

Evolution
MINING

2018 Half Year Financial Results

15 February 2018

Jake Klein – Executive Chairman

Lawrie Conway – Finance Director and CFO

Forward looking statement

- 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.
- Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Non-IFRS Financial Information

- The Company results are reported under International Financial Reporting Standards (IFRS). This presentation also includes non-IFRS information including EBITDA and Underlying profit. The non-IFRS information has not been subject to audit or review by the Company’s external auditor and should be used in addition to IFRS information.

Superior financial performance

Consistent operational performance

Global leader in low-cost production

Continued significant cash generation

Increasing shareholder returns

Strong balance sheet

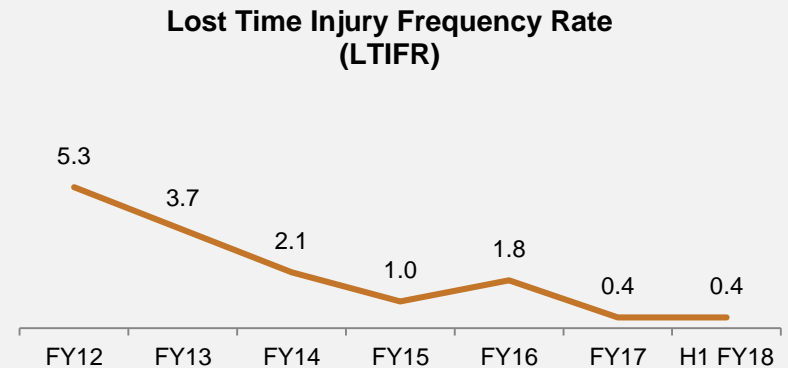
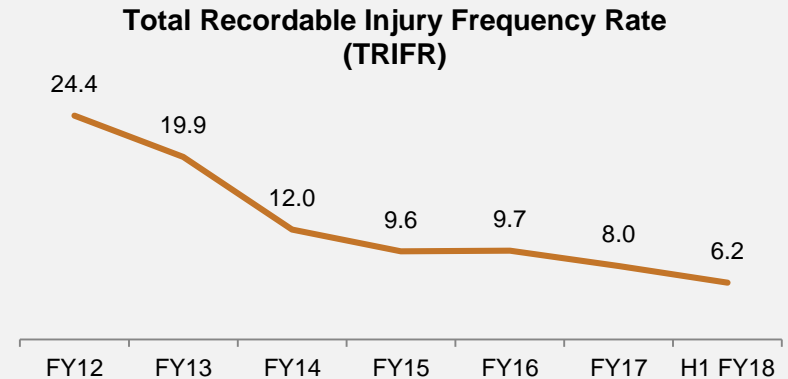
Quality of portfolio delivering superior financial performance

Safety

- Group total recordable injury frequency rate at end of December 2017 reduced to 6.2 and lost time injury frequency rate reduced to 0.4
- Major risk reduction project is underway to implement critical control plans for the top ten principal hazards
- NSW Mines Rescue challenge successfully hosted by Evolution (Cowal) in the local community of West Wyalong

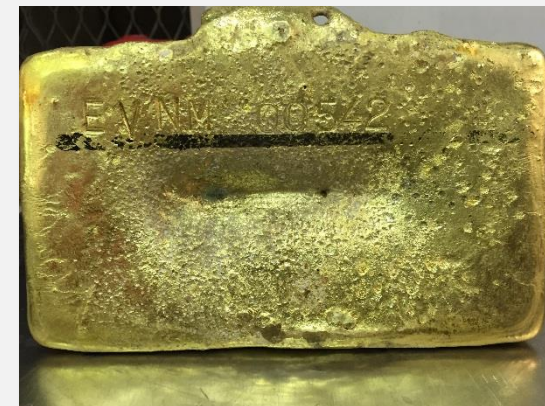


Evolution's Mines Rescue Group who participated in the NSW Mines Rescue Challenge 2017



Financial highlights

Financials	Units	H1 FY18	H1 FY17	Change
Statutory Profit before tax	A\$M	175.1	121.0	↑ 45%
Statutory Profit after tax ¹	A\$M	122.5	136.7	↓ 10%
Underlying Profit after tax ¹	A\$M	124.7	115.0	↑ 9%
EBITDA	A\$M	399.1	345.3	↑ 16%
Operating Cash Flow	A\$M	415.1	339.4	↑ 22%
Group Cash Flow	A\$M	176.8	147.1	↑ 20%
EBITDA Margin ²	%	53	50	↑ 6%
AIC Margin	A\$/oz	628	536	↑ 17%
Gearing	%	9.5	22.0	↓ 57%
Interim dividend ³	cps	3.5	2.0	↑ 75%



