campaign milling on an 8 days on 6 days off, or equivalent, roster. This will also allow for more efficient maintenance planning and a reduction in mill personnel.

Edna May, Western Australia (100%)

The Edna May operation was LTI free during the quarter; the 12 month moving average LTIFR was 5.0 (Mar 2013 qtr: 8.5) and TRIFR was 19.9 (Mar 2013 qtr: 25.6).

Edna May produced 18,671oz of gold, compared to the March quarter production of 18,857oz. Cash costs were A\$1,017/oz, a slight decrease on the A\$1,063/oz recorded in the March quarter. Costs were negatively impacted by increased ore movement (as waste movement decreased) and redundancy costs associated with a reduction in the mining workforce following the move to mining on day-shift only and a reduction in mining crews from four to two.

Total material movement for the quarter was marginally down on the March quarter for a total of 2,372,000t comprising 707,000t of ore at 0.94g/t Au and 1,665,000t of waste (March 2013 qtr: 2,540,000t comprising 593,000t of ore at 0.93g/t Au and 1,947,000t of waste).

A total of 628,867t of ore was treated at an average grade of 1.01g/t Au and gold recovery of 91.7% (March 2013 qtr: 628,103t at 1.03g/t Au, 91.0% gold recovery).

Secondary crushing trials continued during the quarter and have identified the SAG mill as the major bottleneck to increasing plant throughput. Adjustments will be made to the SAG mill lifters and liners to improve throughput in FY14.

Total gold production for FY13 was 86,216oz at a cash cost of A\$900/oz – an 18% improvement on FY12 production of 73,264oz. The FY13 result compares with guidance of 75,000 – 80,000oz at A\$840 – A\$890/oz.



Mt Rawdon, Queensland (100%)

The Mt Rawdon operation was LTI free during the quarter however an injury from the March quarter was upgraded to an LTI such that the 12 month moving average LTIFR increased to 1.4 (Mar 2013 qtr: 0.0) and TRIFR increased to 24.2 (Mar 2013 qtr: 19.8).

Record gold production of 35,165oz was achieved in the June quarter at a cash cost of A\$468/oz. This compares with the March quarter production 17,817oz of gold produced at a cash cost of A\$891/oz. This production performance was in-line with the recovery plan put in place following the impact of ex-cyclone Oswald in the March quarter and assisted by positive head-grade reconciliation on ore mined.

Ore feed to the mill consisted predominantly of high-grade ore from the Stage 2 pit floor. The mill operated for 98.9% of total hours with the three planned inspection shutdowns being the only major downtime for the quarter.

Total material movement for the quarter was 4,481,422t, comprising 1,175,212t of ore at 1.18g/t Au and 3,306,209t of waste (Mar 2013 qtr: 4,360,125t total, 392,130t of ore at 1.19g Au and 3,967,995t waste). Total waste mined comprised 3,018,790t of capital waste and 287,419t of operating waste.

A total of 878,362t of ore averaging 1.35g/t Au was treated during the quarter, an increase on the previous quarter (729,322t at 0.83g/t Au). Average throughput for the quarter was 9,652tpd (Mar 2013 qtr: 8,104tpd).

Production in the September quarter will decrease from the June quarter, returning to average production rates. The total material mined during the September quarter will also decrease as the mining fleet is scaled back to align with a revised Stage 4 cutback. This should reduce total site spend in the coming financial year without impacting overall gold production.

Total gold production for FY13 was 106,089oz at a cash cost of A\$613/oz – an 11% increase on FY12 production of 95,403oz. The FY13 result compares favorably with guidance of 95,000 – 110,000oz at A\$600 – A\$660/oz.



Mt Carlton, Queensland (100%)

The Mt Carlton operation incurred three LTI's during the quarter. Consequently the 12 month moving average LTIFR increased to 8.2 (Mar 2013 qtr: 6.4) and TRIFR reduced to 16.1 (Mar 2013 qtr: 16.6).

Total material movement for the quarter from the A39 and V2 open pits was 3,316,987t, comprising 218,237t of ore and 3,098,750t of waste. Total waste mined comprised 1,958,494t of capital waste and 1,140,256t of operating waste. Mining was focused on the V2 pit to ensure sufficient ore was available to begin production of gold concentrate in July. Material movement will fall from around 1,100,000t per month to approximately 500,000t per month from July, in line with scheduled delivery of ore to the plant. Accordingly, two trucks were stood down in May and another two trucks and an excavator were stood down in early July.

A total of 97,476t of A39 ore, grading 379g/t Ag was treated during the quarter. Average throughput for the quarter was 1,071tpd. Overall plant runtime improved considerably as a result of modifications to the concentrate bagging equipment, from 61.0% in April to 78.0% in June. Average throughput in terms of feed tonnage rate rose to 75.4tph; constrained by concentrate bagging capacity. Subsequent modifications to the concentrate bagging area have improved productivity levels.

