

# Quarterly Results

September 2015



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### Forward looking statements

- These materials prepared by Evolution Mining Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.
- Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.
- Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.
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# September 2015 quarter highlights



## *Addition of Cowal and Mungari significantly increases production at substantially lower average cost*

- Transformational quarter – record quarterly Group gold production of **174,169 ounces** (attributable) achieved at an average C1 cash cost of **A\$631** per ounce (US\$458/oz)<sup>1</sup> and AISC<sup>2</sup> of **A\$882** per ounce (US\$640/oz)
- Standout performance from Cowal with 46,419 ounces (attributable) from 69 days of ownership at a C1 cash cost of A\$415/oz (US\$301/oz) and AISC of A\$524/oz (US\$380/oz). Strong cash generation from Mungari with net mine cash flow of A\$19.0 million from just 37 days of ownership

## *Strong financial position*

- Record quarter net mine cash flow of **A\$105.0 million** – an increase of 154% quarter on quarter
- Early repayment of **A\$77.0 million** into the Senior Secured Revolving Syndicated Facility reduced Group debt to A\$530.0 million and net debt to A\$481.8 million – gearing falls to a manageable 23% as at 30 September 2015

## *Increasing mineral inventory*

- Cowal Ore Reserve estimate increased by 40% to 2.18 million ounces gold<sup>3</sup> and Mineral Resource estimate increased by 48% to 5.09 million ounces gold<sup>3</sup> inclusive of Ore Reserves

## *Discovery success*

- Mauretania gold and copper discovery at Tennant Creek JV with Emmerson Resources (ASX:ERM): **30m grading 3.22g/t gold** from 57m and **24m grading 1.07% copper from 78m** in maiden drill program
- Broad, high-grade intersections returned at Cowal from resource definition drilling at Regal and Galway including: **73m (25m<sup>4</sup>) grading 4.79g/t gold** from 207m (E46D3238), and **50m (17m<sup>4</sup>) grading 5.28g/t gold** from 90m (1535DD24)

## *Growing asset portfolio*

- Unconditional takeover bid for Phoenix Gold (ASX:PXG) – Evolution currently owns and has received acceptances for 29.15%

1. All US dollar prices in this report have been calculated using the average AUD:USD exchange rate for the Sep 2015 quarter of US\$0.726

2. AISC (All-in sustaining cost) includes C1 cash cost, plus royalty expense, sustaining capital expense, general corporate and administration. Calculated on per ounce sold basis

3. Full details of the Cowal Mineral Resource and Ore Reserve estimates are provided in the report entitled "Resources and Reserves increased at Cowal" released on 26 August 2015 and is available to view on [www.evolutionmining.com.au](http://www.evolutionmining.com.au)

4. Reported intervals are down hole widths as true widths are not currently known. An estimated true width (ETW) is provided

# September quarter summary



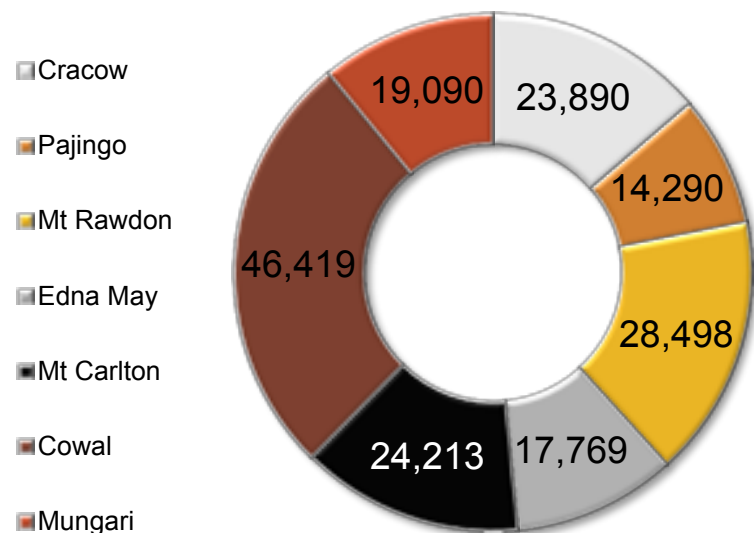
	Units	Dec quarter FY15	Mar quarter FY15	Jun quarter FY15	Sep quarter FY16
Gold produced	oz	113,280	103,305	113,821	174,169
By-product silver produced	oz	122,641	115,832	111,580	170,202
C1 cash cost <sup>1</sup>	A\$/oz	692	736	690	631
All-in sustaining cost <sup>2</sup>	A\$/oz	990	1,024	1,048	882
All-in Cost <sup>3</sup>	A\$/oz	1,240	1,269	1,318	1,015
Gold sold	oz	117,359	103,211	111,783	179,256
Achieved gold price	A\$/oz	1,428	1,562	1,533	1,559
Silver sold	oz	130,315	110,659	112,681	178,432
Achieved silver price	A\$/oz	8	22	21	20