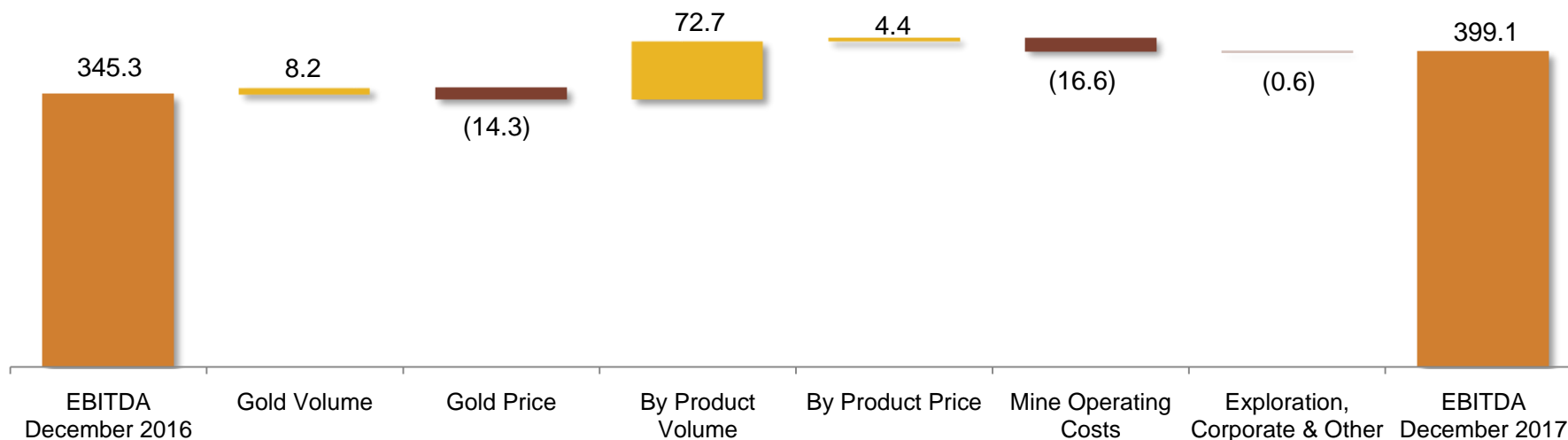
Gold bar from Mungari operation

1. Refer to slides 17 and 18 for the statutory and underlying profit after tax reconciliations
2. H1 FY18 excludes Edna May; H1 FY17 excludes Pajingo
3. H1 FY18 fully franked; H1 FY17 unfranked

Group EBITDA

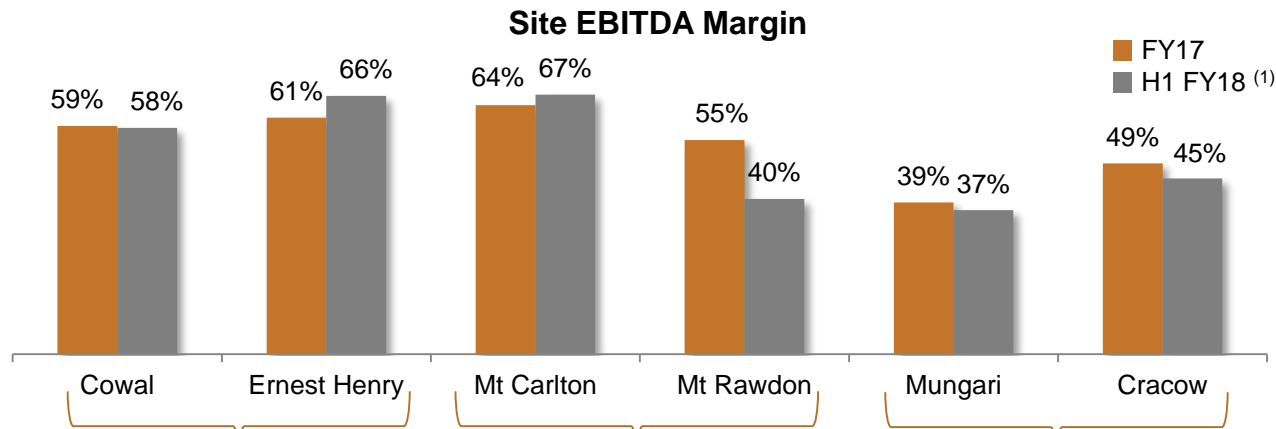
- Record group half year EBITDA (cash profit) up 16% to A\$399.1M
- Low operating unit costs driving increased cash profit
- Driving efficiencies to offset any cost pressures
- Investment in Ernest Henry delivering value with A\$116.3M contribution