Successful commissioning of all key components of the Mt Carlton processing plant allowed for commercial production to be declared as of 1 July 2013. This means that Evolution will cease capitalising Mt Carlton operating costs and begin reporting operating costs and revenues on its income statement from 1 July 2013 onward. The plant remains in ramp-up with full throughput capacity expected to be achieved in the December 2013 quarter.

June quarter production was 936,442oz of contained silver in 7,418dmt of concentrate. Silver recovery averaged 79.3% to achieve a concentrate grade of 3,926g/t Ag.

The first concentrate shipment to Humon Smelting Co was dispatched on 15 May 2013 transporting 520dmt of A39 concentrate. Subsequent shipments saw a total of 3,320dmt shipped during the quarter.

Processing of V2 ore commenced subsequent to the end of the quarter and is on schedule to produce sufficient concentrate for a first shipment to Gouda Gold Co in August.

June 2013 Quarter Production

June 2013 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton ¹	Total / Average
UG lateral development - capital	m	1,025	1,087	0	0	0	2,112
UG development - operating	m	983	355	0	0	0	1,338
Total UG lateral development	m	2,008	1,442	0	0	0	3,450
UG ore mined	kt	124	76	0	0	0	200
UG grade mined	g/t	5.77	4.69	0.00	0.00	0.00	5.43
OP capital waste	kt	0	0	1,118	3,019	1,958	6,096
OP operating waste	kt	0	265	547	287	1,140	2,239
OP ore mined	kt	0	121	707	1,175	218	2,221
OP grade mined ²	g/t	0.00	3.20	0.94	1.18	4.21	1.51
Total ore mined	kt	124	197	707	1,175	218	2,422
Total tonnes processed	kt	142	188	629	878	97	1,934
Grade processed ²	g/t	5.58	4.07	1.01	1.35	6.24	2.06
Gold recovery	%	93	95	92	92	79	92
Gold produced²	oz	23,663	23,367	18,671	35,165	11,692	112,559³
Silver produced	oz	20,990	23,838	7,799	28,584	0	81,211
Gold sold	oz	22,891	22,964	19,181	33,367	0	98,403
Achieved gold price	A\$/oz	1,486	1,496	1,491	1,501	0	1,494
<u>Cost Summary</u>							
Mining	A\$/oz	551	297	458	179	0	345
Processing	A\$/oz	196	240	631	291	0	320
Administration and selling costs	A\$/oz	94	96	154	34	0	85
Deferred waste and stockpile adjustments	A\$/oz	107	221	(216)	(18)	0	30
By-product credits	A\$/oz	(20)	(24)	(9)	(18)	0	(18)
C1 Cash Cost	A\$/oz	928	830	1,017	468	0	762
Royalties	A\$/oz	107	83	65	82	0	85
Other ⁴	A\$/oz	11	74	616	131	0	179
Depreciation & Amortisation – Acquisition ⁵	A\$/oz	65	72	0	51	0	50
Depreciation & Amortisation – Operations ⁶	A\$/oz	276	214	298	347	0	290
Total Cost	A\$/oz	1,386	1,273	1,997	1,079	0	1,366

1. Mt Carlton yet to achieve commercial production – operating costs have been capitalised
2. Gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production in the June quarter is converted to gold equivalent using a gold to silver ratio of 1:61.7 – based on the average gold and silver prices during the quarter
3. June quarter production of 112,559oz reported here is a 34oz increase on the production figure released to ASX on 4 July 2013 – as a result of final inventory adjustments completed subsequent to 4 July 2013
4. Price related inventory adjustment for stockpiles held at net realisable value
5. Depreciation & Amortisation - Acquisition, represents the depreciation and amortisation on the fair value uplift of asset values due to business combinations
6. Depreciation & Amortisation - Operations, represents the depreciation and amortisation on the book value of an asset and, where applicable, the estimated cost of future mine development

Mt Carlton June 2013 Quarter Production

June 2013 Quarter	Units	A39	V2	Total / Average
Mining				
Capital waste	kt	0	1,958	1,958
Operating waste	kt	160	980	1,140
Ore mined	kt	95	123	218
Mined grade - gold	g/t	-	2.23	2.23
Mined grade - silver	g/t	393	48.9	393
Mined grade - gold and gold equivalent ¹	g/t	6.76	2.23	4.21
Processing				
Ore processed	kt	97	0	97
Grade processed - gold	g/t	-	0	0
Grade processed - silver	g/t	379	0	379
Grade processed - gold and gold equivalent ¹	g/t	6.14	0	6.14
Gold recovery	%	-	0%	-
Silver recovery	%	79.3%	0%	79.3%
Production				
Concentrate produced	t	7,418	0	7,418
Contained gold	oz	-	0	-
Contained silver	oz	936,442	0	936,442
Payable gold	oz	-	0	-
Payable silver	oz	721,060	0	721,060
Payable gold and gold equivalent ¹	oz	11,692	0	11,692
Sales				
Concentrate sold	t	3,320	0	3,320
Contained gold	oz	-	0	-
Contained silver	oz	302,640	0	302,640

1. Gold equivalent is defined as gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production is converted to gold equivalent using a gold to silver ratio of 1:61.7 based on the average gold and silver prices during the quarter.