1. Before royalties and after by-product credits
2. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration expense. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated
3. Includes AISC plus growth (major project) capital and discovery expenditure. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated

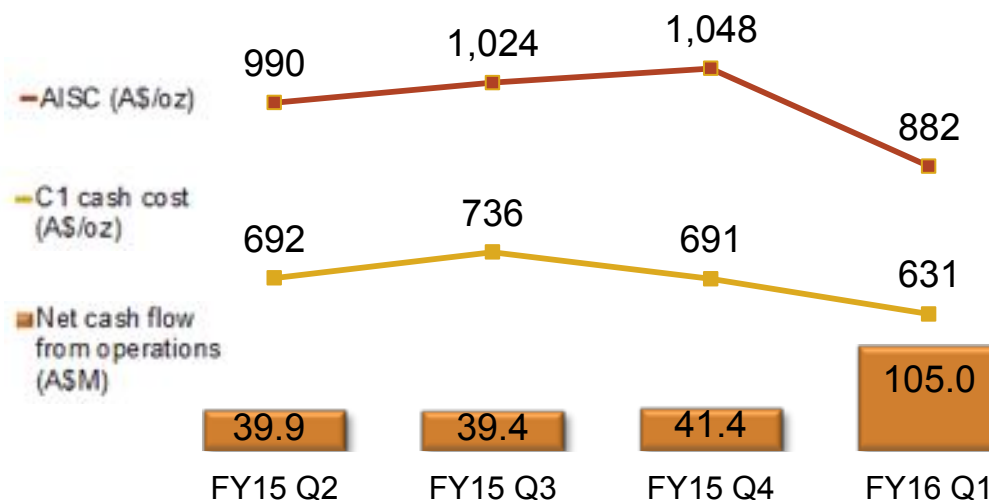
# Improved scale and asset quality



## September quarter production ounces



## Group C1 costs, AISC<sup>1</sup> & net mine cash flow



1. Includes C1 cash cost, plus royalty expense, plus sustaining capital, plus general corporate and administration expense. Calculated on per ounce sold basis following transition to "All-in" cost metric calculation to World Gold Council standards in FY16. Previously reported on a per ounce produced basis. Prior periods have not been restated

# Operations



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# Cowal

- Standout performance with attributable gold production of 46,419oz (69 days of Evolution ownership) at C1 cash cost of A\$415/oz and AISC of A\$524/oz
- Costs substantially lower than planned due:
  - higher than anticipated grade
  - higher recoveries
  - lower capital spend
  - lower processing costs
- Net mine cash flow of A\$38.9 million
- Cost guidance to be reviewed in January following a full quarter of ownership



