

# ASX Announcement

4 June 2020

## AGREEMENT TO DIVEST CRACOW GOLD MINE FOR UP TO A\$125 MILLION

Evolution Mining Limited (ASX:EVN) (“Evolution” or the “Company”) has entered into a binding agreement with Aeris Resources Limited (ASX:AIS) (“Aeris”) to sell the Cracow gold mine in Queensland for a total consideration of up to A\$125 million. The total consideration consists of:

- A\$60 million cash payable upon completion;
- A\$15 million cash payable on 30 June 2022; and
- up to A\$50 million contingent consideration payable in the form of a 10% net value royalty, based on gross revenues less C1 direct cash costs in relation to any gold produced at Cracow in the five-year period from 1 July 2022 to 30 June 2027.

Evolution has consistently stated that a key objective of its corporate strategy is to continuously seek to upgrade the quality of its portfolio and hold six to eight assets with an average mine life of at least ten years. The sale of Cracow is consistent with this strategy and reflects the completion of the Red Lake acquisition in April 2020 and the Company’s view that Cracow has more value in the hands of Aeris than in Evolution’s portfolio.

Commenting on the transaction, Evolution Executive Chairman, Jake Klein said:

“Cracow was acquired in 2011 as part of the formation of Evolution and has been a reliable asset within the portfolio. We thank everyone at Cracow for their contribution to Evolution. One of our sustainability commitments is to leave a lasting positive legacy in the communities in which we operate and we are confident that our relationships within the broader community around Cracow, including the traditional custodians of the land, the Wulli Wulli People, reflect this. We also believe that Aeris will prove to be a great partner for the community going forward.”

The sale is expected to close around the end of June 2020. Evolution is committed to assisting Aeris to ensure a healthy, safe, smooth and orderly transition of ownership at the Cracow operations.

Treadstone Resource Partners acted as financial advisor to Evolution. Allens acted as legal advisor to Evolution.

This announcement has been authorised for release to the ASX by Executive Chairman, Jake Klein.

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### About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. Evolution operates six wholly-owned mines – Cowl in New South Wales, Cracow, Mt Carlton and Mt Rawdon in Queensland, Mungari in Western Australia, and Red Lake in Ontario, Canada. In addition, Evolution holds an economic interest in the Ernest Henry copper-gold mine in Queensland.

Evolution has guided FY20 gold production, exclusive of Red Lake’s contribution, of around 725,000 ounces at an All-in Sustaining Cost (AISC) of A\$990 per ounce. Red Lake gold production guidance for the June 2020 quarter is around 25,000 ounces at an AISC of A\$2,100 – A\$2,300 per ounce.