FY13 Production Summary

July 2012 to June 2013	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton ¹	Total / Average
UG lateral development - capital	m	4,447	3,800	0	0	0	8,248
UG development - operating	m	3,574	1,628	0	0	0	5,202
Total UG lateral development	m	8,021	5,428	0	0	0	13,450
UG ore mined	kt	495	331	0	0	0	827
UG grade mined	g/t	6.57	6.19	0.00	0.00	0.00	6.42
OP capital waste	kt	0	2,659	4,194	13,561	6,483	26,897
OP operating waste	kt	0	2,754	2,330	1,764	3,423	10,271
OP ore mined	kt	0	357	2,856	3,753	567	7,532
OP grade mined ²	g/t	0.00	2.36	1.01	1.03	2.90	1.23
Total ore mined	kt	495	688	2,856	3,753	567	8,359
Total tonnes processed	kt	522	611	2,607	3,329	103	7,172
Grade processed ²	g/t	6.53	4.57	1.13	1.08	6.16	1.86
Gold recovery	%	94	96	91	92	79	93
Gold produced²	oz	102,560	85,918	86,216	106,089	12,138	392,920
Silver produced	oz	84,963	82,834	35,956	103,973	-	307,726
Gold sold	oz	101,744	83,634	87,513	104,087	-	376,978
Achieved gold price	A\$/oz	1,585	1,580	1,587	1,577	-	1,582
<u>Cost Summary</u>							
Mining	A\$/oz	582	524	341	209	-	410
Processing	A\$/oz	193	246	576	351	-	336
Administration and selling costs	A\$/oz	100	115	133	75	-	104
Deferred waste and stockpile adjustments	A\$/oz	17	(51)	(138)	5	-	(37)
By-product credits	A\$/oz	(24)	(27)	(12)	(27)	-	(23)
C1 Cash Cost	A\$/oz	867	807	900	613	-	790
Royalties	A\$/oz	87	80	70	80	-	80
Other ³	A\$/oz	4	25	133	51	-	51
Depreciation & Amortisation – Acquisition ⁴	A\$/oz	43	49	0	104	-	52
Depreciation & Amortisation – Operations ⁵	A\$/oz	324	347	221	364	-	317
Total Cost	A\$/oz	1,326	1,309	1,325	1,213	-	1,290

1. Mt Carlton yet to achieve commercial production

2. Gold plus payable silver from the A39 deposit at Mt Carlton. A39 silver production in FY13 is converted to gold equivalent using a gold to silver ratio of 1:61.4 – based on the average gold and silver prices during the year. FY13 production of 392,920oz reported here is a 34oz increase on the production figure released to ASX on 4 July 2013 – as a result of final inventory adjustments completed subsequent to 4 July 2013.

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 the book value of an asset and, where applicable, the estimated cost of future mine development

EXPLORATION

During the quarter, exploration drilling (diamond and RC) totalled 13,664m and resource definition drilling totalled 7,539m for a total of 21,202m, compared to 37,315m in the previous quarter.

Exploration highlights from the quarter include:

- Successful vertical seismic profiling and sonic logging completed at Pajingo and Cracow as a precursor to high resolution 2D seismic surveys in July 2013.
- At Pajingo, significant intercepts in follow up drilling of Lynne vein (below Moonlight) including 4.5m @ 11.07g/t Au from 480.5m and 2.3m @ 16.5g/t Au from 416.2m.
- Initiation of detailed 4D studies at Pajingo, Cracow and Mt Carlton.

Pajingo, Queensland

Regional exploration focused on completion of a surface diamond drilling program at Moonlight / Lynne. Small drilling programs were also completed at Steph and Graceland.

The Moonlight / Lynne vein system is hosted in andesite and is located approximately 1.5km to the south-east of the eastern-most extent of underground workings. The final 9 holes of the scheduled 18 hole program were drilled during the quarter and all assays have been received except for drill hole JMRD 3940. Drilling at Moonlight / Lynne has defined a zone of mineralisation approximately 500m in length (Figure 1 – Moonlight Long Section). Results are appended as a table at the end of this report.

The best intersections were returned from JMRD 3929A and JMRD 3932. Drill hole JMRD 3929A was designed to test down dip extensions of JMRD 3925 and JMRD 3929 (Figure 2 – Lynne Vein Cross Section) and intersected a 5m zone of quartz veining and brecciation with localised sulphide banding from 479m. Assays returned 4.5m @ 11.07g/t Au, including 2.5m @ 17.3g/t Au. Drill hole JMRD 3932 intersected a 4m wide interval of quartz veining and brecciation with associated strong silica-pyrite alteration between 415m-419m. This zone returned 2.3m @ 16.5g/t Au from 416.2m including 0.5m @ 106.0g/t Au.