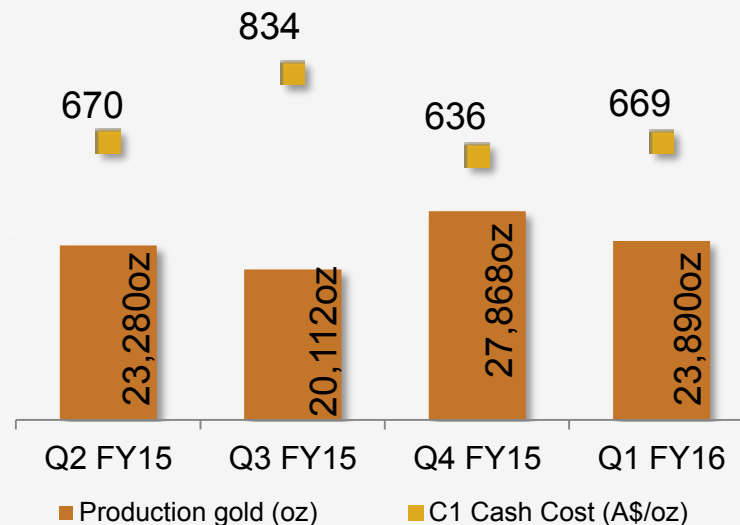
# Mungari

- Gold production of 19,090oz attributable (37 days of Evolution ownership) at C1 cash cost of A\$690/oz; AISC of A\$968/oz
- Net mine cash flow of A\$19.0 million
- Plant performing at 1.7Mtpa – above nameplate capacity (1.5Mtpa) and at 97.6% utilisation
- Focus on asset integration and implementation of opportunities to unlock value



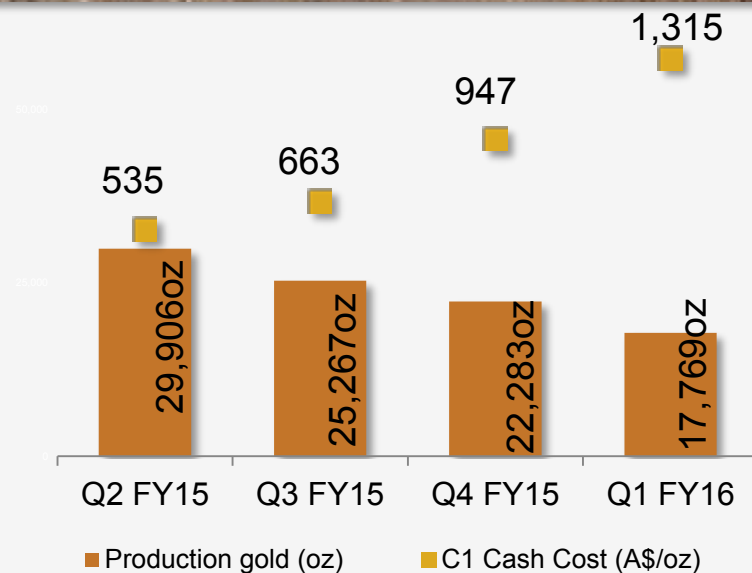


- September 2015 quarter gold production of 23,890oz at C1 cash cost of A\$669/oz and AISC of A\$940/oz
- Continuing to improve on FY15 initiatives around scheduling, dilution management and metallurgical recovery
- Focus on production drilling to improve stoping flexibility in FY16
- Increased productivity achieved across production drills



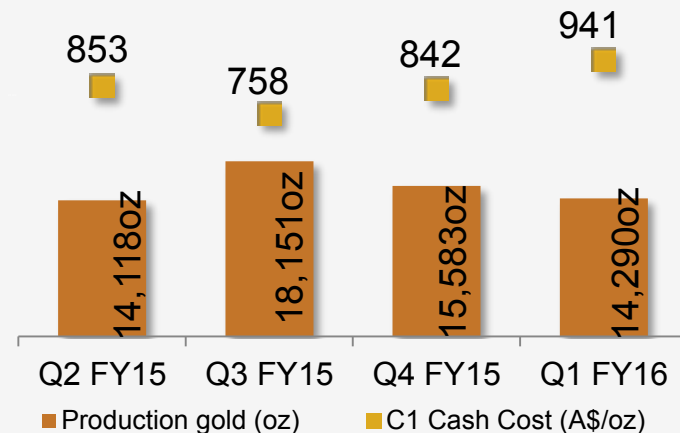
# Edna May

- September quarter gold production of 17,769oz at C1 cash cost of A\$1,315/oz; AISC of A\$1,328/oz
- Unit costs increased due to lower production as a result of lower grade
- Operating costs increased due to classification of stripping activities as operating waste
- High plant utilisation (94.8%) resulted in record quarterly throughput
- December quarter focus on Stage 2 capital waste removal to access higher-grade ore