FY18 Half Year EBITDA (A\$M)



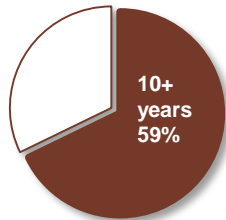
EBITDA margins

- Site EBITDA margins of 37% to 67% able to support capital programs
- Group EBITDA margin up 8% to 53%⁽¹⁾



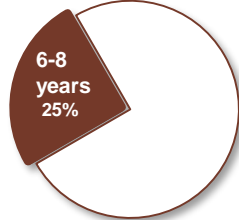
10+ years⁽²⁾

EBITDA Contribution



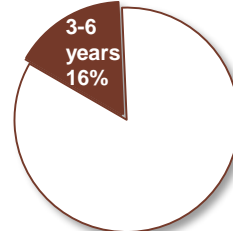
6-8 years⁽²⁾

EBITDA Contribution

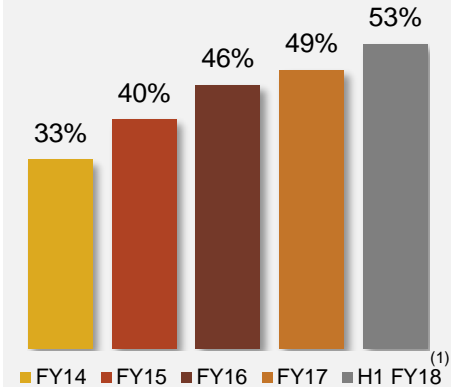


3-6 years⁽²⁾

EBITDA Contribution



Group EBITDA Margin (%)



- Group margin up 60% from FY14
- H1 FY18 drivers: lower unit costs; higher copper price; Edna May sale and lower achieved gold price

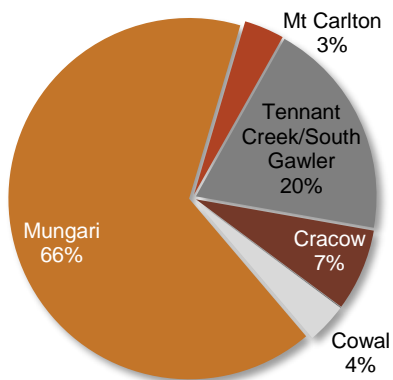
(1) FY18 excludes Edna May
 (2) Indicative reserve life based on FY18 production guidance mid-point

Discovery and resource definition

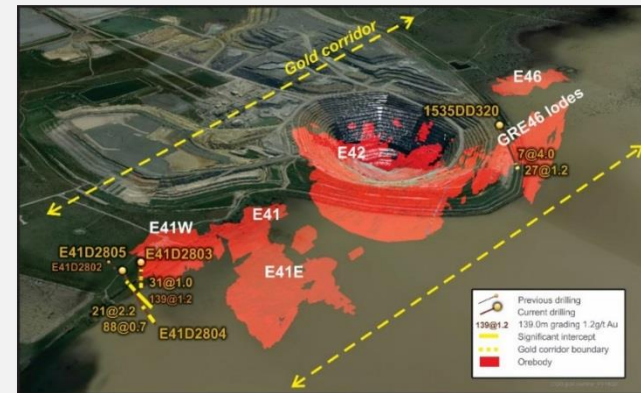
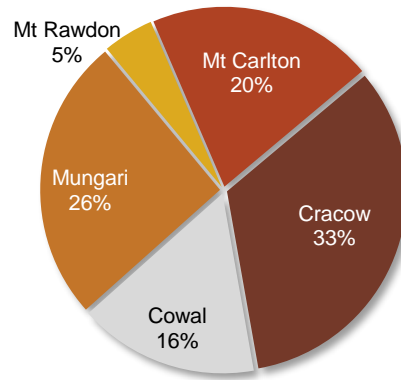
- Continued investment in organic growth at A\$27.8M
 - Discovery investment of A\$16.2M with majority directed to Mungari
 - Resource definition investment of A\$11.6M across all sites

- Cowal – developing gold and copper targets at E41 along with proof of (geological) concept drilling along Galway-Regal-E46 trend
- Mungari – White Foil Phase 1 infill concluded at north extension target with initial results in line with expectations. Aggressive regional drilling campaign ongoing
- Cracow – Coronation-Imperial-Empire corridor continuing to deliver strong infill and step-out results