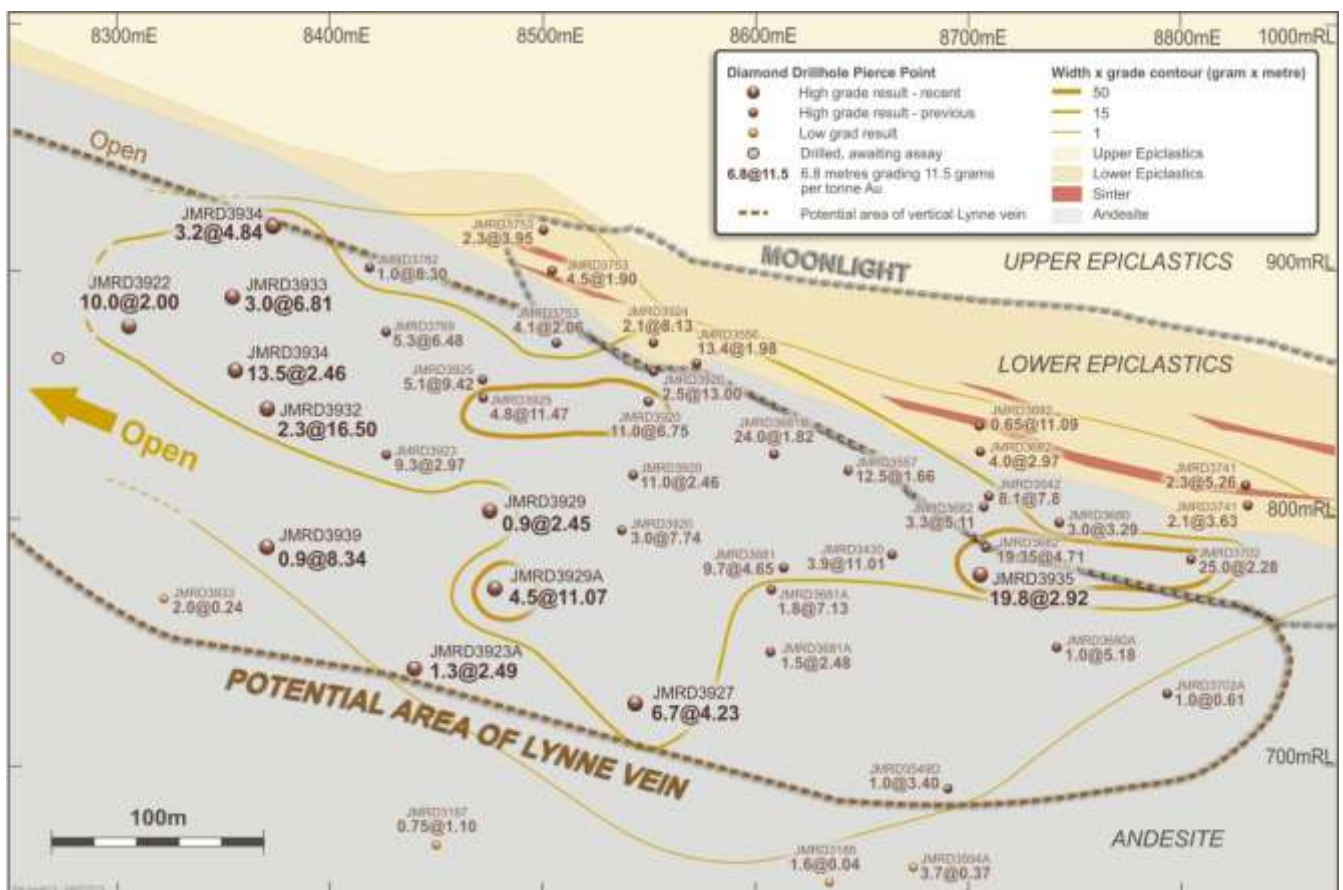


Figure 1 – Moonlight Long Section

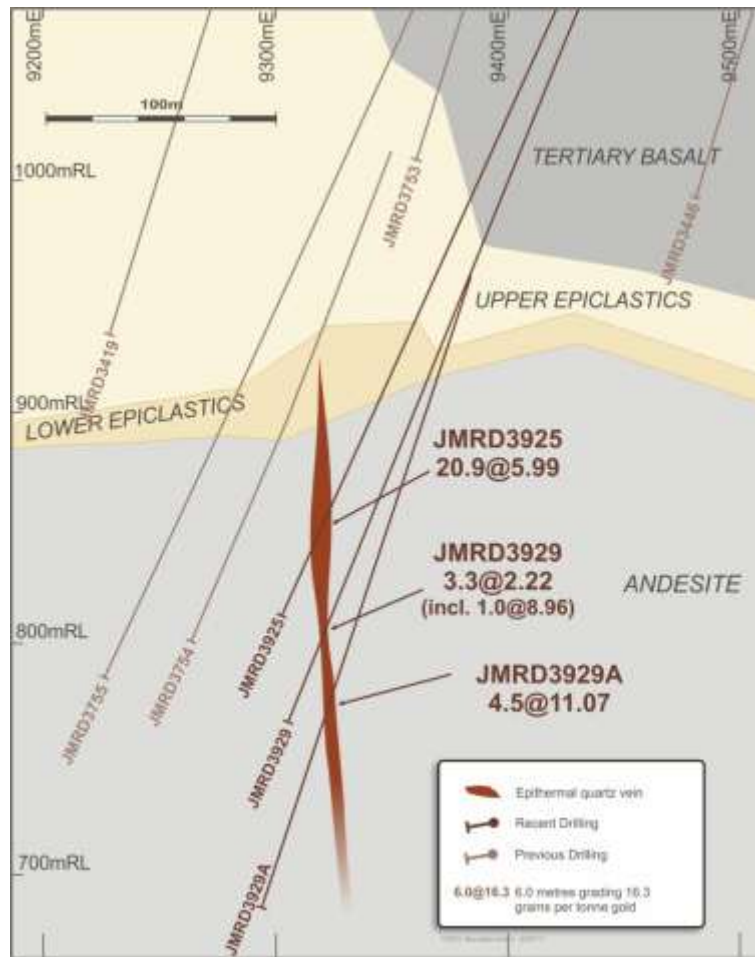


Figure 2 – Lynne Vein Cross Section

Two holes were drilled from the Sonia exploration drive (SN767) targeting mineralisation at the Steph Prospect. Both holes (0776_01_MT and 0776_02_MT) intersected narrow quartz veins (less than 2m widths) with a best assay result of 2.8m @ 4.57g/t Au (including 0.6m @ 14.85g/t Au) from 421.65m in 0776_01_MT.

A down hole vertical seismic profile and sonic logging trial was undertaken at Moonlight to assess the seismic characteristics of mineralisation, alteration and host rocks in the Pajingo area. This is the initial component of a three stage program that is designed to detail the structural framework that ultimately controls the distribution of the epithermal veins in the immediate Pajingo area. Initial results indicate clear seismic reflections associated with mineralisation and alteration (structures). Stage Two of the program will comprise two high resolution 2D seismic reflection lines for a total of 21km. This work commenced subsequent to the end of the quarter.

Cracow, Queensland

Resource definition drilling was undertaken at Empire, Kilkenny and Klondyke North for a total of 6,729.9m. The results of this drilling were in line with expectations.

Exploration drilling was undertaken at Golden Plateau, Denmead, Myles Corridor and the Crown-Phoenix Link Structure. Significant results included:

Golden Plateau:

- CGP038 – 7.3m @ 4.32g/t Au and 63.8g/t Ag including 3.3m @ 7.06g/t Au, 129.7g/t Ag from 140.7m
- CGP039 – 7.8m @ 2.27g/t Au and 82.9g/t Ag including 2.0m @ 4.28g/t Au, 200.5g/t Ag from 135.0m

Crown-Phoenix Link Structure:

