Quarterly Report

For the period ending 30 September 2013

Highlights

- Safety performance improved significantly over a 15 month period following implementation of the Group-wide safety strategy and targeted improvement plan
- Group quarterly production of 107,195 ounces of gold at an average cash cost of A$769 per ounce and AISC[1] of A$1,091 per ounce – again achieving guidance
- An excellent result from the first quarter of production from the V2 gold deposit at Mt Carlton – 18,904 ounces of gold equivalent[2] produced at a cash cost of only A$578 per ounce and AISC[1] of A$842 per ounce. Commercial production declared as at 1 July 2013. Ramp-up continues to progress well
- Productivity and efficiency initiatives impacting meaningfully on cash flow – total site costs (including capital) in September quarter were 6.8% less than June 2013 quarter
- Significant cost reductions achieved at Cracow following move to owner-miner with unit mining costs reduced to below A$100 per tonne from an average rate in FY13 of A$121 per tonne
- No change to FY14 production and cost guidance of 400,000 to 450,000 ounces gold equivalent at cash operating costs in the range of A$770 to A$820 per ounce and AISC[1] of A$1,080 to A$1,130 per ounce
- Group production for the December 2013 quarter is forecast to be in excess of 100,000 gold equivalent ounces
- 4D exploration studies advanced with initial interpretation of newly acquired high-resolution 2D seismic data showing correlation of imaged sub-vertical fault structures with some of the known fault systems that host epithermal mineralisation at Pajingo and Cracow
- Hedge book volume increased to 225,684 ounces at A$1,590 per ounce. The objective of the additional hedging is to underpin the projected returns from the Edna May gold mine and ensure that the mine not only generates sufficient cash flow to self-fund all of its near-term capital expenditure but also provides an appropriate return on the capital commitment
- Cash in bank at quarter end was A$3.7 million. In addition, the Group held unsold Mt Carlton concentrate (gold of 7,491oz, silver of 52,516oz and copper of 338t payable) with a market value of A$14.5 million and unsold gold doré with a market value of A$8.7 million. Corporate debt under the Company's revolving credit facility remained unchanged during the quarter at A$126.8 million with available credit of A$73.2 million

1. AISC (All-in sustaining costs) includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration
2. Includes 18,018 ounces of gold produced from V2 in September quarter 2013 and an additional 886 ounces of gold equivalent from A39 as a reconciliation entry from June quarter 2013

Evolution MINING

SEPTEMBER 2013 QUARTER RESULT

Group safety performance has seen a sustained improvement over the last 15 months following implementation of the Group wide safety strategy and targeted improvement plan. In the quarter, the LTIFR reduced to 2.9 and TRIFR reduced to 17.1 (Jun 2013 qtr: LTIFR 3.7 and TRIFR 19.9).

Group gold production of 107,195oz was delivered at an average C1 cash cost of A$769/oz and an All-in Sustaining Cost of A$1,091/oz (Jun 2013 qtr: a record 112,559oz, C1 cost A$762/oz, AISC A$1,266/oz).

This result was above production guidance for the quarter of 100,000oz and was driven by a strong performance from Mt Carlton of 18,904oz of payable gold with significant silver and copper by-product credits. Production from the other operations was consistent with expectations.

The average Group cash cost for the quarter was below FY14 guidance and in-line with the previous quarter. The Group AISC decreased by 14% and total site costs reduced by 6.8% compared to the previous quarter, following the launch of productivity and efficiency improvements across all operations. Cost reduction activities during the quarter included:

- Reduced underground development at Cracow and Pajingo
- Reduced waste movement at all open pits
- Full transition to owner-miner at Cracow
- Ongoing contract negotiations with suppliers
- Ongoing salary freeze

Group production for the December 2013 quarter is forecast to be in excess of 100,000 gold equivalent ounces.

With five operations in production, delivering operational stability and predictability and successful cost reduction initiatives, Evolution reiterates FY14 production guidance of 400,000 – 450,000 ounces with cash operating costs in the range of A$770 to A$820/oz (equivalent to US$705 – US$750 per ounce at the average AUD:USD exchange rate for the quarter of $0.9165).