Discovery spend by site



Resource definition investment by site

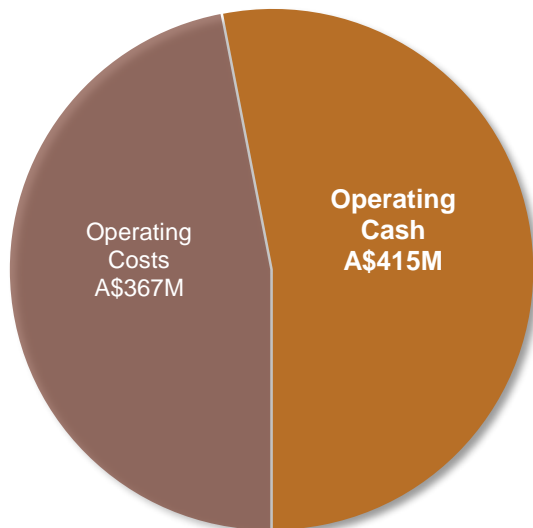


Cowal - Isometric view showing >0.4g/t gold outlines of the major identified resources (E41 and E42), resource targets E46 and Galway-Regal, and recent drill hole locations

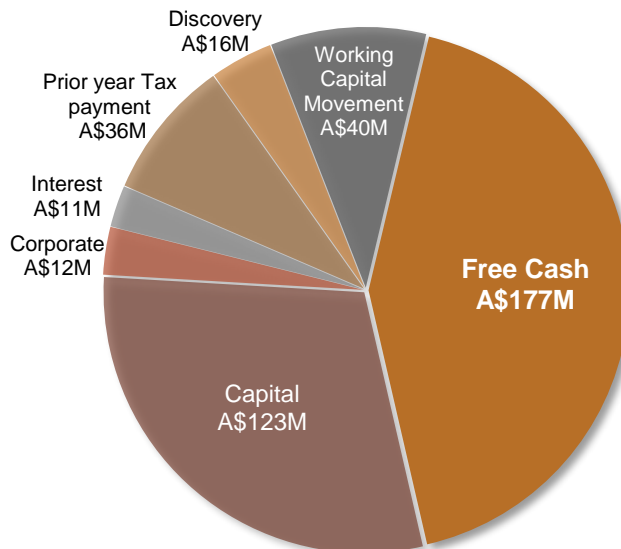
Group cash flow

- All operations cash positive after capital investment
- Sustaining and major capital remain in line with FY18 guidance
- First tax payment of A\$36M for FY17 income generating franking credits
- Banking high cash generation to continue to reduce net debt

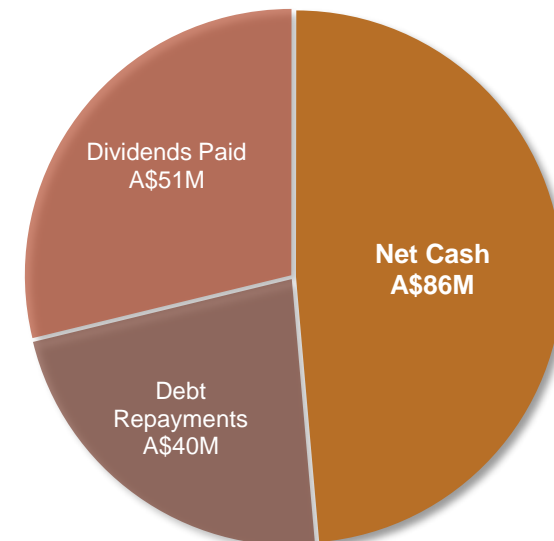
Operating Cash Flow (A\$M)
53% of revenue