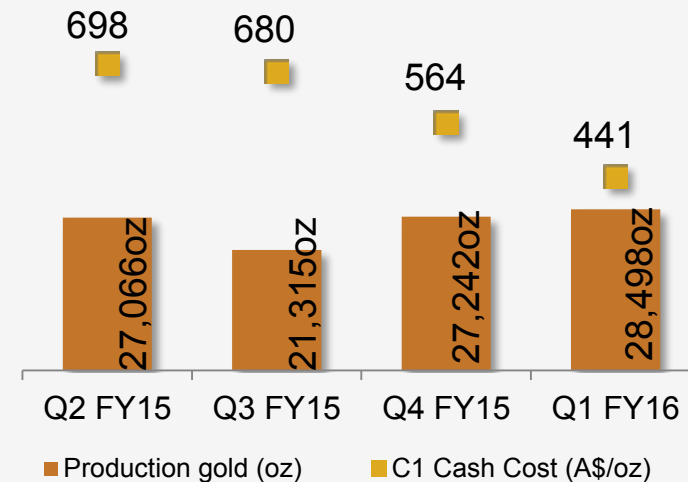
# Pajingo

- September quarter production of 14,290oz at C1 costs of A\$941/oz; AISC of A\$1,284/oz
- Higher costs due to the mining of lower grade areas in line with mine plan
- Net mine cash flow of A\$4.7 million
- Total milling costs decreased through cost reduction initiatives
- Historic low grade stockpile being processed and achieving above plan grades



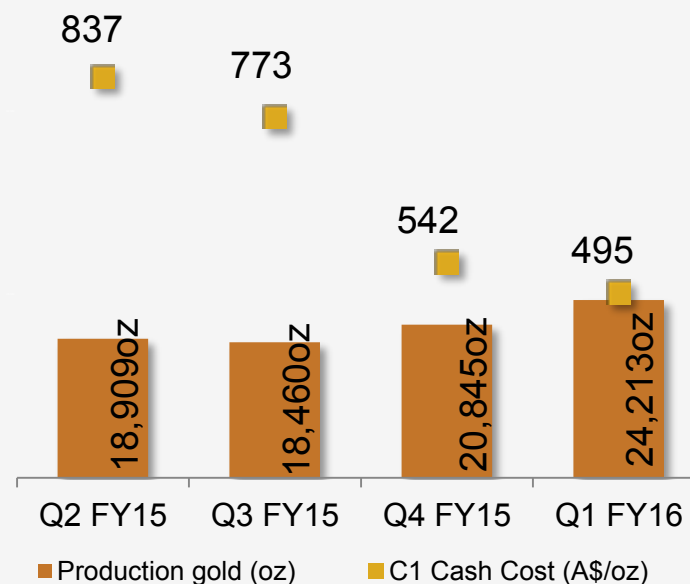
# Mt Rawdon

- September quarter production of 28,498oz at C1 cash of A\$441/oz and AISC of A\$700/oz
- Ongoing improvement initiatives around grinding and cyanide consumption delivered a 6% saving in unit processing costs
- Unit mining costs reduced to A\$2.63/t – a 23% improvement over the past 12 months (FY15: A\$3.41/t) due to:
  - Continued improvement in mining productivity
  - Low fuel prices
  - Production drilling improvements
  - Shorter haulage distances to the western waste dump from Stage 4 cutback



# Mt Carlton

- September quarter gold production of 24,213oz at C1 cash costs decreased to A\$495/oz and AISC of A\$807/oz (9% below March quarter)
- Net mine cash flow of A\$22.0 million
- Mined grade of 7.90g/t Au – significant positive reconciliation continues at V2 pit compared to the Ore Reserve estimate
- Significant cost improvements largely reflect cost reductions captured through the transition to owner-maintainer for the mining fleet