Consolidated Production and Sales Summary

	Units	Sep Quarter 2013	Jun Quarter 2013	Mar Quarter 2013
Gold produced[1]	oz	**107,195**	**112,559**	**84,251**
By-product silver produced	oz	234,259	81,211	62,024
C1 Cash Cost[2]	A$/oz	**769**	**762**	**918**
C3 Total Cost[3]	A$/oz	1,146	1,366	1,427
Gold sold	oz	97,211	98,403	84,357
Achieved gold price	A$/oz	1,475	1,494	1,573
Silver sold	oz	670,530	383,851	62,024
Achieved silver price	A$/oz	22	23	29
All-in Sustaining Cost[4]	A$/oz	**1,091**	**1,266**	**-**

1. Mt Carlton gold production recorded as *payable* gold production. Silver production from the A39 silver deposit at Mt Carlton is recorded as gold equivalent using a gold to silver ratio of 1:61.7 for June quarter 2013 and 1:65.2 for September quarter 2013
2. Before royalties and after by-product credits
3. Includes C1 cash costs, depreciation, amortisation, royalties and other expenses
4. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration. March entry omitted as this methodology of reporting commenced in the June quarter 2013

OPERATIONS

Cracow, Queensland (100%)

The Cracow operation recorded one LTI during the quarter. The 12 month moving average LTIFR was stable at 1.4 and the TRIFR was stable at 25.3 (Jun 2013 qtr: LTIFR 1.3 and TRIFR 25.2).

September quarter production was 23,352oz of gold at a cash cost of A$761/oz and AISC of A$1,085/oz. This compares with the June quarter production of 23,663oz. September quarter cost reductions were significant when compared to the prior quarter; cash cost decreased 18% and AISC decreased 36% (Jun 2013 qtr: C1 A$928/oz, AISC A$1,687/oz) – largely due to full transition to owner-miner as of 1 July 2013 and reduced underground development.

A total of 133,762t of ore (Jun 2013 qtr: 124,037t) was mined at an average grade of 6.07g/t Au (5.77g/t Au). The primary ore source continued to be the Crown, Kilkenny and Tipperary orebodies with Roses Pride being brought into full production during the quarter.

Underground development of 1,454m (Jun 2013 qtr: 2,008m) was completed, comprised of 1,029m of operating development and 426m of capital development. Development slowed, as planned, due to the decommissioning of one development jumbo in-line with cost reduction measures. Roses Pride development was completed, providing Cracow with an entirely new mining area ready for production.

A total of 129,165t of ore was processed at an average grade of 6.01g/t Au. Plant utilisation was 92.1% (Jun 2013 qtr: 98.0%) and gold recovery was 93.5% (Jun 2013 qtr: 93.0%). Throughput was down for the quarter due to a planned four-day shutdown.

Pajingo, Queensland (100%)

The Pajingo operation achieved a commendable LTI and recordable injury-free quarter, with a slight lift in the 12-month moving average LTIFR due only to lower worked hours. The TRIFR reduced to 23.7 (Jun 2013 qtr: LTIFR 2.7 and TRIFR 25.1).

September quarter production was 16,858oz of gold, compared to the June quarter production of 23,367oz. Cash costs increased to A$998/oz however AISC decreased by 10% to A$1,435/oz (Jun 2013 qtr: C1 A$830/oz, AISC A$1,583/oz) due to lower capital expenditure. A decrease in production was the result of a reduction in tonnes treated due to a shift to campaign milling during the quarter and a reduction in grade due to the processing of lower grade open-pit ore stockpiles.

Underground ore mined for the quarter totalled 80,078t grading 5.76g/t Au and was sourced from Sonia, Eva, Faith, Veracity and Zed West. To optimise the stope extraction sequence of the high-grade Sonia orebody, mining has paused to complete geotechnical modelling and is anticipated to recommence in the December quarter. Pleasingly, the underground mined grade increased by 22% relative to the June quarter despite deferral of mining at Sonia.