Free Cash Flow (A\$M)
23% of revenue



Net Cash (A\$M)
11% of revenue



Delivering value from investments



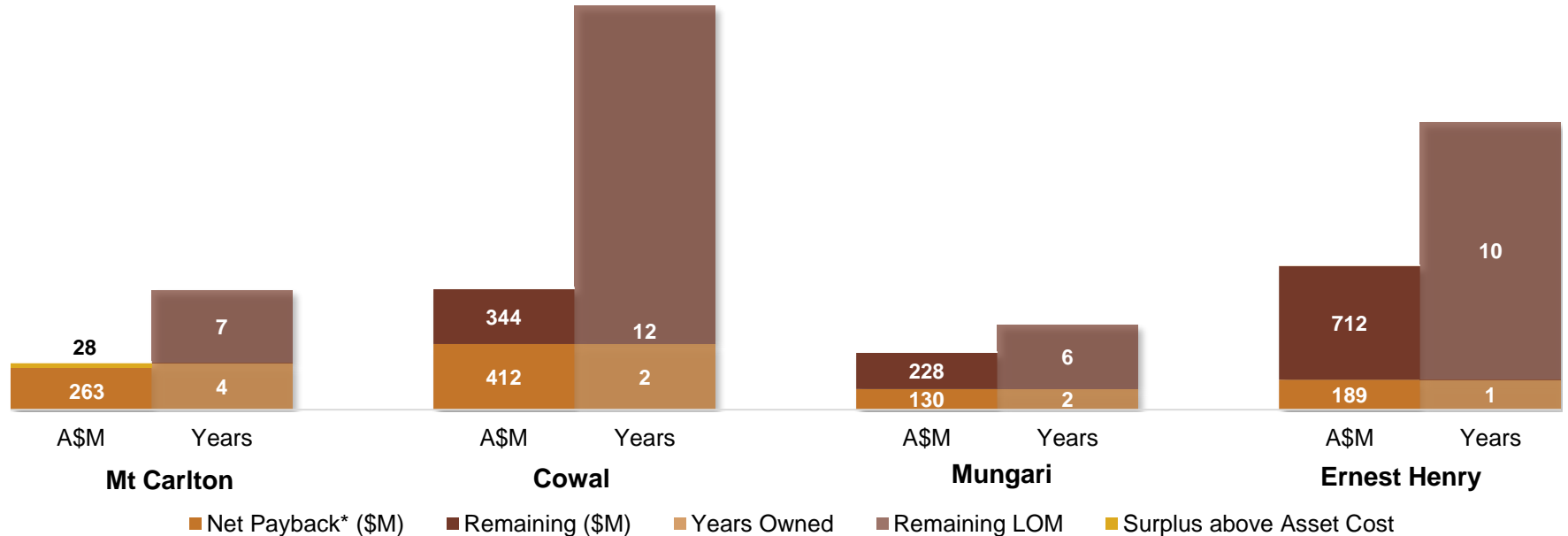
Assets Developed or Acquired

Asset Cost - A\$263M
 Capital Investment - A\$127M
 Average ROI - 25% p.a.

Asset Cost - A\$756M
 Capital Investment - A\$146M
 Average ROI - 23% p.a.

Asset Cost - A\$358M
 Capital Investment - A\$127M
 Average ROI - 16% p.a.

Asset Cost - A\$901M
 Capital Investment - A\$15M
 Average ROI - 21% p.a.

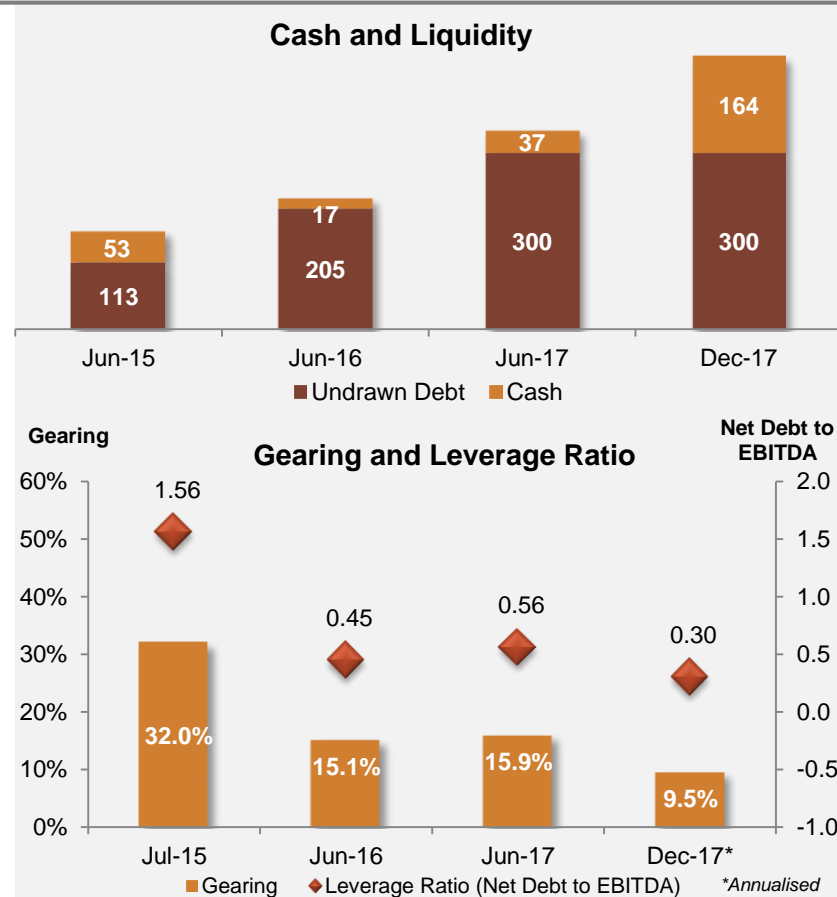


* Net payback is net of capital investment subsequent to commissioning / ownership