- CRU134 – 7.5m @ 3.5g/t Au and 1.4 g/t Ag from 86.5m
- CRU136 – 3.5m @ 3.3g/t Au and 3.8g/t Ag from 373.1m

Down hole vertical seismic profiling and sonic logging were completed during the quarter. This was undertaken to test the effectiveness and applicability of high resolution 2D seismic surveying for targeting epithermal mineralisation under the on-lapping sedimentary sequences west of the main Cracow lodes. The initial test was positive, and a 2D seismic line is scheduled for the upcoming quarter.

Mt Carlton, Queensland

During the quarter, exploration drilling focused on testing additional structural and geophysical targets in the Mt Carlton United, Jasper Ridge, and Capsize prospect areas. A total of 1,969m of diamond drilling was completed. Drill hole locations are summarised in Figure 3.

At the Jasper Ridge Prospect approximately 2 kilometres west of the A39 deposit, shallow anomalous intercepts were returned including:

- MC13DD117 – 12m @ 0.70g/t Au, 30.1 g/t Ag and 0.31% Cu from 15m
- MC13DD121 – 14m @ 0.40g/t Au and 8.5 g/t Ag from 6m

At the Capsize Prospect 3 kilometres east of the V2 pit, historic hole CS12RCD184 was extended to determine the nature of the alteration and veining previously identified and to further test a strong induced polarisation chargeability / resistivity anomaly. The extended hole returned a broad intercept of anomalous copper mineralisation hosted in silica-clay-magnetite altered feldspar porphyry. It returned an average grade of 0.18% Cu over a very broad zone of 168.5m from 204m down hole. Although this intercept is not ore-grade it is nonetheless significant given the broad width and upgrades other IP chargeability targets along the Capsize trend.