Total underground development for the quarter was 1,589m (June 2013 qtr: 1,442m) comprising 758m of capital development and 831m of operating development. No open pit mining occurred during the quarter.

Ore treated reduced to 152,943t grading 3.58g/t Au at 95.8% gold recovery (Jun 2013 qtr: 187,565t grading 4.07g/t Au, 95.1% gold recovery). The difference in processed tonnes versus mined tonnes was due to a drawdown on the open pit stockpiles. During the quarter the plant was restructured to match the processing requirements for campaign milling of the underground material, one month ahead of schedule. The mill now operates for four days a week, effectively matching the underground operations. To date no impact on recovery has been evident as a result of campaign milling and the changes have resulted in a leaner processing operation.

It is envisaged that the December quarter will start to demonstrate the effects of an improved cost base following changes in mining and milling and the optimisation of mine planning and operations work.

Edna May, Western Australia (100%)

The Edna May operation was LTI free during the quarter; the 12 month moving average LTIFR decreased to 1.79 (Jun 2013 qtr: 5.0) and TRIFR lowered to 9.0 (Jun 2013 qtr: 16.9).

Edna May produced 19,869oz of gold, a 6% increase compared to the June quarter production of 18,671oz. Cash costs decreased by 10% to A$915/oz and AISC decreased by 4% to A$1,209/oz (Jun 2013 qtr: C1 A$1,017/oz, AISC A$1,259/oz). Cost reductions were the result of reduced operating waste movement, lower processing costs (unit rate and volume) and lower stockpile adjustments.

Total material movement for the quarter was significantly reduced, as planned, following the move to mining on day-shift only during FY14. Material movement totalled 1,648,000t comprising 706,000t of ore at 1.08g/t Au and 942,000t of waste (June 2013 qtr: 2,372,000t comprising 707,000t of ore at 0.94g/t Au and 1,665,000t of waste).

A total of 574,910t of ore was treated at an average grade of 1.14g/t Au and gold recovery of 94.4% (June 2013 qtr: 628,867t at 1.01g/t Au, 91.7% gold recovery). Throughput was impacted by the temporary failure of the pebble crusher in September. The improved recovery and higher grades are anticipated to be maintained in the December quarter.

Edna May open pit at 30 September 2013: Stage 1 (base of pit) and Stage 2 (surface)

Mt Rawdon, Queensland (100%)

The Mt Rawdon operation was LTI free during the quarter. The 12 month moving average LTIFR remained stable at 1.4 (Jun 2013 qtr: 1.4). The TRIFR decreased to 19.3 (Jun 2013 qtr: 24.2) with only one recordable injury during the quarter.

Gold production of 28,213oz was achieved in the September quarter at a cash cost of A$663/oz and AISC of A$857/oz. This compares with the June quarter production record of 35,165oz of gold produced at a cash cost of A$468/oz and AISC of A$776/oz.

Ore feed to the mill consisted predominantly of higher-grade ore from the Stage 2 pit floor. The mill operated for 98.0% of total hours with three planned inspection shutdowns being the only major downtime for the quarter.

Total material movement for the quarter was 3,880,673t, comprising 598,309t of ore at 1.19g/t Au and 3,282,364t of waste (Jun 2013 qtr: 4,481,422t total, 1,175,212t ore at 1.18g/t Au and 3,306,209t of waste). Total waste mined comprised 3,193,526t of capital waste and 88,837t of operating waste. Total material movement was lower than the June quarter reflecting the revised stripping profile budgeted for this financial year.

A total of 904,811t of ore graded at 1.05g/t Au was treated in the quarter (Jun 2013 qtr: 878,362t at 1.35g/t Au). Average throughput for the quarter was 9,834tpd (Jun 2013 qtr: 9,652tpd) with a reliance on processing stockpiled ore.

Production in the December quarter will decrease slightly from the September quarter due to a major (100 hour) planned shutdown which has been successfully completed in October. Preparations are well advanced for the upcoming wet season with the Stage 3 cutback planned to expose consistent ore feed quantities thus lowering dependence on the pit floor ore sources. Work is also planned to commence during the December quarter on the establishment of the new Western waste dump to reduce waste haulage distance.