Balance sheet continues to strengthen



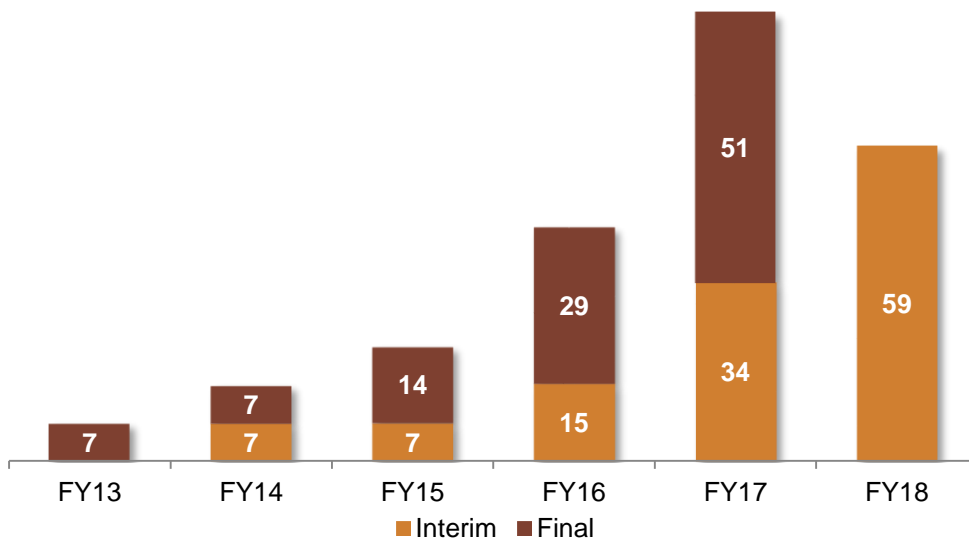
- Significant improvement in liquidity
 - Cash and undrawn debt of A\$463.5M
- Term Facility B fully repaid during the half-year – approximately three years ahead of schedule
- Bank debt at 31 December 2017 of A\$395.0M for Term Loan Facility D
- FY18 remaining debt payment obligation of A\$30M
- Gearing reduced by 40% from June 2017 to 9.5%
- Adequate hedging in place out to June 2020
 - Total of 362,500oz at A\$1,670/oz average
 - FY18 H2 112,500oz at A\$1,578/oz average
- Restricted tax loss asset of A\$11.5M available for use to offset future profits



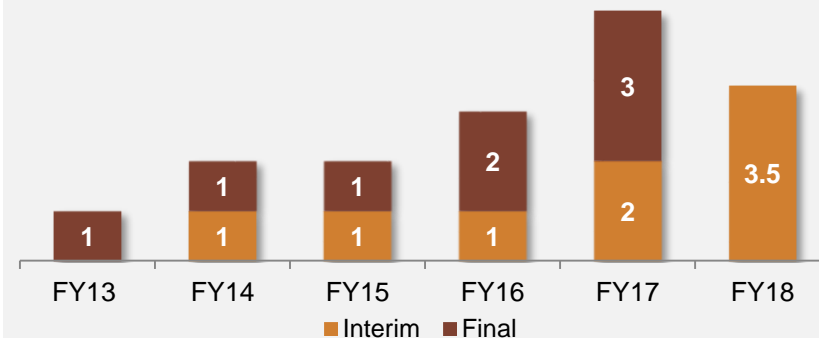
Dividends

- New dividend policy increasing returns to shareholders
- Fully franked interim dividend up 75% to 3.5 cents
- Total FY18 interim dividend of A\$59.2M to be paid on 30 March 2018

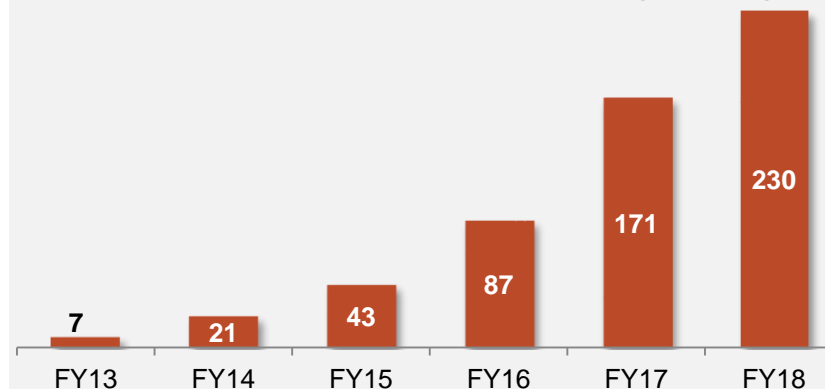
Dividends Declared A\$M (Pre-DRP)