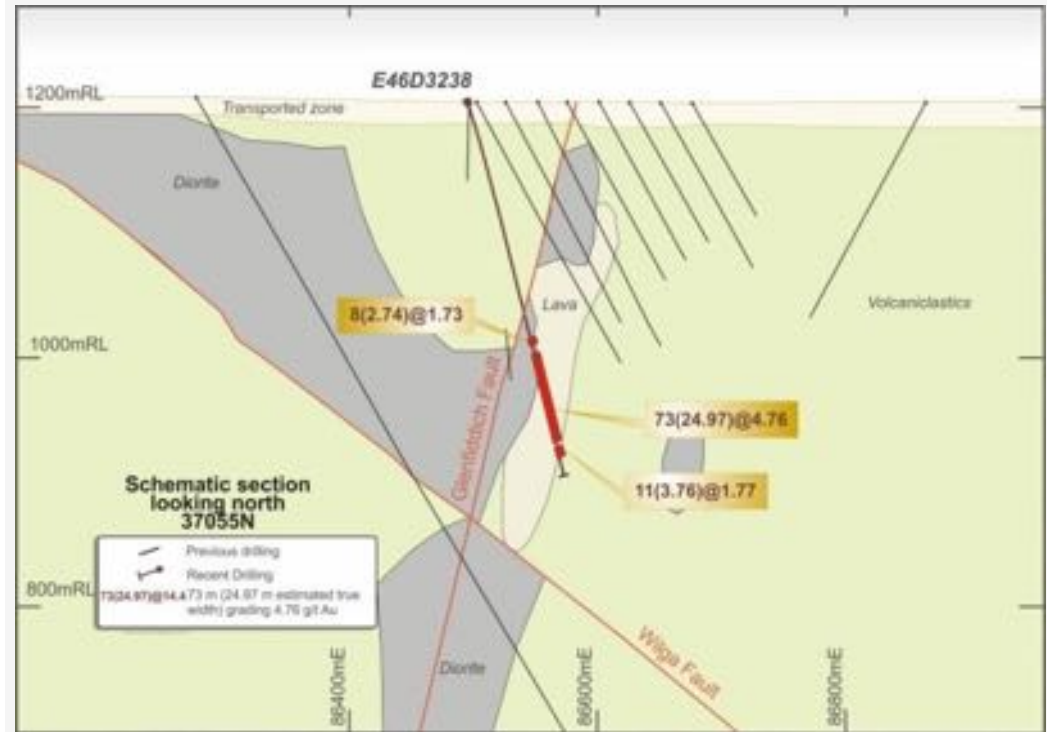
# Exploration



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# Exploration

- Mauretania gold and copper discovery at Tennant Creek JV with Emmerson Resources – significant intercepts<sup>1,2</sup> returned from maiden drilling program including:
  - 30m at 3.22g/t gold from 57m and 24m at 1.07% copper from 78m (MTRC006)
- Broad, high-grade intersections<sup>2,3</sup> returned at Cowal from resource definition drilling at Regal and Galway including:
  - 73m (25m\*) at 4.79g/t gold from 207m (E46D3238 – Regal)
  - 50m (17m\*) at 5.28g/t gold from 90m (1535DD24 – Regal)
- At Pajingo, integration of the 3D seismic data and first drill holes indicate that the Fellows Fault is of a similar size to the Vera-Nancy structure
- Cowal Ore Reserve estimate increased by 40% to 2.18Moz<sup>4</sup> gold and Mineral Resource estimate increased by 48% to 5.09 Moz<sup>4</sup> gold inclusive of Ore Reserves



**Schematic section showing reported drill hole E46D3238 at Regal, Cowal on section 37055N**

1. Source: Emmerson Resources ASX release 12 October 2015
2. Reported intervals are down hole widths as true widths are not currently known. An estimated true width (ETW\*) is provided where possible
3. Details of September quarter's exploration results are provided in ASX release entitled "September 2015 Quarterly Report" released on 23 October 2015
4. Further details on the Cowal Mineral Resource and Ore Reserve are appended to this presentation and full details are provided in the report entitled "Resources and Reserves increased at Cowal" released on 26 August 2015 and is available to view on [www.evolutionmining.com.au](http://www.evolutionmining.com.au)