Mt Rawdon open pit at 30 September 2013

Mt Carlton, Queensland (100%)

The Mt Carlton operation incurred one LTI during the quarter. The 12 month moving average LTIFR was stable at 8.4 (Jun 2013 qtr: 8.2) and TRIFR reduced to 15.4 (Jun 2013 qtr: 16.1).

September quarter production was 18,904oz gold, 230,878oz silver contained in 11,966dmt of concentrate. Gold recovery averaged 85% and achieved an average concentrate grade significantly above specification.

Mt Carlton achieved a cash cost of A$578/oz and AISC of A$842/oz in its first quarter of production from the V2 gold deposit. Unit costs were positively impacted by better than anticipated by-product credits from silver and copper. Unit costs are expected to be higher in the December quarter as processing moves back to ore from the A39 silver deposit (V2 and A39 deposits are processed on alternate quarters). Cost reduction strategies at Mt Carlton are focused on material selection and procurement, processing efficiencies and service strategies.

Total material movement for the quarter from the V2 open pit was 1,960,558t, comprising 210,688t of ore and 1,749,870t of waste. Total waste mined comprised 532,238t of capital waste and 1,217,632t of operating waste. No mining took place in the A39 pit during the September quarter however mining has subsequently commenced on the second campaign of A39 silver ore, which will be processed during the December quarter.

A total of 170,509t of V2 ore grading 4.90g/t Au was treated during the quarter. Average throughput for the quarter was 1,848tpd as ramp-up continued, with design hourly rate of 100tph achieved at times in September. Plant utilisation was 91.3% for the quarter with 93.9% achieved in September. Full production is anticipated in the December 2013 quarter. Both A39 and V2 pits are performing to expectation with excellent grade control to plant reconciliation.

Concentrate shipments for the September quarter was 12,524t, consisting of both A39 and V2 material. There was a total of 5,579wmt across three shipments of A39 concentrate. A total of 8,010wmt of V2 concentrate was dispatched across four shipments. Both A39 and V2 concentrates have been successfully treated by both off-take customers.

Wet weather preparations have commenced at Mt Carlton ahead of the upcoming wet season.

September 2013 Quarter Production

September 2013 Quarter	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Total / Average
UG lateral development - capital	m	426	758	-	-	-	1,183
UG development - operating	m	1,029	831	-	-	-	1,860
Total UG lateral development	m	1,454	1,589	-	-	-	3,043
UG ore mined	kt	134	80	-	-	-	214
UG grade mined	g/t	6.07	5.76	-	-	-	5.96
OP capital waste	kt	-	-	598	3,194	532	4,324
OP operating waste	kt	-	-	344	89	1,218	1,651
OP ore mined	kt	-	-	706	598	211	1,515
OP grade mined	g/t	-	-	1.08	1.19	3.69	1.49
Total ore mined	kt	134	80	706	598	211	1,728
Total tonnes processed	kt	129	153	575	905	171	1,932
Grade processed[1]	g/t	6.01	3.58	1.14	1.05	4.90	1.95
Gold recovery	%	93	96	94	92	85	92
Gold produced[1]	**oz**	**23,352**	**16,858**	**19,869**	**28,213**	**18,904**	**107,195**
By-product silver	oz	14,010	16,529	8,082	22,527	230,878	292,026
By-product copper	t	-	-	-	-	490	490
Gold sold	oz	23,577	18,807	17,861	26,764	10,203	97,211
Achieved gold price	A$/oz	1,477	1,481	1,474	1,476	1,461	1,475
Cost Summary							
Mining	A$/oz	468	373	325	125	403	325
Processing	A$/oz	201	296	527	330	339	335
Administration and selling costs	A$/oz	132	147	114	93	303	151
Stockpile adjustments	A$/oz	(26)	204	(41)	134	(54)	44
By-product credits	A$/oz	(14)	(23)	(10)	(19)	(414)	(86)
C1 Cash Cost	**A$/oz**	**761**	**998**	**915**	**663**	**578**	**769**
Royalties	A$/oz	89	79	55	71	126	83
Other[2]	A$/oz	-	(65)	2	12	(46)	(15)
Depreciation & Amortisation	A$/oz	335	219	203	405	329	310
C3 Total Cost	**A$/oz**	**1,185**	**1,231**	**1,174**	**1,151**	**986**	**1,146**