Dividends Declared Cents per Share



Cumulative Dividends Declared A\$M (Pre-DRP)



Cowal projects update

- Significant investment in Cowal's future
 - Investing ~A\$300 million over four years
 - Delivers mine life through to 2032
 - Cornerstone asset with further extension opportunities
- Stage H cutback on track
 - All pre-work complete
 - Ramped up to full scale mining activity
 - Cutback scheduled to be completed in FY21
- Float Tails Leach project on time and on budget
 - Commissioning in December 2018 half-year
 - Expected to increase recoveries by 4 – 6%











Stage H cutback



Float Tails Leach project

Generating superior financial returns

Low cost	 20% AISC A\$785/oz	 11% AIC A\$993/oz
High margin	 6% EBITDA margin 53%	 17% AIC margin A\$628/oz
High cash generation	 20% Group cash flow A\$176.8M	 20% Cash flow per share 21 cents
Strong balance sheet	 57% Gearing 9.5%	 75% Interim dividend <small>fully franked</small> 3.5 cents

Note: All movements are compared to H1 FY17



Appendix

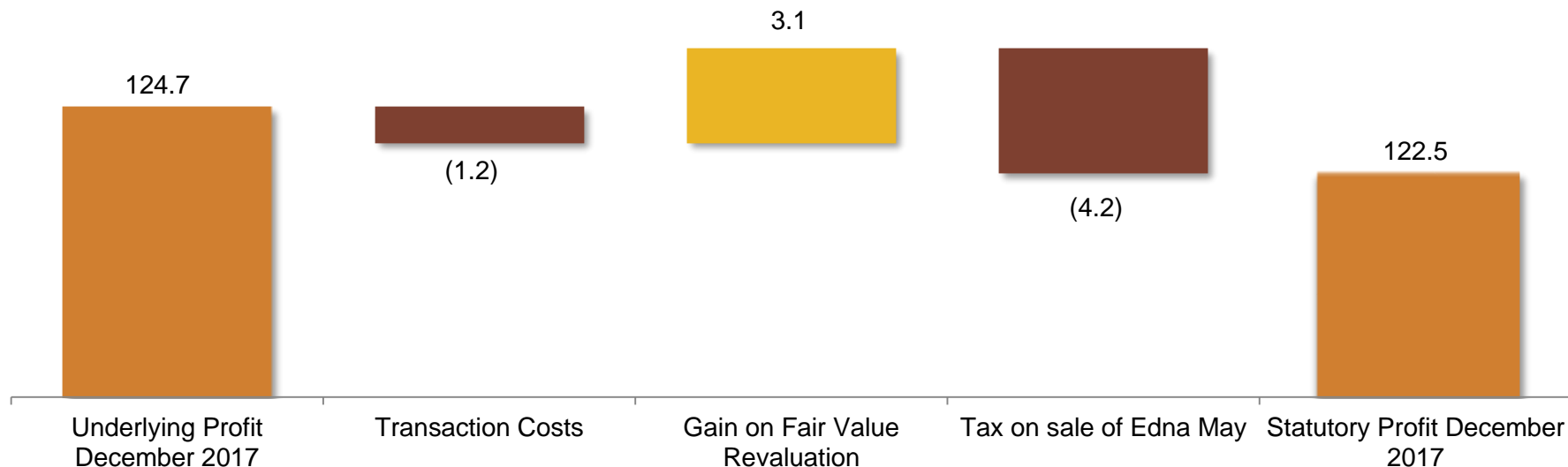
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Statutory profit reconciliation