# Financials



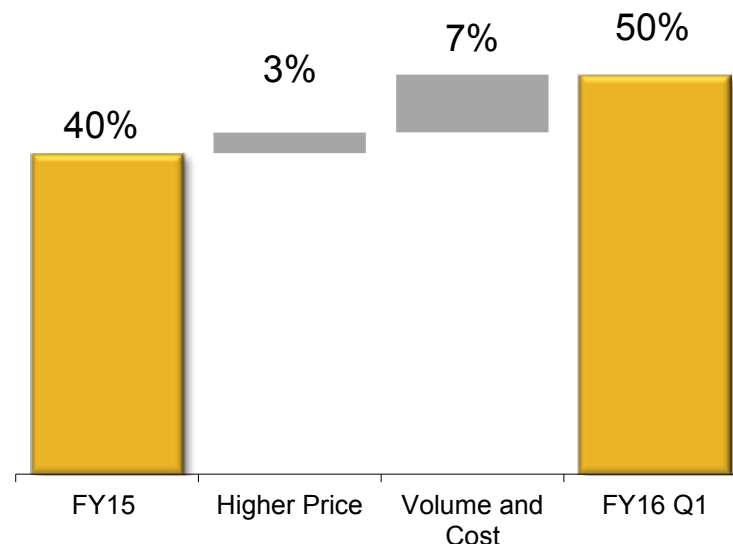
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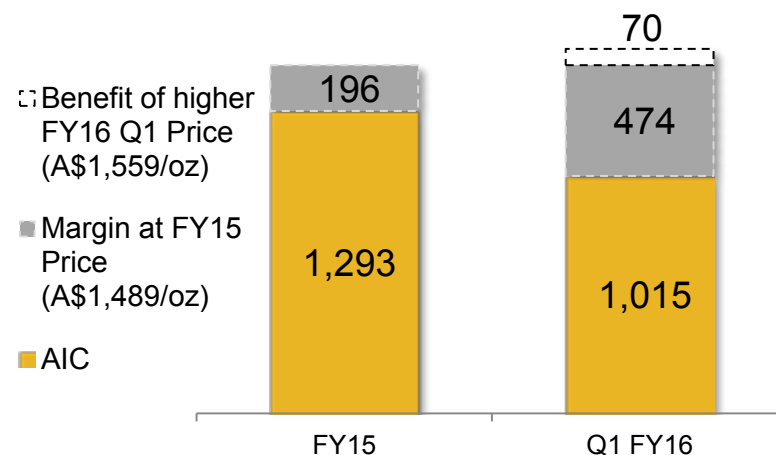
# Financials

- Cash generation continues to build
  - Record quarter mine cash flow of A\$105M
  - Immediate impact from Cowal and Mungari
  - All sites net mine cash flow positive
- Improved margins not all price driven
- Early repayment of A\$77M into debt facility
- Gearing down to 23% from peak of 32%
- Cash and liquidity in healthy state
  - Cash balance of A\$58.3M
  - Finished product awaiting shipment of A\$13.8M
  - Undrawn debt of A\$170M
- Hedging underpins balance sheet
  - Forward sales of 807,100oz at A\$1,590/oz
  - Includes 250,111oz at A\$1,599/oz in FY16

**EBITDA Margin (%)**



**All-in-Cost Margin (A\$/oz)**



# Summary

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- Record quarterly production at record low costs
- Record cash flow generation
- Operational stability and predictability delivered through a portfolio of seven mines
- Strong financial position – early debt repayment of A\$77.0 million
- Cowal Ore Reserves increased by 40%, Mineral Resources increased by 48%
- Gold and copper discovery at Mauretania, Tennant Creek (Emmerson Resources JV)
- Successful resource definition drilling at Cowal's Galway and Regal prospects
- Exploration success at Pajingo with 3D seismic data and first drill holes indicating that Fellows Fault is of a similar size to the Vera Nancy structure
- Unconditional takeover bid for Phoenix – Evolution currently owns and has received acceptances for 29.15%