Regional work programs have focused on commencement of a “4D Study”, which aims to define a time constrained structural architecture and the controls on mineralisation in the Mt Carlton tenement area. This work will form the basis of targeting and ranking for drill programs in the third and fourth quarters. Similar studies are planned at Pajingo and Cracow.

Soil sampling and mapping programs have continued over the Powerline West prospect area, with zones of elevated Au and Cu geochemistry identified near the southern margin of a broad circular structure, located 5 kilometres to the south of the V2 deposit. A number of analytical signal magnetic lows possibly indicating alteration and magnetite depletion are coincident with elevated Au and Cu soil geochemistry and are planned for follow up.

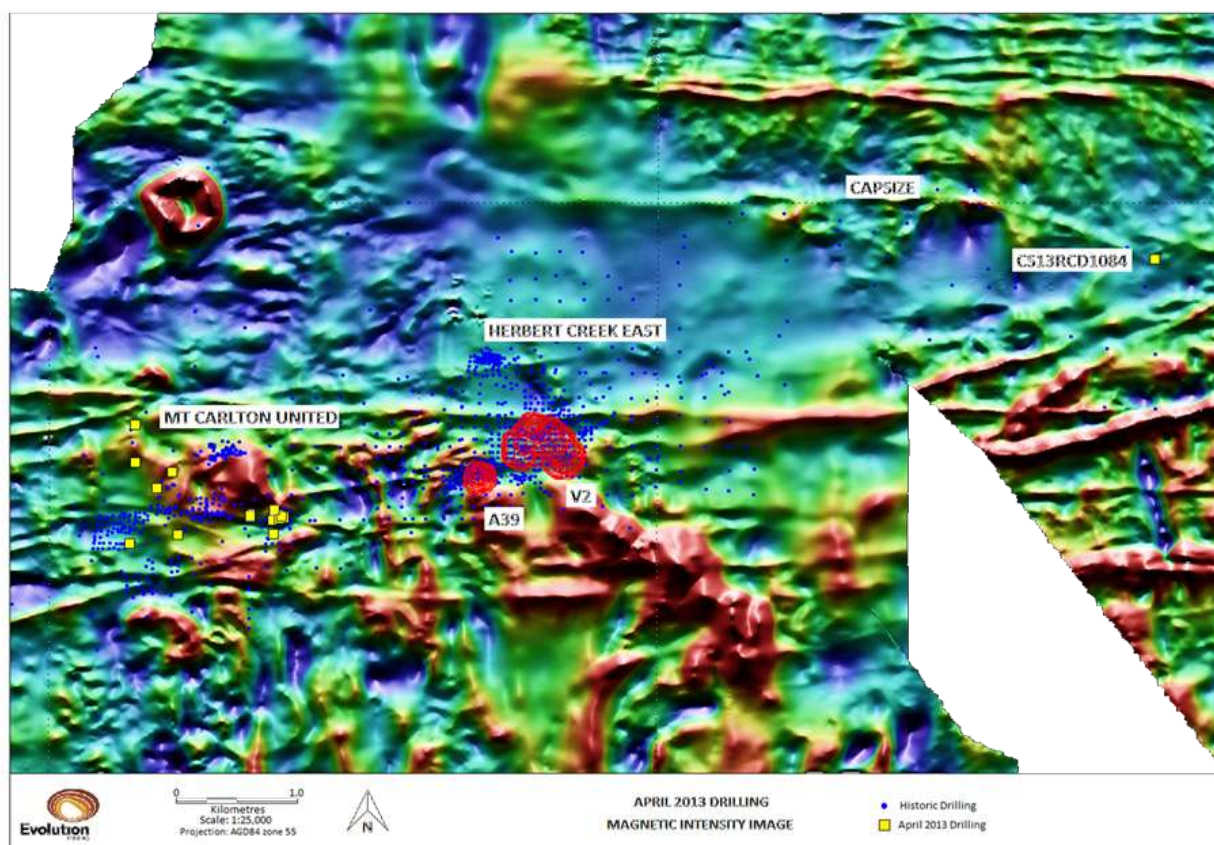


Figure 3 - June 2013 Quarter Drilling

Mt Rawdon, Queensland

At Mt Rawdon, an in-house review to evaluate and rank the regional potential for standalone and supplementary discoveries was completed during the quarter. This work highlighted a number of encouraging opportunities.

Compilation and interpretation of various historic and recent datasets from the Mt Shamrock Project area commenced during the quarter. Several key target areas were identified for detailed geological mapping, geophysics and geochemical programs. A new exploration hub was established in Biggenden to facilitate the upcoming work.

Edna May, Western Australia

A detailed data integration and review exercise over the Holleton and Westonia tenements was initiated during the quarter. The exercise involved digitisation and validation of historic data, reprocessing and interpretation of regional geophysics and geochemistry, and a compilation of regional geology and structural interpretations. This work will provide the framework for a systematic ranking of targets. Drilling of the highest ranked targets and rationalisation of the current tenement holding is expected to commence in the December 2013 quarter.