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 1:65.2 based on the average gold and silver prices during the September 2013 quarter
2. Price related inventory adjustment for stockpiles held at net realisable value

Mt Carlton September 2013 Quarter Production

September 2013 Quarter	Units	A39	V2	Total/Average
Mining				
Capital waste	kt	-	532	532
Operating waste	kt	-	1,218	1,218
Ore mined	kt	-	211	211
Mined Grade - gold	g/t	-	3.69	3.69
Mined Grade - silver	g/t	-	61.22	61.22
Processing				
Ore processed	kt	0.5	170	171
Grade processed - gold	g/t	2.91	4.71	4.70
Grade processed - silver	g/t	4,895	72.07	85.52
Grade processed - gold and gold equivalent[1]	g/t	75.05	4.71	4.90
Gold recovery	%		85	85
Silver recovery	%	100		100
Production				
Concentrate produced	t	649	11,317	11,966
Gold[2]	oz	-	18,018	18,018
Silver[2]	oz	57,766	173,112	230,878
Copper[2]	t	-	490	490
Gold and gold equivalent[1,2]	oz	886	18,018	18,904
Sales				
Concentrate	dmt	5,179	7,345	12,524
Payable gold	oz	-	10,203	10,203
Payable silver	oz	487,956	121,426	609,382
Payable copper	t	-	350	350

1. Gold and gold equivalent is Mt Carlton A39 silver as gold equivalent using gold to silver ratio of 1:65.2
2. Production is equivalent to payable metal

EXPLORATION

Exploration expenditure during the quarter was A$3.8 million. Exploration work focused on analysing the extensive geologic databases at and around each of the operations. At Pajingo, Cracow and Mt Carlton this work forms part of the 4D project work. Drilling was undertaken only at Cracow, where a total of 2,609m was completed from underground. Drilled metres are planned to increase in the December quarter to between 8,000m and 10,000m at near mine targets at Cracow, Pajingo and Mt Carlton.

The 4D projects entail building 3D geologic interpretations and integrating geological time, the fourth dimension, to understand the formation, burial and subsequent erosion of the epithermal porphyry systems in the Bowen and Drummond Basins. As part of this, three high-resolution 2D seismic lines were acquired at both Pajingo (23km) and Cracow (7.5km). Processing of these lines was completed and initial interpretation indicated that sub-vertical fault structures, defined by the offset of shallowly dipping beds, are being imaged and correlate with some of the known fault systems that host epithermal mineralisation at Pajingo and Cracow.

The addition of both experienced and skilled exploration professionals, combined with the development and implementation of a strategy and plan has been key in engaging the Group's exploration teams.

Pajingo, Queensland

Assays from the final diamond hole JMRD3940 from the surface diamond drilling program at Lynne returned 1.6m grading 4.75g/t Au from 400.9m and 6m grading 4.26g/t Au from 404m (including 1m grading 13.6g/t Au). Drilling to define further mineralisation at Lynne, Moonlight and Io will be deferred until interpretation of the seismic is completed and various components of the 4D study are incorporated. It is important to note that this mineralisation falls within a well-defined fault corridor evident in the seismic data.

At Pajingo the 4D models are being built to allow iterative interrogation and testing of target concepts. Key datasets include potential field data, seismic data, structural elements maps, alteration, geochemistry, vein textures, sequence stratigraphy, and resource models.

It is anticipated that drilling to test for new vein systems interpreted from recently acquired seismic data will commence in the December quarter. This forms part of a proof of concept for defining associated vein and fault systems on the seismic.