# Evolution Mining

**ASX Code: EVN**

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# September quarter summary



September qtr FY16	Units	Cowal	Cracow	Edna May	Mt Carlton	Mt Rawdon	Mungari	Pajingo	Group
UG lateral dev - capital	m	-	629	-	-	-	135	649	1,413
UG lateral dev - operating	m	-	713	-	-	-	217	559	1,488
Total UG lateral development	m	-	1,342	-	-	-	351	1,208	2,901
UG ore mined	kt	-	111	-	-	-	81	102	294
UG grade mined	g/t	-	6.97	0.00	0.00	0.00	5.62	4.27	5.66
OP capital waste	kt	-	-	537	786	4,089	97	-	5,510
OP operating waste	kt	1,037	-	1,565	71	105	925	-	3,704
OP ore mined	kt	1,686	-	549	140	710	143	-	3,228
OP grade mined	g/t	1.04	-	0.94	7.90	1.26	1.32	-	1.38
Total ore mined	kt	1,686	111	549	140	710	224	102	3,522
Total tonnes processed	kt	1,324	128	774	188	897	176	106	3,594
Grade processed	g/t	1.29	6.16	0.78	5.41	1.07	3.57	4.44	1.72
Recovery	%	84	94	91	89	92	94	94	89
<b>Gold produced</b>	<b>oz</b>	<b>46,419</b>	<b>23,890</b>	<b>17,769</b>	<b>24,213</b>	<b>28,498</b>	<b>19,090</b>	<b>14,290</b>	<b>174,169</b>
Silver produced	oz	49,309	12,454	7,248	54,342	29,016	3,714	14,119	170,202
Copper produced	t	-	-	-	312	-	-	-	312
Gold sold	oz	45,552	22,289	19,157	28,177	25,801	23,093	15,187	179,256
Achieved gold price	A\$/oz	1,570	1,547	1,571	1,520	1,551	1,597	1,562	1,559
Silver sold	oz	49,309	12,454	7,248	62,572	29,016	3,714	14,119	178,432
Achieved silver price	A\$/oz	21	20	21	20	20	21	21	20
Copper sold	t	-	-	-	346	-	-	-	346
Achieved copper price	A\$/t	-	-	-	6,965	-	-	-	6,965
<b>Cost Summary</b>									
Mining	A\$/prod oz	242	433	582	47	92	487	498	299
Processing	A\$/prod oz	301	194	657	290	277	185	260	301
Administration and selling costs	A\$/prod oz	115	93	155	245	82	44	164	125
Stockpile adjustments	A\$/prod oz	(221)	(41)	(69)	64	11	(23)	40	(60)
By-product credits	A\$/prod oz	(22)	(11)	(8)	(151)	(21)	(4)	(20)	(35)
<b>C1 Cash Cost (produced oz)</b>	<b>A\$/prod oz</b>	<b>415</b>	<b>669</b>	<b>1,315</b>	<b>495</b>	<b>441</b>	<b>690</b>	<b>941</b>	<b>631</b>
C1 Cash Cost (sold oz)	A\$/sold oz	423	717	1,220	426	488	571	886	613
Royalties	A\$/sold oz	36	90	64	109	79	31	82	66
Gold in Circuit and other Adjustment	A\$/sold oz	14	(96)	-	139	(85)	222	38	33
Sustaining capital	A\$/sold oz	33	216	27	110	199	110	226	117
Reclamation and remediation costs	A\$/sold oz	19	14	16	24	20	10	53	21
Administration costs <sup>1,2</sup>	A\$/sold oz	-	-	-	-	-	25	-	33
<b>All-in Sustaining Cost</b>	<b>A\$/sold oz</b>	<b>524</b>	<b>940</b>	<b>1,328</b>	<b>807</b>	<b>700</b>	<b>968</b>	<b>1,284</b>	<b>882</b>
Major project capital	A\$/sold oz	0	68	128	150	415	41	95	119
Discovery	A\$/sold oz	5	15	7	17	1	23	65	14
<b>All-in Cost</b>	<b>A\$/sold oz</b>	<b>529</b>	<b>1,024</b>	<b>1,462</b>	<b>974</b>	<b>1,115</b>	<b>1,031</b>	<b>1,445</b>	<b>1,015</b>
Depreciation & Amortisation <sup>3</sup>	A\$/prod oz	281	529	415	395	479	480	355	405

1. Mungari Administration costs relate to La Mancha Resources Australia corporate costs. Going forward any remaining costs will be consolidated into Group administration costs