FY14 Discovery Budget

Evolution has a highly prospective tenement holding of over 6,750km² centred on its operations – all located in proven multi-million ounce geological regions. Recent exploration has been successful in replacing mined reserves and discovering a number of new mineralised epithermal veins at Pajingo and Cracow. Discovery expenditure is expected to reduce from the A\$28 million budgeted in FY13 to approximately A\$20 million in FY14, with exploration in the first half of FY14 focussed on integrating the extensive geochemical and geophysical databases at Pajingo, Cracow and Mt Carlton to better target exploration drilling planned for the second half of the year. The focus for exploration in FY14 is on transformational discovery as compared to the focus in prior years on reserve replacement.

CORPORATE

Financial Performance

Revenue from operations of A\$148.9 million was delivered from gold sales of 98,403oz at an average price of A\$1,494/oz and 81,211oz of by-product silver at A\$22.80/oz. This quarter also saw A\$7.1 million generated from Mt Carlton with the sale of 302,639oz of payable silver in concentrate from the A39 deposit at a provisional price of A\$23.32/oz.

A total of 68% of gold sales in the quarter were delivered into the Company's gold hedge book at an average price of A\$1,527/oz, with the remainder delivered on spot markets at an average price of A\$1,424/oz. The gold hedge book at year end totalled 85,422 ounces. Evolution maintains the flexibility to forward deliver into the hedge book any or all of the remaining ounces. Immediate delivery of all current production into the hedge book would achieve a price of around A\$1,490/oz over a two to three month period.

Group C1 cash costs were A\$76.8 million, or A\$762/oz (A\$918/oz prior quarter). Cash costs during the quarter were similar to the prior quarter (A\$77.3 million) however higher gold production drove unit costs lower. Royalties were an additional A\$8.6 million expense.

The All-in Sustaining Cash Cost for the quarter was A\$1,266/oz, while the All-in Sustaining Cash Cost for the full year was A\$1,228/oz (see 'All-in Sustaining Cash Cost' section).

Total depreciation and amortisation (**D&A**) expense was lower this quarter at A\$340/oz or A\$34.5 million (A\$34.7 million prior quarter), to give a full year expense of A\$369/oz or A\$141.3 million. The lower figure in the June quarter includes an adjustment to H2 D&A to reflect increased reserves and resources from 31 December 2012. With current asset values, future D&A rates should approximate A\$340/oz (see section below on Asset Impairment Review).

Exploration costs in the quarter were A\$4.3 million compared to A\$5.6 million in the prior quarter.

Corporate

Corporate administration cost was A\$6.2 million compared to A\$7.0 million for the prior quarter which was in line with plan.

Corporate debt under the Company's revolving credit facility at year end was A\$126.8 million with available credit of A\$73.2 million.

Cash Flow

Cash in bank at year end was A\$13.7 million (A\$7.4 million at 31 Mar 2013). Cash inflow in the quarter was A\$84.2 million consisting of inflow from operating activities of A\$64.2 million and from debt draw down of A\$20.0 million in April.

Cash outflow in the quarter was A\$79.0 million consisting of A\$80.9 million capital expenditure (of which A\$22.1 million related to Mt Carlton project construction, commissioning costs, mine development and sustaining capital), exploration of A\$4.3 million, corporate A\$6.2 million, interest A\$2.5 million and a A\$14.9 inflow due to a decrease in working capital (primarily due to a net increase in creditors).

Capital Expenditure

Total capital expenditure in the quarter was A\$80.9 million. A total of A\$58.8 million was invested at existing operations and A\$22.1 million invested at Mt Carlton. Of the A\$22.1 million at Mt Carlton, A\$0.6 million related to project construction, A\$7.4 million of advanced stripping on the V2 orebody, A\$1.4 million of sustaining capital and A\$12.7 million on project commissioning. No further commissioning costs are planned as Mt Carlton has satisfied a range of operating and financial indicators and will be treated as a commercial operation from 1 July 2013.

A further A\$4.3 million was invested in exploration.

All-in Sustaining Cash Costs

Evolution's All-in Sustaining Cash Cost estimate uses the following definition: "All-in Sustaining 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. Evolution plans to report against the World Gold Council Guidance Note on All-in Sustaining Costs and All-in Costs from the September quarter.

All-in Sustaining Cash Cost for the June 2013 quarter was A\$1,266/oz.

All-in Sustaining Cash Cost June 2013 Quarter

June 2013 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Group
C1 Cash Cost	A\$/oz	928	830	1,017	468	762
Royalty	A\$/oz	107	83	65	82	85
Sustaining Capex	A\$/oz	536	528	82	179	325
General & Admin	A\$/oz	65	66	83	44	61
Exploration Expense	A\$/oz	51	76	12	3	33
All-in Sustaining Cash Cost	A\$/oz	1,687	1,583	1,259	776	1,266

All-in Cash Cost for FY13 was A\$1,228/oz.