HiSeis seismic survey vehicles at Pajingo

Cracow, Queensland

Exploration drilling commenced in July and targeted extensions to the Denmead and Empire North lodes. It is anticipated that drilling to test for new vein systems interpreted from recently acquired 2D seismic data will commence in the December quarter. Consideration is being given to undertaking a 3D seismic survey immediately after the drilling program has been completed.

Mt Carlton, Queensland

During the quarter, exploration work included regional mapping, soil and rock sampling and the collection of approximately 9,000 short-wave infrared spectra readings from drill core and rock samples using an Analytical Spectral Device spectrometer to identify gold related alteration minerals.

At the Ortiz Prospect, additional rock chip assays show gold grades consistently over 3g/t associated with well-developed coliform banded quartz veining. The best rock chip grades range between 10g/t and 48g/t Au with associated silver grades between 40g/t and 2,200g/t Ag, from a 100m long quartz vein in the south of the prospect area.

Regional work programs have focused on commencement of a 4D study, which aims to define the time constrained structural architecture and controls on mineralisation in the Mt Carlton tenement area. This work will form the basis of targeting and ranking for drill programs in the second half of the year. It is anticipated that drilling will commence in the December quarter on a target close to the eastern extent of the Capsize Trend.

Mt Rawdon, Queensland

Work continued on the regional tenements. This included re-evaluation of the Mt Shamrock prospect where it was concluded that there was limited potential for economic mineralisation. A MIMDAS (deep IP) geophysical survey southwest of the Mt Rawdon pit was completed.

A recent review of gold distribution at Mt Rawdon established that economic mineralisation extends into the dacite intrusive. This, coupled with higher grades being intersected in the deeper resource definition drilling, has prompted a re-evaluation of the mineralisation model. A pilot study has commenced to determine the relationship between alteration intensity, alteration mineral assemblage and gold mineralisation.

Edna May, Western Australia

A detailed data integration and review exercise over the Holleton and Westonia tenements was completed during the quarter. Drilling of the three highest ranked targets in the Westonia belt is expected to commence in the December quarter.

CORPORATE

During the quarter Mr Peter Smith resigned as a Non-Executive Director of the Company and Mr Colin (Cobb) Johnstone has been appointed as a Non-Executive Director of the Company.

Mr Smith had served on the Board since the formation of Evolution in November 2011. Mr Smith resigned to pursue other business interests following his departure from Newcrest Mining.

Mr Johnstone was formerly Vice-President of Operations and Chief Operating Officer at Equinox Minerals Limited, prior to the acquisition by Barrick Gold Corporation. Prior to that role, Mr Johnstone was Chief Operating Officer of Sino Gold Mining Limited. Mr Johnstone is an experienced mining engineer with a career spanning more than 30 years. He has served as General Manager at some of Australia's largest mines including the Kalgoorlie Super Pit in Western Australia, the Olympic Dam Mine in South Australia and the Northparkes Mine in New South Wales.

Dividend and Dividend Re-investment plan

During the quarter, the Board agreed to pay a dividend of 1 cent per share payable in Australian dollars. The dividend payment is based on Evolution's dividend of, whenever possible, paying a dividend equal to the value of 2% of Evolution's gold equivalent production. Noting however that in this case, the dividend amount of A$7.1 million equates to slightly higher than 2% of Evolution's gold equivalent production in the six months to 30 June 2013.

In relation to Evolution's dividend policy, the Board has approved the implementation of a Dividend Reinvestment Plan ("DRP"). The DRP allows shareholders to re-invest all or part of any dividend paid on their Shares in additional Shares instead of receiving the dividend in cash. Participation in the DRP is entirely optional. The DRP is administered in accordance with the DRP Rules provided on the Company's website.

Financial Performance

Quarterly revenue increased to A$161 million with the introduction of sales from the Mt Carlton operation. Revenue from the sale of gold doré was A$130 million, with revenue from the sale of Mt Carlton concentrate of A$31 million.