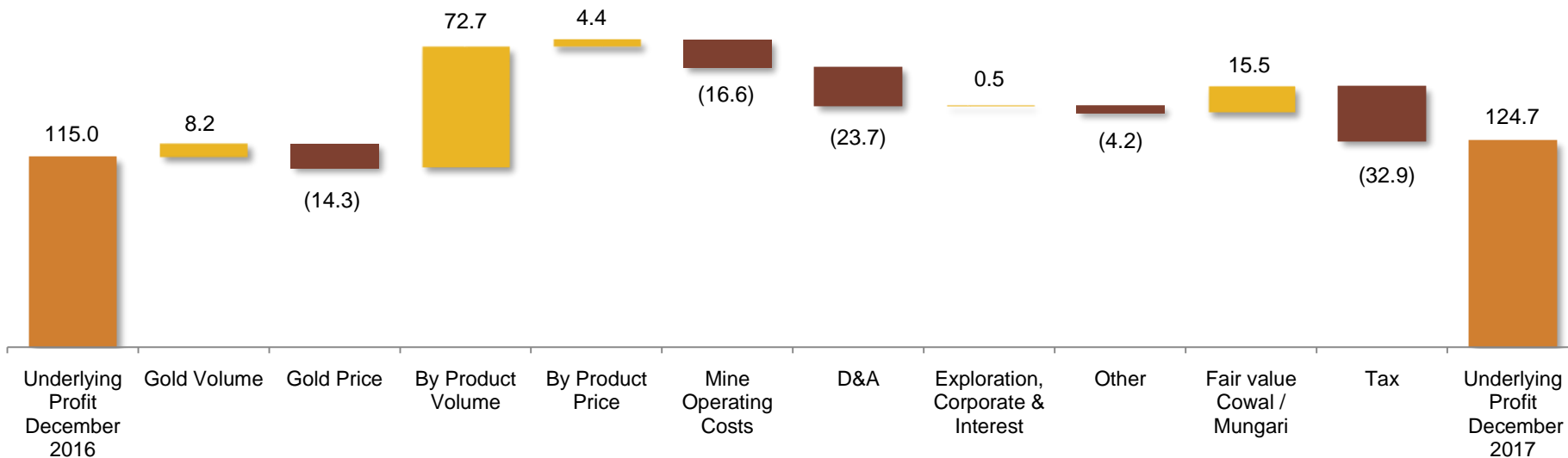
- Transaction costs of A\$1.2M after tax relate to Edna May sale
- Deferred tax effect of Edna May sale of A\$4.2M
- Non-cash fair value gain on unwind of derivative contracts (Mungari) of A\$3.1M

Reconciliation of Underlying to Statutory Profit A\$M



Underlying net profit reconciliation

Underlying Net Profit After Tax A\$M

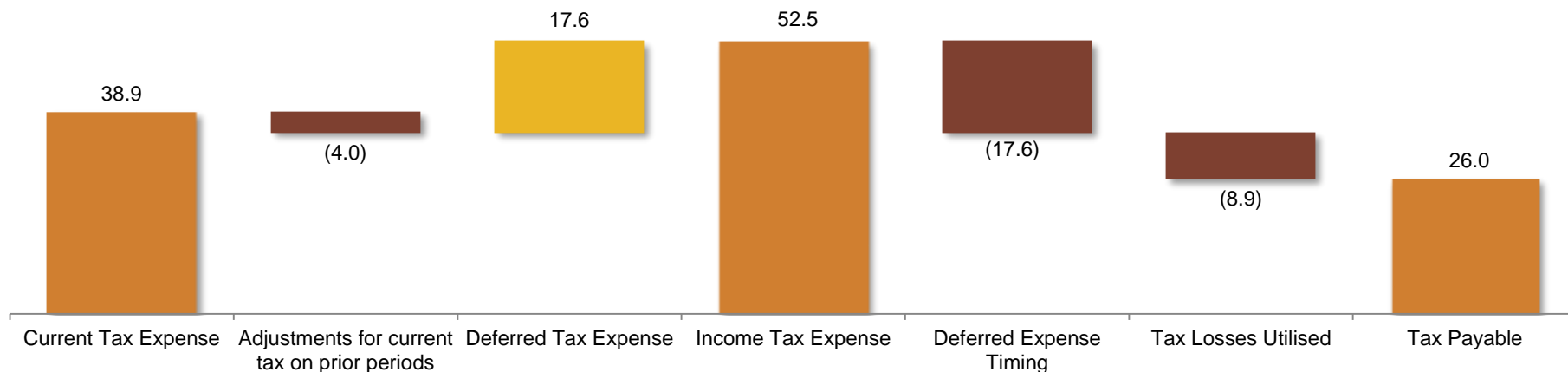


*Consistent with the 30 June 2017 financial statements, underlying profit includes the fair value amortisation related to the acquisition of Cowal and Mungari. For consistency, the 2016 underlying profit has been amended to reflect this treatment. No change to statutory profit was required. Underlying profit is a non-IFRS measure. Refer also to the Appendix 4E and Annual Financial Report for the year ended 30 June 2017

Taxation

- All unrestricted tax losses utilised during the year to June 2017
- Tax payment for 2017 tax year of A\$36M paid in December 2017
- Restricted tax losses recorded on balance sheet as an asset amount as at December 2017 is A\$11.5M
 - A\$10.1M of La Mancha acquired tax losses restricted by an available fraction of 16.4%
 - A\$1.4M of Phoenix Gold acquired tax losses restricted by an available fraction of 2.7%
 - Conquest acquired tax losses are now fully utilised

Income Tax Expense Reconciliation A\$M



1. The available fraction limits the annual rate at which losses may be recouped against taxable income