2. Includes share based payments

3. Group Depreciation and Amortisation includes Corporate Depreciation and Amortisation of A\$1.66/oz

# FY16 outlook



Guidance FY16	Gold Production (oz)	C1 Cash Costs <sup>4</sup> (A\$/oz)	All-in Sustaining Cost <sup>5</sup> (A\$/oz)
Cracow	85,000 – 95,000	730 – 800	1,080 – 1,150
Pajingo	60,000 – 65,000	810 – 890	1,180 – 1,260
Mt Rawdon	87,500 – 97,500	620 – 680	880 – 940
Edna May	82,500 – 90,000	1,060 – 1,160	1,225 – 1,325
Mt Carlton	80,000 – 87,500	525 – 575	760 – 810
Cowal <sup>1</sup>	215,000 – 240,000	650 – 750	860 – 950
Mungari <sup>2</sup>	120,000 – 135,000	730 – 830	920 – 1,020
Corporate	-	-	30
<b>Group<sup>3</sup></b>	<b>730,000 – 810,000</b>	<b>715 – 795</b>	<b>990 – 1,060</b>

1. Cowal transaction completed 24 July 2015. Guidance includes 11.2 months of production
2. La Mancha transaction completed on 24 August. Guidance assumes 10.2 months of production from Mungari
3. Equates to annualised FY16 Group Gold Production of 770,000 – 850,000 ounces
4. C1 Cash costs represents the cost 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
5. AISC (All-in sustaining cost) includes C1 cash cost, plus royalty expense, sustaining capital expense, general corporate and administration. Calculated on per ounce sold basis

Full details of FY16 outlook are provided within the ASX release 27 August 2015 entitled “FY15 Financial Results and Dividend Announcement” provided on the Company’s web page

# Cowal Mineral Resources & Ore Reserves



Cowal Mineral Resources - December 2014												
Mineral Resource	Measured			Indicated			Inferred			Total Resource		
	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
E42 Oxide	-	-	-	1.62	1.46	76	0.34	4.18	45	1.96	1.93	121
E42 Primary	-	-	-	83.03	1.11	2,968	20.4	0.62	404	103.43	1.01	3,372
E42 Stockpile	35.94	0.72	836	-	-	-	-	-	-	35.94	0.72	836
E41 Oxide	-	-	-	4.85	1.28	200	0.24	1.59	12	5.09	1.30	212
E41 Primary	-	-	-	9.38	0.90	273	1.65	1.42	75	11.03	0.98	348
E46 Oxide	-	-	-	4.6	1.15	170	0.02	3.43	2	4.62	1.16	172
E46 Primary	-	-	-	0.78	0.97	24	-	-	-	0.78	0.97	24
<b>Total</b>	<b>35.94</b>	<b>0.72</b>	<b>836</b>	<b>104.28</b>	<b>1.11</b>	<b>3,712</b>	<b>22.65</b>	<b>0.74</b>	<b>539</b>	<b>162.87</b>	<b>0.97</b>	<b>5,087</b>

Cowal Ore Reserves - December 2014										
Ore Reserve	Cut-off (g/t Au)	Proved			Probable			Total Reserve		
		Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
E42 oxide	0.40	-	-	-	-	-	-	-	-	-
E42 primary	0.40	-	-	-	36.64	1.14	1,346	36.64	1.14	1,346
Stockpile	0.40	35.94	0.72	836	-	-	-	35.94	0.72	836
<b>Total</b>		<b>35.94</b>	<b>0.72</b>	<b>836</b>	<b>36.64</b>	<b>1.14</b>	<b>1,346</b>	<b>72.58</b>	<b>0.93</b>	<b>2,181</b>

Data is reported to significant figures and differences may occur due to rounding

Mineral Resources are reported inclusive of Ore Reserves

Mineral Resources have been reported above a cut-off grade of 0.40g/t gold and constrained within an A\$1,800/oz pit optimisation shell

Ore Reserves are reported above a 0.40g/t gold cut-off

## Competent person statement

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The information in this document that relates to the Cowal Mineral Resources and Mineral Reserves is extracted from the ASX announcement entitled “Resources and Reserves increased at Cowal” released on 26 August 2015. This report is available to view at [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in these ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the ASX announcement.

The information in this report that relates to Exploration Results 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 types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Each person named in the table consents to the inclusion in this report of the matters based on his information in the form and context in which it appears including sampling, analytical and test data underlying the results.

Activity	Competent Person	Institute
Cowal exploration results	Joseph Booth	Australasian Institute of Mining and Metallurgy
Pajingo exploration results	Andrew Engelbrecht	Australasian Institute of Mining and Metallurgy

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