The Group achieved gold sales of 97,211oz at an average price of A$1,475/oz (which includes 10,203oz of gold in V2 concentrate at a provisional price of A$1,461/oz). The group also achieved silver sales of 670,530oz at an average price of A$22.26/oz (which includes 487,956oz in A39 concentrate, being equivalent to 7,451oz gold, at a provisional price of A$21.92/oz, 121,425oz in V2 concentrate at a provisional price of A$23.11/oz and 61,148oz of other silver by-product sales). Copper sales in V2 concentrate were 350t at a provisional price of A$7,620/t.

This quarter marks the successful start of commercial production at Mt Carlton. The site delivered revenue of A$31.1 million consisting of A$14.9 million from the sale of 10,203oz of gold from V2 concentrate, A$10.7 million of revenue generated from the sale of 487,956oz of silver from A39 concentrate, and A$5.5 million from by-product silver and copper proceeds from V2 concentrate. The site delivered operating cash flow of A$8.9 million and at quarter end had built unsold V2 concentrate inventory of A$13.2 million.

Increased sales in the quarter from Mt Carlton resulted in increased receivables and inventory, which will convert to cash as sales contracts settle in the December quarter. Mt Carlton concentrate inventory at quarter end had a market value of approximately A$14 million and Mt Carlton receivables increased by A$9.2 million to A$10 million at quarter end.

A total of 16,018oz or 16.5% of gold sales in the quarter was delivered into the Company's gold hedge book at an average price of A$1,505/oz, with the remainder delivered on spot markets at an average price of A$1,469/oz.

During the quarter the Company forward sold 156,281oz of gold at an average price of A$1,598/oz with scheduled deliveries out to 30 June 2016 (see ASX Announcement dated 2 September 2013). The objective of the additional hedging is to underpin the projected returns from the Company's Edna May gold mine and ensure that the mine not only generates sufficient cash flow to self-fund all of its near-term capital expenditure but also provides an appropriate return on the capital commitment. The sharp fall in the gold price experienced in April this year necessitated a Company-wide review of capital expenditure and all planning for FY14 was based on a spot gold price assumption of A$1,400/oz. At Edna May the open pit mining schedule was modified to improve the capital expenditure profile in FY14 and non-critical capital projects were suspended. Resuming open pit waste mining deferred in FY14, scheduled to recommence in FY15, was dependent on a gold price of at least A$1,500/oz. The gold price achieved by the hedge program now ensures that deferred capital expenditure can be recommenced in FY15 and is planned to achieve an appropriate rate of return.

With the additional hedging, the Group's total gold hedge book at quarter end was 225,684 ounces at an average price of A$1,590/oz. Evolution now has gold hedging over approximately 85% of the expected gold production from Edna May and less than 20% of Evolution's total expected gold production out to FY16. The hedge is priced in Australian dollars to match Evolution's cost base and debt denomination.

Group C1 cash operating costs were A$82.4 million, or A$769/oz (A$762/oz prior quarter) with royalties being an additional A$8.9 million expense. Site performances were strong at Mt Carlton, Mt Rawdon and Cracow and offset reduced throughput at Edna May and reduced gold grades at Pajingo.

The first full quarter of owner-mining at Cracow has delivered an excellent result with unit mining costs reduced to below A$100/t from an average rate in FY13 of A$121/t. Total site mining cost (including all mine capital development) reduced by 36% in the September quarter relative to the average quarterly performance achieved in FY13. This is a result of less mine development activity (one jumbo removed as part of the FY14 approved budget) and greatly enhanced cost control which the change in operating strategy has delivered.

Total depreciation and amortisation expense was lower this quarter at A$310/oz or A$33.2 million (A$34.5 million prior quarter). Exploration costs in the quarter were A$3.8 million, compared to A$4.3 million for the prior quarter.

Corporate

Corporate administration cost was A$3.8 million and was lower than budget largely due to a reduction in planned employee bonus amounts as a reflection of the subdued gold price.

Corporate debt under the Company's revolving credit facility remained at A$126.8 million with available credit of A$73.2 million. The solid operating performance delayed the requirement for the planned A$15 million drawdown of debt which was rescheduled to early October.