All-in Sustaining Cash Cost Summary FY13

July 2012 to June 2013	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Group
C1 Cash Cost	A\$/oz	867	807	900	613	790
Royalty	A\$/oz	87	80	70	80	80
Sustaining Capex	A\$/oz	345	414	103	122	244
General & Admin	A\$/oz	60	72	71	58	65
Exploration Expense	A\$/oz	86	87	18	9	50
All-in Sustaining Cash Cost	A\$/oz	1,446	1,461	1,163	882	1,228

Asset Impairment Review

Accounting standards require an entity to assess at each reporting date whether there is an indication that an asset book value may be impaired. Where the indicators are present, a full review of the recoverable amount of the assets at the cash generating unit (CGU) level is required. Any excess of asset book value at the reporting period, over the recoverable value, is written down.

A review of recoverability of Evolution's asset values including goodwill is in progress in accordance with accounting standards. Based on findings of the review to date, an impairment of mine and exploration assets and goodwill in the order of A\$350 to A\$400 million is likely. This would reduce the book value of mine assets (mine property, exploration and PP&E) and goodwill at 30 June 2013 from A\$1,260 million to between \$860 million and A\$910 million. This impairment effectively reverses the fair value uplift of A\$340 million that was applied to assets in late 2011 following the formation of Evolution.

The impairment is a non cash item and therefore has no impact on the Company's cash position. The written down asset values do not create any concern with regards to conditions around the Company's debt facility.

Details of the finalised impairment review will be provided with the full year financial results.

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 **11am Australian Eastern Standard Time ("AEST") on Monday 29 July 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. The live conference call will commence at 11am Australian Eastern Standard Time ("AEST") on Monday 29 July 2013. The audio stream is 'listen only' and 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

Monday, 29 July 2013, 11am (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.

Pajingo Drill Results – Moonlight / Lynne Vein System

Hole	Hole Type	Northing MGA (m)	Easting MGA (m)	Total Depth (m)	Dip	Azi MGA	From (m)	Interval (m)	Au (g/t)	Ag (g/t)
JMRD3923A	Core	445615.8	7725348	570.2	-65	223	545.2	1.3	2.49	3.30
JMRD3926	Core	445861.8	7725068	492.6	-68	225	429.1	1.4	4.28	-
							440.0	4.0	2.43	-
							457.0	3.0	2.35	-
JMRD3927	Core	445494.8	7724922	558.2	-68	10	523.3	6.7	4.23	0.46
including							524.0	1.0	12.7	6.88
							528.0	1.0	6.09	3.70
JMRD3929	Core	445609.8	7725281	492.3	-66	221	408.0	3.3	2.22	0.92
and							477.0	1.0	8.96	1.90
JMRD3929A	Core	445606.0	7725273	599.9	-71	221	480.5	4.5	11.07	22.39
Including							480.5	2.5	17.30	61.50
and							570.0	0.5	18.50	19.00
and							573.0	4.0	3.67	2.28
Including							576.0	1.0	7.06	3.60
JMRD3930	Core	445765.4	7725159	567.8	-64	225	398.4	3.6	8.40	9.06
including							398.4	0.6	15.00	10.70
							400.5	0.5	13.70	10.90
JMRD3932	Core	445394.8	7725084	453.0	-67	8	416.2	2.3	16.50	6.40
including							417.5	0.5	106.00	50.50
JMRD3934	Core	445395.8	7725088	457.3	-65	0	342.8	3.2	4.84	-
							401.0	13.5	2.46	-
including							401.9	2.1	6.63	-
JMRD3935	Core	445761.4	7725079	534.1	-69	217	379.0	7.0	4.12	-
including							379.6	1.0	10.40	-
and							385.0	1.0	11.60	-
							403.0	21.0	2.25	-
including							419.8	1.0	8.03	-
							462.5	19.8	2.92	-
including							469.8	3.3	9.07	-

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.

	Name of Competent Person	Institute
Cracow Resource Definition and Exploration Results	Shane Pike	Australasian Institute of Mining and Metallurgy
Pajingo Exploration Results	Brentan Grant	Australian Institute of Geoscientists
Pajingo Resource Definition Results	Calvin Ferguson	Australasian Institute of Mining and Metallurgy
Edna May Resource Definition and Exploration Results	Greg Rawlinson	Australasian Institute of Mining and Metallurgy
Mt Carlton Exploration Results	David Hewitt	Australian Institute of Geoscientists
Mt Rawdon Exploration Results	Craig Bosel	Australasian Institute of Mining and Metallurgy

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

Aleida White
FTI - Media Relations
Tel: (612) 8298 6100

Internet Address

www.evolutionmining.com.au

Registered and Principal Office

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

Stock Exchange Listing

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

Issued Share Capital

At 30 June 2013 issued share capital was
708,092,989 ordinary shares