Cash Flow

Cash in bank at quarter end was A$3.7 million (A$13.7 million at 30 June 2013). In addition, the Group held unsold Mt Carlton concentrate (gold of 7,491oz, silver of 52,516oz and copper of 338t payable) with a market value of A$14.5 million and unsold gold doré with a market value of A$8.7 million.

Strong mine performance and reduced corporate overhead during the quarter delivered an improved cash flow result which delayed the planned debt drawdown into the December quarter. Corporate debt under the revolving credit facility remained unchanged during the quarter at A$126.8 million with available credit of A$73.2 million.

Operating cash inflow in the quarter from operating activities was A$65.2 million, with all sites delivering positive contribution before capital expenditure at the current lower gold price.

Cash outflow in the quarter (before financing activity) was A$54.9 million, consisting of A$47.3 million capital expenditure (mine development and sustaining capital), exploration of A$3.8 million and corporate general and administration costs of A$3.8 million.

Financing cash outflow in the quarter was A$20.2 million, consisting of interest A$3.0 million, dividend payment of A$7.1 million (1 cent per share final dividend paid) and A$10.1 outflow due to an increase in working capital (primarily due to a A$6.6 million increase in receivables and a A$2.9 million decrease in creditors at quarter end).

Capital Expenditure

Total capital expenditure in the quarter was A$47.3 million, with 60% invested in mine development. Major project expenditure at Mt Rawdon was a large contributor with waste stripping capital of A$15.7 million. Capital expenditure is planned to be approximately A$50 million in the December quarter before reducing in the second half of FY14 to deliver the planned and unchanged total capital spend of A$160 million to A$185 million.

All-in Costs

Group All-in Sustaining Cost was A$1,091/oz (US$1,000/oz) and Group All-in Cost was A$1,363/oz (US$1,249/oz). US$ costs are quoted using the average AUD:USD exchange rate for the quarter of 0.9165.

All-in Sustaining Cost September 2013 Quarter

	Units	Cracow	Pajingo	Edna May	Mt Rawdon	Mt Carlton	Group
C1 Cash Cost	A$/oz	761	998	915	663	578	769
Royalty	A$/oz	89	79	55	71	126	83
Sustaining Capex	A$/oz	236	358	240	124	139	204
Administration costs	A$/oz	-	-	-	-	-	35
All-in Sustaining Cost	**A$/oz**	**1,085**	**1,435**	**1,209**	**857**	**842**	**1,091**
Major project capital	A$/oz	39	116	198	558	152	237
Discovery	A$/oz	-	-	-	-	-	35
All-in Cost	**A$/oz**	**1,124**	**1,551**	**1,407**	**1,416**	**994**	**1,363**

Note: The gold industry, guided by the World Gold Council, is moving towards defining a consistent, industry-wide standard of "All-in Sustaining Cost" or AISC to capture and reflect additional costs not captured by C1 cost reporting. In anticipation of this move, Evolution has reported AISC using the following definition: AISC includes C1 cash cost, plus royalty expense, plus sustaining capital expense, plus general corporate and administration expenses. Growth capital, or major project capital, and Discovery spend is excluded from AISC 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 **11.00am Australian Eastern Daylight Time ("AEDT") on Monday 28 October 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 11.00am AEDT on Monday 28 October 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, 28 October 2013, 11.00am (AEDT) – 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)
JMRD3940	Core	7725224.5	445213.8	450.1	-63	60	400.9	1.6	4.75	0.48
							404.0	6.0	4.26	2.05
including							404.0	1.0	13.6	6.70

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
Pajingo Exploration Results	Brentan Grant	Australian Institute of Geoscientists
Mt Carlton Exploration Results	David Hewitt	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
Colin (Cobb) Johnstone	Non-Executive Director

Company Secretary

Evan Elstein

Investor Enquiries

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

Media Enquiries

Michael Vaughan
Cannings Purple
Tel: (618) 6314 6300

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 September 2013 issued share capital was 708,652,367 ordinary shares